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# The Philippines' Voluntary National Review on the Sustainable Development Goals

*Celia M. Reyes, Jose Ramon G. Albert, Aubrey D. Tabuga,  
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on the Sustainable Development Goals

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## **Abstract**

United Nations member-states, including the Philippines, committed to the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) to "conduct regular and inclusive reviews of progress at the national and sub-national levels, which are country-led and country-driven." The Voluntary National Review (VNR) aims to facilitate the sharing of experiences, including successes, challenges and lessons learned, with a view to accelerating the implementation of the 2030 Agenda. The VNR also seeks to strengthen policies and institutions of governments and to mobilize multi-stakeholder support and partnerships for the implementation of the SDGs. In particular, this VNR report examines where the country stands in several SDGs, analyzing baseline data and recent historical data on SDG indicators, as well as other supporting indicators and identifying challenges and constraints. With the theme, "Empowering people and ensuring inclusiveness and equality", the following set of goals were reviewed in depth in this report: SDG 4 (quality education), SDG 8 (decent work and economic growth), SDG 10 (reduced inequalities), SDG 13 (climate action), SDG 16 (peace, justice and strong institutions), and SDG 17 (partnerships).

**Keywords:** Sustainable Development Goals; Voluntary National Review; quality education; decent work and economic growth; reduced inequalities; climate action; peace, justice and strong institutions; partnerships

## **Acknowledgement**

As we move further towards achieving the targets set about by the Sustainable Development Goals, it becomes evident that a whole-of-society approach is what will move the Philippines into becoming a country that leaves no one behind. In this same line, the drafting of the 2019 Voluntary National Review (VNR) report was truly a herculean effort, made possible only through the resources, insights and passions of a vast array of institutions from the public and private spheres.

In particular, the VNR research team of the Philippine Institute for Development Studies (PIDS) would like to thank the Social Development Staff of the National Economic Development Authority (NEDA-SDS) for entrusting PIDS with the drafting the country's VNR report for 2019. They have been a constant pillar of guidance and support throughout the entire VNR process.

The PIDS team would also like to thank the United Nations Children's Fund (UNICEF) for their generous and unrelenting support in both the crafting and the dissemination of the VNR across the country. Our partnership between NEDA-SDS and UNICEF has enabled the institute to reach out to various people and organizations that represented diverse sectors and advocacies that led to a more holistic and comprehensive examination of the nation's situation.

Finally, the PIDS team would like to extend its utmost gratitude to the various departments and national government agencies (NGAs), regional offices of departments and NGAs, local government units, civil service organizations, academe and other stakeholders for lending their experience and expertise in the issues and themes that encompass the message of the VNR. The report has been made stronger by the weaving of diverse perspectives into the overall narrative of the country regarding our commitment to the SDGs.

In sum, beyond being a national report, the VNR report paints a clear, comprehensive image of where the country is in line with sustainable development. Moving forward, may this report serve as a celebration of our achievements, a reminder of the immense work that must be accomplished, and a foundation on which we will surge ever forward towards a prosperous and inclusive society.

## Table of Contents

<b>Executive Summary .....</b>	<b>1</b>
<b>Introduction .....</b>	<b>5</b>
The Philippines' VNR Process .....	6
SDG Coordination .....	7
SDG Monitoring .....	8
SDG Targets .....	10
PIDS SDG-related Studies .....	11
<b>The Sustainable Development Goals in the Philippines .....</b>	<b>14</b>
Goal 1. No Poverty .....	14
Goal 2. No Hunger .....	14
Goal 3. Good Health and Well-Being .....	14
Goal 5. Gender Equality .....	15
Goal 6. Clean Water and Sanitation .....	15
Goal 7. Affordable and Clean Energy .....	15
Goal 9. Industry, Innovation and Infrastructure .....	16
Goal 11. Sustainable Cities and Communities .....	16
Goal 12. Responsible Consumption and Production .....	16
Goal 14. Life Below Water .....	16
Goal 15. Life on Land .....	16
<b>Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all .....</b>	<b>17</b>
Target 4.1. By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes .....	17
Target 4.2. By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education .....	24
Target 4.3. By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university .....	26
Target 4.4. By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship .....	32
Target 4.5. By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations .....	34
Target 4.6. By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy .....	37
Target 4.a. By 2030, build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all .....	39
Target 4.c. By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially least developed countries and small island developing States .....	41

<b>Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</b> .....	<b>43</b>
Target 8.1. Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries.....	43
Target 8.2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors .....	48
Target 8.5. By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value .....	51
Target 8.6. By 2020, substantially reduce the proportion of youth not in employment, education or training .....	56
Target 8.8. Protect labor rights and promote safe and secure working environment for all workers, including migrant workers, in particular women migrants, and those in precarious employment .....	58
Target 8.9. By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products .....	61
Target 8.10. Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.....	62
<b>Goal 10. Reduce inequality within and among countries</b> .....	<b>65</b>
Target 10.1. By 2030, progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average .....	65
Target 10.2. By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status .....	68
Target 10.4. Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality .....	76
Target 10.5. Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations.....	78
Target 10.6. Ensure enhanced representation and voice for developing countries in decision-making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions.....	81
Target 10.a. Implement the principle of special and differential treatment for developing countries, in particular least developed countries, in accordance with World Trade Organization agreements .....	82
Target 10.b. Encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest, in particular least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes .....	86
<b>Goal 13. Take urgent action to combat climate change and its impacts</b> .....	<b>98</b>
Target 13.1. Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.....	100
13.1.1. Number of deaths, missing persons and directly affected persons attributed to disasters per 100,000.....	101
13.1.2. Number of countries that adopt and implement national disaster risk reduction strategies in line with the Sendai Framework for Disaster Risk Reduction 2015-2030	102
Target 13.2. Integrate climate change measures into national policies, strategies and planning.....	103

<b>Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels .....</b>	<b>105</b>
Target 16.1. Significantly reduce all forms of violence and related death rates everywhere .....	105
Target 16.5. Substantially reduce corruption and bribery in all their forms.....	112
Target 16.6. Develop effective, accountable and transparent institutions at all levels ..	114
Target 16.7. Ensure responsive, inclusive, participatory and representative decision-making at all levels .....	119
Target 16.8 Broaden and strengthen the participation of developing countries in the institutions of global governance.....	120
Target 16.9. By 2030, provide legal identity for all, including birth registration .....	123
Target 16.10. Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.....	123
<b>Goal 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development.....</b>	<b>125</b>
Target 17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection.....	125
Target 17.3. Mobilize additional financial resources for developing countries from multiple sources.....	125
Target 17.4 Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress .....	127
Target 17.6 Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism .....	127
Target 17.8. Fully operationalize the technology bank and science, technology and innovation capacity-building mechanism for least developed countries by 2017 and enhance the use of enabling technology, in particular information and communications technology.....	128
Target 17.9. Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the sustainable development goals, including through North-South, South-South and triangular cooperation .....	128
Target 17.18. By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts .....	129
Target 17.19. By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries .....	130
<b>Challenges and Opportunities .....</b>	<b>131</b>
<b>Recommendations .....</b>	<b>134</b>
<b>References .....</b>	<b>136</b>



## List of Tables

Table 1.	National SDG Tier 1 indicators .....	9
Table 2.	Availability and disaggregation of National SDG Tier I indicators .....	10
Table 3.	Summary of Targets for SDG indicators .....	11
Table 4.	Summary of PIDS studies related to the SDGs .....	12
Table 4.1.	Completion, cohort survival, and dropout/school leavers rates in primary and lower secondary education, public and private .....	17
Table 4.2.	Proportion (in %) of OSCY by sex and age group, 2016 and 2017 .....	20
Table 4.3.	Proportion (in %) of OSCY by reasons for not attending school, sex and age group, 2017 .....	21
Table 4.4.	Number of learners in the different programs of DepEd, 2017 .....	22
Table 4.5.	Balik-Aral Learners.....	23
Table 4.6.	Enrolment statistics for Senior High School, 2016-2018 .....	27
Table 4.7.	TVET enrollees and graduates, by priority sectors, 2017 .....	33
Table 4.8.	Number of schools in the Philippines, SY 2017-2018 and SY 2018-2019.....	35
Table 4.9.	Special Technical and Vocational Education Training programs .....	37
Table 4.10.	2017 Physical accomplishments of DepEd on the provision of basic education facilities .....	40
Table 8.1.	Government strategies for the agriculture, forestry and fisheries sector .....	45
Table 8.2.	Government strategies for the industry and services sectors.....	47
Table 8.3.	Government strategies on employability and income-earning potential of individuals .....	55
Table 8.4.	Physical accomplishments of DOLE employment facilitation programs, 2016-2018.....	56
Table 8.5.	Number of families served by SLP, by year and track .....	56
Table 8.6.	Physical accomplishments of DOLE employment facilitation programs targeted to the youth, 2016-2018.....	58
Table 8.7.	Occupational injuries indicators, 2011-2015.....	58
Table 8.8.	Physical accomplishments of DOLE employment preservation and regulation programs, 2016-2018 .....	59
Table 8.9.	Physical accomplishments of DOLE programs for a more focused and accessible social protection, 2016-2018.....	60
Table 8.10.	Physical accomplishments of DOLE programs for strong protection and security of OFWs, 2016-2018.....	60
Table 8.11.	Strategic directions and programs under the NTDP 2016-2022.....	62
Table 10.1.	Selected statistics on income inequality and (per capita) income distribution in the Philippines.....	66
Table 10.2.	Poverty incidence (in %) of basic sectors, 2015.....	69
Table 10.3.	Selected financial soundness indicators, baseline data and targets for 2030....	79
Table 10.4.	Current Membership and Voting Rights of the Philippines in International Organizations .....	81
Table 10.5.	Proportion of tariff lines applied to imports from LDCs and developing countries with zero-tariff .....	83
Table 10.6.	Percentage of tariff lines with imports at zero duty and value of imports.....	84
Table 10.7.	Net FDI by industry (% share to net equity other than reinvestment of earnings; BPM6 concept) .....	88
Table 13.1.	Tier classification of SDG 13 indicators at the global and national level.....	99
Table 16.1.	Proportion of total government spending on essential services, in thousands of pesos (2016) .....	115
Table 16.2.	Proportion of total government spending on essential services, in thousands of pesos (2017).....	116
Table 16.3.	Current membership and voting rights of the Philippines in international organizations.....	121

## List of Figures

Figure 4.1.	Regional completion rates in primary and secondary education, 2017 .....	18
Figure 4.2.	Regional cohort survival rates in primary and secondary education, 2017.....	18
Figure 4.3.	Regional dropout rates in primary and secondary education, 2017 .....	19
Figure 4.4.	Proportion of out-of-school children and youth among family members 6 to 24 years old, by income decile .....	20
Figure 4.5.	NAT (Grade 6) results in mean percentage score, 2017-2018.....	23
Figure 4.6.	NAT (Grade 10) results in mean percentage score, 2017-2018.....	24
Figure 4.7.	Net enrolment rate in kindergarten, 2010-2017 .....	25
Figure 4.8.	Regional net enrolment rates in kindergarten, 2016-2017 .....	26
Figure 4.9.	Enhanced basic education program in the Philippines.....	27
Figure 4.10.	Enrollees and graduates of TVET programs.....	28
Figure 4.11.	TESDA training output by delivery mode, 2017-2018 .....	28
Figure 4.12.	Regional TESDA training output, 2017 .....	29
Figure 4.13.	Enrollees and graduates in higher education, by type of HEI, 2010-2017 .....	29
Figure 4.14.	TVET certification rate, 2011-2018 .....	30
Figure 4.15.	Total number of TVET learners assessed and certified, by region, 2017 .....	31
Figure 4.16.	Passing rates in licensure exams across all disciplines, 2005-2017 .....	31
Figure 4.17.	Total number of enrollees and graduates across priority disciplines in HEIs, 2016-2017 .....	34
Figure 4.18.	Passing rates in licensure exams in priority disciplines, 2010-2017 .....	34
Figure 4.19.	Ratio of females to males in basic and tertiary education, 2006-2017 .....	35
Figure 4.20.	Regional enrolment and graduation in TESDA scholarship programs, 2017..	37
Figure 4.21.	Simple and functional literacy rates, 1989-2013 .....	38
Figure 4.22.	Regional simple and functional literacy rates, 2013.....	39
Figure 4.23.	Functional literacy rate, by highest educational attainment and by sex, 2013	39
Figure 4.24.	Proportion of schools with access to various facilities, 2016 .....	40
Figure 4.25.	Faculty qualification in higher education, 2005-2017 .....	42
Figure 8.1.	GDP by industrial origin at constant 2000 prices and growth rates, 2000-2018.....	43
Figure 8.2.	Real GDP growth rates, by industrial origin and expenditure shares, 2017- 2018.....	44
Figure 8.3.	Per-capita real GDP and growth rate, 2000-2018.....	44
Figure 8.4.	Regional per-capita real GDP, 2017-2018.....	45
Figure 8.5.	Labor productivity growth rates, 2000-2018.....	48
Figure 8.6.	Labor productivity in industry sector: 2000-2017.....	49
Figure 8.7.	Labor productivity in agriculture sector: 2000-2017 .....	49
Figure 8.8.	Labor productivity in services sector: 2000-2017 .....	50
Figure 8.9.	Regional labor productivity, 2016-2017 .....	50
Figure 8.10.	Labor force, by sex and by age group, 2010-2017.....	51
Figure 8.11.	Labor force participation rate, by sex, 2000-2017 .....	51
Figure 8.12.	Employed persons in major sectors, by sex, 2015-2017.....	52
Figure 8.13.	Unemployment rate, by sex, 2005-2017 .....	52
Figure 8.14.	Regional unemployment rates, 2017-2018 .....	53
Figure 8.15.	Underemployment rate, by sex, 2005-2017 .....	53
Figure 8.16.	Underemployment rate in the major sectors, 2005-2017 .....	54
Figure 8.17.	Average real daily basic pay (in PHP) in the major sectors, 2005-2017 (2006=100).....	54
Figure 8.18.	Youth (aged 15 to 24 years) not in education or employment, by sex, 2006-2017 .....	57
Figure 8.19.	Growth rate and share of tourism direct gross value-added to GDP, 2000-2017.....	61
Figure 8.20.	Employment in the tourism sector .....	61
Figure 8.21.	Financial access indicators (number per 100,000 adults*), 2012-2017 .....	63

Figure 8.22.	Regional financial access indicators (number per 100,000 adults*), 2017 .....	63
Figure 8.23.	Proportion of adults* with an account at a bank or other or other financial institution or with a mobile money-service provider, 2011-2017 .....	64
Figure 10.1.	Annual growth (%) of household income per capita of bottom 40% and total population: 1988-2015.....	65
Figure 10.2.	Gini income inequality index, by region: 2003, 2009, and 2015 .....	67
Figure 10.3.	Average annual per capita income in thousands at current prices, by region: 2003, 2009 and 2015 .....	67
Figure 10.4.	Proportion of Filipinos living below 50% of median income (%) .....	68
Figure 10.5.	Proportion of Filipinos with incomes below the national poverty line (%), 2006-2015.....	69
Figure 10.6.	Proportion of Filipinos with incomes below the half of the median per capita income, by region (%), 2006 and 2015.....	70
Figure 10.7.	Proportion of Filipinos below half of the median per capita income, by urban and rural areas (%), 2006-2015.....	70
Figure 10.8.	Proportion of Filipinos below half the median per capita income by sex, 2006-2015.....	71
Figure 10.9.	Proportion of Filipinos in poverty, by age group.....	71
Figure 10.10.	Labor share of GDP, 2009 to 2030.....	76
Figure 10.11.	Average daily basic pay, by major sector (PHP, current prices) .....	77
Figure 10.12.	Non-Performing Asset (NPA) and Non-Performing Loan (NPL) Coverage Ratios, 2008 - 2016 .....	79
Figure 10.13.	Return on Assets (ROA) and Return on Equity (ROE): 2008-2016.....	80
Figure 10.14.	National government debt (% to GDP), 2012-2017.....	80
Figure 10.15.	Total imports and exports (January - October) in FOB value (in USD million) .....	84
Figure 10.16.	Balance in trade goods (January - October) in FOB value (in USD million) ...	85
Figure 10.17.	Trade balance (January - October) in FOB value (in USD million).....	85
Figure 10.18.	Total resource flows for development (in USD million) .....	86
Figure 10.19.	ODA Loans and Grants Supporting the SDGs (in USD million) .....	87
Figure 13.1.	World Risk Index 2018 .....	99
Figure 13.2.	Number of natural disaster events, by type of disaster, 2003-2015 .....	100
Figure 13.3.	Number of deaths, missing persons and affected persons .....	101
Figure 13.4.	Proportion of local governments that adopt and implement local disaster risk reduction strategies in line with national disaster risk reduction strategies (as of 2017).....	103
Figure 16.1.	Number of murder and homicide cases, 2009-2018 .....	105
Figure 16.2.	Murder and homicide cases by type, 2009-2018 .....	106
Figure 16.3.	Murder cases by region, 2009 and 2014 .....	106
Figure 16.4.	Homicide cases by region, 2009 and 2014.....	107
Figure 16.5.	Index crimes by year, 2009 to 2016.....	108
Figure 16.6.	Crimes against persons by region, 2009 and 2014.....	108
Figure 16.7.	Number of physical injury cases, 2009 to 2016 .....	109
Figure 16.8.	Number of physical injury cases by region, 2009 and 2014 .....	109
Figure 16.9.	Number of rape cases, 2009 to 2016.....	109
Figure 16.10.	Number of rape cases by region, 2009 and 2014.....	110
Figure 16.11.	Percentage of families asked for bribe during government transactions, by type of service .....	113
Figure 16.12.	Corruption perception index (Philippines), 2012 to 2017 .....	113
Figure 16.13.	Perceptions on the extent of corruption in the public sector.....	114
Figure 16.14.	Primary government expenditure as a proportion of original approved budget, by sector: 2015 to 2017 .....	115
Figure 16.15.	Proportion of women in national parliaments, 2000 to 2018 .....	120
Figure 16.16.	Proportion of women in local government units, 2001 to 2018.....	120
Figure 16.17.	Proportion of children under 5 years of age whose births have been registered with a civil authority.....	123

Figure 17.1.	Total government revenue as a proportion of GDP (%) .....	125
Figure 17.2.	Volume of remittances as a proportion of GDP (%) .....	126
Figure 17.3.	Debt service as a proportion of exports of goods and services (%) .....	127
Figure 17.4.	Proportion of population with exposure to Internet (%) .....	128
Figure 17.5.	Dollar value of financial and technical assistance (including through North-South, South-South and triangular cooperation) committed to the Philippines (in US dollars) .....	129

## List of Acronyms

AANZFTA	ASEAN-Australia-New Zealand Free Trade Area
ABM	Accountancy, Business and Management
ACFTA	ASEAN-China Free Trade Area
ADB	Asian Development Bank
ADM	Alternative Delivery Mode
ADSDPP	Ancestral Domain Sustainable Development and Protection Plan
AIFTA	ASEAN-India Free Trade Area
AIR-TIP	Assistance to Illegal Recruitment and Trafficking-in-Persons
ALS	Alternative Learning System
APIS	Annual Poverty Indicator Survey
ARMM	Autonomous Region of Muslim Mindanao
ASEAN	Association of South East Asian Nations
ATIGA	ASEAN Trade in Goods Agreement
ATM	Automated Teller Machine
BSP	Bangko Sentral ng Pilipinas
CACW	Competency Assessment and Certification for Workers
CADT	Certificate of Ancestral Domain Title
CAR	Cordillera Administrative Region
CAT	Competency Assessment Tool
CCC	Climate Change Commission
CCT	Conditional Cash Transfer
CDD	Community-Driven Development
CHED	Commission on Higher Education
CHR	Commission on Human Rights
COD	Center of Development
COE	Center of Excellence
CRED	Centre for Research on the Epidemiology of Disasters
CSO	Civil Society Organization
DA	Department of Agriculture
DAR	Department of Agrarian Reform
DBM	Department of Budget and Management
DENR	Department of Environment and Natural Resources
DepEd	Department of Education
DeWS	Decent Work Statistics
DILG	Department of Interior and Local Governments
DILP	DOLE Integrated Livelihood Program
DO	Department Order
DOF	Department of Finance
DOLE	Department of Labor and Employment
DOLE-AMP	DOLE Adjustment Measures Program

DOT	Department of Tourism
DPWH	Department of Public Works and Highways
DSWD	Department of Social Welfare and Development
ECOSOC	United Nations Economic and Social Council
EM-DAT	Emergency Event database
EO	Executive Order
ESGP-PA	Expanded Student's Grants-in-Aid Program for Poverty Alleviation
FDI	Foreign Direct Investment
FIES	Family Income and Expenditure Survey
FIRe	Fourth Industrial Revolution
FLEMMS	Functional Literacy, Education and Mass Media Survey
FSP	Financial Service Provider
GAS	General Academic Strand
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GFI	Government Finance Institution
GIP	Government Internship Program
GOCC	Government Owned and Controlled Corporation
HEI	Higher Education Institution
HLPF	High Level Political Forum
HUMSS	Humanities and Social Sciences
i3S	Inclusive Innovation Industrial Strategy
IAEG	Inter-Agency Expert Group
IBRD	International Bank for Reconstruction and Development
ICT	Information and Communications Technology
IFC	International Finance Corporation
IMF	International Monetary Fund
IP	Indigenous People
IPCC	Intergovernmental Panel on Climate Change
IPRA	Indigenous People's Rights Act
KC-NCDDP	Kalahi CIDSS – National Community-Driven Development Program
LCCAP	Local Climate Change Action Plans
LDC	Least Developed Country
LDRRMP	Local Disaster risk Reduction and Management Plan
LEES	Labor and Employment Education Services
LFS	Labor Force Survey
LGU	Local Government Unit
LIS	Learner Information System
LUCs	Local Universities and Colleges
MCCT	Modified Conditional Cash Transfer
MDGs	Millennium Development Goals
MSME	Micro, Small and Medium Enterprises

MTB-MLE	Mother Tongue-Based Multilingual Education
NAPC	National Anti-Poverty Commission
NAT	National Achievement Test
NCCAP	National Climate Change Action Plan
NCIP	National Commission on Indigenous People
NCR	National Capital Region
NDC	Nationally Determined Contributions
NDRRM	National Disaster Risk Reduction and Management
NDRRMC	NDRRM Council
NDRRMP	NDRRM Plan
NEDA	National Economic and Development Authority
NEE	Not in Education or Employment
NG	National Government
NPA	Non-Performing Assets
NPL	Non-Performing Loan
NTDP	National Tourism Development Plan
ODA	Official Development Assistance
OFW	Overseas Filipino Worker
OHS	Open High School
OHS	Open High School
OSCY	Out-of-school Children and Youth
OSH	Occupational Safety and Health
4Ps	Pantawid Pamilyang Pilipino Program
PDP	Philippine Development Plan
PESFA	Private Education Student Financial Assistance
PESO	Public Employment Service Office
PHP	Philippine Peso
PIDS	Philippine Institute for Development Studies
PIP	Public Investment Program
PNP	Philippine National Police
POCs	Persons of Concern
PSA	Philippine Statistics Authority
PSS	Philippine Statistical System
PWDs	Persons with Disability
RA	Republic Act
RDP	Regional Development Plan
RM	Results Matrix
ROA	Return on Assets
ROE	Return on Equity
SDGs	Sustainable Development Goals
SEnA	Single Entry Approach program
SER	Socio-Economic Report

SHS	Senior High School
SLP	Sustainable Livelihood Program
SocPen	Social Pension
SpEd	Special Education
SpeED	Speedy and Efficient Delivery of Labor Justice
SPES	Special Program for the Employment of Students
SPT	Special and Differential Treatment
STEM	Science, Technology, Engineering and Mathematics
STEP	Special Training for Employment Program
STR	Student-teacher ratio
StuFAP	Student Financial Assistance Program
SUCs	State Universities and Colleges
SY	School Year
TES	Tertiary Education Subsidy
TESDA	Technical Education and Skills Development Authority
TR	Training Regulation
TTWS	Two-Tiered Wage System
TUPAD	Tulong Panghanapbuhay sa Ating Disadvantaged / Displaced Workers (Emergency Employment Program)
TVET	Technical and Vocational Education and Training
TVIs	Technical-vocational institutions
TVL	Technical-Vocational-Livelihood
TWSP	Training for Work Scholarship Program
UN	United Nations
UNDP	United Nations Development Programme
UNGA	United Nations General Assembly
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNRISD	United Nations Research Institute for Social Development
UNSC	United Nations Statistical Commission
VNR	Voluntary National Review
WODP	Workers Organization Development Program
WRI	World Risk Index
WTO	World Trade Organization



## Executive Summary

In September 2015, the Philippines, together with 192 other United Nations member states, committed to achieving the 17 Sustainable Development Goals (SDGs) and their concomitant 169 targets by 2030. The SDGs are described as a “universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity” (United Nations Development Programme (UNDP) n.d.). The Global Goals extend the unfinished agenda of the Millennium Development Goals (MDGs), and put forward a more ambitious number and coverage of goals and targets across economic, social, environmental, and governance dimensions of development, which are at sync with the 2017-2022 Philippine Development Plan (PDP) and the country’s long-term aspirations articulated in *AmBisyon Natin 2040* (National Economic and Development Authority (NEDA) 2017; NEDA 2016).

Executive Order (EO) 27, series of 2017 entitled “Directing all government agencies and instrumentalities, including local government units to implement the Philippine Development Plan and Public Investment Program for the Period of 2017-2022” includes the 2030 Agenda for Sustainable Development as basis for the crafting of the PDP 2017-2022 alongside the Philippine’s Long-Term Vision (or the *AmBisyon Natin 2040*), and the President’s 0 to 10 Point Socio-Economic Agenda.

The PDP serves as the de facto roadmap for implementing the SDGs in the Philippines, with the 17 Global Goals being integrated in the different chapters of the PDP. The country has taken a unified approach in the implementation of the SDGs, making use of existing mechanisms and structures both at the national and local level. Meanwhile, the attainment of the SDGs should pave the way for the achievement of *AmBisyon Natin 2040*, which represents the collective long-term vision and aspirations of the Filipino people for themselves and for the country up to 2040. Lastly, the President’s 0 to 10 Point Socio-Economic Agenda puts emphasis on regional or subnational equality and the improvement of the access to services at the rural areas, which is coherent with the SDG’s core tenet of leaving no one behind.

Since the adoption of the SDGs, the Philippine government has carried out several activities related to setting up the policy and enabling environment for the implementation of the SDGs. The Philippine Statistics Authority (PSA) has spearheaded the compilation of indicators for national monitoring of the SDGs. Meanwhile, the National Economic and Development Authority (NEDA), as the cabinet-level agency responsible for economic development and planning, looks into synergies of the SDG indicator framework vis-à-vis monitoring of the country’s medium- and long-term development plans.

Further activities have also been conducted regarding compilation and analysis of data for monitoring the country’s conditions on the SDGs. All concerned government agencies have been enjoined to provide the necessary data support for monitoring the SDGs, while the PSA is designated as the official repository of SDG indicators for the country.

By virtue of PSA Board Resolution No. 09, series of 2017, the PSA Board (which is the highest policy-making body on statistical matters) approved in May 2017 the list of 155 preliminary National SDG Tier 1 indicators, composed of 102 SDG global indicators as well as 28 proxy and 25 supplementary indicators. This list of National SDG indicators is based on multi-stakeholder workshops with SDG stakeholders, including academia, research institutions, and civil society organizations (CSOs), as well as bilateral consultations of PSA with data

producers in government. The following indicators were selected based on their availability in the entire Philippine Statistical System.

This report discusses the Philippines' conditions and pace of progress towards achievement of the SDGs. Particular focus is given to the Global Goals on education (SDG 4), decent work and economic growth (SDG 5), inequalities (SDG 10), climate action (SDG 13), peace, justice and strong institutions (SDG 16), and partnerships (SDG 17).

**On the pursuit of quality education**, various performance indicators in basic education, such as completion and cohort survival rates, have significantly improved in the past 10 years, and together with this, dropout rates are declining. However, there are gaps in outputs and outcomes pertaining to secondary education. Furthermore, performance in basic education varies considerably by region according to the state of regional development. The Department of Education provides opportunities for everyone to access basic education, including those likely to dropout and those who have dropped out of school through Alternative Delivery Modes and the Alternative Learning System.

The country is also making headway in access to both technical-vocational education and training (TVET), as well as higher education. The Technical Education and Skills Development Authority continues to implement training programs in over 4,000 TVET institutions, while higher education is provided through 2,353 higher education institutions (HEIs) and satellite campuses. Meanwhile, greater gains in enrollment for TVET and tertiary courses is expected given the passage of the Republic Act (RA) No. 10931 or the Universal Access to Quality Tertiary Education Act. The bigger challenge the country faces is ensuring that education services provided to learners is of quality. Further, the country also faces challenges in ensuring education is made truly inclusive: while gender disparities in access to basic education, especially at the primary level, are not strong, the gender gap widens (in favor of girls) as children age.

**On decent work and economic growth**, while the country has seen robust GDP growth rate for the seventh straight year last 2018, this growth has been largely fueled by the service sector. As the country strives to sustain economic growth through added support to the agricultural sector, and through attaining free trade and other agreements that will further bolster industry and service sectors, it will be important for us to see the changing landscape fueled by emerging technologies of the Fourth Industrial Revolution.

Regarding indicators of the labor market, growth of labor productivity in 2017 has been the fastest since 2000. Meanwhile, unemployment registered the lowest rate since 2005. However, the jobs agenda continues to be a pressing issue given the high underemployment rates in the country, which suggests that a considerable proportion of those employed are looking for extra jobs or other jobs, and that the quality of jobs in the country needs improvement.

Due to the structure of the Philippine economy where most of the dynamic sectors (e.g. manufacturing and information technology) have not reached their full potential, there is a need to ensure implementation of the government's Inclusive Innovation Industrial Strategy (i3S), which aims to: (1) build new industries, clusters and agglomeration, (2) ensure growth and development of Micro, Small and Medium Enterprises (MSMEs), and (3) strengthen human resources. Provision of full and productive employment and decent work must also not be the sole responsibility of the Department of Labor and Employment (DOLE). This should employ a whole of government approach involving various concerned agencies. Lastly, there is a need

to prepare industries (especially MSMEs) and people for the age of technological disruption. Aside from investing in research and development, it is also important for these investments to be complemented by appropriate skills for the country's human capital.

**On reducing inequalities**, the country has recently seen gains, since average per capita income of the bottom 40% of the population is growing faster than that of the general population. However, regional income disparities are stark and disproportional development is also seen in the profile and trends on relative poverty rates. Moreover, poverty remains to be a rural phenomenon since more residents in the rural areas have incomes below half the median income compared to those in urban areas.

The government continues to provide social protection, community development and employment programs geared toward inclusive development. This includes the conditional cash transfer program also known as the Pantawid Pamilyang Pilipino Program (4Ps), the Sustainable Livelihood Program (SLP), and *Kapit-Bisig Laban sa Kahirapan*-Comprehensive and Integrated Delivery of Social Services (*Kalahi-CIDSS*), among others.

**On climate action**, the Philippines is highly exposed to natural disasters, with the country ranking consistently at 3<sup>rd</sup> place among 172 countries assessed in the World Risk Index from 2015 to 2018. Despite this vulnerability, trends in disasters have largely been decreasing, except for a spike in 2013 due to super-typhoon Yolanda.

The country stands to greatly benefit from a coherent disaster risk management policy, particularly with the passage of the Disaster Risk Reduction and Management Act of 2010 that mandated the crafting and implementation of the National Disaster Risk Reduction and Management Plan (NDRRMP). Institutional roadblocks persist however in the implementation of the NDRRMP. Hitherto, only 8 out of the 17 regions have all local government units that have made local DRMMs. Moreover, the Climate Change Act of 2009 has led to the establishment of the Climate Change Commission, while Executive Order (EO) No. 174 established the Philippine Greenhouse Gas Inventory Management and Reporting System (PGHGIMRS), allowing the country to achieve sustainable and climate resilient development. In line with these policies, efforts must be made to strengthen institutional arrangements that implement these policies sustainably.

**On peace, justice and strong institutions**, the country's initiatives against violence has been mixed. Whereas both the number of murder and homicide cases decreased from 2009 to 2018, an increase in rape cases has been observed. This trend, however, must be verified, i.e., efforts should be made to determine if the increase is due to increased occurrences of rape, or increased reports. Furthermore, while data shows slight decreases in small scale corruption, the perception of overall corruption in the country has remained relatively constant.

With regard to this, the government continues to exert efforts at improving the information ecosystem especially given the policy for access to information. EO 2, alongside continued efforts to make freedom of information into legislation, have shown the country's commitment to granting Filipinos access to public information.

**On partnerships**, the country has continued to exhibit strong fiscal management, with government revenues in relation to the gross domestic product (GDP) increasing from 2010 to 2017. Debt servicing as a proportion of exports has also decreased during the same period.

There have also been improvements in the levels of financial and technical assistance to the country due to the increase in Official Development Assistance (ODA) from 2006 to 2015.

# The Philippines' voluntary national review on the Sustainable Development Goals

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## Introduction

In September 2015, the Philippines, together with 192 other United Nations (UN) member states, committed to achieving the 17 Sustainable Development Goals (SDGs) and their 169 targets by 2030. The SDGs, also called the Global Goals, have a range of economic, social, environmental, and governance aims that are at sync with the 2017-2022 Philippine Development Plan (PDP) and the country's long-term aspirations articulated in *AmBisyon Natin 2040*<sup>1</sup> (National Economic and Development Authority (NEDA) 2017; NEDA 2016). The SDGs are ambitious and transformative. They work toward reaching zero poverty and leaving no one behind as the world treads its development path. The 17 SDGs, 169 targets and 232 indicators<sup>2</sup> for monitoring of the Global Goals goes beyond the predecessor global agenda, the Millennium Development Goals (MDGs), which had 8 goals, 21 concomitant targets, and 60 indicators.

The Philippines, along with 50 other countries, is presenting a Voluntary National Review (VNR) of the SDGs in the 2019 High-Level Political Forum (HLPF) on Sustainable Development to be held in New York from July 9 to 18, 2019. Of the 51 UN member states presenting their VNRs, ten of them, including the Philippines, are presenting for the second time. The 2019 VNRs are focusing largely on six of the SDGs: quality education (Goal 4); decent work and economic growth (Goal 8); reduced inequalities (Goal 10); climate action (Goal 13); peace, justice and strong institutions (Goal 16), and; partnership for the goals (Goal 17).

The SDGs present a bold commitment to finish what have been started through the MDGs. The Global Goals are described as a “universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity” (United Nations Development Programme (UNDP) n.d.). The Philippines continues its commitment to attain the SDGs by 2030, if not sooner, especially as the Global Goals are at sync with the country's development plans and long-term aspirations for 2040. This report discusses the Philippines' conditions and pace of progress towards achievement of the SDGs.

Since the adoption of the SDGs, the Philippine government has carried out several activities related to setting up the policy and enabling environment for the implementation of the SDGs. Further activities have also been conducted regarding compilation and analysis of data for monitoring the country's conditions on the SDGs. NEDA, as the cabinet-level agency responsible for economic development and planning, looks into synergies of the SDG indicator framework vis-à-vis monitoring of the country's medium- and long-term development plans.

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<sup>1</sup> *AmBisyon* is a portmanteau of “ambition” and “vision”. *AmBisyon Natin* translates to “our ambition-vision”.

<sup>2</sup> For monitoring of the Global Goals, a framework of 230 indicators was proposed by the Inter-Agency Expert Group (IAEG) on SDGs; and subsequently approved by the UN Statistical Commission (UNSC) in March 2016. The 2016 IAEG was chaired by Mexico and co-chaired by the Philippines. Upon recommendation of the IAEG-SDGs, a revised set of 232 indicators was approved by the UNSC in March 2017, with 226 of the original 230 indicators either retained, reworded, or modified; 1 deleted, 5 replaced by new indicators; and 2 new indicators added.

All concerned government agencies have been enjoined to provide the necessary data support for monitoring the Global Goals. The Philippine Statistics Authority (PSA), an attached agency of NEDA, is designated as the official repository of SDG indicators for the country. The Philippine Institute for Development Studies (PIDS), the government's think tank which is functionally attached to NEDA, has been tasked to assist in drafting the 2019 Philippine VNR report. Funding assistance for the crafting of this VNR has been provided by the United Nations Children's Fund (UNICEF).

### *The Philippines' VNR Process*

The 2019 VNR of the Philippines consists of three key phases. The initial phase comprises a series of activities spearheaded by the PSA, which compiles indicators for national monitoring of the SDGs. PSA Board Resolution No. 09, Series of 2017, identified a list of 155 national Tier 1 SDG indicators based on multi-stakeholder workshops with SDG stakeholders, including academia, research institutions, and civil society organizations (CSOs), as well as bilateral consultations of PSA with statistics producers in government.

The second phase of the VNR focused on the generation of numerical targets for the national SDG indicators. From October 8 to 10, 2018, the NEDA convened various government agencies to determine provisional numerical targets. National government agencies that are directly responsible for the SDGs provided their inputs, including SDG-related data, during this activity. The provisional numerical targets were later presented to a wider set of SDG stakeholders, including CSOs, for validation during a workshop held on November 28 to 29, 2018 facilitated and organized by the PIDS. During this event, several government agencies also presented their current and planned programs in support of achieving the SDGs. While the numerical targets for most of the 155 national SDG indicators were finalized, roughly a third had to undergo review because some were deemed not relevant while others did not actually have any available data. The validation workshop likewise found that pertinent disaggregation by sex, age, geographic location, income group, age group, disability status, ethnicity status, and migratory status is a challenge for most national SDG indicators.

The third phase of the VNR process pertains to the preparation of a draft zero of the VNR report, the gathering of feedback from various stakeholders on the zero draft, the conduct of dissemination and validation workshops, and the finalization of the VNR report. The 2019 VNR report provides an assessment of the country's performance with respect to Goals 4, 8, 10, 13, 16, and 17. The method for examining the performance of the country with respect to these Global Goals is to evaluate the historical trends of the indicators against the national and global numerical targets. Further, the analysis is strengthened by an examination of other available relevant indicators. Where data are available, the analysis is extended to the regional level. To ensure that the zero draft of the VNR report is validated, PIDS made the report available not only to major partner agencies (NEDA and PSA), but also to other government agencies and SDG stakeholders. Further, the government think-tank also conducted four regional consultation workshops in Metro Manila, Luzon (outside of Metro Manila), Visayas and Mindanao. Workshop participants included representatives from the key government agencies, local governments, CSOs, and the private sector in all the regions in each of the country's major islands. The four regional workshops were meant to: (1) validate regional-level data; (2) gather insights on what else can be done to achieve the SDGs, and; (3) obtain and document best practices at the local level on SDG-related initiatives. The PIDS also held a bilateral meeting with officials of the Department of Education, as well as consultations with specific groups, viz., children, labor groups, and SDG focal points (i.e. contact persons on

SDGs among national government agencies). The latter meeting with SDG focal points was organized by the PSA. One consultation with children was facilitated by UNICEF, while another was organized by Plan International. After conducting a total of four regional consultation workshops, one bilateral meeting, and three special consultative workshops, the PIDS received verbal and written comments from partner agencies and SDG stakeholders. These comments were used to finalize the 2019 VNR report.

### *SDG Coordination*

Executive Order (EO) 27, series of 2017 entitled “Directing all government agencies and instrumentalities, including local government units to implement the Philippine Development Plan and Public Investment Program for the Period of 2017-2022” mandates the following as the basis for the crafting of the 2017-2022 PDP:

- The Philippine’s Long-Term Vision entitled *AmBisyon Natin 2040*;
- The President’s 0+10 Point Socioeconomic Agenda; and
- UN Resolution No. 70/1 or the 2030 Agenda for Sustainable Development

With this EO, the 2030 Sustainable Development Agenda becomes one of the bases for the crafting of the Philippine’s medium-term national development strategy. The PDP serves as the implementation mechanism of the SDGs in the Philippines and the 17 goals are integrated in the different chapters of the PDP. In the implementation of the SDGs, the country has taken an integrative approach, which uses existing mechanisms and structures both at the national and local level. The PDP serves as the strategic development roadmap of every administrative term. It is crafted and coordinated by NEDA with consultation from different line agencies of government and other non-government stakeholders.

Meanwhile, *AmBisyon Natin 2040* represents the collective long-term vision and aspirations of the Filipino people for themselves and for the country up to 2040. It describes the kind of life that people want to live, and how the country will be. The Philippine *AmBisyon Nation 2040* states:

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

As such, it is an anchor for development planning across at least four administrations. In terms of timelines, the attainment of the SDGs, set at 2030, should pave the way for the achievement of *AmBisyon Natin 2040*. The Philippine’s long-term vision, which necessitates inter-generational equity, is consistent with the core principles of the SDGs of sustainable development and leaving no one behind. It should be noted that sustainable development requires long-term planning. Further, sustainable development also means that present development should never be at the expense of future generations. In consequence, sustainable development is a prerequisite to the Filipino *AmBisyon* of a life that is *matatag* (strongly rooted), *maginhawa* (comfortable), and *panatag* (secure).

Lastly, the President’s 0+10 Point Socioeconomic Agenda is also consistent with the SDGs. The emphasis on regional or subnational equality and the improvement of the access to services at the rural areas is coherent with the SDG’s core tenet of leaving no one behind. The “business as usual” growth process has led to unequal growth in certain regions. The President’s 0+10 Point Socioeconomic Agenda is keen on addressing this inequality to achieve broad-based

growth. The contents of this review will show that regional disparities in the Philippines are pronounced with the National Capital Region (NCR), also known as Metro Manila, and nearby CALABARZON often outpacing their regional cohorts and areas in Mindanao, often, especially the Autonomous Region of Muslim Mindanao (ARMM) or the Eastern seaboard. In moving forward with the SDGs, particular focus should be provided to address these regional disparities to reach the “last mile”.

Resolving these regional disparities would require localization of the SDGs, especially to narrow the gaps of prosperous with disadvantaged regions. The main mechanism for SDG localization is through the Regional Development Plans (RDPs). The PDP is accompanied by the RDPs which translate the national development plan to regional strategies and priorities. The RDPs, by extension of this coherence of the PDP to the SDGs, serve as the implementation mechanism of the SDGs at the regional and local levels. NEDA’s Regional Development Offices are in charge of the crafting and coordination of the RDPs.

The PDP is also accompanied by the 2017-2022 Public Investment Program (PIP), which contains a rolling list of priority programs and projects to be implemented by the national government (NG), government-owned and controlled corporations (GOCCs), government financial institutions (GFIs), and other NG offices and instrumentalities within the medium term that contribute to the achievement of the PDP. In the latest iterations of the PIP, there is a tagging with each proposed program and how it contributes to the SDGs (at the goal level).

The implementation of the PDP is monitored through the Socio-Economic Report (SER). The extent to which the PDP strategies have been implemented is reviewed through the SER. Since the PDP serves as the de facto SDG roadmap, the SER contains an SDG Annex, which will monitor the actions done by the country to contribute to the SDGs. The SDG Annex is a mapping of the correspondence of government action to the 169 targets of the SDGs. Through the SDG Annex, the policies, programs, activities, and projects that contribute to the attainment of each target is enumerated. It shall serve as an input to future SDG-related policies, programs, activities, and projects. The SDG Annex will be used to spot gaps and identify specific and deliberate government actions designed to meet each of the 2030 targets. Since the 17 Goals correspond to the different chapters of the PDP, the aim is to ensure correspondence even at the target level through the SDG Annex.

The strategies of the PDP are translated into sector-specific actions through the different sectoral plans. Many sectoral plans undergo broad-based consultations. The development of these sectoral plans is guided with the consciousness of the SDGs. For example, the development of the National Environmental Health Action Plan is based on meeting Targets 6.1 to 6.3 of the SDGs. This sectoral buy-in has led to a two-way demand between NEDA and the line agencies. NEDA enjoins the line agencies to reflect the targets of the SDGs in their sectoral plans, while line agencies push for NEDA and PSA’s assistance in the development of monitoring and evaluation systems related to the SDGs, such as implementing the necessary activities for compiling Tier 2 and Tier 3 SDG indicators. In any case, this buy-in yielded greater engagement among different government and non-government actors.

### *SDG Monitoring*

From October 2015 to May 2017, the PSA conducted several technical, multi-sectoral workshops with concerned data producers and compilers regarding the SDG indicators. Bilateral meetings were also conducted by the PSA with various data producers. This process



identified 102 SDG global indicators as well as 28 proxy and 25 supplementary indicators for a total of 155 indicators that are supposedly readily available (called Tier 1) from the entire Philippine Statistical System (PSS). As previously stated, the PDP is the implementation mechanism of the SDGs and its *de facto* roadmap. The 2017-2022 PDP Results Matrix (RM), an accompanying document of the PDP, provides a way to assess the implementation and achievement of the strategies and programs set in the PDP. Out of the 155 Tier 1 indicators of the SDGs, 68 (43.87%) are reflected in the RM.

A summary of these indicators per goal is given in **Table 1**. In May 2017, the PSA Board (the highest policy-making body on statistical matters) approved the list of 155 preliminary National SDG Tier 1 indicators. Subsequently the PSA compiled data on these indicators from its own data sources, as well from pertinent data producers. Data compilations have been available by the PSA in an information portal, called the SDG Watch. Monitoring of the SDGs presents huge challenges for the entire PSS, as well as its respective counterparts in UN member states, particularly as far as addressing data gaps, including the lack of sufficient data granularity, which poses constraints in the country's ability to monitor the progress of the ethical imperative of leaving no one behind.

**Table 1. National SDG Tier 1 indicators**

Goal	Global SDGs	Supplementary	Proxy	Total
Goal 1	7	0	11	18
Goal 2	2	2	1	5
Goal 3	13	6	4	23
Goal 4	6	9	1	16
Goal 5	8	4	3	15
Goal 6	3	2	3	8
Goal 7	4	0	0	4
Goal 8	7	0	2	9
Goal 9	5	0	0	5
Goal 10	7	0	0	7
Goal 11	3	0	2	5
Goal 12	1	0	0	1
Goal 13	4	0	0	4
Goal 14	1	0	0	1
Goal 15	10	0	1	11
Goal 16	8	2	0	10
Goal 17	13	0	0	13
<b>Total</b>	<b>102</b>	<b>25</b>	<b>28</b>	<b>155</b>

Source: Authors' compilation

In 2018, VNR activities were focused on target-setting and target validation for the National SDG Tier 1 indicators. All these activities were carried out through participatory processes in multi-stakeholder consultations and workshops. From October 8 to 10, 2018, the NEDA conducted a target-setting exercise on the National SDG Tier 1 indicators. This exercise was participated by key implementing agencies, data producers and the government think tank. A month later, the PIDS organized an SDG target validation workshop participated by representatives of various government agencies (that were engaged in the October 2018 target-setting exercise), legislative bodies, local governments, civil society organizations, multilateral organizations, and the private sector.

Prior to the setting and finalization of targets for the national SDG indicators, the actual availability of the indicators was assessed. Out of the 155 indicators, 126 indicators (or about 81.3 percent) have available baseline data, and of which, 71 have historical data (**Table 2**). Further, of these 126 indicators with available data, slightly less than a third (38) have breakdown by location, either urban/rural or regional disaggregation. Further, a total of 39 sex-disaggregated or gender-relevant indicators are available. Few of the national SDG indicators are disaggregated by migratory status, ethnicity, income groups, or other relevant sub-populations.

**Table 2. Availability and disaggregation of National SDG Tier I indicators**

Goal	With baseline data		With available level of disaggregation								Gender-relevant indicators <sup>g</sup>
	At least 1	At least 2	SEX	AGE	LOC <sup>a</sup>	MIG <sup>b</sup>	EIS <sup>c</sup>	DIS <sup>d</sup>	INC <sup>e</sup>	OTH <sup>f</sup>	
Goal 1	16	13	4	4	11	0	0	0	2	3	2
Goal 2	5	4	3	1	5	0	0	0	4	1	0
Goal 3	21	10	4	4	9	0	0	0	6	6	4
Goal 4	14	9	7	1	7	0	0	0	0	0	1
Goal 5	11	9	3	1	1	0	0	0	0	0	9
Goal 6	3	1	0	0	0	0	0	0	0	0	0
Goal 7	2	3	0	0	0	0	0	0	0	0	0
Goal 8	9	8	2	1	4	0	0	0	0	3	0
Goal 9	5	3	0	0	0	0	0	0	0	0	0
Goal 10	6	2	0	0	0	0	0	0	0	0	0
Goal 11	5	1	0	0	0	0	0	0	0	0	0
Goal 12	1	0	0	0	0	0	0	0	0	0	0
Goal 13	4	1	0	0	0	0	0	0	0	0	0
Goal 14	1	0	0	0	0	0	0	0	0	0	0
Goal 15	4	1	0	0	0	0	0	0	0	0	0
Goal 16	7	4	1	0	1	0	0	0	0	0	0
Goal 17	12	2	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>126</b>	<b>71</b>	<b>24</b>	<b>12</b>	<b>38</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>13</b>	<b>16</b>

Notes: <sup>a</sup> LOC = location or spatial disaggregation (e.g. urban/rural, regional, provincial)

<sup>b</sup> MIG = migration status

<sup>c</sup> EIS = ethnicity and indigenous status

<sup>d</sup> DIS = disability status

<sup>e</sup> INC = income quintiles or deciles

<sup>f</sup> OTH = others

<sup>g</sup> Indicators that are not sex disaggregated, but gender-relevant (e.g. maternal mortality)

Source: Authors' calculations

## SDG Targets

The October 2018 and November 2018 activities discussed and finalized setting of targets for the National SDG Tier 1 indicators. The methodology for target-setting involved the following methods: (i) an examination of the (direct and implicit) global SDG targets; (ii) extending the 2022 targets of selected SDG indicators that are also part of the 2017-2022 PDP RM; (iii) use of the champion method, i.e. determining the best performance of UN member states in similar states of development, and; (iv) a trend analysis of the national performance in the National SDG Tier 1 indicators.

A summary of the indicators with final or provisional targets by goal as of end of 2018 is given in **Table 3**. Out of the 155 national SDG indicators, 92 have either final or provisional targets, 10 are for reporting only, while 53 indicators have to undergo review based on the recommendations of the workshop participants.

**Table 3. Summary of Targets for SDG indicators**

Goal	With final targets	With provisional targets	No target/ Reporting only	For review	Total
Goal 1	15	0	0	3	18
Goal 2	0	5	0	0	5
Goal 3	14	1	0	8	23
Goal 4	5	7	0	4	16
Goal 5	6	1	0	8	15
Goal 6	2	0	0	6	8
Goal 7	2	0	0	2	4
Goal 8	4	2	2	1	9
Goal 9	0	1	4	0	5
Goal 10	4	0	2	1	7
Goal 11	4	1	0	0	5
Goal 12	0	0	0	1	1
Goal 13	4	0	0	0	4
Goal 14	0	1	0	0	1
Goal 15	0	1	0	10	11
Goal 16	8	0	0	2	10
Goal 17	4	0	2	7	13
<b>Total</b>	<b>72</b>	<b>20</b>	<b>10</b>	<b>53</b>	<b>155</b>

### *PIDS SDG-related Studies*

From 2016 to 2018, in fulfillment of its mandate to carry out policy research, PIDS has undertaken a total of 187 policy-oriented research studies related to the SDGs (**Table 4**). Twenty-one of these studies related have been on poverty (SDG 1) particularly focused on agrarian reform, social protection, poverty, inequality, vulnerability, minimum wage, and income transfers. A total of 29 policy studies have been undertaken on fighting hunger (SDG 2), covering nutrition interventions, agricultural finance, and agricultural infrastructure. Five studies have been on promoting good health and well-being (SDG 3), particularly focused on public health financing, provision of health insurance, and impact evaluations of health-related programs. As regards quality education (SDG 4), the institute has also conducted 15 studies covering topics such as K to 12, out-of-school children, free tuition, e-education, and vocational training. PIDS has also carried out 7 studies on gender equality (SDG 5), which were focused on the Reproductive Health Law, gender gaps in wages and employment, women's leadership in government and the private sector, as well as poverty alleviation and health practices amongst women and children. PIDS has not managed to conduct any studies on clean water and sanitation (SDG 6) during the period 2016 to 2018 (though one study on the government water system has been undertaken in 2015). With regard to the promotion of affordable and clean energy (SDG 7), PIDS has also done 4 policy-oriented research studies focusing on household energy usage, electric power competition policies, renewable energy, and energy industry reforms.

Regarding the promotion of decent work and economic growth (SDG 8), 13 studies covered livelihood programs for the poor, wage discrepancies, and contractual labor. PIDS also came up with a sizable number of policy studies in the area of industry, innovation and infrastructure (SDG 9). A total of 23 studies covered a wide variety of topics including foreign and domestic trade, competition and industrial policy, small and medium enterprises, value chain and logistic analysis, and transport infrastructure. Additionally, a scoping study on the Fourth Industrial Revolution (FIRe), a key theme for PIDS policy research works in years to come, was also undertaken.

**Table 4. Summary of PIDS studies related to the SDGs**

Sustainable Development Goal	2016	2017	2018
Goal 1: No Poverty	4	7	10
Goal 2: Zero Hunger	8	12	9
Goal 3: Good Health and Well-Being	2	2	1
Goal 4: Quality Education	6	1	8
Goal 5: Gender Equality	2	3	2
Goal 6: Clean Water and Sanitation	0	0	0
Goal 7: Affordable and Clean Energy	0	1	3
Goal 8: Decent Work and Economic Growth	2	6	5
Goal 9: Industry, Innovation and Infrastructure	2	6	15
Goal 10: Reduced Inequalities	5	13	10
Goal 11: Sustainable Cities and Communities	1	0	1
Goal 12: Responsible Consumption and Production	2	2	0
Goal 13: Climate Action	3	7	2
Goal 14: Life Below Water	0	1	0
Goal 15: Life on Land	1	0	3
Goal 16: Peace, Justice and Strong Institutions	0	5	5
Goal 17: Partnerships for the Goals	2	4	3

Note: Some research studies are connected with more than one SDG and are counted in all possible related goals.

One of the most extensive areas of research at the Institute is related to SDG 10 (reducing inequalities). Some 28 research projects across various topics of labor, health, education, and social protection, among others were conducted. Other studies under this Goal also examined the overall economy as well as infrastructures and policies that promote inclusive growth. Meanwhile, for SDG 11 (sustainable cities and communities), PIDS has conducted 2 research studies on affordable housing interventions and on resilience of urban households against natural disasters. PIDS has also conducted 4 research studies regarding SDG 12 and one on SDG 14, in the form of analysis on the effect between various regulations on industries such as wood, and tuna and forest and marine conservation. SDG 13, which covers topics on climate change has also been covered by 12 research projects at PIDS. These studies focused on resilience amidst chronic poverty and social protection, climate resilience for SMEs and other industries, as well as the implementation of the local and national disaster risk reduction and management plans.

Meanwhile, four studies were focused on SDG 15 pertained to policy research in mining industry, forest protection, and the implementation of the National Greening Program. Also, a total of 10 studies related to SDG 16 have been conducted and these include government rightsizing, bottom-up budgeting evaluation, zero-based budgeting and the feasibility of federalism. Finally, some 9 research studies were also conducted on SDG 17 regarding the

various linkages and partnerships needed for more effective implementation of the SDGs as a whole. Aside from the studies already mentioned, research in this area also covered foreign trade and investment, internationalization, improvement of information and communication technologies (ICTs), and relations with the Association of South East Asian Nations (ASEAN).

Moving forward, the Institute continues to undertake research that is relevant to the SDGs through its newly-crafted research agenda that is anchored on the PDP and the long-term vision articulated in *AmBisyon Natin 2040*.

## The Sustainable Development Goals in the Philippines

This section provides a snapshot of conditions on the twelve SDGs that are not part of the 2019 VNR report. Meanwhile, detailed analysis of the country's conditions regarding the goals that are part of the VNR report are presented on the succeeding sections.

### *Goal 1. No Poverty*

**The proportion of the population in poverty has decreased from 2006 to 2015, although the rates of poverty reduction vary vastly across regions and social groups.** The estimated proportion of Filipinos with incomes below the international poverty line (i.e. USD 1.9 per person per day in 2011 purchasing power parity prices) is estimated at 8.3% in 2015, down from 14.5% in 2000. Meanwhile, headcount poverty incidence (using national poverty lines) has dropped from 26.6% in 2006 to 21.6% in 2015.

Regional disaggregation of poverty rates exhibits wide disparities. In 2015, NCR registered about 1 out of 25 poor people (3.9%), followed by neighbors CALABARZON (9.1%) and Central Luzon (11.2%). In contrast, more than half of the population in ARMM are poor with 53.7% estimated to have income below the national poverty line, thus demonstrating the vast inequities in living conditions across the country. Moreover, whilst poverty rates by sex and employment status are relatively comparable, vast disparities exist in 2015 between the urban (11.5%) and rural (30.5%) populations, as well as across age groups, i.e. children (31.4%), youth (19.4%) and senior citizens (13.2%).

### *Goal 2. No Hunger*

**The Philippines exhibits mixed results in alleviating hunger and providing proper nourishment for the population, and especially across the regions.** As of 2015, only about a third (31.0%) of Filipino households meet the 100% recommended energy intake. Regional disaggregation shows positive trends regarding meeting energy intake in some regions (Cordillera Administrative Region (CAR), ARMM, Zamboanga Peninsula, and NCR) and negative trends in others (MIMAROPA, Caraga, CALABARZON, Central Visayas, Ilocos, and Bicol). Prevalence of stunting remains persistently at a third of children under five years old, estimated at 33.6 percent in 2011 to 33.4 percent in 2015. Central Luzon has the least prevalence of stunting at 23.1%, while ARMM has the highest rate at 45.3% in 2015. Meanwhile, prevalence of wasting is roughly steady from 7.3% in 2011 to 7.1% in 2015. Across regions, wasting is lowest in Northern Mindanao at 4.0%, and highest in MIMAROPA at 9.7%. Lastly, the prevalence of overweight children under 5 years old decreased from 4.3% in 2011 to 3.9% in 2015. Caraga registers the lowest rate of overweight children under five at 1.7% compared to the rates in Central Luzon and NCR at 6.0%.

### *Goal 3. Good Health and Well-Being*

**Providing healthcare, especially for mothers and infants, has been an area of success in the Philippines in recent years, though challenges remain in addressing health issues like immunization, terminal diseases, use of tobacco and harmful use of alcohol.** Greater healthcare access has been provided for mothers and infants, with the proportions of births handled by skilled personnel rising from 59.8% in 2003 to 84.4% in 2017. There are also greater efforts to give access to modern reproductive health options for women, with the proportion of women whose need for family planning was satisfied rising from 46.7% in 2003

to 56.9% in 2017. These trends have also been consistent with the reduction of the adolescent birth rate per 1,000 women from 53.0% in 2003 to 47.0% in 2017.

There has also been significant reduction in under-five mortality rate (40.0% in 2013 to 27.0% in 2017), and some improvement in neonatal mortality rate (17.0% in 2003 to 14.0% in 2017). However, the country still faces issues in tobacco usage (23.6% among persons 15 years and older in 2015), harmful use of alcohol (55.2% in 2015), and mortality rates attributed to non-communicable diseases, such as cardiovascular disease (2.7% in 2016), cancer (1.0% in 2016), diabetes (0.6% in 2016), and chronic respiratory disease (0.3% in 2016).

### *Goal 5. Gender Equality*

**The empowerment of women to engage in economic opportunities and to fully utilize their civil liberties has been a strength for the Philippines.** The country has also seen greater representation by women in the government throughout the years both in national parliament (12.44% in 2000 to 29.45% in 2018) to local government (17.16% to 21.3% from 2000 to 2018), though such levels are still far from parity. About half (48.9%) of managerial positions in the country are women, which suggests a relatively level playing field in career mobility between the sexes.

There have also been significant decreases in violence towards women, including physical (from 7.5% in 2008 to 4.3% in 2017), sexual (4.9% in 2008 to 2.2% in 2017), and psychological violence (4.9% in 2008 to 2.2% in 2017). However, gender issues still persist given indicators on early marriages which is a driver of teenage pregnancy and a form of violence against girls with around 16.5% and 2.2% of women married before the age 18 and 15, respectively.

### *Goal 6. Clean Water and Sanitation*

**Efforts continue to conserve and effectively utilize water and sanitation resources.** The proportions of bodies of water in the country that have good ambient quality have increased, from 59% of dissolved oxygen and 57% biochemical oxygen demand in 2013 to 82.3% and 79.5% in 2016, respectively. The proportion of freshwater withdrawal to available freshwater resources are at 26.1% in 2016, indicating that the exploitation of freshwater resources for various means is only marginal. Meanwhile, as of 2016, 83.3% of major river basins have an updated Integrated River Basin Master Plan, and a total of 62 million dollars of official development assistance has been directed towards water and sanitation-related projects.

### *Goal 7. Affordable and Clean Energy*

**The Philippines is performing well in providing access and effectively utilizing energy resources, though it needs more vigorous efforts in increasing the share of renewable sources of energy.** More Filipinos have access to electricity, from 73.46% of the population in 2000 to 90.98% in 2016. Alongside this is an incremental increase in the use of clean fuels and technologies, from 36% in 2000 to 43% in 2015, which helps improve energy efficiency, while reducing health externalities that arise from the use of unclean source of energy. The country has also translated this to a more efficient use of energy from 7.18 tons of oil equivalent per million Philippine Peso (PHP) of real Gross Domestic Product (GDP) (TOE/M PHP) in 2007 to 6.66 TOE/M PHP in 2017. However, the country must improve upon its use of renewable energy, as the share of renewable energy to total energy consumption has decreased from 30.22% in 2012 to 26.7% in 2016.

## *Goal 9. Industry, Innovation and Infrastructure*

**Challenges are faced by the Philippines in developing the manufacturing industry amidst improvements in transport infrastructure, research and development, and the disruptions from technologies of the FIRE.** Incremental gains are observed in the transportation volume of the country, with all transport metrics exceeding their 2016 baselines in 2017. Passenger, container and cargo volume for the maritime sector are at 93.38 million, 7.93 million, and 292.97 million metric tons, respectively. Aviation passenger volume and cargo volume are at 75.2 million and 962.25 million, whilst rail passenger volume is at 378.75 million. Despite the presence of improvement in infrastructure, valued added in manufacturing as a proportion of GDP per capita is nearly stagnant from 24.47 in 2000 to 23.58 in 2018, while employment in manufacturing as a proportion of total employment is also similar from 9.97% in 2001 to 8.32% in 2016.

While these indicators show that the country still exhibits a relatively low level of industrialization, the government is working to implement an industrial policy through its Inclusive Innovation Industrial Strategy. Meanwhile, expenditure on research and development have been at less than a fifth of one percent of GDP through 2002 to 2017, beginning at 0.15% of GDP towards 0.17% of GDP.

## *Goal 11. Sustainable Cities and Communities*

**The Philippines struggles to make communities safer and more inclusive.** A considerable number of the population in the country do not have access to decent housing, with 7.53% of urban residents being informal settlers in 2016. The country needs to make bolder moves in creating healthy and sustainable cities given that only 47% of major urban centers in the county follow ambient air quality guidelines. Concrete steps are being undertaken, however, in building resilient communities through the adoption and implementation of synergized national and local disaster risk reduction strategies.

## *Goal 12. Responsible Consumption and Production*

**The Philippines needs to vigorously implement policies for reducing pollution and mitigating its harmful effects.** The country produced 0.008 hazardous waste per capita in 2012. In terms of waste mitigation, the country only had 56.93% of its hazardous waste treated, thus leaving the remaining waste to cause environmental damage.

## *Goal 14. Life Below Water*

**Marine conservation is one of the country's relative strengths.** According to recent data, about 220 million of marine areas are protected in the entire country. Meanwhile, the coverage of protected areas in relation to marine areas, National Integrated Protected Areas System and locally managed Marine Protected Areas is 0.0064.

## *Goal 15. Life on Land*

**More work is needed in protecting the country's forests and terrestrial sites.** The Philippines has seen some success in rehabilitating its forests with the proportion of forest area to total land area increasing from 23.75% in 2000 to 26.96% in 2015. However, protected area percentages for both terrestrial and freshwater sites remain at 41.7% and 48.1%, respectively.



## Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

The pursuit of social equity across generations is articulated in SDG 4. Consistent with the aspirations of the Filipino people as articulated in the *AmBisyon Natin 2040* and with the 2017-2022 PDP's pillar of *Pagbabago* (Change), this global goal targets to address the needs of the current generation in terms of education and learning in order to develop their full potential and human capital (NEDA 2017; NEDA 2016). This global goal also promotes social inclusion to ensure an improved quality of life for all.

*Target 4.1. By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes*

**In the Philippines, completion and survival rates in basic education have been significantly increasing from 2011 to 2017, while dropout rates have continuously declined in the same period (Table 4.1).** Completion rate<sup>3</sup> at the primary level (i.e. Grade 1 to 6) was at 92.4% in 2017, a slight decline from the 93.1% recorded a year earlier, but much higher than the 71.0% in 2011. Meanwhile, completion rate at the lower secondary level (i.e. junior high school or Grade 7 to 10) is at 84.3% in 2017, 3.4 percentage points higher than in 2016, but this is still much lower (8.1 percentage points less) than the completion rate at the primary level.

As of 2017, cohort survival rates<sup>4</sup> in primary and lower secondary education are at 93.7% and 85.6%, respectively. As measures of internal efficiency, these figures imply that “wastage” in primary education is decreasing, particularly at the primary level, throughout the years. This indicator, however, does not account for students who have transferred or migrated within the prescribed years of study. Dropout or school leavers rate<sup>5</sup>, on the other hand, is at 1.6% for primary and 5.2% for lower secondary in 2017. These are lower than the dropout rates recorded in 2016 (and in 2011).

**Table 4.1. Completion, cohort survival, and dropout/school leavers rates in primary and lower secondary education, public and private**

	2011	2012	2013	2014	2015	2016	2017
Primary							
Completion rate	71.0	72.7	77.7	83.7	84.0	93.1	92.4
Cohort survival rate	73.8	74.2	79.0	85.1	87.5	93.8	93.7
Dropout/school leavers rate	6.4	6.2	4.9	3.3	2.7	1.5	1.6
Secondary							
Completion rate	74.4	74.6	76.2	77.8	74.0	80.9	84.3
Cohort survival rate	78.9	78.1	79.3	80.7	81.6	83.1	85.6
Dropout/school leavers rate	7.8	8.1	7.6	6.9	6.6	6.2	5.2

Source: Learner Information System (LIS), Department of Education (DepEd)

**Basic education performance indicators across regions vary largely according to development conditions.** The performance is best in CALABARZON, a region close to the NCR. On the other hand, the ARMM has recorded the worst performance with its completion

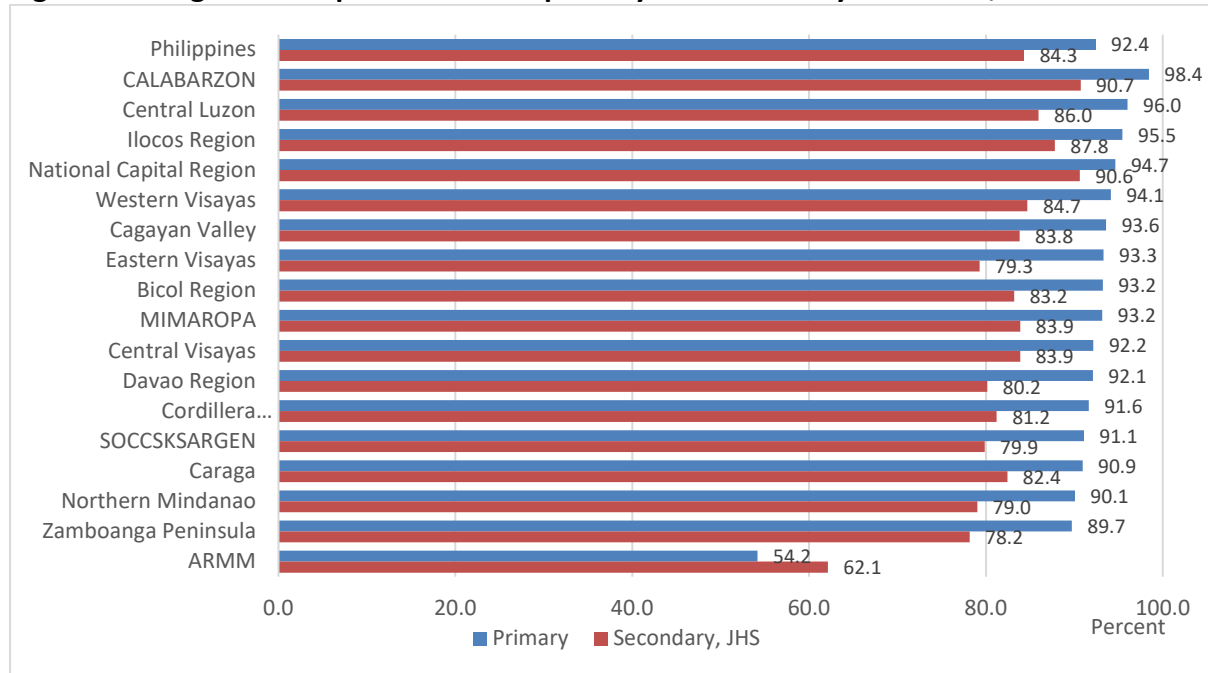
<sup>3</sup> Completion rate is the percentage of Grade/Year 1 entrants who graduate in primary/secondary level.

<sup>4</sup> Cohort survival rate is the percentage of enrollees at the beginning grade or year in a given school year who reached the final grade or year of the elementary/secondary level

<sup>5</sup> Dropout rate is the percentage of students who did not finish a particular grade or year level. It does not capture pupils/students who finish a grade/year level but do not enroll in the next grade/year level the following school year.

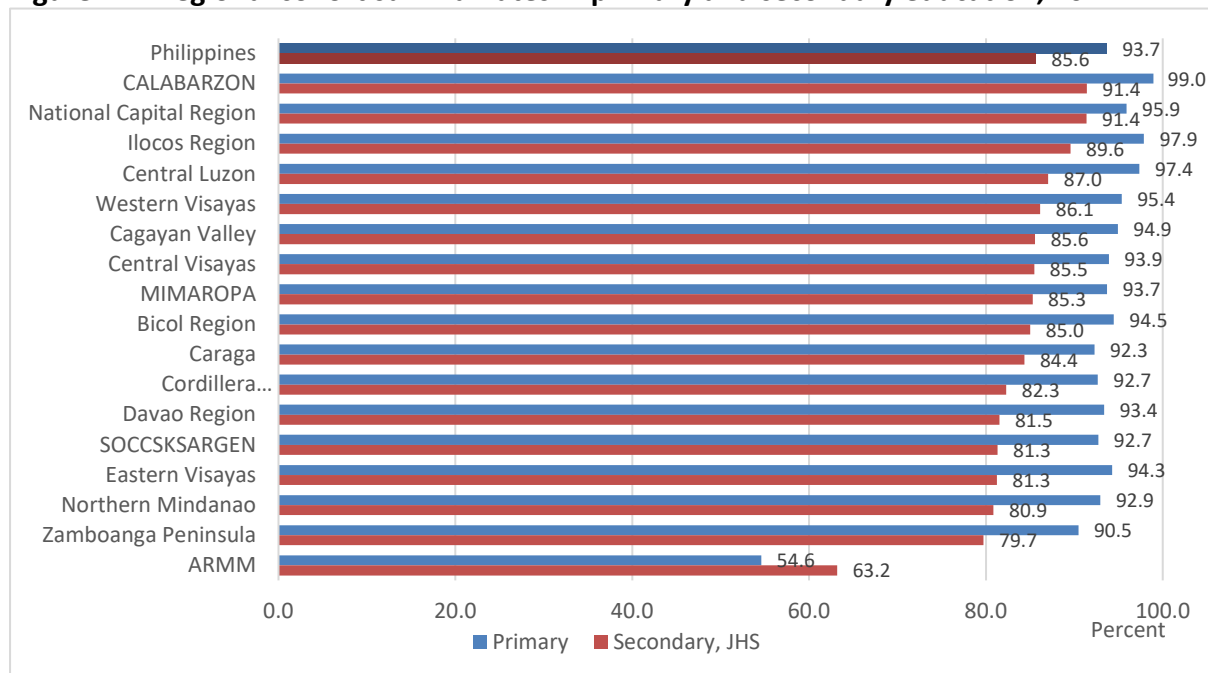
and cohort survival rates being the lowest among the regions, and with its school leavers rate being the highest. Undoubtedly, the major reasons for this dismal performance relate to security and governance issues in ARMM. According to officials of the Department of Education (DepEd), this is also further partly on account of difficulties in transmitting ARMM data to the DepEd central office. Overall, school performance is fairly consistent among all regions excluding ARMM, with dropout rates only noticeably higher in all regions of Mindanao.

**Figure 4.1. Regional completion rates in primary and secondary education, 2017**



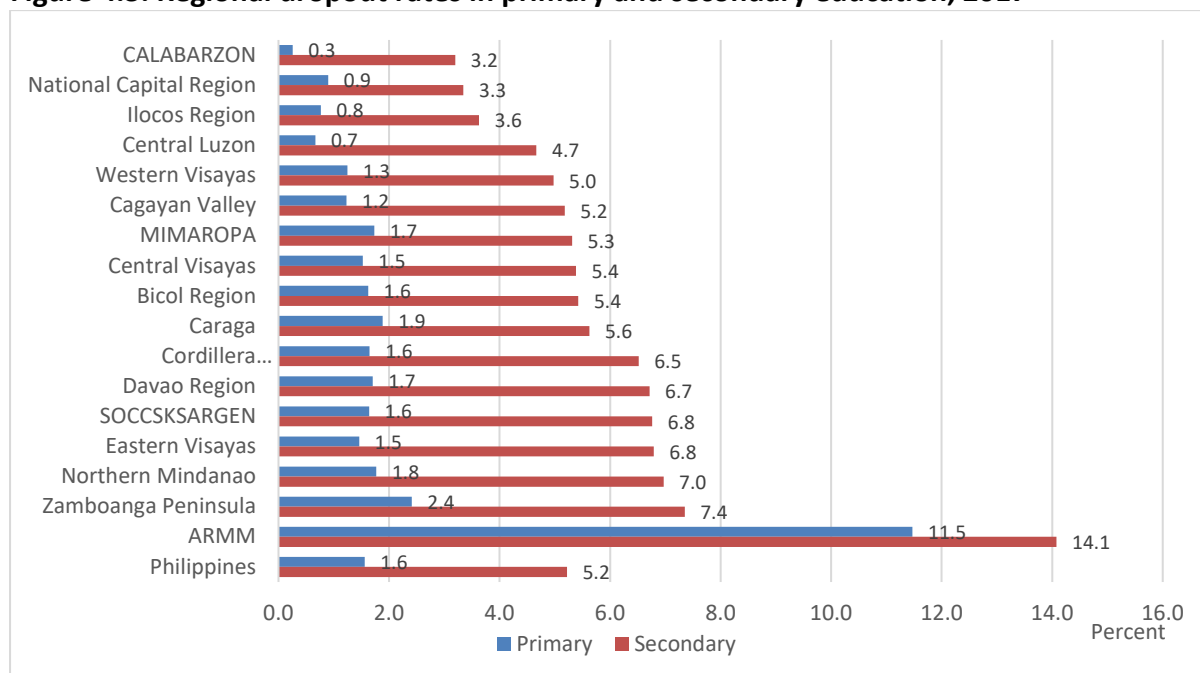
Source: LIS, DepEd

**Figure 4.2. Regional cohort survival rates in primary and secondary education, 2017**



Source: LIS, DepEd

**Figure 4.3. Regional dropout rates in primary and secondary education, 2017**



Source: LIS, DepEd

**Across various education tiers, performance indicators at the primary level are consistently and significantly better, both at the national and regional levels, compared to the secondary level.** As regards the school leavers rate, in particular, the disparity in performance between primary and secondary levels of education is much wider in the CAR, Eastern Visayas and the regions in Mindanao, compared to other regions of the country.

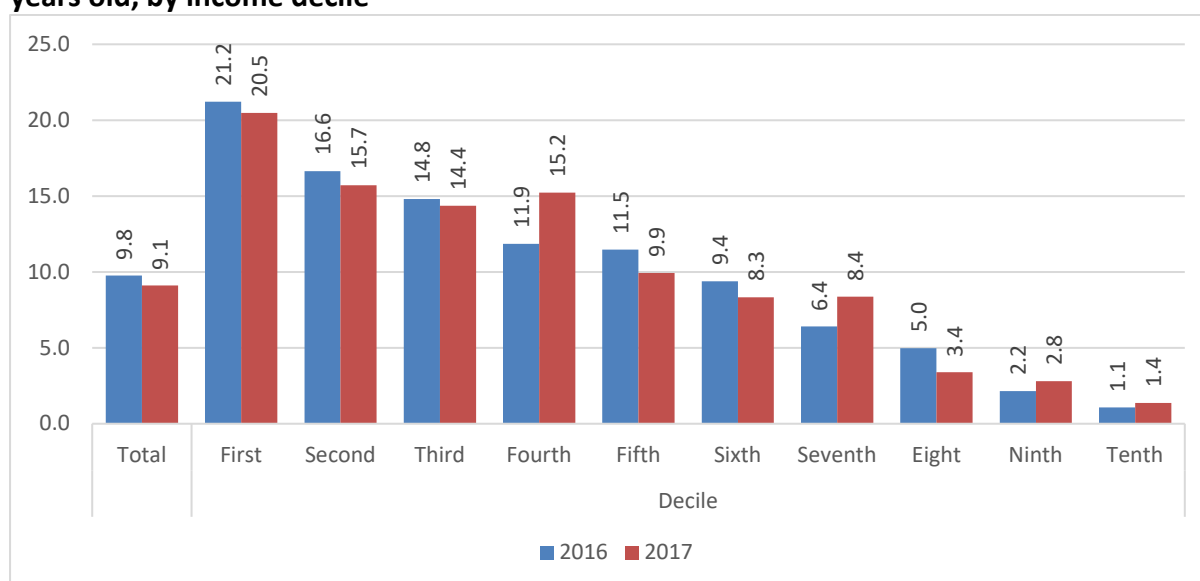
**Looking at various subgroups of the population, enrolment for indigenous people (IP) and Muslim learners slightly increases from 2017 to 2018.** In 2018, DepEd recorded 2,881,523 IPs and 1,496,542 Muslim learners enrolled in primary and secondary schools. These are slightly higher from the previous year at 2,873,940 and 1,382,726, respectively. Majority, at around 90%, of IP and Muslim learners are enrolled in public schools. A PIDS study on inequality of opportunity for education among ethnic groups in the Philippines show that Muslim IPs have the lower average years of schooling at 5.7 years compared to their non-IP counterparts at 6.2 years based on the 2010 Census of Population and Housing of the PSA. The specific Muslim IP groups with low educational profile were Sama Laut, Sama Badjao, and Badjao, with majority of its members found in ARMM and Zamboanga Peninsula (Reyes, Mina and Asis 2017).

**PIDS studies in selected cities/municipalities in NCR (2008), Batangas (2010), and Cebu (2016) reveal low school participation rates of persons with disabilities (PWDs).** In Metro Manila, only a third of the respondents have reached or completed high school level, 24% have only gone as far as elementary level, while 8% did not complete any grade (Yap, et al. 2009). Meanwhile, 58% of sampled PWDs in Rosario, Batangas attained only up to Grade 5, while only 19% have completed at least high school level (Reyes, Tabuga and Mina, et al. 2011). On the other hand, school participation rates of sampled children with disabilities in Mandaue City and San Remigio, Cebu were at 85% and 76% for ages 6 to 11, 89% and 61% for ages 12 to 15, and 22% and 14% for ages 16 to 18 (Agbon and Mina 2017). These may be attributable to severity of impairment (as some may need companions in going to school), distance of schools, and lack of education facilities that can cater various types of disabilities.

Meanwhile, household surveys conducted by the PSA showed a decrease in the proportion of out-of-school children and youth (OSCY)<sup>6</sup> in the country (Figure 4.4). As of 2017, the PSA estimates that there are 9.1% OSCYs, 0.7 percentage points lower than in 2016. School participation is largely an economic issue: half (50.6%) of the OSCYs in 2017, belong to families in the lowest three deciles of the per capita income distribution.

Disaggregating by age groups, as of 2017, OSCY rates are higher for males than females at the primary- (6 to 11 years old), lower secondary- (12 to 15 years old), and upper secondary-age groups (16 to 17 years old), but the reverse holds among children aged 18 to 24 (Table 4.2). This trend is similar to previous year’s results except for upper secondary-aged children with OSCY rates of females (13.5%) exceeding that of males (8.3%).

**Figure 4.4. Proportion of out-of-school children and youth among family members 6 to 24 years old, by income decile**



Source of basic data: Annual Poverty Indicators Survey (APIS), PSA

**Table 4.2. Proportion (in %) of OSCY by sex and age group, 2016 and 2017**

Age Group	2016		2017	
	Male	Female	Male	Female
6 to 11	1.7	1.2	2.1	1.0
12 to 15	4.1	2.8	6.5	2.8
16 to 17	8.3	13.5	6.7	5.1
18 to 24	10.1	32.4	11.0	33.6

Source of basic data: APIS, PSA

According to the Annual Poverty Indicator Survey (APIS), conducted by the PSA, the main reasons why school-age children across age groups do not attend schools are marriage or family concerns, high cost of education or financial concerns, and the lack of personal interest (Table 4.3). Among primary-aged children, illness or disability is the most common reason for not attending school, followed by the high cost of education.

<sup>6</sup> OSCY refers to family members 6 to 14 years old who are not attending formal school; and family members 15 to 24 years old who are currently out of school, not gainfully employed, and have not finished college or post-secondary course. A number of studies conducted by the PIDS define out-of-school children as aged 5 to 15 years old (See, e.g., David et al. 2018).

Lack of personal interest is the major reason why both male and female lower secondary-aged children are not in school. This continues to be the main reason for male OSCYs aged 16 to 17, while financial concern is the commonly cited reason of females in this age group and males aged 18 to 24. Studies suggest that the term lack of interest largely means that these children had poor grades when they were in school, and this is traced all the way to poor reading skills in the early grade levels (David, Albert and Vizmanos 2018). Marriage or family matters becomes a major concern for females aged 18 to 24, at 68.4% in 2017.

**Table 4.3. Proportion (in %) of OSCY by reasons for not attending school, sex and age group, 2017**

Sex/Reasons for Not Attending School	Age Group				
	6 to 11	12 to 15	16 to 17	18 to 24	Total
<b>Male</b>					
Lack of personal interest	18.5	61.0	52.1	30.0	37.0
High cost of education/financial concern	23.3	19.5	27.4	30.3	27.5
Illness/disability	40.7	10.3	3.3	11.1	12.7
Employment/looking for work	0.0	2.8	6.2	18.7	12.5
Marriage/family matters	1.4	0.0	5.9	6.0	4.6
Others	12.3	1.6	5.2	3.3	4.2
Accessibility of school	3.7	4.7	0.0	0.5	1.4
<b>Female</b>					
Marriage/family matters	0.0	11.0	28.1	68.4	59.6
High cost of education	29.7	21.2	42.2	12.8	16.8
Lack of personal interest	16.4	39.2	17.4	9.8	12.1
Employment/looking for work	0.0	7.4	3.9	4.5	4.4
Illness/disability	38.0	12.9	4.0	2.6	4.3
Others	10.9	2.1	3.4	1.7	2.2
Accessibility of school	5.0	6.2	1.1	0.1	0.6
<b>Both sexes</b>					
Marriage/family matters	0.8	4.4	19.4	53.1	42.6
High cost of education/financial concern	25.9	20.2	36.4	17.1	20.1
Lack of personal interest	17.7	52.4	31.0	14.8	19.8
Illness/disability	39.6	11.4	3.7	4.7	6.9
Employment/looking for work	0.0	4.6	4.8	8.0	6.9
Others	11.8	1.8	4.1	2.1	2.8
Accessibility of school	4.2	5.3	0.7	0.2	0.9

Source of basic data: APIS, PSA

**To support the SDGs ethical imperative of leaving no child behind, the country's targets for the identified indicators under SDG Target 4.1 are the global targets of 100.0% for both completion and cohort survival rates<sup>7</sup>, and 0.0% for dropout or school leavers rate.** To realize these targets, the Philippines' DepEd, the national government agency responsible for ensuring access to, promoting equity in, and improving the quality of basic education, has multiple programs and processes designed specifically to improve participation in basic education, whether formal or non-formal. These are largely the Alternative Delivery Modes (ADMs), and the Alternative Learning System (ALS).

<sup>7</sup> The 100% target for completion and cohort survival rates considers both formal and non-formal modalities of basic education in consideration with the changing situations that affect children. This is in contrast with the definition of completion and cohort survival rates which is largely based on formal education only. DepEd aims to achieve this through 95% share of formal education, and 5% through flexible learning options and various inclusive education programs.

ADM is a modularized learning and teaching targeted for students in formal school who are experiencing shocks that force them out of school. It allows a learner with circumstances that place her or him at risk of extended absence to not have to attend school every day, but still follow the calendar of the regular school year by doing self-study at home. ADMs are of use for situations of seasonal employment, family separations, income shocks to the household, or similar other unforeseen but temporary situations (David, Albert and Vizmanos 2018). An example of an ADM is the Open High School (OHS). OHS is an extended program of high school where students are not required to attend classes daily (i.e. usually 2 whole days per week or four half days) but can graduate with a formal schooling degree from a public high school. The OHS takes longer to complete, as much as twice the normal period for a student to complete one academic year but requires no equivalency exam at the end of the program; it is run by the same teachers in the formal high school and is based at the same school, but not all high schools offer OHS (David, Albert and Vizmanos 2018).

Meanwhile, the ALS program is a non-formal, modularized and community-based learning for children and adults who do not have, cannot access, or did not finish formal basic education. The ALS is the flagship program of the current DepEd administration; and as such, it has been subjected to further study and governance structure changes (Igarashi, et al. 2018).

Other education programs to ensure no child is left behind include the Special Education (SpEd) Program for children with disabilities, Indigenous Peoples Education Program for IPs, Madrasah Education Program for an appropriate and culturally sensitive learning of Muslim learners, and Multi-grade Education Program for children in remote communities where enrolment does not warrant the organization of monograde classes (Table 4.4).

**Table 4.4. Number of learners in the different programs of DepEd, 2017**

<b>Programs</b>	<b>Number of Learners/Grantees</b>
<b>a) Government assistance and subsidies</b>	<b>2,298,975</b>
Education Service Contracting	977,906
Senior High School Voucher Program	1,270,465
Joint Delivery Voucher Program	50,604
<b>b) Inclusive Education programs</b>	<b>4,024,897</b>
Special Education	29,278
IP Education	2,648,221
Madrasah Education	363,795
Multi-grade Education	336,725
Alternative Delivery Modes	5,294
Alternative Learning System	641,584

Source: DepEd

The government has also focused on strengthening other complementary programs that provide incentives to support school attendance, such as the DepEd school feeding program (Tabunda, Albert and Angeles-Agdeppa 2016), as well as various government assistance and subsidies<sup>8</sup> (Table 4.4). Another program of the government that promotes school attendance is the Conditional Cash Transfer (CCT) program, called the *Pantawid Pamilyang Pilipino* Program (4Ps), of the Department of Social Welfare and Development (DSWD). Through the 4Ps,

<sup>8</sup> This includes Education Service Contracting, and Joint Delivery Voucher Program.

education grants are given to identified beneficiaries (i.e. poorest of the poor families) with the condition that their children aged 3 to 18 must be enrolled in school and must maintain an attendance of at least 85% of class days every month. All these public interventions are meant to achieve the country’s national development plans and long-term aspirations pertaining to human capital development, as well as attain SDG 4.

**Table 4.5. Balik-Aral Learners**

Year	Elementary			Secondary		
	Male	Female	Total	Male	Female	Total
2015	60,880	37,999	98,879	38,657	20,595	59,252
2016	117,683	82,584	200,267	95,681	74,767	170,448
2017	94,644	57,760	152,404	98,584	50,756	149,340
2018	70,049	37,759	107,808	96,925	49,450	146,375

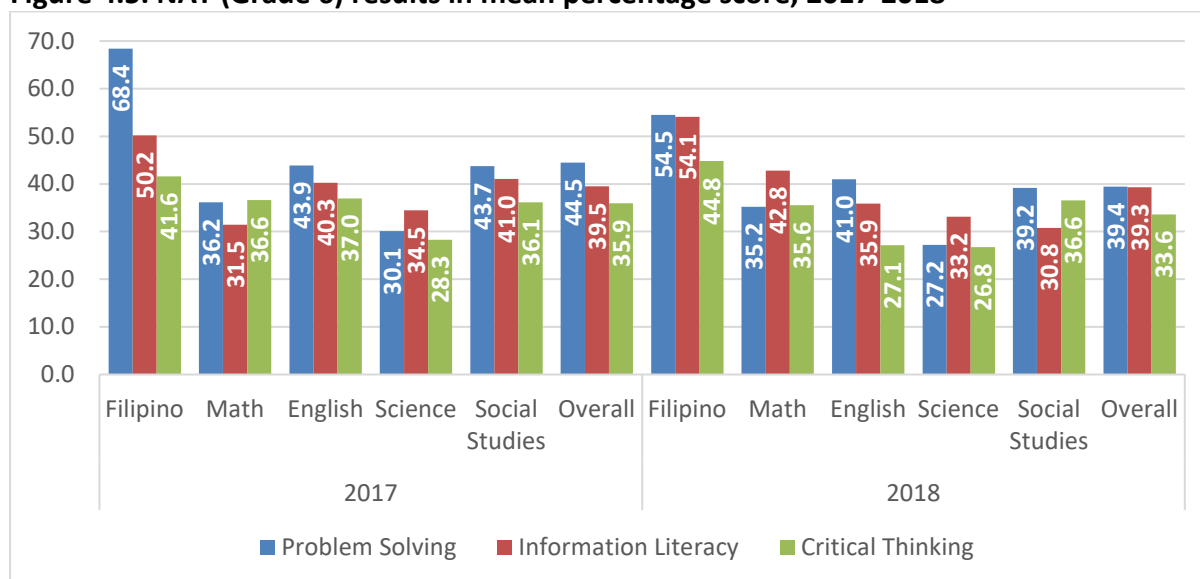
Note: Balik-aral learners refers to learners who finished a grade level, stopped schooling and enrolled in the next grade level after a year or more as of the enrollment cutoff date, i.e. June 6.

Source: DepEd

**Aside from participation and completion of students in basic education, Target 4.1 also envisions that basic education leads to relevant and effective learning outcomes.** In the Philippines, a nationally-representative learning assessment called the National Achievement Test (NAT) is administered to all Grade 6 (i.e. end of primary education) and Grade 10 (i.e. end of lower secondary education) students. The NAT aims to determine the progress of the students after ten months of study in the grade level in terms of learning competencies in various subject areas such as Filipino, Math, English, Science, and Social Studies.

**NAT results in mean percentage scores show low overall proficiency levels for both Grade 6 and Grade 10 students since 2017.** Among the subject areas, students in both levels are most proficient in Filipino in all aspects tested (i.e. problem solving, information literacy, and critical thinking), while they are least proficient in Math and Science.

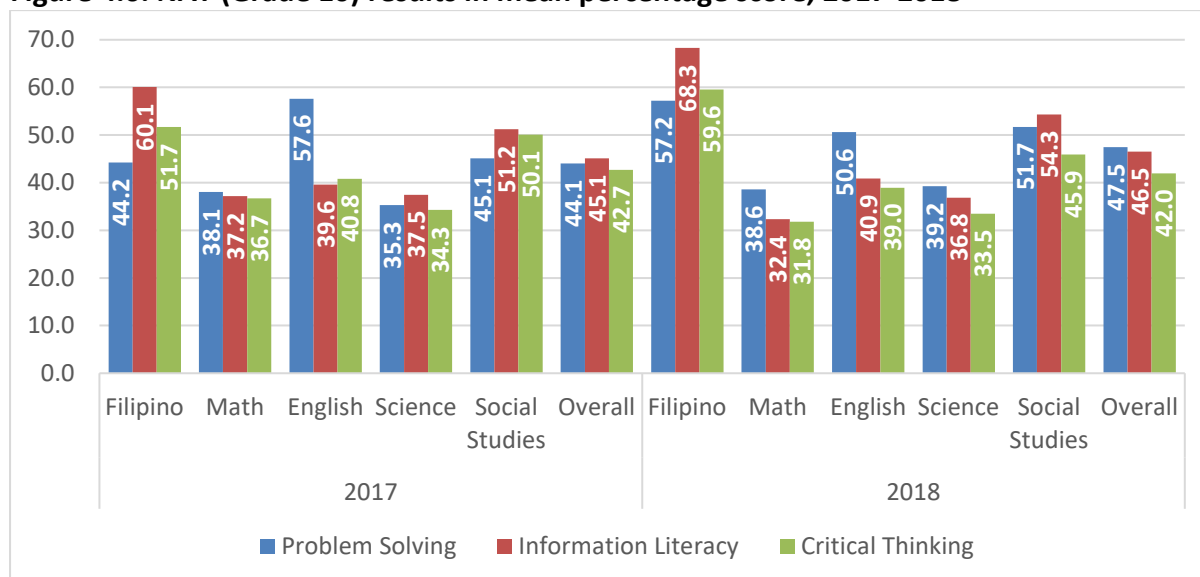
**Figure 4.5. NAT (Grade 6) results in mean percentage score, 2017-2018**



Note: Criteria of proficiency levels: highly proficient (90-100), proficient (75-89), nearly proficient (50-74), low proficient (25-49), not proficient (0-24)

Source: Bureau of Education Assessment, DepEd

**Figure 4.6. NAT (Grade 10) results in mean percentage score, 2017-2018**



Note: Criteria of proficiency levels: highly proficient (90-100), proficient (75-89), nearly proficient (50-74), low proficient (25-49), not proficient (0-24)

Source: Bureau of Education Assessment, DepEd

Proficiency level of students in both levels vary across regions. Among Grade 6 students in 2018, overall proficiency is best in the NCR, CALABARZON and ARMM, while Davao Region, Bicol Region and Zamboanga Peninsula recorded the lowest proficiency levels. Meanwhile, Grade 10 students in the NCR and Cordillera Administrative Region recorded overall nearly proficient levels particularly for problem solving and information literacy, while students in SOCCSKSARGEN and Zamboanga Peninsula recorded the lowest proficiency levels in all aspects tested. In terms of sex, female students in both levels have higher proficiency scores than males in 2018.

While performance indicators for school attendance are significantly increasing, these numbers show that aside from leaving no child behind, the DepEd must also ensure the quality of basic education leads to relevant and effective learning outcomes.

*Target 4.2. By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education*

**The Philippines is taking concrete steps to ensure quality early childhood development for all children.** In 2012, kindergarten was institutionalized through the passage of Republic Act (RA) No. 10157 or the Kindergarten Education Act. This law has made kindergarten a requirement in basic education. The rationale for this legislation was that kindergarten “is the period when the young mind’s absorptive capacity for learning is at its sharpest.” Aside from the academic and technical development of children, this will also give them the means to promote “physical, social, intellectual, emotional and skills stimulation and values formation to sufficiently prepare them for formal elementary schooling.”

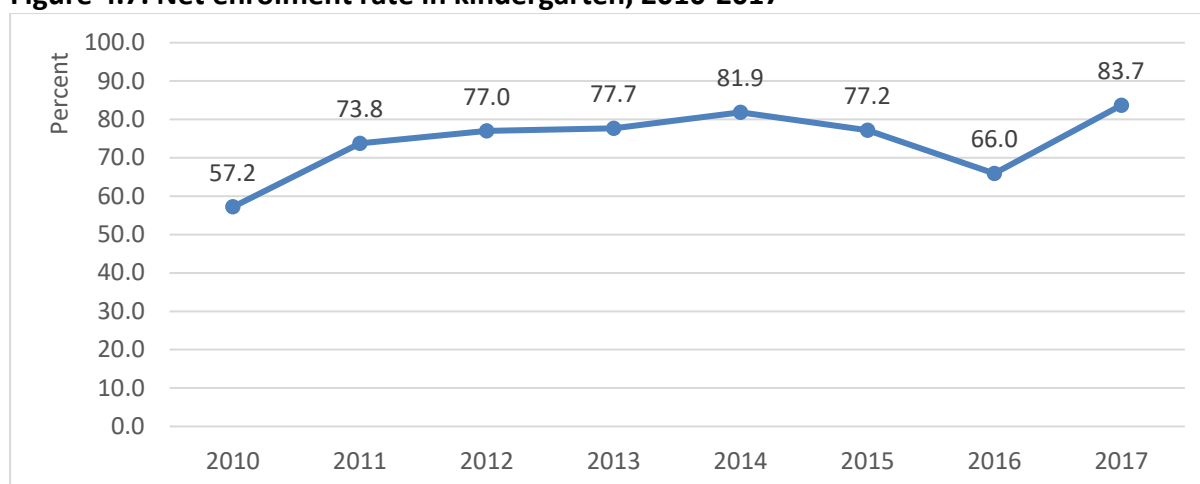
To carry out the Kindergarten Education Act, DepEd has issued Department Order (DO) 47, or the Omnibus Policy on Kindergarten Education, in 2016 which sets the standards for an



efficient and effective kindergarten education program implementation for all schools nationwide. Children aged 5 are required to be in kindergarten.

**In 2017, net enrolment rate<sup>9</sup> in kindergarten recorded its highest levels in the Philippines since 2010.** Within this period, net enrolment rate improved by 26.5 percentage points from 57.2 to 83.7% (Figure 4.7). The drop in 2015 and 2016, according to DepEd, was due to the confusion in the age requirement during the transition to the enhanced basic education system (i.e. K to 12 program) from the previous system wherein kindergarten was optional. This is validated from results of national surveys that report a number of kindergarten-aged students not being in school because they were perceived to be too young for schooling.

**Figure 4.7. Net enrolment rate in kindergarten, 2010-2017**



Source: Enhanced Basic Education Information System (EBEIS), DepEd

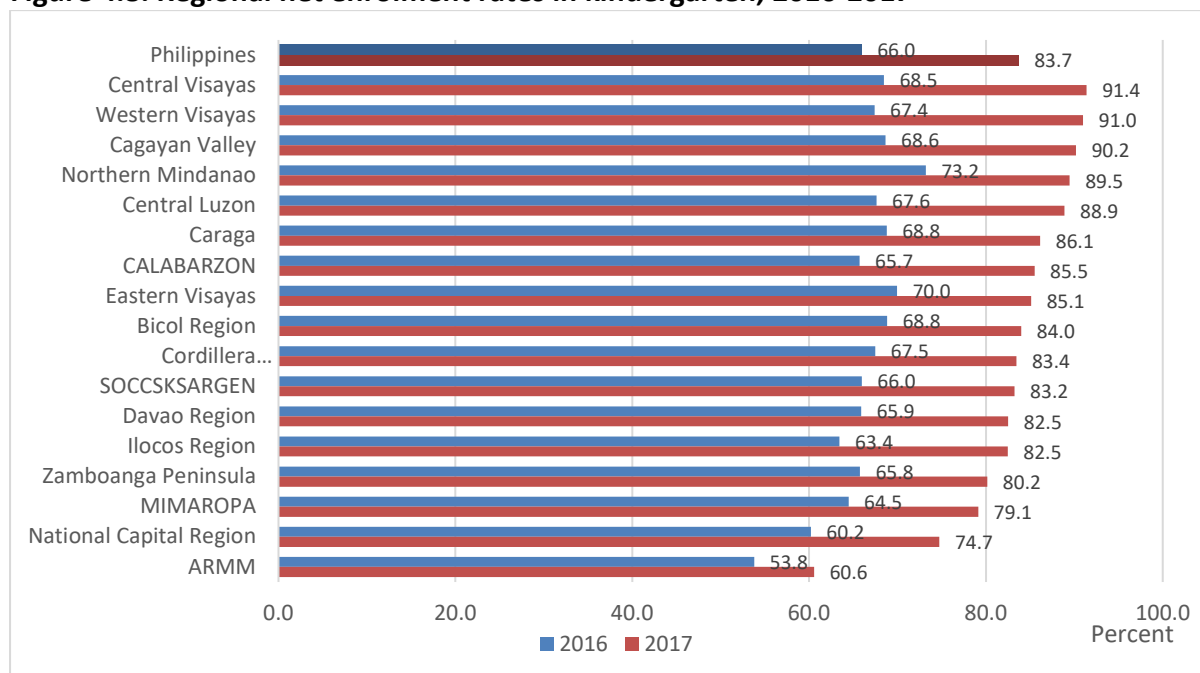
**At the regional level, participation rate in kindergarten is highest in Central Visayas, at 91.4%, and is lowest in ARMM, at 60.6% (Figure 4.8).** Despite the number of students and schools in the NCR, it was the second lowest performing regions in terms of net enrolment rate in kindergarten. According to DepEd, this is attributable to the large number of kindergarten schools in NCR that are not listed in their registry.

**While a policy issuance on the official age entry to kindergarten has led to a drop in the kindergarten participation rate in 2015 and 2016 from the levels in previous years, policy adjustments have been subsequently formulated and implemented.** At the onset of implementing mandatory kindergarten, 5-year old age entry was strictly enforced, as per stipulations in DO 47, s. 2016. This policy issuance, however, yielded an unintended consequence of excluding a number of younger children from entering school, particularly those who were to turn 5 during the school year. However, those children below five years old were catered by day care services established under RA 6972.

In 2018, the DepEd issued DO 20 s. 2018 as an amendment to the previously issued department order. This has provided adjustments in the age cutoff period in kindergarten. Schools may now “consider learners [...] who will turn five years old by the end of August on the condition that the Philippine Early Childhood Care and Development checklist must be administered to the learner prior to the start of the opening of the school year.” This is to ensure that the learner is capable of meeting the expectations of the grade level.

<sup>9</sup> Net enrolment rate is defined as the percentage of children belonging to the official school age (5 years old for kindergarten, 6 to 11 years old for primary, and 12 to 15 years old in lower secondary) who are in school.

**Figure 4.8. Regional net enrolment rates in kindergarten, 2016-2017**



Source: EBEIS, DepEd

With the passage of the Kindergarten Education Act and the amendment of the Omnibus Policy on Kindergarten, the Philippines is aiming for and confident of attaining a 100% net enrolment rate in kindergarten by 2030.

*Target 4.3. By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university*

**In the Philippines, technical, vocational education and training (TVET) can be attained during Senior High School (SHS) in one of its four tracks, viz., the Technical-Vocational-Livelihood (TVL) track, or through various training activities conducted by the Technical Education and Skills Development Authority (TESDA).**

The Philippines has been implementing SHS nationwide by virtue of RA 10533 or the Enhanced Education Act of 2013. Pursuant to this law, the basic education system in the Philippines has been lengthened from a 10 year-curriculum to Kinder to 12 years (K-12 program, 13 years). This effectively adds 2 years of SHS to secondary education, apart from making kindergarten mandatory (**Figure 4.9**).

Besides having core curriculum subjects in eight learning areas<sup>10</sup>, SHS offers specialized subjects grouped into four tracks that introduce SHS students to their respective preferred career paths. The SHS tracks are the following: (1) Academic track which offers subject specialization<sup>11</sup> for students who aim to go to college; (2) TVL track<sup>12</sup> for learners who wish to acquire job-ready skills for future employment; (3) Sports track for students who wish to

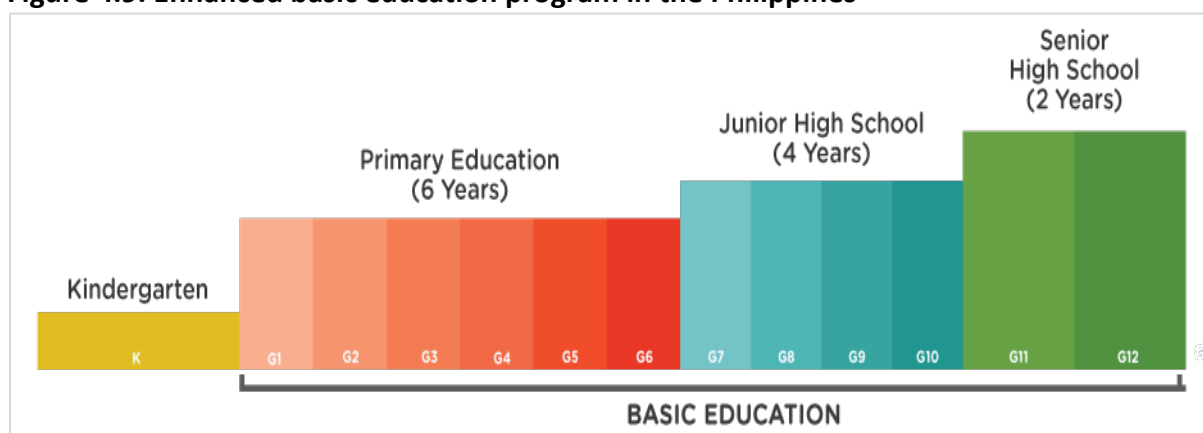
<sup>10</sup> These 8 learning areas include language; mathematics; science; communication; philosophy; humanities; social science; physical education and health.

<sup>11</sup> Subject specialization is offered in four academic strands: General Academic Strand (GAS); Humanities and Social Sciences (HUMSS); Science, Technology, Engineering and Mathematics (STEM), and; Accountancy, Business and Management (ABM).

<sup>12</sup> There are four strands of skills specialization under the TVL track: Agri-Fishery Arts; Home Economics; Industrial Arts, and; Information and Communications Technology (ICT).

learn the basic principles and techniques in relation to physical education and recreation, and; (4) Arts and Design track for learners of the design, performative and creative industry.

**Figure 4.9. Enhanced basic education program in the Philippines**



Source: Official Gazette of the Philippines

Around 1.45 million students have enrolled in SHS at the inception of its implementation in 2016. This has almost doubled to 2.83 million in 2018. Meanwhile, gross and net enrollment rates in SHS are currently at 69.4% and 48.5%, respectively (Table 4.6). These are about 3% higher from the previous school year's figures.

**Table 4.6. Enrolment statistics for Senior High School, 2016-2018**

	SY 2016-2017	SY 2017-2018	SY 2018-2019
Actual Enrolment	1,445,107	2,733,460	2,832,811
Gross Enrolment Rate		67.0%	69.4%
Net Enrolment Rate		46.1%	48.5%

Note: Data as of November 15, 2018

Source: LIS, DepEd

**Next to the academic track, the TVL track is the most common choice of students in SHS.** In 2018, 63.3% have enrolled under the Academic track while 36.1% are in TVL track. Meanwhile, only less than 1% of enrollees have chosen either Arts and Design or Sports track.

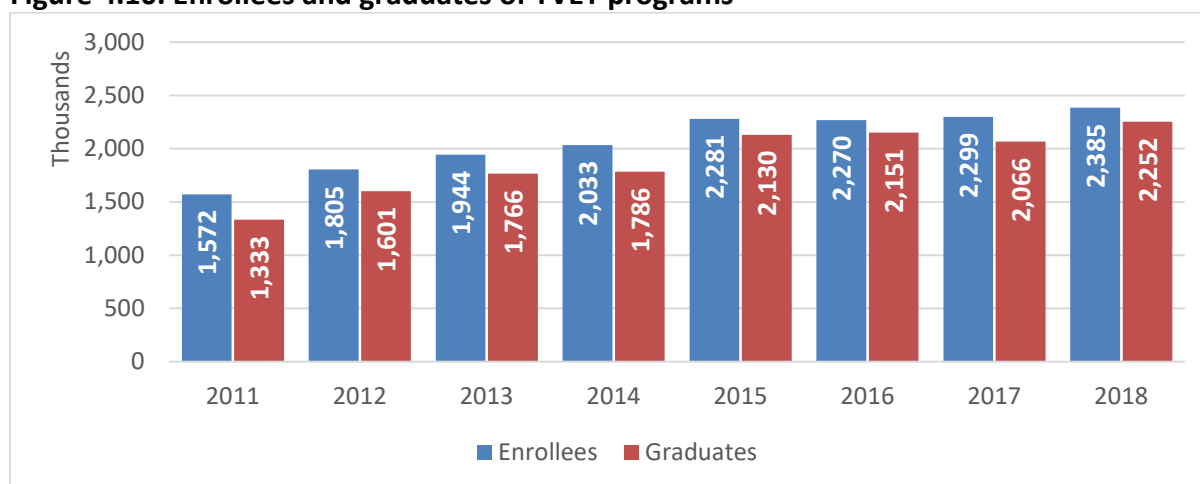
**Aside from the TVL track in SHS, those pursuing TVET may also participate in training activities conducted by TESDA.** Training programs of TESDA are provided in either an institution-based<sup>13</sup>, enterprise-based, or community-based modality. Currently, there are 3,966 recognized TVET institutions nationwide, of which most (3,625) are private, while the remaining (341) are public. TESDA also has established partnerships with several firms to provide specialized on-the-job training programs. Various local governments are also tapped to provide community-based training activities particularly to poor and marginalized groups who cannot access formal training provisions.

**The Philippines has been providing millions of people access to technical and vocational education.** In 2018, a total of 2,385,473 have enrolled in TVET, of which, half (56.8%) were in community-based training activities, while the remaining were in institution-based training programs (39.5%) or in enterprise-based training (3.7%) (Figure 4.11). Meanwhile, TESDA

<sup>13</sup> School-based trainings include post-secondary courses of varying duration not exceeding three years.

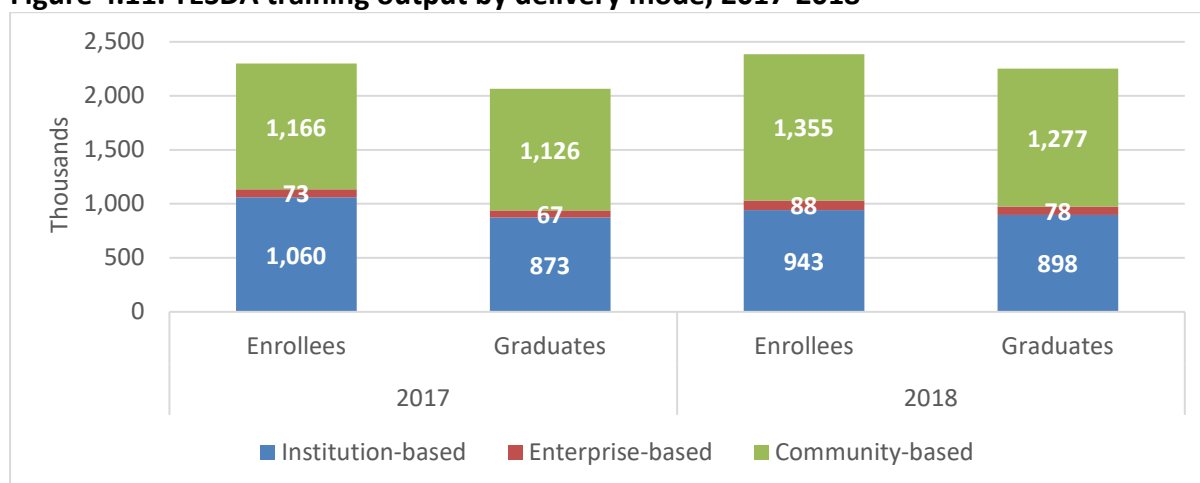
has recorded a total of 2,252,208 graduates in 2018, which is slightly (9%) higher than the recorded number of graduates in 2017.

**Figure 4.10. Enrollees and graduates of TVET programs**



Source: TESDA

**Figure 4.11. TESDA training output by delivery mode, 2017-2018**



Source: TESDA Annual Reports

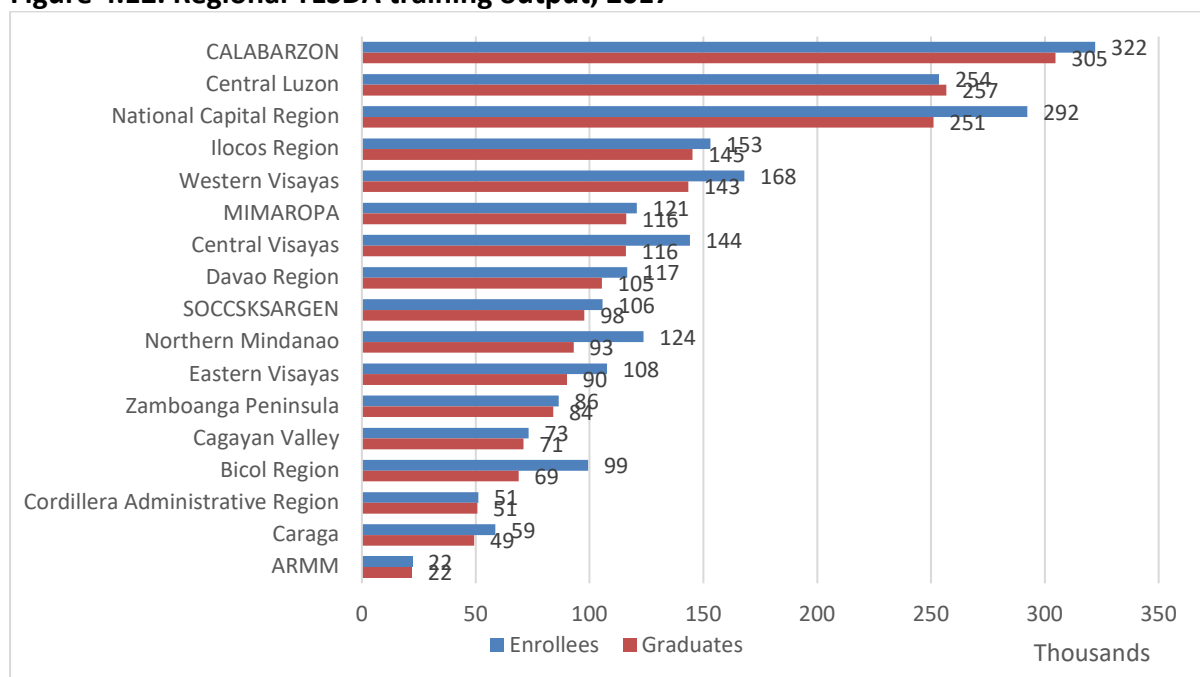
The number of TVET enrollees and graduates across regions in the Philippines is largely dependent on population size of the regions; they are highest in populous NCR and its neighboring regions (**Figure 4.12**), and they are fewest at the least populous region, ARMM.

**Tertiary education, on the other hand, is also accessible through a total of 2,353 higher education institutions (HEIs) and satellite campuses.** All of these HEIs and satellite campuses are being governed and regulated by the country’s Commission on Higher Education (CHED).

**Enrolment in higher education has increased from about 3.0 million in 2010 to over 4.1 million in 2015, but in 2016 and 2017, drops in enrolment have been registered.** **Figure 4.13** shows these trends. The drop in 2016 and 2017 is attributed to the transition in the education system, i.e., the implementation of the additional two years in SHS. Enrolment is expected to increase, however, in the succeeding years following the graduation of the first batch of SHS students in 2018. Through the years, enrolment has consistently been higher in

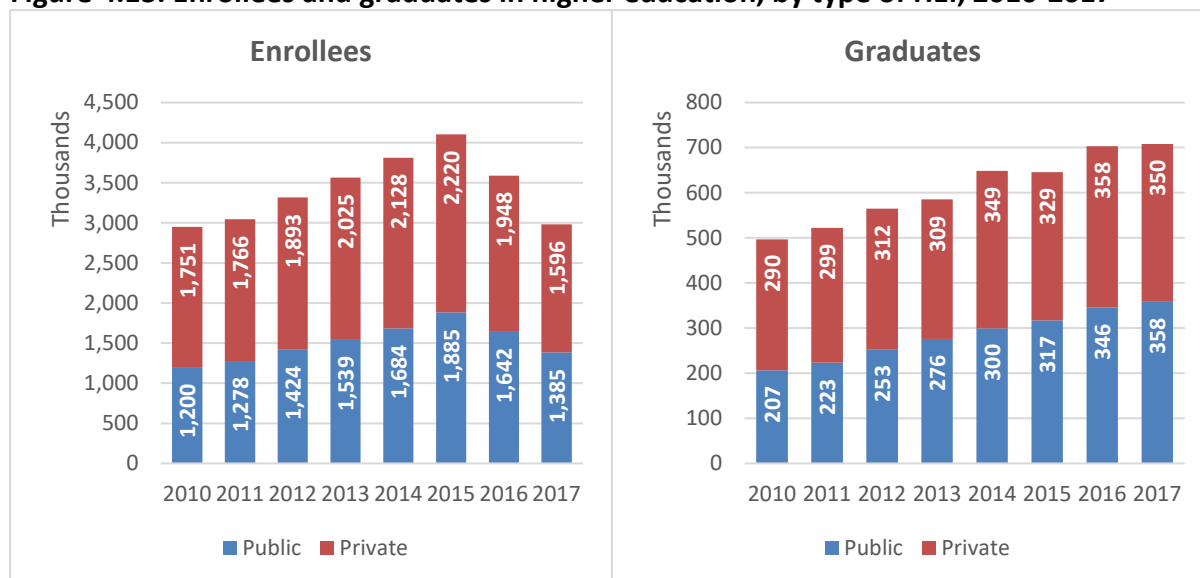
private HEIs at 53.5% in 2017 compared to 46.5% in public HEIs. Graduation in HEIs, on the other hand, is registered at 708,445 in 2017, which is 0.7% higher than the previous year's 703,327 graduates.

**Figure 4.12. Regional TESDA training output, 2017**



Source: TESDA 2017 Annual Report

**Figure 4.13. Enrollees and graduates in higher education, by type of HEI, 2010-2017**



Source: CHED

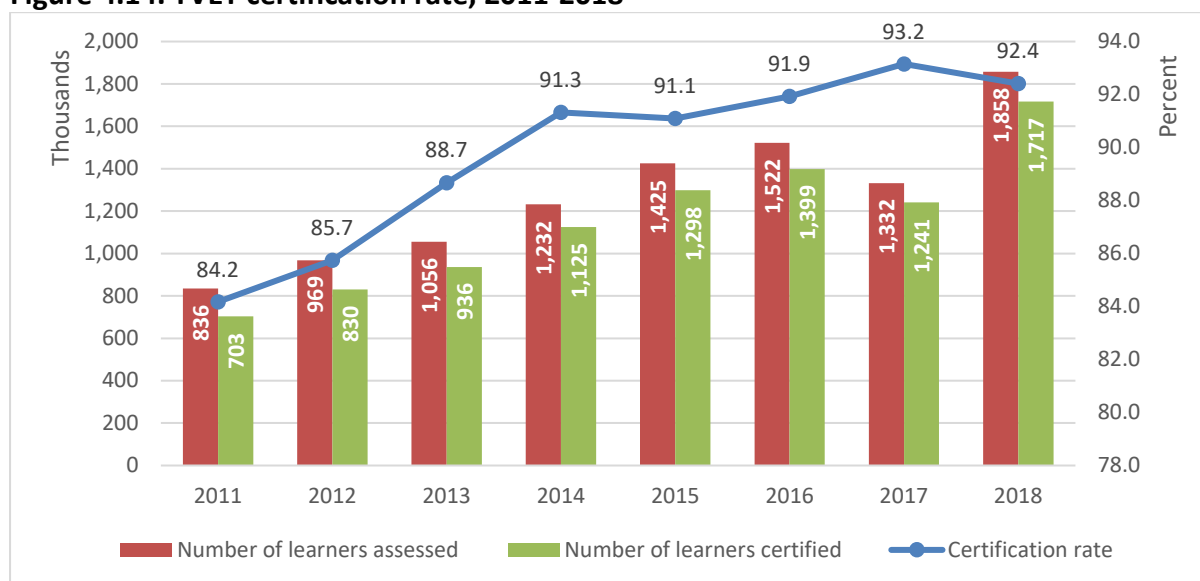
**In the next few years, total enrolments in both technical-vocational and higher education are expected to increase with the passage of RA 10931 or the Universal Access to Quality Tertiary Education Act in 2017.** Pursuant to the Act, all students who will enroll in any post-secondary TVET leading to a non-degree certificate or diploma programs offered by public institutions certified by TESDA, or courses leading to a bachelor's degree in any state or local universities and colleges (SUCs/LUCs) shall be exempt from paying tuition and other school

fees. However, those who already attained a bachelor’s or undergraduate degree, or a certificate or diploma for a technical-vocational course are excluded in this Act. Concerns though have been expressed about the unintended consequences of this law on equity with the poor and low-income getting crowded out of access to publicly-supported TVET and higher education (Orbeta and Paqueo 2017).

**The Philippines has implemented a free tuition policy.** Free higher education in 112 SUCs and 78 LUCs<sup>14</sup> has been officially implemented in AY 2018-2019, taking off from the Free Tuition Policy among SUCs in AY 2017-2018. Tertiary Education Subsidy (TES) for students in higher education was also rolled out in October 2018. As a result, preliminary data from CHED reflected an increase in the percentage of students awarded scholarships, grants, and other financial assistance (from 17.16% in 2017 to 48.77% in 2018). Free TVET in state-run technical-vocational institutions (TVIs) has also been effective since September 2018. Further, percentage of the Expanded Tertiary Equivalency Education and Accreditation Program graduates also improved from 50 in 2015 to 66.65 in 2017 (NEDA 2018).

**While access to TVET and tertiary education has improved in the Philippines, the quality of education must also be assured.** In 2017, TVET certification rate has been estimated at 92.9%, surpassing the TESDA’s target for the year by around 8 percentage points (Figure 4.14). This however decreased by 0.7 percentage points in 2018, at 92.4%.

**Figure 4.14. TVET certification rate, 2011-2018**

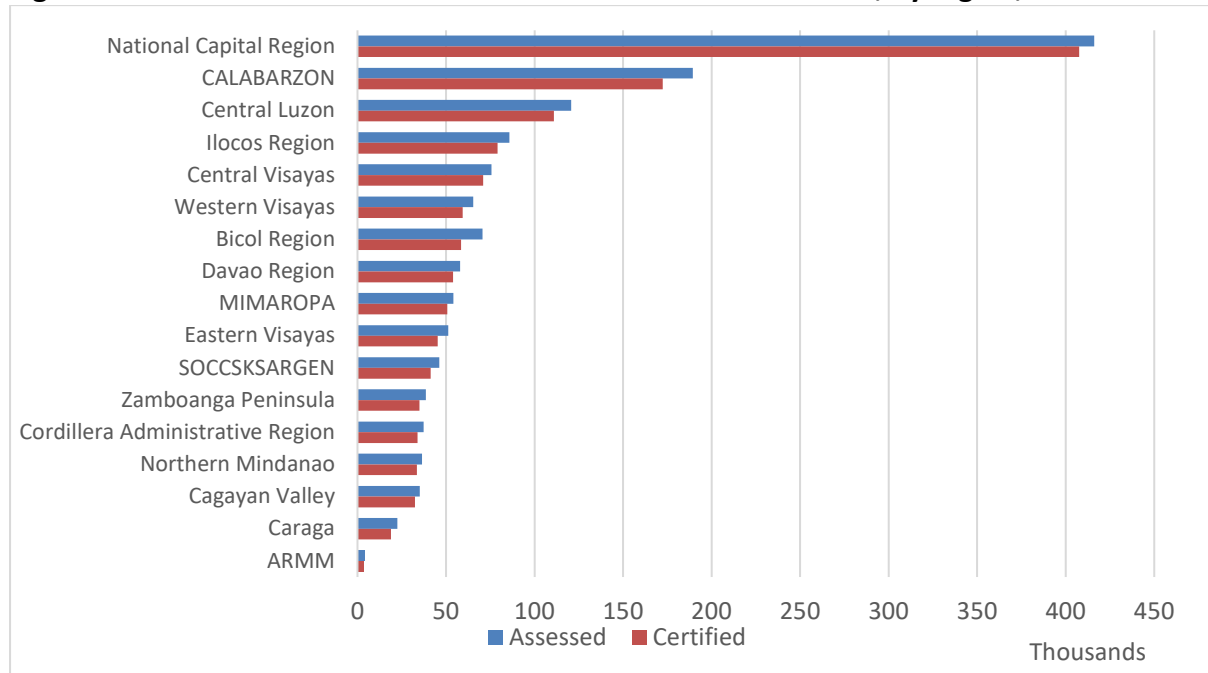


Source: TESDA

The total number of learners assessed and certified by region is shown in Figure 4.15. Certification rates are over 80% across all regions of the country. The NCR and Central Visayas have the highest rates at 98.0% and 93.7%, while Caraga and Bicol have the lowest rates at 84.0% and 82.9%, respectively.

<sup>14</sup> Only 78 out of 107 LUCs were deemed eligible for AY 2018-2019 because only these LUCs have undergone institutional and program evaluation by CHED as of 2017. LUCs are given two years to comply with all other institutional and program requirements to be part of RA 10931. Failure to do so will result in their exclusion from the list of LUCs under RA 10931. In this regard, students who will be enrolling in the 29 ineligible LUCs will be paying for their tuition and other school fees.

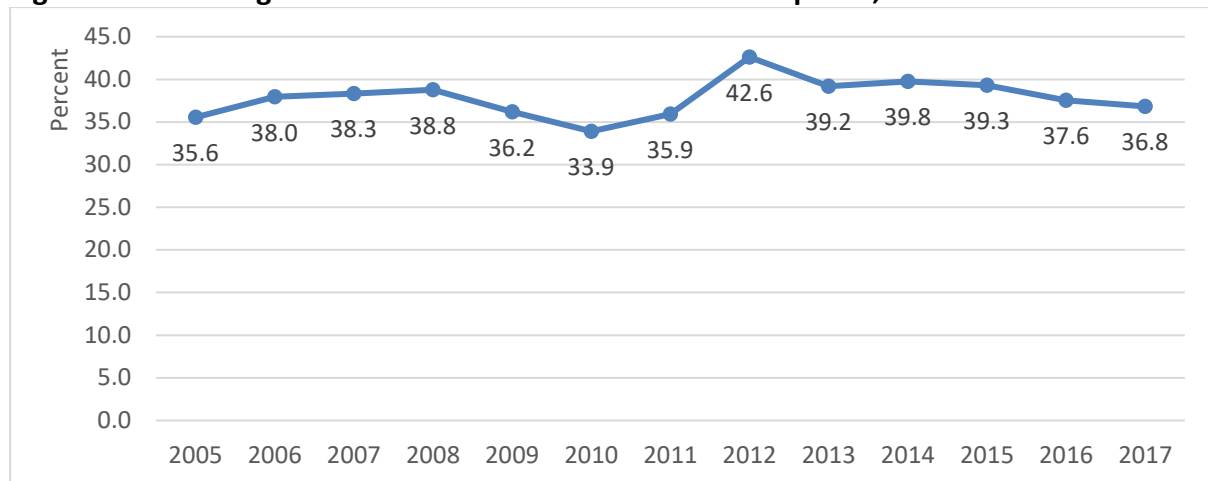
**Figure 4.15. Total number of TVET learners assessed and certified, by region, 2017**



Source: TESDA 2017 Annual Report

Meanwhile, the passing rates in licensure exams averages 36.8% across all disciplines. This is slightly lower than the 37.6% passing rate recorded in 2016. From 2005, passing rates have been under 40%, except in 2012, when 42.6% passed licensure examinations.

**Figure 4.16. Passing rates in licensure exams across all disciplines, 2005-2017**



Source: CHED

**Government has been implementing various programs to strengthen the quality of TVET and tertiary education in the country and to achieve higher TVET certification and licensure passing rates in the succeeding years. CHED has revised 106 policies, standards and guidelines for various undergraduate programs to be aligned with the K-12 curriculum, which involves a paradigm shift to an outcome-based education. Identified Centers of Excellence and Development (COE/Ds)<sup>15</sup> have also increased from 296 to 432, covering new**

<sup>15</sup> Center of Excellence (COE) refers to a department within an HEI which continuously demonstrates excellent performance in the areas of instruction, research and publication, extension and linkages and institutional qualifications. Center of Development (COD), on the other hand, refers to a department within an HEI which demonstrates the potential to become a COE in the future.

disciplines such as health, tourism, entrepreneurship and environmental science. This 46% increase in COE/Ds reflects significant improvements in teaching, research and service programs in HEIs. CHED is also developing international linkages to help students gear up for global competitiveness. Currently, there are 49 academic cooperation agreements with 37 countries, and 773 institutional linkages between 130 HEIs in the Philippines with top foreign HEIs.

Meanwhile, TESDA has reviewed and updated 18 Training Regulations (TRs), and developed additional 13 TRs for new qualifications. In addition, 35 Competency Assessment Tools (CATs), which include the instruments used in evaluation of the performance of graduates, have been developed. The updating of TRs and CATs are in collaboration with various national and local government agencies/units to consider peculiarity in various specialized trainings.

TESDA has also been initiating strategies such as the Competency Assessment and Certification for Workers (CACW) program to encourage learners and industry workers to undergo assessment and certification. This will allow them to obtain a corresponding National Certificate which they can use to seek better job opportunities. New assessment centers have also been accredited by TESDA to assist it in the implementation and conduct of the CACW program. As of 2017, there are a total of 1,585 active assessment centers and 6,188 assessors nationwide.

*Target 4.4. By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship*

The emerging FIRE and the widespread use of FIRE technologies, such as automation, advanced robotics, and the Internet of things, are undoubtedly, putting those with knowledge and skills related to ICT at an advantage in the fast-changing job market (Albert, Orbeta, et al. 2018).

**Access to the Internet is a means to harness skills related to ICT.** For instance, one can build networks which can be helpful in establishing a career in business by simply having exposure to social interactions in the Internet. Various resources and materials are also available in the Internet which can be helpful in acquiring knowledge and skills that can be useful, especially for students who are exploring future career opportunities.

**As of 2013, nearly half (42.2%) of the population in the Philippines (aged 10 to 64) have exposure to social interaction in the Internet, while a similar proportion (43.9%) have exposure to research work or study in the Internet.** This is higher than the 43.8% recorded Internet exposure in 2008. Attaining 100% Internet exposure of the population can help all members of society have a competitive edge in the changing global and local landscape of the labor markets.

CHED has encouraged HEIs to offer programs that are responsive to domestic and international needs of industries. Currently, CHED has identified nine priority disciplines: (1) sciences; (2) maritime; (3) medicine and health; (4) engineering and technology; (5) agriculture, agricultural engineering, forestry and veterinary medicine; (6) teacher education; (7) information technology; (8) mathematics, and; (9) architectural and town planning.



Given the scale of investments currently received by various sectors and subsectors, TESDA has also identified skills and training activities that may be needed for future jobs (**Table 4.7**). This includes manufacturing of food and electronic components, construction (in response to the current administration's expansion of infrastructure investments), real estate, administrative functions, information technology, and business process outsourcing.

**Table 4.7. TVET enrollees and graduates, by priority sectors, 2017**

Sector	Enrollees	Graduates
<b>Construction</b>	<b>87,177</b>	<b>78,269</b>
<b>Manufacturing</b>	<b>554,522</b>	<b>498,827</b>
Automotive and land transportation	154,398	137,551
Electrical and electronics	142,661	127,343
Furniture and fixtures	667	654
Garments	40,795	36,439
Heating, ventilation, air-conditioning and refrigeration	8,104	6,750
Processed food and beverages	90,516	86,977
Metals and engineering	125,380	109,782
Utilities	105	81
<b>Services</b>	<b>1,319,859</b>	<b>1,224,039</b>
Human health / health care	125,762	113,712
Social, community development and other services	480,194	466,293
Information and computer technology	202,690	185,201
Tourism (Hotel and restaurant)	505,004	452,459
Wholesale and retail trading	6,209	6,374
<b>Total</b>	<b>1,961,558</b>	<b>1,801,135</b>
<b>Total, TVET</b>	<b>2,298,744</b>	<b>2,065,697</b>

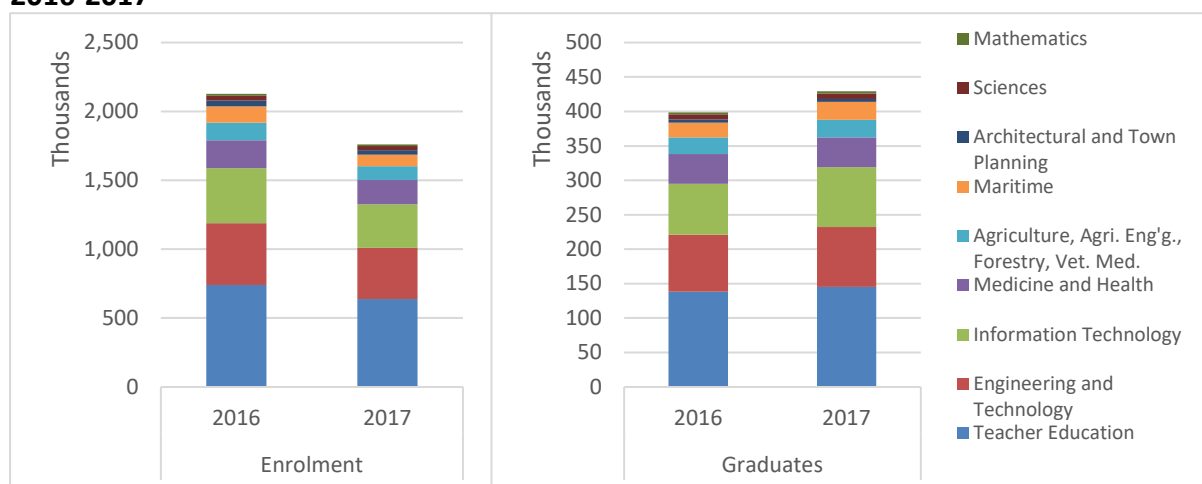
Source: TESDA

As of 2017, TVET enrollees and graduates in the construction, manufacturing, and services sectors comprise about 85.3% of enrolment and 87.2% of graduation in TVET programs, respectively. Among the sectors, services recorded the highest share of enrollees and graduates at 57.4% and 59.3%, respectively.

Meanwhile in tertiary education, the proportion of enrollees and graduates in priority disciplines stands at 59.0% and 60.6%, respectively, as of 2017 (**Figure 4.17**). Throughout the years, teacher education, and engineering and technology consistently have the highest share in both enrollees and graduates among the nine priority disciplines. However, health-related courses consistently recorded the highest passing rates while teacher education courses have the lowest passing rates in their respective board examinations since 2015 (**Figure 4.18**).

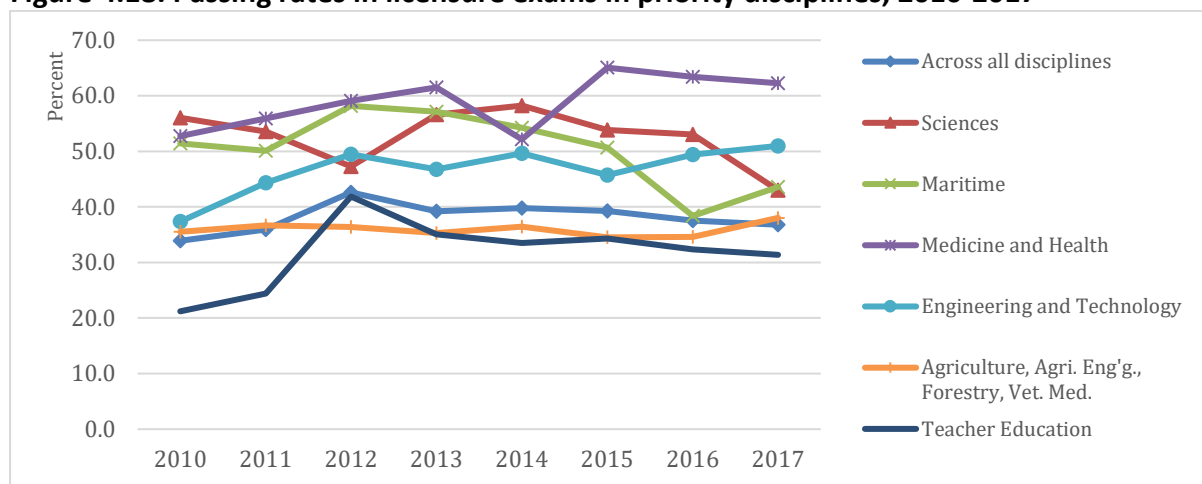
Aside from the priority disciplines and sectors identified by CHED and TESDA, respectively, and ICT skills, the education agencies must not only focus on the provision of technical know-how. Future skills for sustainable livelihoods (e.g. problem solving, critical thinking, creativity, teamwork, communication skills and conflict resolution) are also important to be learned by students as these skills are essential across a range of occupational fields.

**Figure 4.17. Total number of enrollees and graduates across priority disciplines in HEIs, 2016-2017**



Source: CHED

**Figure 4.18. Passing rates in licensure exams in priority disciplines, 2010-2017**



Source: CHED

*Target 4.5. By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations*

**The Philippines is committed to ensuring that all children and learners, regardless of their social class, gender, ethnic background or disabilities, have equal opportunities in education.** With around 75% of schools in the Philippines publicly-owned, access to basic education is easier for majority of the population primarily because admission in public schools is free (Table 4.8). As of school year 2018-2019, the country has a total of 61,982 schools, 47,078 of which are public schools.

**In the Philippines, gross enrolment in basic education is similar for both boys and girls, especially at the primary level, with gender parity indices being near one.** Meanwhile, tertiary education has consistently recorded a high gender parity index, indicating more female enrollees than males (Figure 4.19). Net enrolment ratios also in basic education have been in

favor of girls. Boys tend to drop out of school faster than girls, especially at the secondary level (David, Albert and Vizmanos 2018).

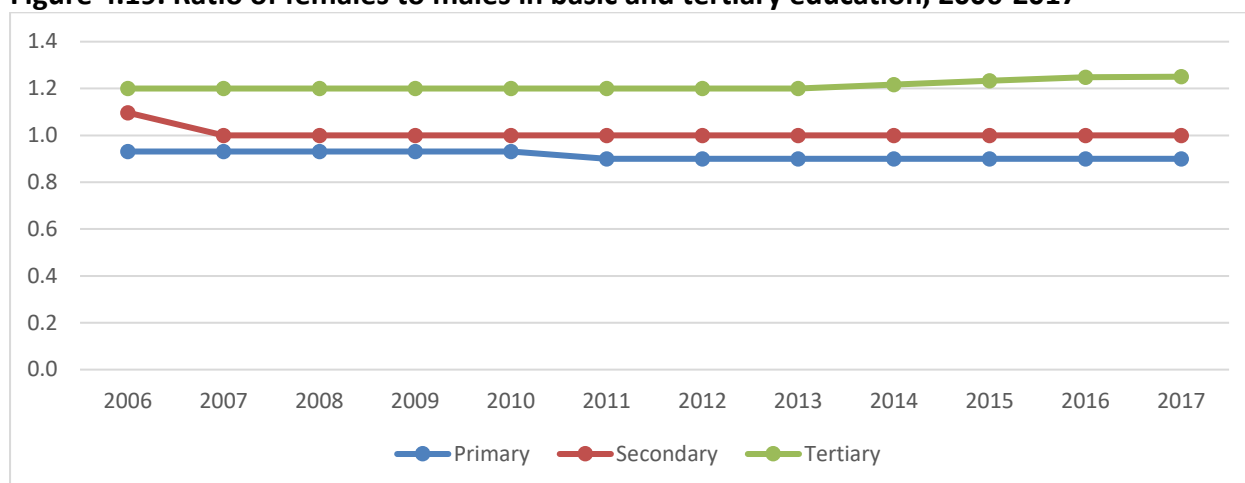
**Table 4.8. Number of schools in the Philippines, SY 2017-2018 and SY 2018-2019**

Classification	Public and Private		Public	
	SY 2017-2018	SY 2018-2019	SY 2017-2018	SY 2018-2019
Primary	45,490	45,448	38,064	37,968
Junior High School	2,158	1,976	1,779	1,623
Senior High School	1,351	1,429	197	206
JHS with SHS	6,907	7,178	5,926	6,181
Integrated schools (K to Gr.10)	2,588	2,698	496	685
Integrated schools (K to Gr.12)	3,069	3,253	353	415
<b>Total</b>	<b>61,563</b>	<b>61,982</b>	<b>46,815</b>	<b>47,078</b>

Note: Data as of November 15, 2018

Source: EBEIS, DepEd

**Figure 4.19. Ratio of females to males in basic and tertiary education, 2006-2017**



Source: LIS, DepEd (for primary and secondary); CHED (for tertiary)

**Recognizing the importance of human capital development, the Philippines has been formulating various initiatives to increase access to education for everyone, regardless of sex, socio-economic status, and religion.** As earlier pointed out, the DepEd is implementing various programs to improve access to basic education. This includes (a) ADMs for students in formal school who are experiencing shocks that force them out of school, such as the OHS for students who are required to attend weekly formal schooling at half-time; (b) the ALS for those who do not have, cannot access, or did not finish formal basic education, (c) a twin track approach, i.e. mainstreamed and SpEd, for children with disabilities, (d) IP Education for IPs, (e) Madrasah Education for Muslim learners and (f) Multi-grade Education for children in remote communities where enrolment does not warrant the organization of monograde classes. DepEd’s DO 72, s. 2009 (Inclusive Education as Strategy for Increasing Participation Rate of Children) which, among others, lists several initiatives to ensure that children with disabilities are located and provided access to formal education whether in the form of mainstreamed education or SpEd.

**Access to basic education of vulnerable groups was expanded.** DepEd recognized 648 SpEd centers and schools for children with disabilities and established additional 302 schools to serve indigenous learners. Meanwhile, enrollment in the ALS increased from 586,693 in school year

(SY) 2015-2016 to almost 700,000 out-of-school youth and adults (397,002 males and 301,741 females) in SY 2016-2017. In addition, 2,500 Filipinos in Sabah also availed of ALS. There are also 36,000 children of overseas Filipinos enrolled in 40 Philippine schools overseas in 2017, up from 33,000 in 2016 (NEDA 2018).

The DepEd, through DO 16 issued in 2012, instituted the Mother Tongue-Based Multilingual Education (MTB-MLE), with 18 major languages<sup>16</sup> as languages of instruction since 2012. This is implemented in all public schools, specifically in Kindergarten and Grades 1 to 3 as part of the K to 12 Basic Education Program. Through the MTB-MLE, the children's mother tongue is used in the classroom as a bridge in learning Filipino and English languages. This enable students from non-dominant language communities to build a strong educational foundation in the language they know best. Various schools including those for children of IPs have been modelling MTB-MLE with support from Basic Education Assistance for Mindanao, Third Elementary Education Program, Translators Association of the Philippines, Save the Children, and Summer Institute of Linguistics.

In addition, the increasing number of public elementary and secondary schools makes access to basic education easier for majority of the school-age population primarily because admission in public schools is free. Likewise, laws such as the Universal Access to Quality Tertiary Education Act attempt to ensure greater access to both technical, vocational and tertiary education. Programs of CHED such as the Student Financial Assistance Program (StuFAP) and the Expanded Student's Grants-in-Aid Program for Poverty Alleviation (ESGP-PA) also provide financial assistance in terms of tuition subsidies and stipend for those in financial need.

Meanwhile, TESDA, through its many programs, has been expanding its access to potential clients. The TESDA Online Program, for instance, offers free training services through the Internet. The TESDA also has scholarship programs that aims to attract more students, youth and unemployed adults to enroll in TVET courses. These scholarship programs include the Training for Work Scholarship Program (TWSP), Special Training for Employment Program (STEP), and Private Education Student Financial Assistance (PESFA). TWSP, which was launched in 2006, provides a free short free specialized training course that is in line with the skills and job requirements of priority industries and sectors with high employment demand. Meanwhile, STEP is a community-based specialty training program that provides skills specific to the needs of communities, and is provided through entrepreneurial, self-employment and service-oriented activities. Lastly, PESFA is a TVET scholarship program intended for students in private education.

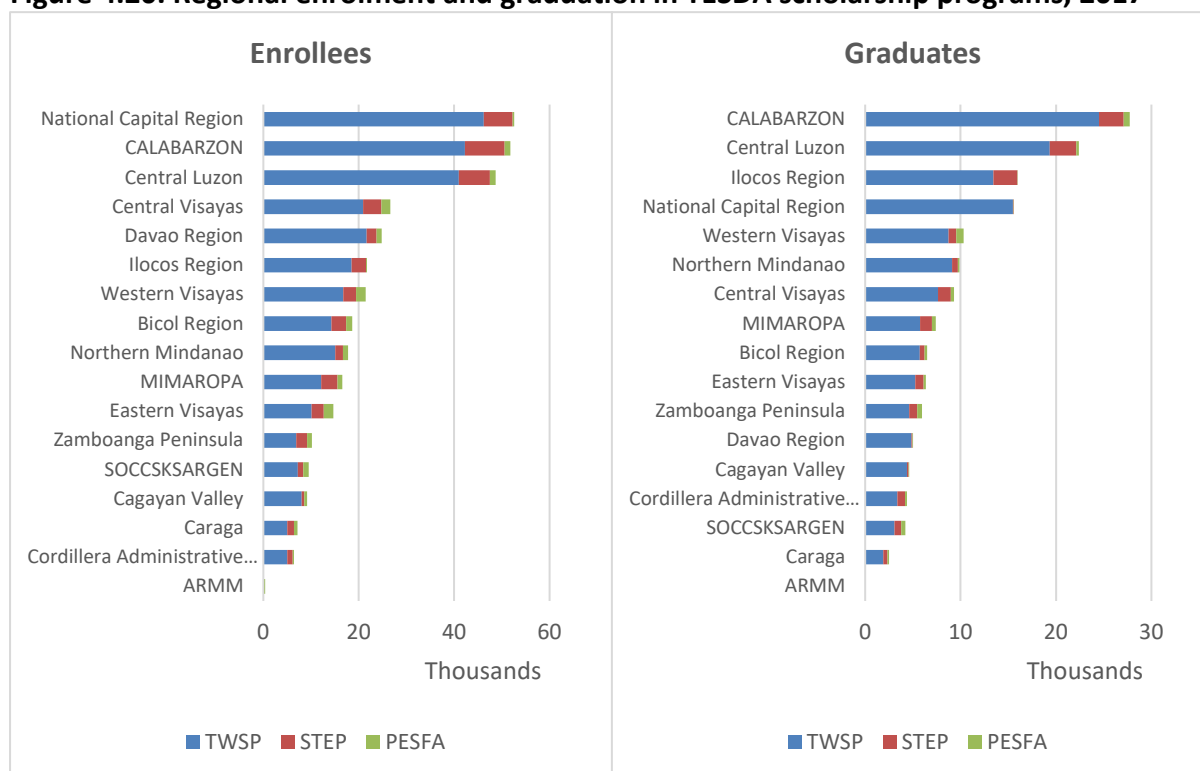
In 2017, TESDA recorded a total of 358,070 enrollees in its scholarship programs. The bulk (81.3%) was enrolled under TWSP, while the rest were in STEP (13.9%), and PESFA (4.8%). On the other hand, total graduates stood at 158,271 with TWSP comprising around 86.7% of the graduates. Among the regions, enrolment and graduation in TESDA scholarship programs is highest in NCR and its neighboring regions (**Figure 4.20**).

**Special TVET programs are being continued to cater to the socially excluded, displaced, and marginalized.** Affirmative action programs to target drug dependent surrenderees, inmates, returning Overseas Filipinos, and poor communities are being provided by TESDA.

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<sup>16</sup> Tagalog, Kapampangan, Pangasinense, Iloko, Bikol, Cebuano, Hiligaynon, Waray, Tausug, Maguindanaoan, Maranao, Chabacano, Ivatan, Sambal, Akianon, Kinaray-a, Yakan, and Sinurigaonon

**Figure 4.20. Regional enrolment and graduation in TESDA scholarship programs, 2017**



Source: TESDA

**Table 4.9. Special Technical and Vocational Education Training programs**

Program	Number of Beneficiaries (cumulative)	Covered Period
Skills Training for Drug-Dependent Surrenders	20,550	CY 2016 to October 2018
Skills Training for Inmates and Dependents	23,330	CY 2016 to October 2018
Reintegration Program for Overseas Filipinos	16,431	CY 2017 to September 2018
Onsite Skills Assessment for OFs	Assessed: 2,681 Certified: 2,159	CY 2014 to November 2018
Mobile Training Laboratories	<ul style="list-style-type: none"> <li>Equipment deployed to identified ten poorest provinces nationwide</li> <li>Of the ten provinces, five have ongoing program implementation</li> </ul>	As of October 2018

Source: TESDA, NEDA

*Target 4.6. By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy*

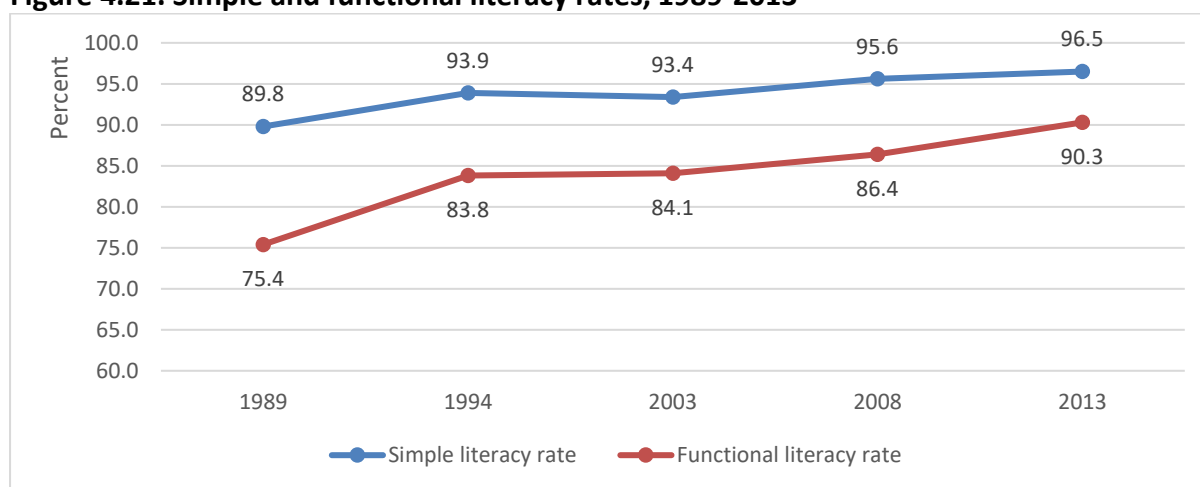
**Literacy and numeracy skills are the cornerstones to a student's academic and future professional success.** Without these basic abilities, students will be at the disadvantage in all

areas of learning, starting from primary education and throughout their adult lives. Students with weak reading and numeracy abilities often drop out of school, leading to a limited access to better jobs in the future.

**The Philippines has attained nearly universal literacy, with simple literacy rate around 90% or better since the late 1980s.** In 2013, 96.5% of the population above 10 years old already has the ability to read and write with understanding simple messages in any language or dialect (Figure 4.21). This is almost a percentage point higher than the 2008 rate of 95.6%.

**Functional literacy rate, which includes numeracy skills, is estimated at 90.3% in 2013.** This is 3.9 percentage points higher than the 86.4% recorded in 2008. Since 1989, both simple and functional literacy rates have increased, with the latter recording a much faster increase, implying that a greater proportion of the population having numeric competencies.

**Figure 4.21. Simple and functional literacy rates, 1989-2013**



Notes: i) Simple literacy rate is based on the population 10 years old and over  
 ii) Functional literacy rate is based on population aged 10 to 64.

Source: Functional Literacy, Education and Mass Media Survey (FLEMMS), PSA

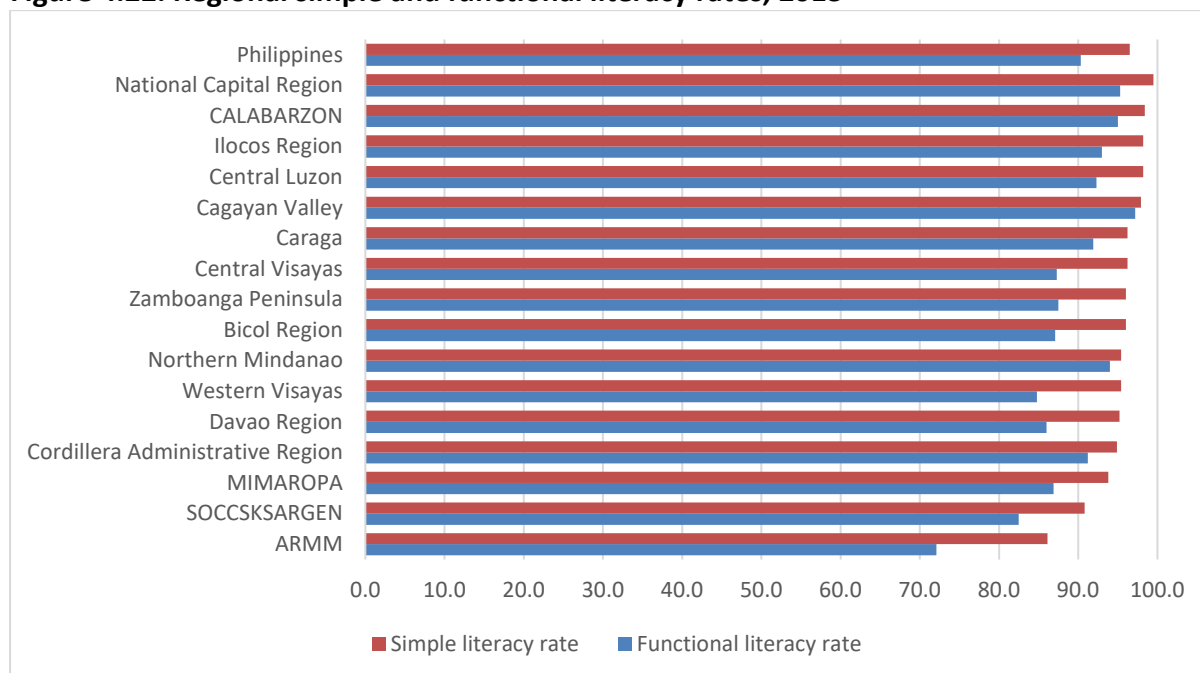
Among the regions<sup>17</sup>, NCR and Cagayan have the highest simple and functional literacy rates, respectively, in 2017 (Figure 4.22). Meanwhile ARMM has the lowest simple and functional literacy rates at 81.1% and 72.1%, correspondingly.

**Functional literacy is also correlated with educational attainment.** Functional literacy rates improve with education (Figure 4.23). In particular, only three percent of persons who have not had formal schooling are functionally literate; meanwhile, all of those having at least a high school diploma are functionally literate. Further, not only participation rates but also functional literacy rates favor females, with the latter rates consistently higher among females (92.0%) in 2013 compared to males (88.7%).

**Access to education, especially to the secondary level of education, is crucial for attaining 100% simple and functional literacy rates in the country.** As previously mentioned, the DepEd has been implementing various programs towards inclusive education, and providing complementary assistance and subsidies to incentivize children to participate and stay in school.

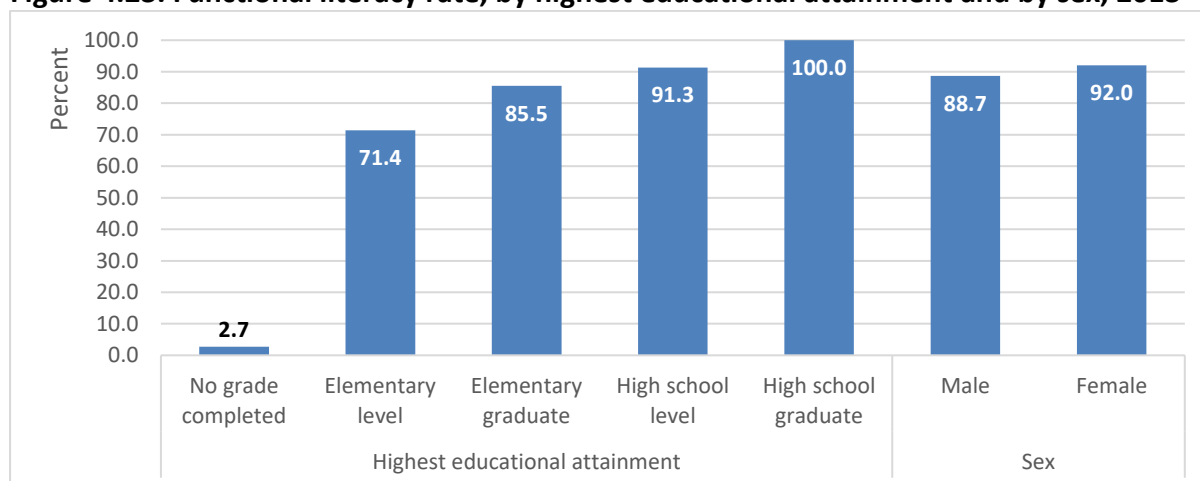
<sup>17</sup> Provinces from Eastern Visayas were excluded in the 2013 FLEMMS due to the devastation brought by typhoon Yolanda.

**Figure 4.22. Regional simple and functional literacy rates, 2013**



Source: FLEMMS

**Figure 4.23. Functional literacy rate, by highest educational attainment and by sex, 2013**

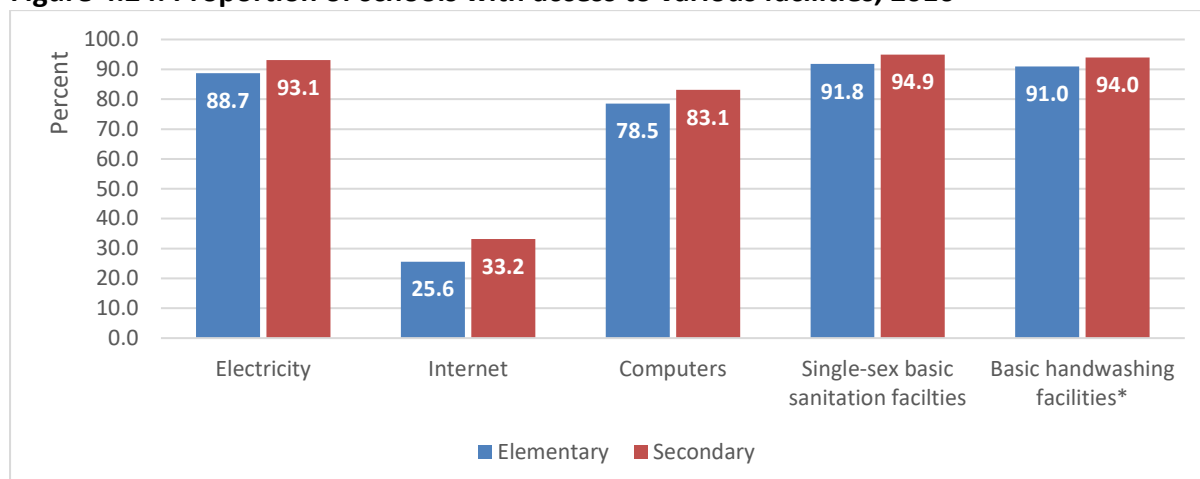


Source of data: FLEMMS, PSA

*Target 4.a. By 2030, build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all*

**Majority of primary and secondary schools nationwide currently have access to electricity, computers, single-sex basic sanitation facilities and basic handwashing facilities, but only around a quarter of schools has access to the Internet (Figure 4.24).** Education inputs and school facilities can have a profound impact on student outcomes, which includes health, behavior, engagement, learning, and growth.

**Figure 4.24. Proportion of schools with access to various facilities, 2016**



Note: \*2014 data

Source of data: EBEIS, DepEd

**The DepEd has been developing various programs and projects aimed toward the provision of basic facilities to all schools.** For instance, the Department started its Internet Connectivity Program in 2009 which was meant to provide Internet access to selected public secondary schools. Currently, the DepEd is implementing its Computerization Program, which aims to reduce the computer backlog in public schools by providing computer laboratory packages. It also aims to raise ICT literacy of learners, and school personnel by integrating ICT in the school system. Through the program and the combined efforts of the government and the private sector, the DepEd has distributed a total of 30,296 ICT packages to public schools nationwide in 2017. In order to achieve its target of 100% Internet connectivity, DepEd has been planning to also provide solar energy packages for schools without access to electricity.

Other DepEd programs and projects related to the provision of basic education facilities include construction and repair of classrooms, workshops and laboratories, and upgrading of school electrical connections (**Table 4.10**).

**Table 4.10. 2017 Physical accomplishments of DepEd on the provision of basic education facilities**

Programs/Projects	Indicator	2017 Accomplishment
New school personnel positions	Number of items created	54,077
Science and Math packages	Number of packages distributed	23,230 (on-going procurement process)
Technical Vocational equipment packages	Number of packages distributed	17,846 (on-going procurement process)
Textbooks and other instructional materials	Number of textbooks and instructional materials procured/delivered	13.8 million
Computerization Program	Number of ICT packages distributed	30,296
Classroom construction	Number of classrooms constructed	3,153
School Furniture Program	Number of sets of school furniture	2,710



Programs/Projects	Indicator	2017 Accomplishment
Repair and rehabilitation of classrooms	Number of classrooms repaired/rehabilitated	15,069
Workshop and laboratory buildings	Number of workshops and laboratories constructed	796
Upgrading of electrical connections of schools	Number of school sites upgraded the electrical connections	1,108

Source: DepEd

Also, in recognition of the importance of health for education outcomes, the DepEd is promoting correct hygiene and sanitation practices among school children through its Water, Sanitation and Hygiene in Schools program. This program aims to improve equitable access to safe water, and adequate toilet and handwashing facilities. Together with other health programs, the DepEd aims to help children achieve their full educational potential by also providing health-related services.

*Target 4.c. By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially least developed countries and small island developing States*

**The Philippines is taking several steps not only regarding improving access to education, but also assuring quality education, with the latter chiefly on examining and improving the competencies of teachers and trainers in schools nationwide.**

A proxy indicator for the quality of education is the student-teacher ratio, which at the primary school level is ratio of the number of students enrolled in primary school to the total number of primary school teachers. A similar ratio is defined at the secondary school level. In 2018, student-teacher ratio (STR) in public elementary schools is at 1:29, public lower secondary schools at 1:25, and in public upper secondary schools at 1:29. These STRs are generally better compared to those of the previous school year at 1:31, 1:26, and 1:30, respectively.

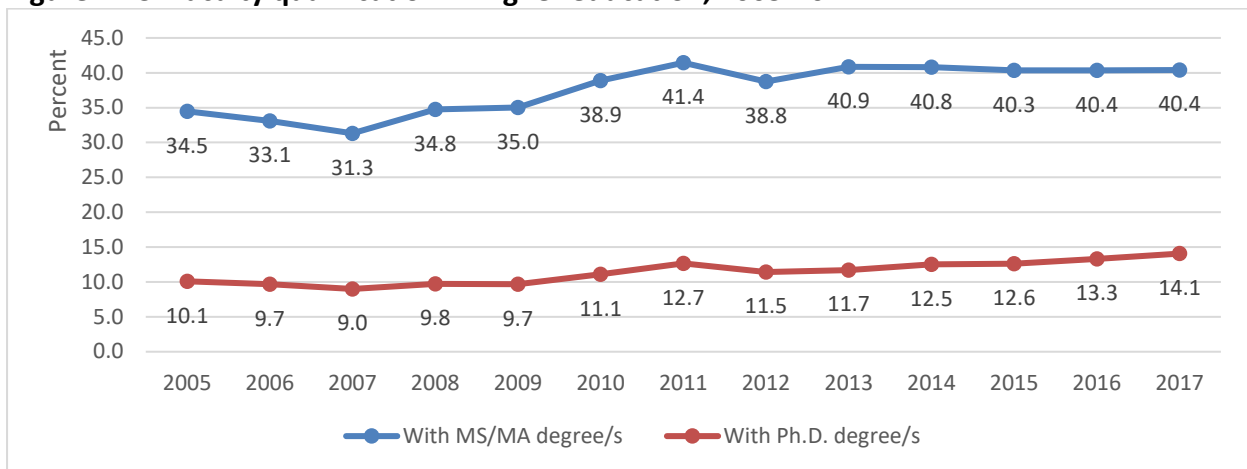
One of the priorities of the DepEd is the provision of opportunities for personal and professional growth to teachers. Currently, 192,918 teachers and teaching-related staff in primary and secondary schools were trained under various training initiatives of DepEd. The Department is also working to improve compensation and other benefits as an opportunity for personal growth of teachers. The DepEd is also examining teachers' workload and overall working conditions (David, Albert and Vizmanos 2019). Through these, it is believed that teachers will be more empowered to become the kind of facilitators of learning that students deserve.

CHED and TESDA have also been implementing programs for the development of teachers in technical, vocational, and higher education. For trainers in technical and vocational education, TESDA has launched the National TVET Training Academy to provide trainer development programs and to upgrade the institutional and organizational competencies of TVIs. In 2018, there are a total of 18,848 trained TVET trainers.

Meanwhile, CHED has been encouraging higher education teachers, particularly those who do not have a teaching load due to the implementation of SHS, to pursue master's or doctoral

degrees. Currently, there are 40.4% of faculty members in HEIs who have a master’s degree, while 14.1% have a doctorate (**Figure 4.25**).

**Figure 4.25. Faculty qualification in higher education, 2005-2017**



Source: CHED

Through CHED’s partnership with various institutions, scholarships such as Fulbright fellowships and Australia Awards will be provided for teachers who want to pursue post-graduate degrees locally or abroad. As of 2017, a total of 9,302 teachers were awarded with a scholarship. By 2020, the agency expects at least 62% of the country’s faculty in higher education to have a graduate degree.

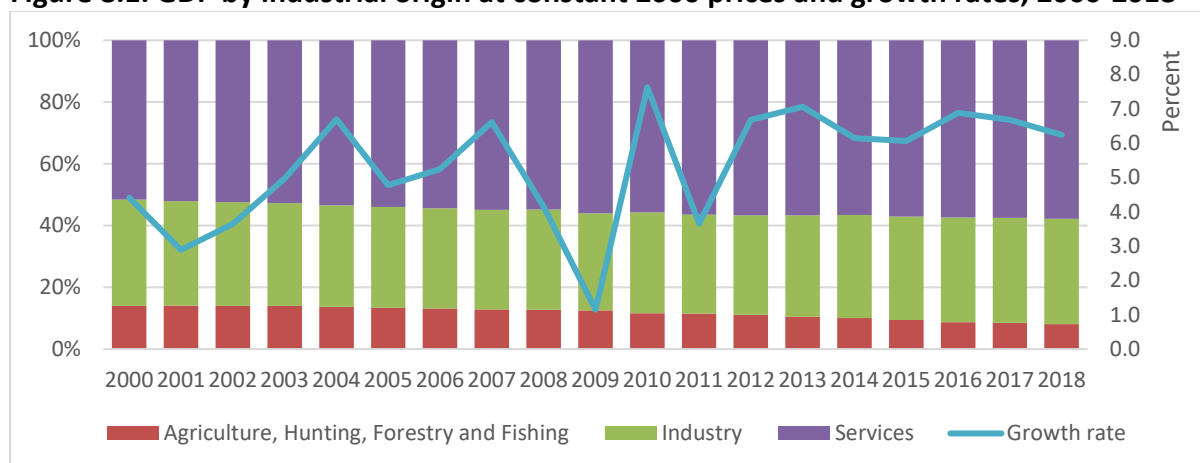
## Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Among the important drivers of sustainable development are inclusive growth and decent work. Economic growth and development that is sustainable and inclusive means that opportunities are well distributed in the economy while limiting the exploitation of the country's resources. Decent work, on the other hand, means that opportunities for work are productive and deliver fair income, furnish security in the workplace, provide social protection for workers and their families, and give people the freedom to organize and participate in dialogues to express their concerns. All of these are embodied in the SDG 8, which aims to “promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.”

*Target 8.1. Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries*

**GDP in the Philippines has robustly grown at above 6% for the seventh straight year in 2018.** This growth of 6.2% in 2018 though is lower than the 6.7% recorded growth in 2017 (Figure 8.1). Growth in the country has averaged 5.3% from 2000 to 2018, peaking at 7.6% in 2010.

**Figure 8.1. GDP by industrial origin at constant 2000 prices and growth rates, 2000-2018**



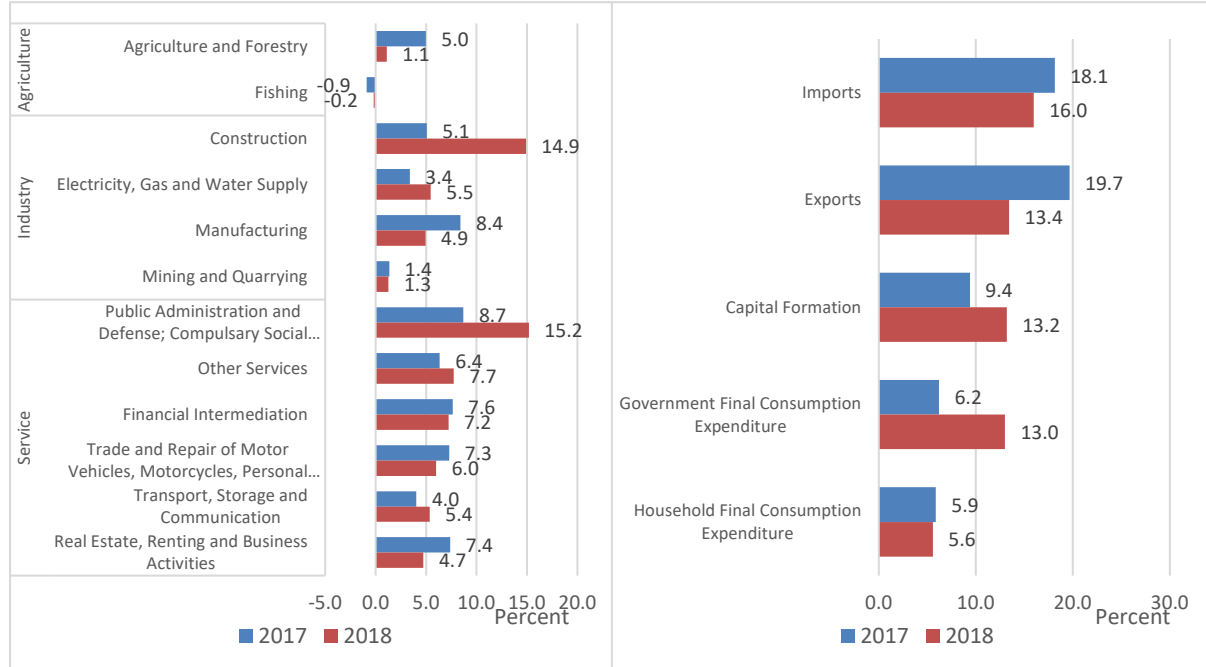
Source: National Income Accounts, Philippine Statistics Authority (PSA)

**Among the major economic sectors, services sector has dominated total output in 2018, with the sector having the largest share of GDP at 48.3% and a relatively high growth rate at 6.8%.** The country's economic output has been always dominated by the services sector. As of 2018, trade and repair of motor vehicles, motorcycles, personal and household goods is the most significant among the subsectors of services having the largest share of 14.1% and a relatively rapid growth at 6.0%. This is followed by real estate, renting and business services with 9.5% shares at 4.7% growth.

**Meanwhile, industry was the major sector with the highest growth rates since 2016, at 6.7% in 2018 from the 7.1% recorded growth in 2017 and 8.1% in 2016.** The growth in industry, undoubtedly a result of the country's Inclusive Innovation Industrial Strategy (i3S), was led by the construction subsector which grew by 14.9%. The agriculture sector, meanwhile, stands at 0.9% growth in 2018, significantly slowing down from a growth in 2017 at 4.0%.

In terms of expenditure shares, exports have made the biggest contribution to growth at 13.4% in 2018. This growth (Figure 8.2) has largely been brought about by exports of consumer electronics (116.8%), government services (74.5%), bananas (63.6%), and automotive electronics (61.9%).

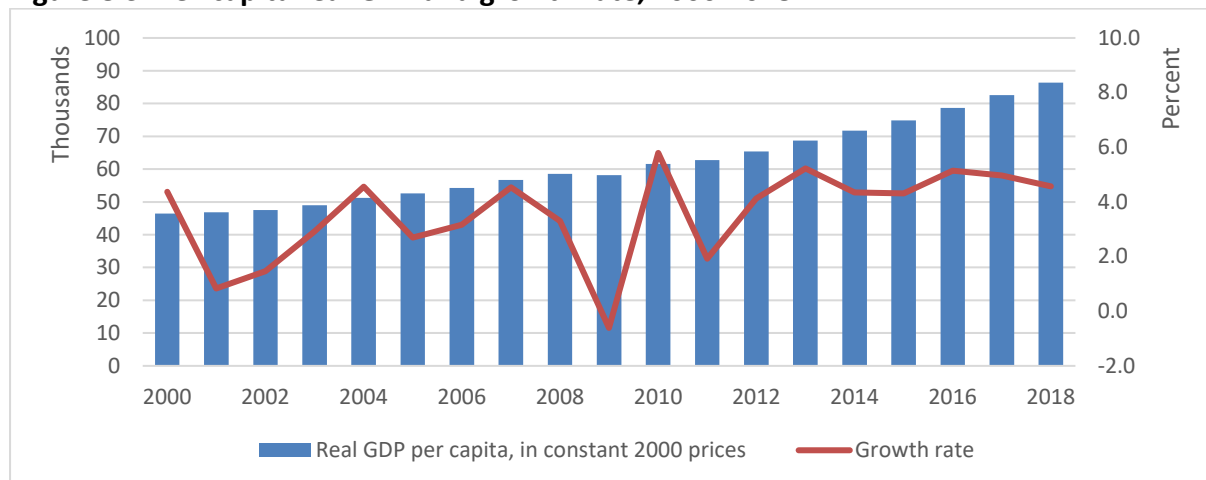
**Figure 8.2. Real GDP growth rates, by industrial origin and expenditure shares, 2017-2018**



Source: National Income Accounts, PSA

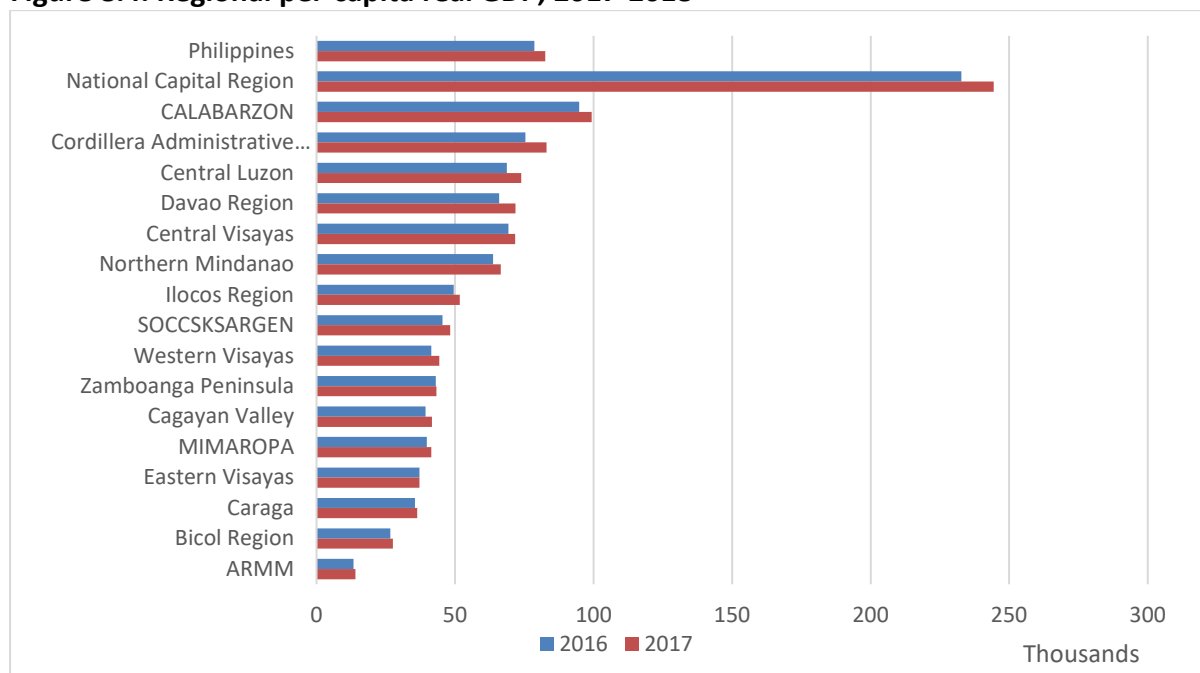
As regards per-capita GDP, the Philippines has been recording positive growth from 2000 to 2018. In 2018, per-capita real GDP was at an all-time high at PHP 86,370 (Figure 8.3). This is equivalent to a 4.6% growth from last year's PHP 82,593. At the regional level, per-capita real GDP growth in 2018 is highest in Bicol Region at 6.8%, followed by Davao Region at 6.6% (Figure 8.4). Regional disparities persist with per capita GDP continuing to be dominated by NCR, with ARMM having the least GDP per capita.

**Figure 8.3. Per-capita real GDP and growth rate, 2000-2018**



Source: National Income Accounts, PSA

**Figure 8.4. Regional per-capita real GDP, 2017-2018**



Source: Regional Income Accounts, PSA

**To sustain rapid economic growth, the PDP 2017-2022, in its *Pagbabago (Change)* pillar, seeks to provide economic opportunities for all, particularly for the lagging economic sector of agriculture, forestry and fisheries. The strategies to be implemented for the entire agriculture sector by the government are listed in Table 8.1.**

**Table 8.1. Government strategies for the agriculture, forestry and fisheries sector**

<p>To improve productivity within the ecological limit</p>	<ul style="list-style-type: none"> <li>▪ Develop an integrated color-coded agricultural map to identify the comparative advantage of specific areas.</li> <li>▪ Accelerate construction of disaster and climate resilient small-scale irrigation systems and improve existing ones.</li> <li>▪ Facilitate the use of appropriate farm and fishery machinery and equipment.</li> <li>▪ Strengthen the extension system that can provide stakeholders with technical assistance and capacity building activities.</li> <li>▪ Pursue an ecosystems approach to fisheries management.</li> </ul>
<p>To increase agriculture- and fishery-based enterprises</p>	<ul style="list-style-type: none"> <li>▪ Diversify into commodities with high value-adding and market potential;</li> <li>▪ Expand enterprises through new and innovative production and marketing schemes, and;</li> <li>▪ Strengthen community-based enterprises in upland areas.</li> </ul>
<p>To increase stakeholders' access to value chains</p>	<ul style="list-style-type: none"> <li>▪ Physically link production areas to markets through road and rail-based transport, inter-island transport and logistics system.</li> <li>▪ Organize small farmers and fisherfolk into formal groups, and farms into clusters to create economies of scale.</li> <li>▪ Provide capacity building for small farmers and fisherfolk on value-adding activities.</li> <li>▪ Provide non-farm livelihood options, especially to seasonal farm and fishery workers</li> </ul>

To increase farmers' and fisherfolk' access to innovative farming	<ul style="list-style-type: none"> <li>▪ Increase the number of small farmers and fisherfolk that are provided with agricultural insurance.</li> <li>▪ Provide small farmers and fisherfolk easy access to affordable formal credit.</li> </ul>
To increase stakeholders' access to technology	<ul style="list-style-type: none"> <li>▪ Raise investments in research and development for production and post-harvest technologies.</li> <li>▪ Enhance capacity of small farmers and fisherfolk to use better and new technologies.</li> </ul>
To increase and protect access of small farmers and fisherfolk to land and water resources	<ul style="list-style-type: none"> <li>▪ Ensure and protect land tenure security of agrarian reform beneficiaries by completing land acquisition and distribution.</li> <li>▪ Fast track the resolution of agrarian-related cases.</li> <li>▪ Revisit Section 20 of the Local Government Code, which authorizes local government units to reclassify agricultural lands for other uses.</li> <li>▪ Complete the delineation of municipal waters.</li> <li>▪ Complement strategic efforts with environmental and governance strategies.</li> </ul>

Source: Abridged PDP 2017-2022

In order to realize sustainable development given these strategies for economic growth, there is a need for a stronger focus on small farmers. The 2010 Report of the United Nations Research Institute for Social Development (UNRISD) stated that the emerging global production chains has been dominated by large multinational corporations that enjoy considerable market power. Thus, the government must assume a strong role in increasing the capacity of small farmers to keep up with the opportunities brought by the growth of worldwide production chains for traditional export crops, and to regulate the terms under which these farmers are incorporated into these production systems. In addition to this, a strengthened capacity of the government is needed to protect interests of small farmers in Agriculture Venture Agreements. The Department of Agrarian Reform (DAR) must have the capacity to monitor these agreements so as to protect and promote farmers' interest.

There is also a need to revisit land reform in the country. UNRISD mentioned that countries with well-implemented redistributive land reforms yield gains in terms of reduced poverty and inequality, and increased output. Moreover, formulation of a National Land Use Plan can regulate the use of land in order to promote more desirable social and environmental outcomes as well as a more efficient use of resources. This, together with effective support programs for small farmers, such as investments in rural infrastructure, and provision of seedlings, extension services and credit, can lead to significant productivity gains.

**For the industry and services sectors, the government is seeking to strengthen the economic ties of the Philippines with other countries, in order to attain free trade and other cooperative agreements that can be beneficial to local stakeholders.** A summary of strategies included in the PDP to expand economic opportunities in the industry and services sectors is listed in **Table 8.2**.

**Through these strategies, the Philippines is targeting the attainment of 2.5 to 3.5% growth in the agriculture sector, an 8.4 to 9.4% growth in the industry sector, and a 6.9 to 7.9% growth in the services sector by 2022.** Considering population growth rate of around 1.5 to 2.0%, per-capita real GDP growth rate is pegged to be at 6.0% by 2030.

**Table 8.2. Government strategies for the industry and services sectors**

<p>To increase competitiveness, innovativeness and resilience of the sectors</p>	<ul style="list-style-type: none"> <li>▪ Develop high-value added, competitive and sustainable sectors.</li> <li>▪ Improve the business climate to encourage investments.</li> <li>▪ Improve access to technology and innovation.</li> <li>▪ Enhance labor capacities.</li> <li>▪ Support the new industrial policy which supports the growth of globally competitive and innovative industries with strong forward and backward linkages.</li> <li>▪ Strengthen government-academe-education-industry collaboration.</li> <li>▪ Accelerate technology upgrading, promotion of innovation, closing of the infrastructure gap, addressing of regional imbalances, generation of more and better value chain linkages.</li> <li>▪ Promote a green agro-industrialization program through industrial policies with reduced carbon footprint that support domestic industries, especially micro-small-and-medium enterprises (MSMEs).</li> <li>▪ Institute selective and well-managed and green industrial and agricultural policies that connect the agricultural sector more productively to industry and other sectors of the economy.</li> <li>▪ Stimulate and maintaining an adequate level of labor demand by expanding domestic production and raising the demand for domestic goods and services.</li> <li>▪ Invest in infrastructure as well as education, training and research to improve skills, productivity and the mobility of the population.</li> <li>▪ Invest in infrastructure as well as education, training and research to improve skills, productivity and the mobility of the population.</li> </ul>
<p>To increase local and foreign direct investments</p>	<ul style="list-style-type: none"> <li>▪ Strengthen value and supply linkages through the implementation of a comprehensive national industrial strategy, adaptation of a holistic market-driven perspective, improvement of backbone services (e.g. financial, telecommunications, distribution, transport and logistics), enhancement of business services, and the implementation of the new medium-term National Tourism Development Plan.</li> <li>▪ Remove restrictions, provide incentives, and promote job-creating investments.</li> <li>▪ Accelerate the implementation of infrastructure programs and projects.</li> </ul>
<p>To improve the market access</p>	<ul style="list-style-type: none"> <li>▪ Maximize opportunities that expand access to existing and new markets by the ASEAN Economic Community and other preferential trading agreements.</li> </ul>
<p>To ensure consumer access to safe and quality goods and services</p>	<ul style="list-style-type: none"> <li>▪ Heighten consumer vigilance on product safety, value for money, and access to quality goods and services.</li> <li>▪ Enforce regulations and standards to protect, promote, and empower consumers against unfair trade practices.</li> <li>▪ Build stronger linkages and partnerships with the private sector and professional associations to strengthen consumer redress mechanisms.</li> <li>▪ Harmonize domestic and international policy frameworks on consumer protection.</li> </ul>

To improve access to production networks	<ul style="list-style-type: none"> <li>▪ Support linkages between MSMEs and large corporations to facilitate increased participation of the former in global value chains.</li> <li>▪ Develop more inclusive business models and social enterprises.</li> <li>▪ Establish feasible domestic economic zones for MSMEs.</li> </ul>
To improve the stakeholders' access to finance	<ul style="list-style-type: none"> <li>▪ Streamline and simplify loan processes for MSMEs, cooperatives, and overseas Filipinos.</li> <li>▪ Provide financial literacy training for MSMEs, cooperatives, and overseas Filipinos and their families.</li> <li>▪ Assess MSME-related laws.</li> </ul>
To improve the stakeholders' productivity, efficiency and resilience	<ul style="list-style-type: none"> <li>▪ Increase access to technology.</li> <li>▪ Implement MSME Development Plan and assess MSME-related laws.</li> <li>▪ Encourage entrepreneurship, especially in households of overseas Filipinos.</li> </ul>

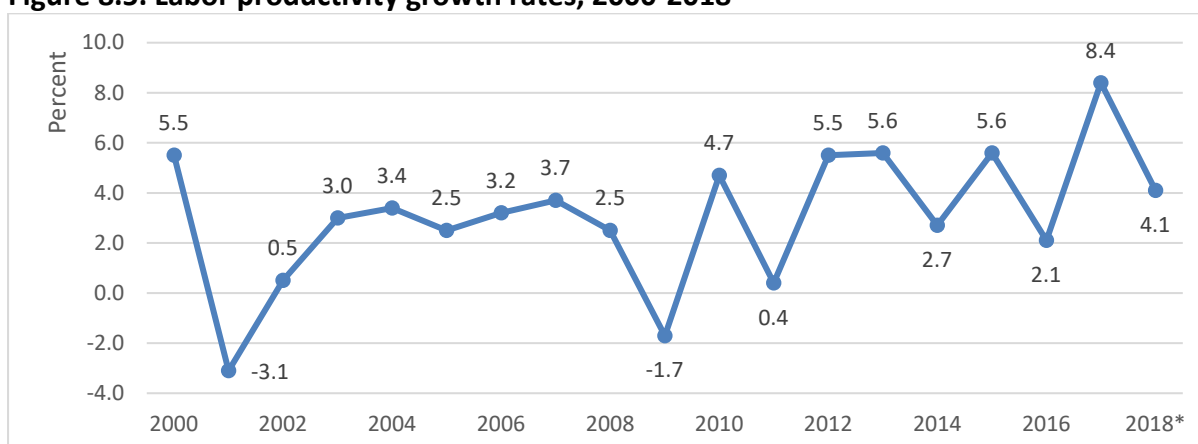
Source: Abridged PDP 2017-2022, and CSO Consultation Proceedings on the 2019 VNR

**Target 8.2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors**

Labor productivity, which measures the efficiency of a country's workforce, is another important indicator of economic development. It can be used to assess the likelihood that the economic environment will create and sustain decent work opportunities. Growth in productivity is likely associated with improvements in working conditions in a country.

**Labor productivity in the Philippines has been recording positive growth rates since 2010.** In 2018, it slowed down to 4.1%, from the 8.4% growth experienced in 2017, which is the fastest recorded growth during the period since 2000. Workers account for an average of PHP 223,687 in gross value added (in 2000 prices) as of 2018.

**Figure 8.5. Labor productivity growth rates, 2000-2018**



Notes:

\*Preliminary

Labor productivity is measured as output produced per employed person in constant 2000 prices

(i) Beginning 2006, employment data were based on the 2000 Census-based population projections. For comparability of 2006 growth rate with that of 2005, the labor productivity for these two years both used employment data based on 1995 Census-based population projections.



(ii). Labor productivity data for 2014 were computed using average employment data from April, July and October survey rounds which excluded that of Leyte. For comparability, 2014 growth rates were computed using 2013 labor productivity whose average employment data from April, July and October survey rounds that also excluded that of Leyte.

(iii) Labor productivity data for 2015 were computed using average employment data from the four survey rounds which excluded that of Leyte. For comparability, 2015 growth rates were computed using 2015 labor productivity whose average employment data were from April, July and October survey rounds that also excluded that of Leyte.

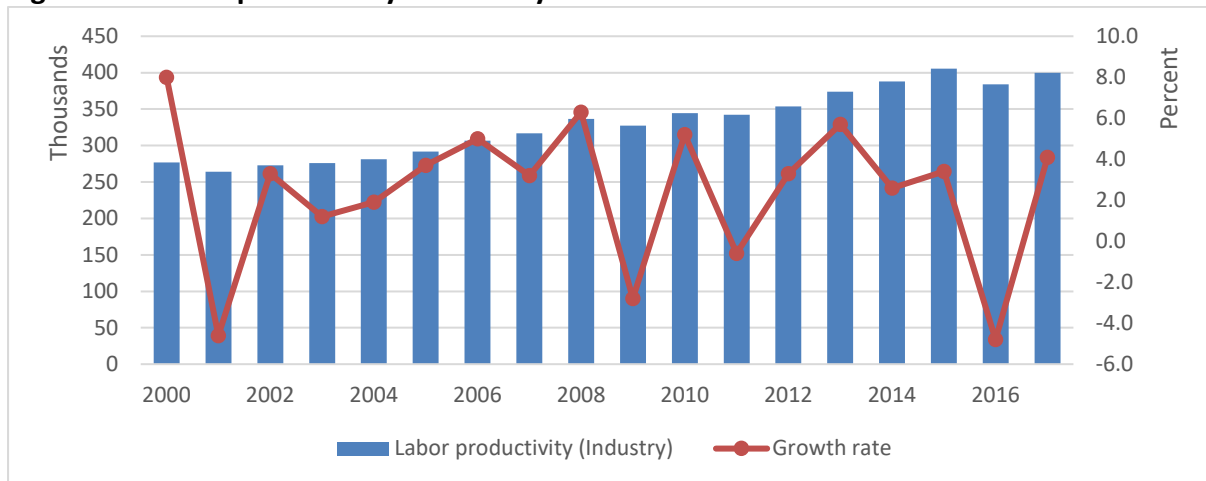
(iv) Labor productivity data for 2016 were computed using the average of the four survey rounds employment data with the January 2016 data based on the 2010 Census-based population projections.

(v) For comparability, the 2016 growth rates were computed using the average of July and October employment data for 2015 and 2016 that include Leyte.

Sources: National Income Accounts and Labor Force Survey (LFS), Decent Work Statistics (DeWS), PSA

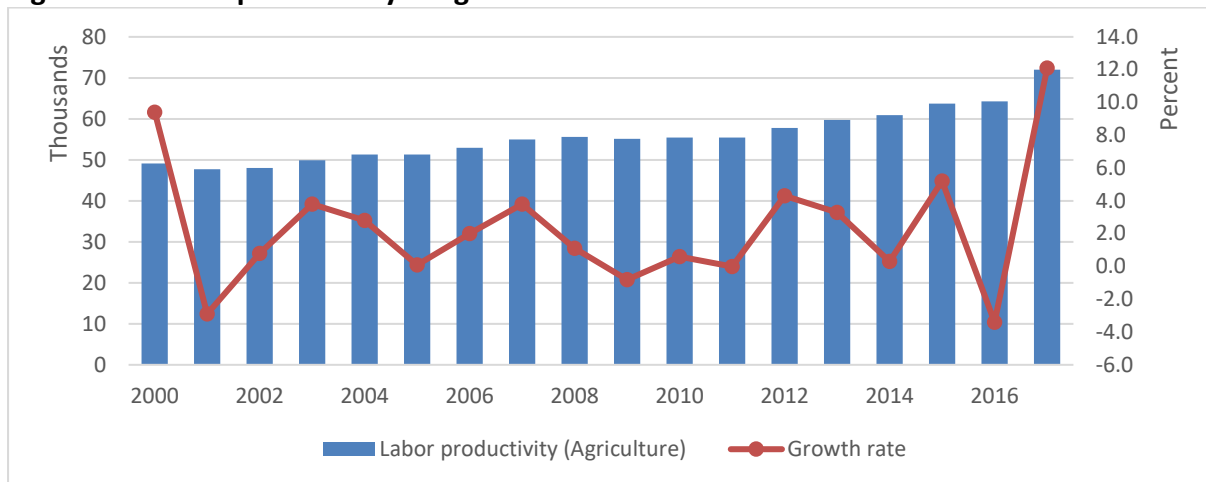
**Among the sectors, industry has recorded the highest productivity in real terms at PHP 399,878 in 2017.** This is equivalent to a 4.1% growth from last year's PHP 384,137 (**Figure 8.6**). However, growth is highest in the agriculture sector with 12.1% from PHP 64,256 in 2016 to PHP 72,023 in 2017 (**Figure 8.7**). Meanwhile, productivity of workers in the services sector increased by 7.2% to PHP 219,336 in 2017 (**Figure 8.8**).

**Figure 8.6. Labor productivity in industry sector: 2000-2017**



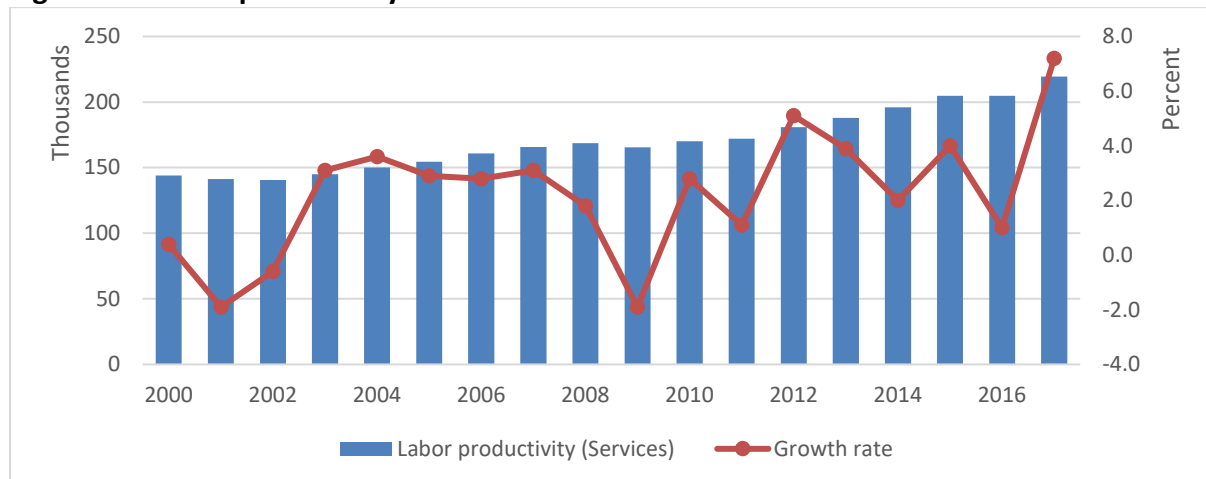
Sources: National Income Accounts and LFS, DeWS, PSA

**Figure 8.7. Labor productivity in agriculture sector: 2000-2017**



Sources: National Income Accounts and LFS, DeWS, PSA

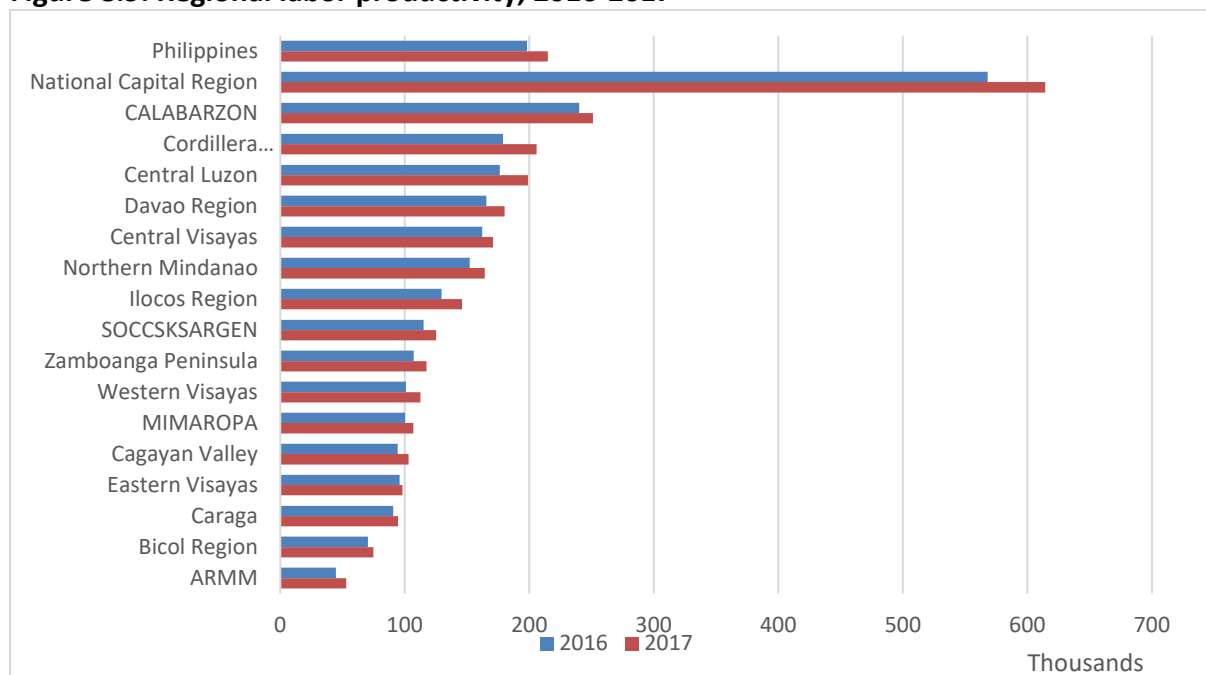
**Figure 8.8. Labor productivity in services sector: 2000-2017**



Sources: National Income Accounts and LFS, DeWS, PSA

**Labor productivity and its growth vary considerably across regions in the country.** Among the regions, labor productivity is highest in the NCR at PHP 614,293 in 2017 (Figure 8.9). Meanwhile, growth has been fastest in the ARMM at 18.9% followed by Ilocos and Central Luzon at 12.9% and 12.8%, respectively.

**Figure 8.9. Regional labor productivity, 2016-2017**



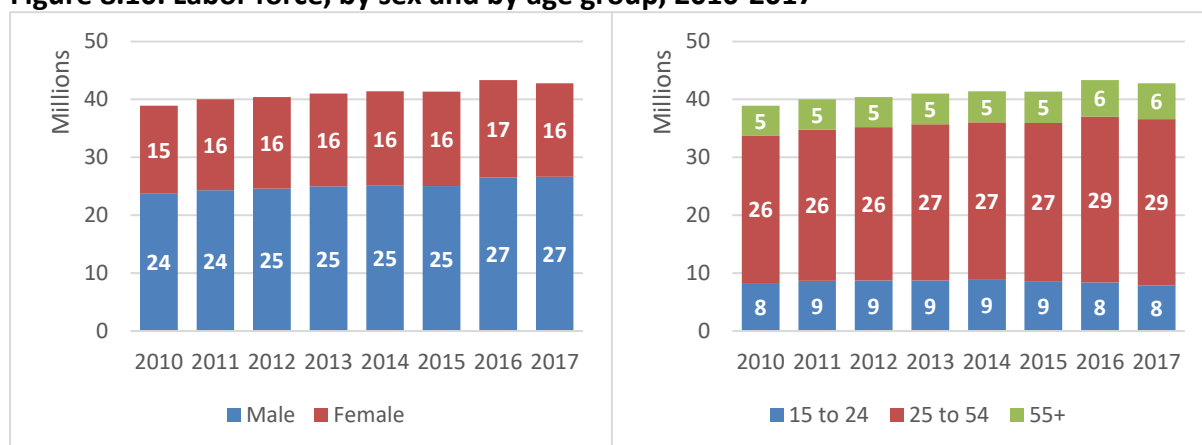
Sources: National and Regional Income Accounts and LFS, PSA

Through the implementation of the strategies listed in **Tables 8.1 and 8.2**, the Philippines expects to have labor productivity growth between 5.0% to 6.0% in the entire agriculture sector, 3.0% to 4.0% in the industry sector, and a 4.0% to 5.0% growth in the services sector. Improved productivity particularly in the agricultural sector is vastly needed in the wake of expected disruptions in business processes across the economy resulting from emerging technologies of the FIRE (Albert, Orbeta, et al. 2018).

**Target 8.5.** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

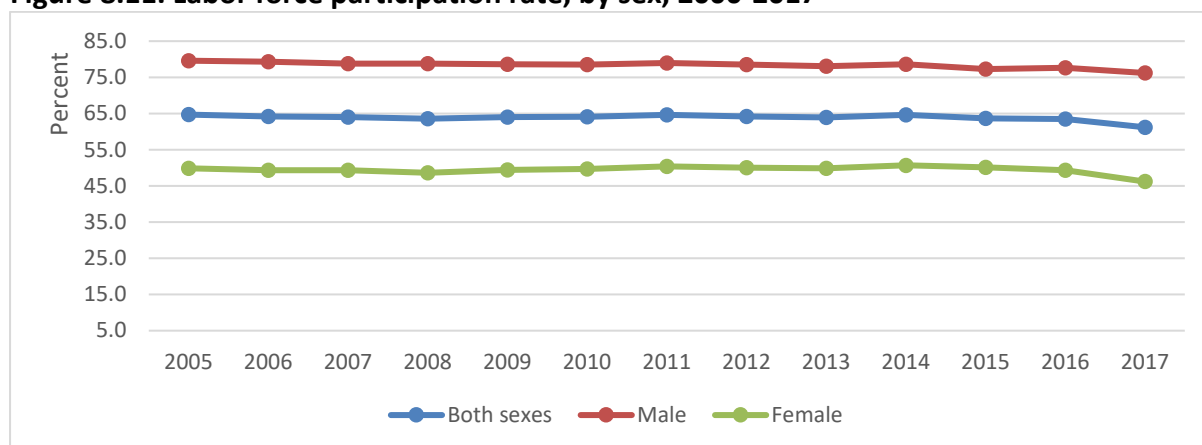
In 2017, the Philippine labor force is estimated at 42.8 million, which is slightly lower (1.4%) than the previous year's 43.6 million. From 2010-2017, the labor force is dominated by males, with a share of 62.3%; by age group, the economically active population is mainly composed of adults aged 25 to 54 years old, with 67% share in 2017 (Figure 8.10). While the downward trend in the overall labor force participation is quite unsettling, the significantly lower labor force participation rate among women (about half) vis-a-vis that for men (about four-fifths) is an issue that warrants urgent and effective solutions (Figure 8.11). Results of the labor force survey (LFS), conducted quarterly by the PSA, persistently show that the predominant reason why women are not in the labor force is the need to fulfill home care responsibilities (while for men the main reason is education). A recent study at PIDS suggest that if unpaid home production activities were valued, (it would be estimated at PHP 2.5 trillion in 2015), and this would make the value of national accounts (estimated at PHP 9.3 trillion in the same year) increase (to PHP 11.8 trillion) and suggest more parity in contributions of both sexes to the economy (Abrigo and Abrigo 2019). Men currently contribute more than sixty percent of paid-market- production activities, while women have three-fourth share of unpaid home-production activities.

**Figure 8.10. Labor force, by sex and by age group, 2010-2017**



Source: LFS, PSA

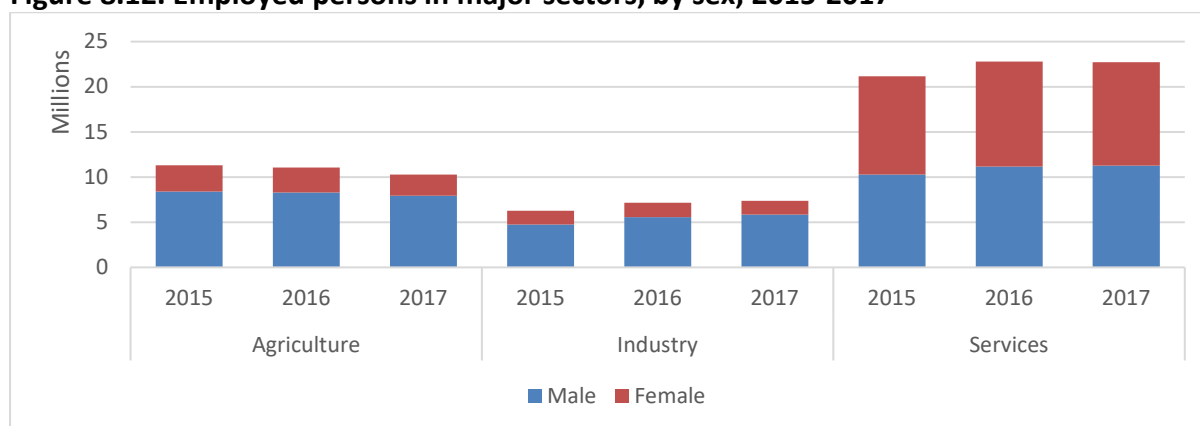
**Figure 8.11. Labor force participation rate, by sex, 2000-2017**



Source: LFS, Gender Statistics, PSA

As of 2017, the unemployment<sup>18</sup> rate in the Philippines is estimated at 5.7%, one of the lowest recorded rates since 2005. By major sector, employment is highest in the services sector, comprising of 22.7 million or 56.3% of the total employed persons. This is followed by the agriculture sector with 25.4% or 10.3 million employed persons. Disaggregating employment data by sex, it can be readily observed that males are more likely to be employed in agriculture or industry sectors compared to females (Figure 8.12). Meanwhile, employment in the services sector is relatively equal for both sexes, though females are more likely to be engaged in services. Employment is fundamental to the development of a country. Access to decent work helps to combat inequality and poverty.

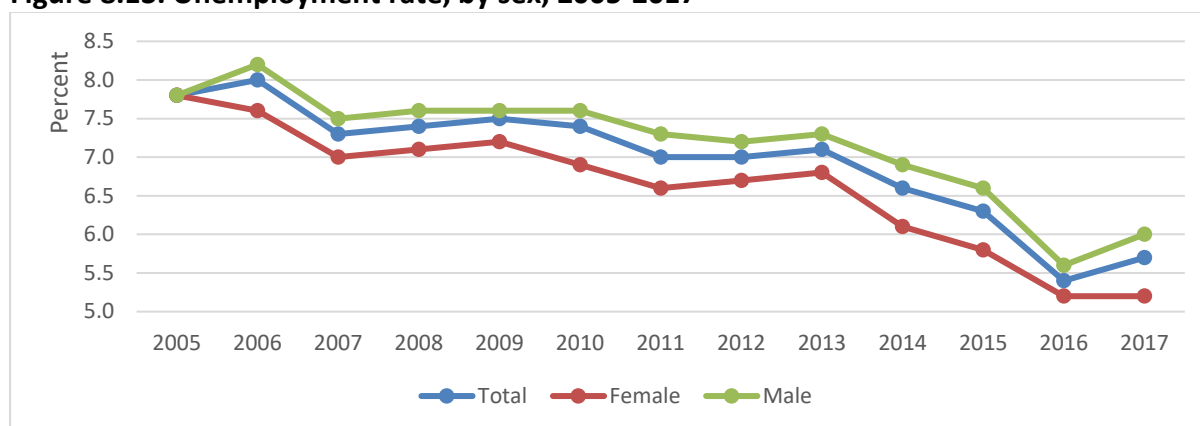
**Figure 8.12. Employed persons in major sectors, by sex, 2015-2017**



Source: LFS, PSA

The unemployment rate has been declining significantly since 2005, reaching its lowest rate in 2016 at 5.4%. Male and female unemployment rates are relatively equal before 2006, with some years recording slightly higher female unemployment rates (Figure 8.13). Currently, unemployment rates for males are at 6.0%, which is only 0.8 percentage points higher than the 5.2% unemployment rates of females. However, the relatively equal unemployment rates for men and women does not suggest equality of economic opportunities for males and females. As was pointed out earlier, females are more dominant in services, while males are more dominant in agriculture. In addition, females have lower labor participation rates in the Philippines.

**Figure 8.13. Unemployment rate, by sex, 2005-2017**

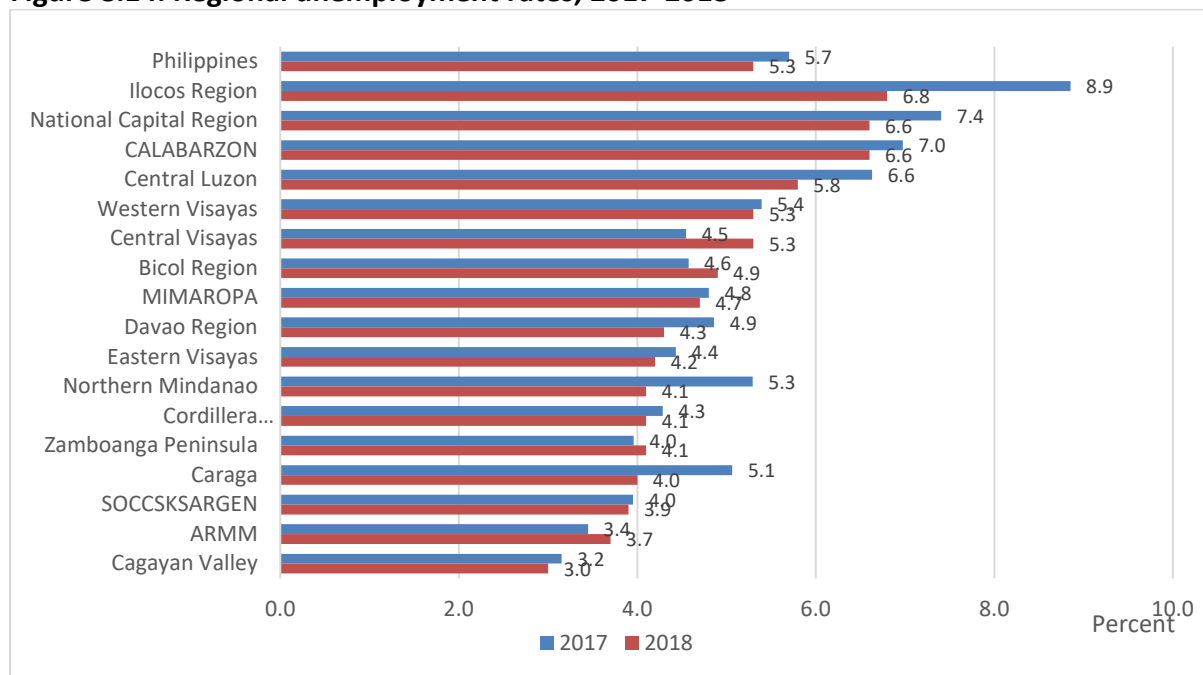


Source: LFS, PSA

<sup>18</sup> The definition of unemployment was revised beginning April 2005 to include availability criterion in conformance with international standards. Thus, data series beginning 2005 not strictly comparable with previous data points.

**Unemployment rate varies considerably across regions.** In 2018, the rate is consistently highest in several regions in Luzon, namely, Ilocos, NCR, CALABARZON, and Central Luzon, which recorded rates of 6.8%, 6.6%, 6.6%, and 5.8%, respectively (**Figure 8.14**).

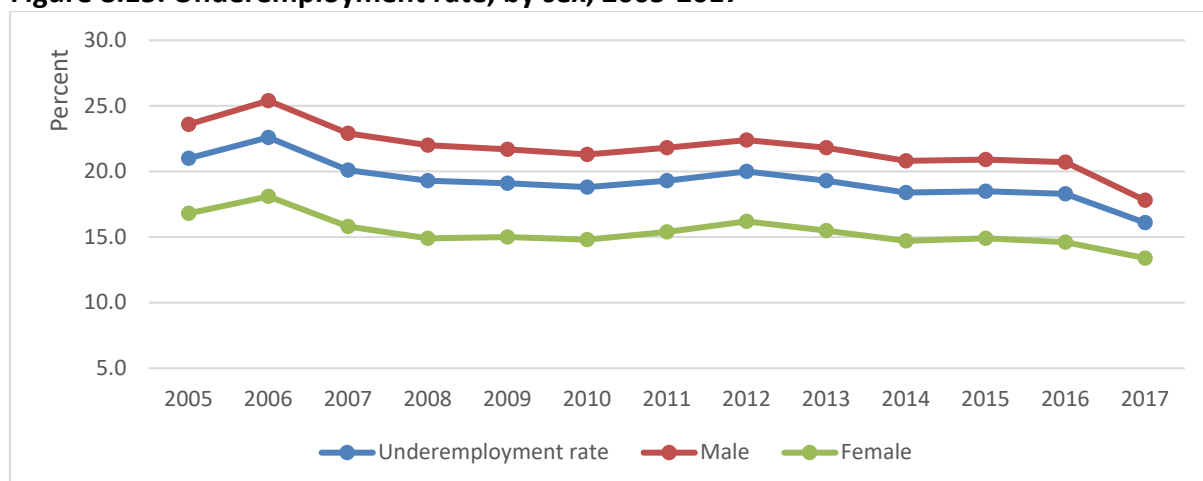
**Figure 8.14. Regional unemployment rates, 2017-2018**



Source: LFS, PSA

**Despite the decreasing trend in unemployment and the robust economic growth experienced by the Philippines in recent years, underemployment has remained persistently high.** Underemployment as of 2017 is at 16.1%, its lowest rate thus far since 2005. Male underemployment rates are significantly higher than for females, by as much as 4.4 percentage points in 2017.

**Figure 8.15. Underemployment rate, by sex, 2005-2017**

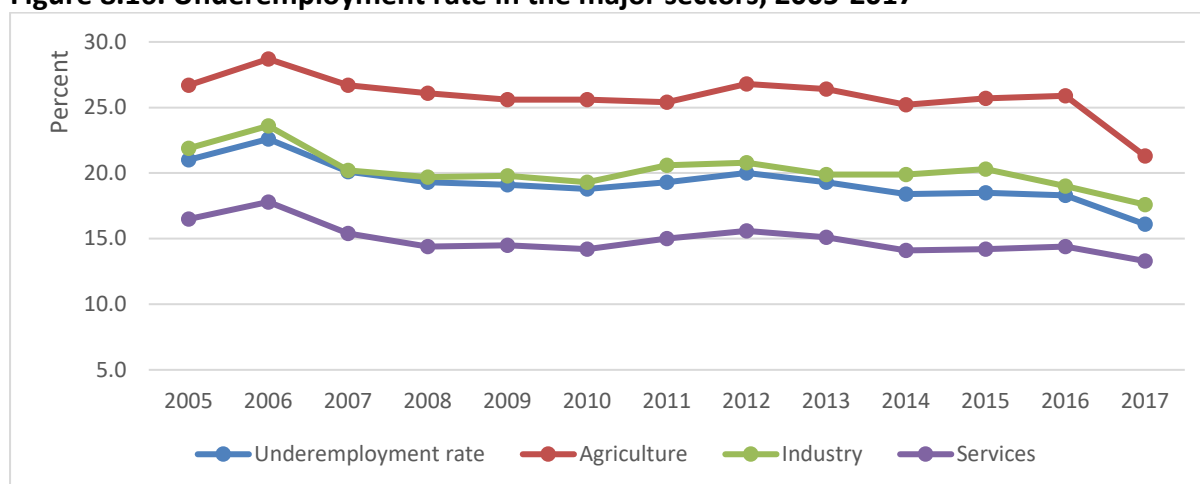


Source: LFS, PSA

**Across major sectors, agriculture persists in having the largest underemployment rate.** While agriculture recorded the largest decrease in underemployment from 25.9% in 2016 to 21.3% in 2017, it consistently has the highest underemployment rate among the major sectors

from 2005 to 2017 (Figure 8.16). In 2017, the industry and services sectors have respectively recorded underemployment rates of 17.6% and 13.3%.

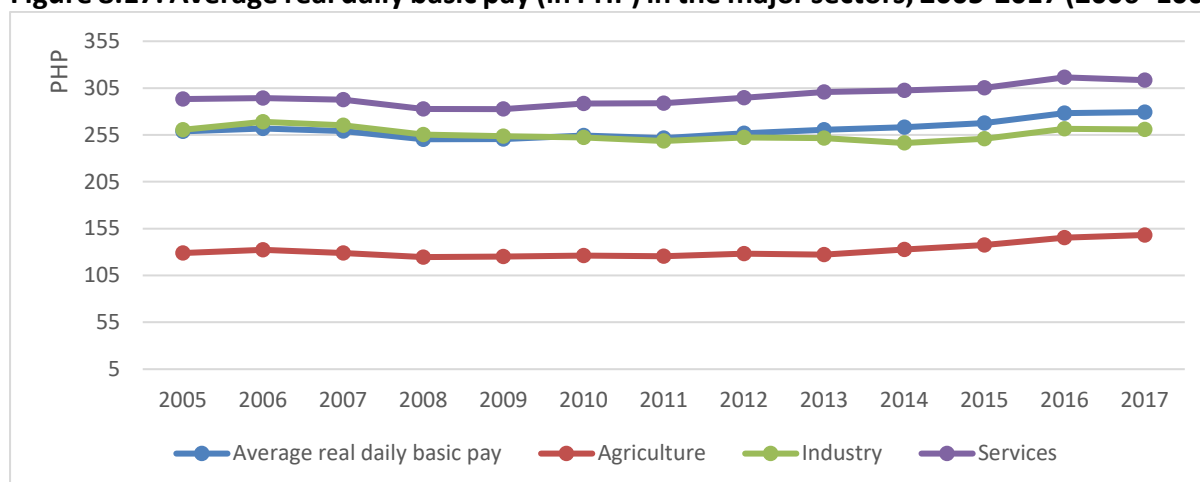
**Figure 8.16. Underemployment rate in the major sectors, 2005-2017**



Source: LFS, PSA

**High underemployment rates, particularly in the agriculture sector, may be attributed to low wages.** The agriculture sector, having the highest underemployment rate, has the lowest average real daily basic pay at PHP 148.22 in 2017 (Figure 8.17). Meanwhile, having the lowest underemployment rates, the services sector has the highest average real daily basic pay at PHP 313.62 as of 2017. Across the country, average daily basic pay in 2017 is at PHP 279.39 (at 2006 prices).

**Figure 8.17. Average real daily basic pay (in PHP) in the major sectors, 2005-2017 (2006=100)**



Source: LFS, PSA

**Under the PDP 2017-2022 pillar of *Pagbabago* (Change), the Philippines is aiming to improve the employability and income earning potential of Filipinos.** Specifically, the country is targeting to have at most 5.0% unemployment rate by 2030. To achieve these aims and targets, government intend to execute the strategies listed in Table 8.3.

**Table 8.3. Government strategies on employability and income-earning potential of individuals**

To improve employability	<ul style="list-style-type: none"> <li>▪ Encourage skills development and retooling through continuing education and training.</li> <li>▪ Strengthen employment facilitation services.</li> <li>▪ Strengthen and expand internship, apprenticeship, and dual training programs.</li> <li>▪ Implement programs that encourage women to participate in the labor market.</li> </ul>
To improve productivity	<ul style="list-style-type: none"> <li>▪ Strengthen the implementation of the two-tiered wage system.</li> <li>▪ Ensure safety and health in the workplace.</li> <li>▪ Nurture workplace harmony.</li> </ul>
To enhance labor mobility and income security	<ul style="list-style-type: none"> <li>▪ Provide income support through an unemployment insurance and emergency employment.</li> <li>▪ Enhance the efficacy of the minimum wage policy.</li> </ul>

Source: Abridged PDP 2017-2022

**Cognizant of these strategies, the Department of Labor and Employment (DOLE) has been implementing various employment facilitation programs that aim to help the Philippine labor force achieve full and productive employment as well as attain decent work.** For instance, Public Employment Service Offices (PESO) were established at the local level (i.e. capital towns of provinces, key cities and other strategic areas) pursuant to Republic Act No. 8759 otherwise known as the PESO Act of 1999. Maintained by LGUs, NGOs, community-based organizations and SUCs, PESOs are linked to the DOLE for coordination and technical supervision as part of the national employment service network.

PESO programs, which include job fairs, and livelihood and self-employment bazaars, provide a venue for people to explore various employment options based on the labor market information in their locality. Other special services offered by the PESOs include a special credit assistance for poor applicants to avail of opportunities for overseas employment, and the Workers Hiring for Infrastructure Projects program, which provides employment to people in areas where construction or infrastructure projects are located. In addition to the PESO, DOLE has also been providing jobseekers with labor market information materials (e.g. in-demand jobs and skills shortages) through their Labor Market Information program to guide them in their respective career choices. Meanwhile, the Productivity Training Program provides productivity trainings, orientations and technical assistance to enterprises, specifically to MSMEs. A list of these DOLE programs is given in **Table 8.4**.

With regard to wages, the DOLE is currently adopting a Two-Tiered Wage System (TTWS), which consists of a fixed entry-level wage for new entrants and low-skilled workers, and a flexible wage above the entry-level wage which may be negotiated between the employer and the workers on the basis of the productivity of the worker, and performance of the industry or enterprise. Through the TTWS, any unintended negative outcomes of mandated minimum wages will be minimized while promoting productivity improvements and gain sharing within the enterprise.

Aside from DOLE, the DSWD also implement its Sustainable Livelihood Program (SLP). SLP is community-based capacity building program that aims to provide livelihood assistance to improve the participants' level of economic sufficiency. Target beneficiaries of SLP are poor families, such as 4Ps households. The SLP is implemented through a two-track program. The

first track Employment Facilitation, aims to provide skills training to acquire or improve their employable skills, raising awareness to gain knowledge and access to job opportunities, and assistance in preparing and processing documents for job applications. Meanwhile, the other track, Microenterprise Development, provides entrepreneurial skills trainings, assistance in gaining knowledge and access to probable suppliers and clients, and other needed preparations for enterprise management, such as asset acquisition and business planning, to those who wish to establish and manage a new microenterprise or enhance their existing microenterprises.

**Table 8.4. Physical accomplishments of DOLE employment facilitation programs, 2016-2018**

Programs/Projects	Indicator	Accomplishment		
		2016	2017	2018
Public Employment Service	Number of qualified jobseekers referred for placement through PESO	2,392,186	2,329,621	2,330,936
Labor Market Information	Number of individuals provided with labor market information	3,229,806	4,188,172	4,184,649
Two-Tiered Wage System (TTWS)	Number of wage orders issued	11	10	15
	Number of productivity advisories issued	1	3	4
Productivity Training Program	Number of MSMEs provided with productivity trainings, orientations and technical assistance	12,231	14,865	11,674

Source: DOLE

**Table 8.5. Number of families served by SLP, by year and track**

SLP Track	2011	2012	2013	2014	2015	2016*	Total
Microenterprise Development	44,628	93,025	178,190	316,964	380,068	61,545	1,074,420
Employment Facilitation	2,029	2,528	13,758	26,362	127,539	32,936	205,152
<b>Total</b>	<b>46,657</b>	<b>95,553</b>	<b>191,948</b>	<b>343,326</b>	<b>507,607</b>	<b>94,481</b>	<b>1,279,572</b>

Note: \*As of May 2016

Source: DSWD Briefer on the Sustainable Livelihood Program 2016 as lifted from Reyes and Arboneda, 2018

However, in order to provide full and productive employment and decent work, there should be a “whole of government” approach which involves various agencies such as the Department of Trade and Industry, Department of Agriculture (DA), DOLE, Department of Finance (DOF), Department of Budget and Management (DBM), NEDA, DepEd, TESDA and Department of Public Works and Highways (DPWH), each having prominent roles in creating productive and decent employment and livelihoods.

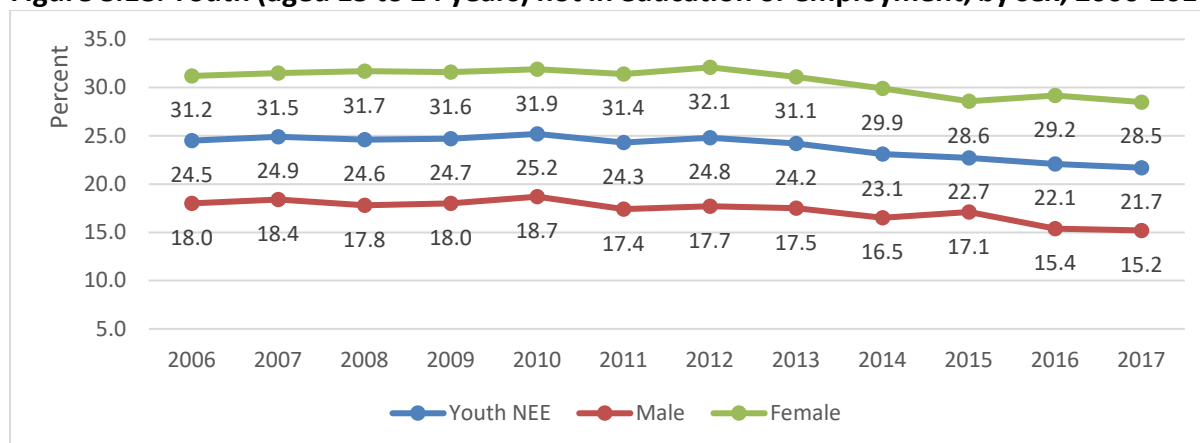
*Target 8.6. By 2020, substantially reduce the proportion of youth not in employment, education or training*

**The youth comprise a significant portion of the Philippine population and labor force.** In 2017, young adults aged 15 to 24 years old comprise about 28.2% of the total working age population and around 18.5% of the labor force. Thus, investing in the education, employment and empowerment of the youth helps in realizing the potential of human capital, which in turn, yields significant economic and social development outcomes.



As of 2017, the proportion of youth who are not in education or employment (NEE)<sup>19</sup> in the Philippines is estimated at 21.7%, equivalent to about 4.3 million youth. This is the lowest recorded proportion of youth NEE since 2006. Youth NEE has been higher for females than males since 2006 (Figure 8.18). In 2017, female youth NEE is at 28.5% compared to males with only 15.2%.

**Figure 8.18. Youth (aged 15 to 24 years) not in education or employment, by sex, 2006-2017**



Source: LFS, PSA

**In an effort to reduce youth NEE to around 15 to 18% by 2022, or to 10% by 2030, the Philippines is implementing various legislations and programs to ensure access of the youth to education and employment.**

For education, the passage of the Universal Access to Quality Tertiary Education Act aims to provide greater access to both technical, vocational and tertiary education, through the provision of free tuition and other fees. In addition to this, programs of CHED such as the StuFAP and the ESGP-PA provide financial assistance in terms of tuition subsidies and stipend for poor students. Meanwhile, as pointed out earlier, TESDA is also offering scholarship programs such as the TWSP, STEP and PESFA to attract more students, youth and unemployed adults to enroll in TVET courses.

With regard to employment, the DOLE is implementing employment facilitation programs that specifically target the youth (Table 8.6). These include the Special Program for the Employment of Students (SPES), JobStart Philippines Program, and the Government Internship Program (GIP).

Through the SPES, students, out-of-school youth and dependent of displaced workers or would-be displaced workers are given the opportunity to have temporary employment during periods when there are no classes (usually for 20 to 78 days). This helps to augment their family's income while providing them with work experience which they can use when applying for work in the future. Meanwhile, JobStart Philippines aims to enhance the knowledge and skills acquired by jobseekers through full-cycle employment facilitation and paid internship in order for them to become more responsive to the demands of the labor market. Lastly, GIP aims to provide opportunities and to engage young workers, particularly the poor or indigent, to work in government offices and agencies at the national and local level. GIP provides an internship for three to six months with a possibility of readmission or rehiring to the agency

<sup>19</sup> The full indicator is the proportion of youth not in education, employment or training (NEET); however, the training component is currently not included in the Labor Force Survey.

that they were assigned to. Since 2016, DOLE has been exceeding their targets for these programs, with the exception of GIP in 2018, which is only 69% of the agency target.

**Table 8.6. Physical accomplishments of DOLE employment facilitation programs targeted to the youth, 2016-2018**

Programs/Projects	Indicator	Accomplishment		
		2016	2017	2018
Special Program for the Employment of Students	Number of youths provided with temporary employment	229,674	205,823	187,680
JobStart Philippines Program	Number of youths provided with life skills training	3,398	7,893*	400
Government Internship Program	Number of youth-interns assisted	43,035	17,098	17,999

Note: \*Total of 4,185 beneficiaries in Wave 1 and 3,708 beneficiaries in Wave 2

Source: DOLE

*Target 8.8. Protect labor rights and promote safe and secure working environment for all workers, including migrant workers, in particular women migrants, and those in precarious employment*

**In 2015, a total of 50,961 cases of occupational injuries have been reported in establishments employing 20 persons and over.** This is 3.8% higher than the 49,118 reported cases in 2013 (Table 8.7). Of the total reported cases, 35% or 17,859 cases caused a loss of workdays, with only 8.7% sustaining fatal injuries. Although the number of cases increases through the years, the incidence and frequency of fatal injuries are declining. Workers should be protected from sickness, diseases, and injuries arising from their employment.

**Table 8.7. Occupational injuries indicators, 2011-2015**

Indicator	2011	2013	2015
<b>Total cases of occupational injuries</b>	<b>48,975</b>	<b>49,118</b>	<b>50,961</b>
Without workdays lost	28,340	28,416	33,102
With workdays lost	20,635	20,702	17,859
<b>Frequency rate</b>	<b>2.34</b>	<b>2.03</b>	<b>1.94</b>
Fatal	0.02	0.03	0.03
Non-fatal	2.32	2.01	1.91
<b>Incidence rate</b>	<b>5.69</b>	<b>4.91</b>	<b>4.74</b>
Fatal	0.04	0.06	0.09
Non-fatal	5.65	4.84	4.65
<b>Severity rate</b>	<b>19.16</b>	<b>10.79</b>	<b>13.57</b>
<b>Average days lost</b>	<b>8.36</b>	<b>5.42</b>	<b>11.17</b>

Notes:

(i) Frequency rate - cases of occupational injuries with workdays lost per 1,000,000 employee-hours of exposure.

(ii) Incidence rate - cases of occupational injuries with workdays lost per 1,000 workers.

(iii) Severity rate - workdays lost of temporary incapacity cases of occupational injuries per 1,000,000 employee-hours of exposure.

(iv) Average days lost - workdays lost of temporary incapacity cases of occupational injuries per occupational injury.

Source: DOLE

**The Philippine government has been taking steps to eliminate or significantly decrease the occurrence of occupational injuries in the workplace.** In August 2018, RA 11058 was passed to strengthen the compliance of enterprises with occupational safety and health (OSH) standards. Pursuant to the Act, employers are obliged to comply with OSH standards which includes training activities, medical examination and the provision of protective and safety devices, wherever necessary. They are also required to give complete job safety instructions or orientation to inform their workers of the hazards and health risks associated with the work, the preventive measures to minimize or eliminate the risks, and the steps to be undertaken in cases of emergency. The law also allows workers and their safety and health representatives to participate in the organization, planning, implementation and evaluation of the safety and health programs in the workplace.

Cognizant to the Act, the DOLE is also implementing various programs that promote the protection of workers' rights and ensure the maintenance of industrial peace (**Table 8.8**). These programs include the Labor Inspection Program, the Speedy and Efficient Delivery of Labor Justice (SpeED) project, the Single-Entry Approach (SEnA) program, the Workers Organization Development Program (WODP), and the Labor and Employment Education Services (LEES) program.

**Table 8.8. Physical accomplishments of DOLE employment preservation and regulation programs, 2016-2018**

Programs/Projects	Indicator	Accomplishment		
		2016	2017	2018
Labor Inspection Program	Number of establishments inspected	60,376	60,732	59,380
Speedy and Efficient Delivery of Labor Justice	Disposition rate	91%	88%	89%
Single Entry Approach	Settlement rate	79%	72%	75%
Workers Organization Development Program	Number of workers trained	4,550	5,174	6,084
Labor and Employment Education Services	Number of workers, employers, and students reached	421,917	495,384	655,853

Source: DOLE

**Through labor inspection, establishments are randomly checked to ensure their level of compliance with general labor standards and OSH requirements, and to ensure the continuity and sustainability of such compliance in their workplaces.** Meanwhile, Project SpeED and SEnA are mechanisms employed by DOLE to address labor disputes – the former aims to unclog the dockets of DOLE offices and agencies involved in case handling by disposing the cases filed within the prescribed process cycle time of case disposition, while the latter provides speedy, impartial, inexpensive and accessible settlement procedures of all labor disputes through a 30-day mandatory conciliation-mediation service.

The DOLE is also providing training activities and education services on the role of workers and their organizations towards promotion of trade unionism, workers' empowerment and sound labor management practices through the WODP. Lastly, training activities under the LEES aim to enlighten and educate job-seekers and employers on their rights and responsibilities, work ethics, values and skills, and other relevant information to contribute in fostering a more cooperative labor-management relations and the attainment of decent and productive work.

In addition to employment preservation and regulation, DOLE also implement programs that focuses on accessible social protection for poor and vulnerable workers, and on protection and security of overseas Filipino workers (OFWs).

**Table 8.9. Physical accomplishments of DOLE programs for a more focused and accessible social protection, 2016-2018**

Programs/Projects	Indicator	Accomplishment		
		2016	2017	2018
DOLE Integrated Livelihood Program (DILP) or KABUHAYAN	Number of beneficiaries provided with livelihood assistance	113,316	103,386	85,471
Emergency Employment Program or TUPAD	Number of beneficiaries provided with emergency employment	331,210	257,946	370,230
DOLE Adjustment Measures Program (DOLE-AMP)	100% of affected workers who requested for assistance served	13,248	33,222	880

Source: DOLE

**Table 8.10. Physical accomplishments of DOLE programs for strong protection and security of OFWs, 2016-2018**

Programs/Projects	Indicator	Accomplishment		
		2016	2017	2018
Onsite Programs and Services for OFWs	100% of requests for assistance served within the prescribed period (Repatriation Services)	8,222	36,000	15,372
	100% of requests for assistance served within the prescribed period (Welfare Services)	515,727	721,256	843,295
Documentation of OFWs	Number of OFWs documented	2,552,879	2,754,001	2,713,186
Assistance to Illegal Recruitment and Trafficking-in-Persons (AIR-TIP)	Number of victims of illegal recruitment and trafficking-in-persons assisted	17,170	15,337	24,921
Reintegration Services	Number of returning OFWs provided with skills training	1,385	4,379	4,261
	Number of returning OFWs provided with livelihood assistance	2,220	3,686	3,518
	Number of returning OFWs provided with skills training and livelihood assistance	5,340	21,924	35,626

Source: DOLE

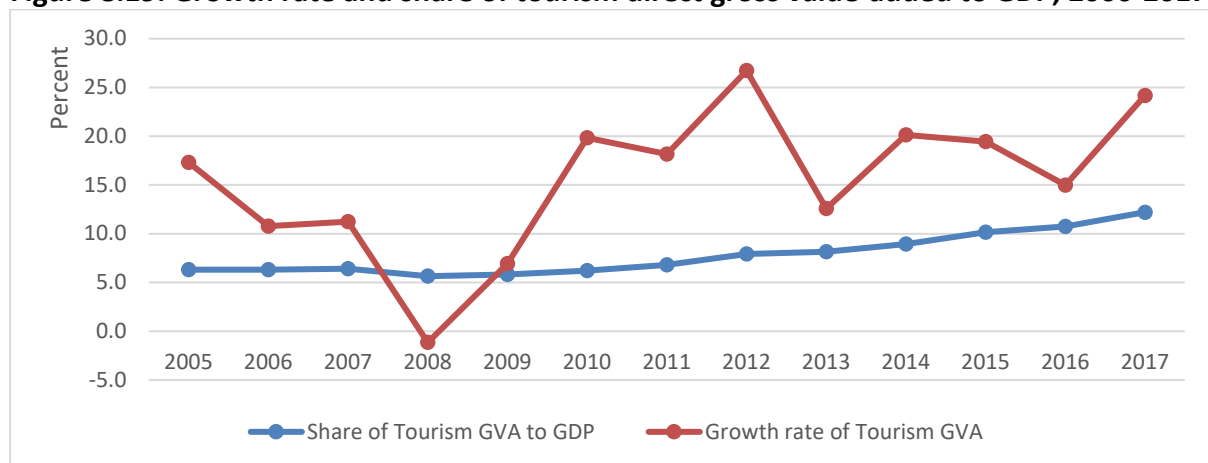
DILP provides livelihood and entrepreneurship programs for the poor, vulnerable and marginalized workers. In times of economic and natural calamities or disasters, TUPAD provides temporary employment for 10 to 30 days depending of the nature of work to be performed, while DOLE-AMP is a safety net program which provides a package of assistance to help workers and companies.

Meanwhile, OFWs are provided with workers training, custodial services, case management, repatriation assistance and other welfare assistance as part of the onsite programs and services provided by DOLE. Proper documentation of OFWs are also ensured to conform to standards and requirements governing overseas employment. Meanwhile, legal and other types of assistance are given to victims of illegal recruitment and trafficking-in-persons through the AIR-TIP. Returning OFWs are also provided with package of assistance (i.e. skills training and livelihood assistance) to facilitate their productive return to their communities.

*Target 8.9. By 2030, device and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products*

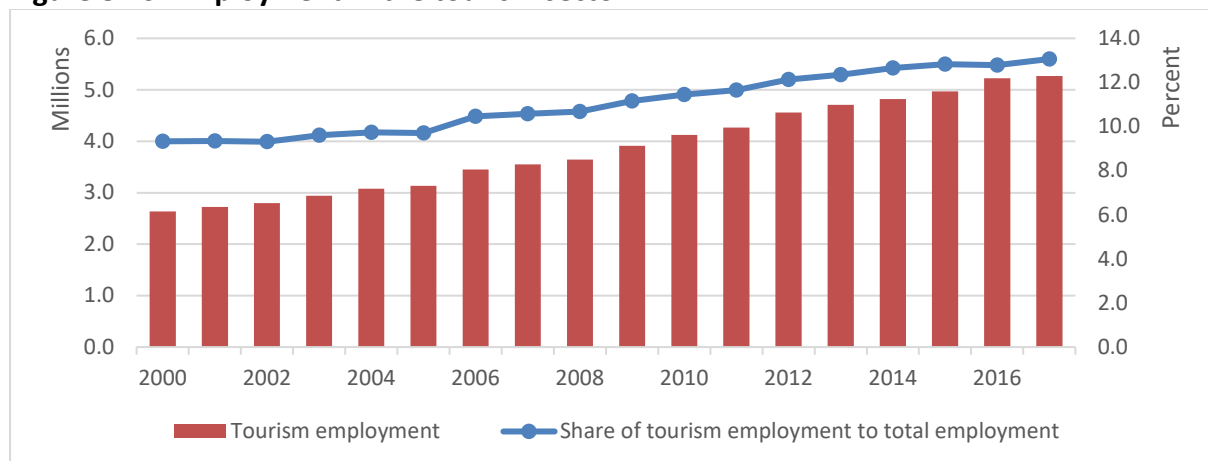
**Tourism is one of the key sectors for sustaining growth of the Philippine economy.** In 2017, the travel and tourism industry has contributed 12.2% to the country’s GDP, which is its highest share since 2000. The industry is also growing at a significantly fast rate. In 2017, growth is registered at 24.2%, the fastest recorded growth since 2013 (**Figure 8.19**). Moreover, the tourism sector is currently providing employment to 5.27 million Filipinos (**Figure 8.20**). This is equal to 13.1% of the total employed population. Revenue earned from inbound visitors reached PHP 448.6 billion in 2017, while those of domestic visitors reached PHP 2.6 trillion.

**Figure 8.19. Growth rate and share of tourism direct gross value-added to GDP, 2000-2017**



Source: Department of Tourism (DOT)

**Figure 8.20. Employment in the tourism sector**



Source: DOT

**With tourism being a key driver of economic growth, the potential gains from the sector need to be assessed considering the carrying capacity of the environment so that growth may be achieved without destruction of the environment.** In partnership with the Department of Environment and Natural Resources (DENR), the Department of Tourism (DOT) has developed the National Ecotourism Strategy and Action Plan 2013-2022, which serves as the framework to sustain ecotourism development in the country and to provide a roadmap for the Philippines to gain a competitive advantage in the global ecotourism market.

The DOT has also crafted the National Tourism Development Plan (NTDP) 2016-2022 which envisions to develop a globally competitive, environmentally sustainable and socially responsible tourism industry. **Table 8.11** provides a summary of strategies of the NTDP 2016-2022.

**Table 8.11. Strategic directions and programs under the NTDP 2016-2022**

<p>Improve competitiveness and enhance growth</p>	<ul style="list-style-type: none"> <li>▪ Intensify transport infrastructure development</li> <li>▪ Pursue travel facilitation</li> <li>▪ Attract tourism investments and improve business environment</li> <li>▪ Expand product development</li> <li>▪ Design and implement and expanded marketing program</li> <li>▪ Enhance human resource capacity and improve service standards</li> <li>▪ Promote initiatives in embracing quality standards</li> </ul>
<p>Pursue sustainability and inclusive growth</p>	<ul style="list-style-type: none"> <li>▪ Support MSME development in tourism</li> <li>▪ Promote gender and women empowerment</li> <li>▪ Expand and promote cultural offerings</li> <li>▪ Preserve environment and promote climate change adaptation</li> <li>▪ Implement risks and crisis management programs</li> </ul>

Source: DOT

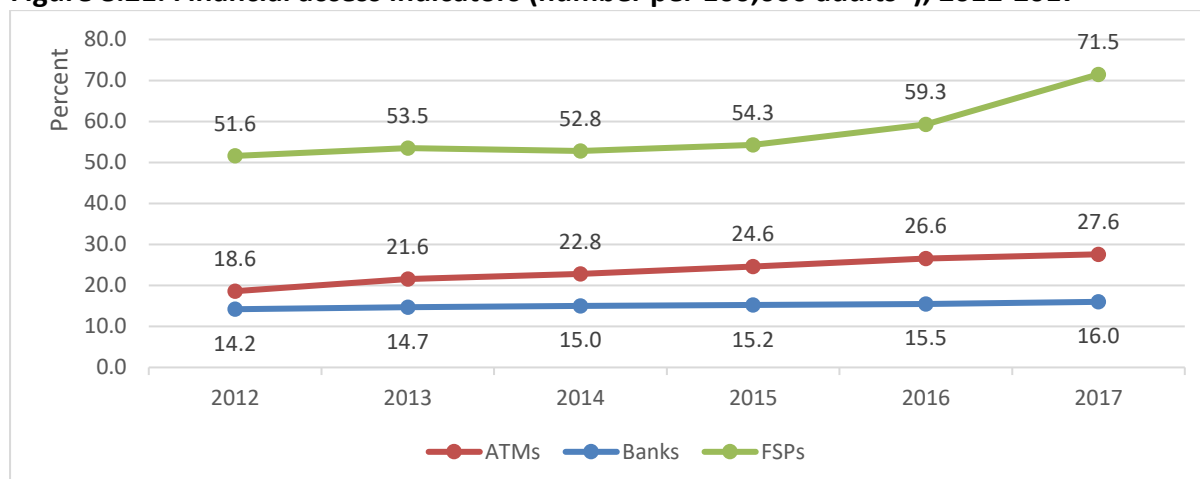
To realize these strategies and plans, the DOT has been conducting various human capability building trainings for tourism industry stakeholders, particularly to MSMEs and community-based organizations, which empower them to provide quality tourism service. Information dissemination programs are also conducted to inform tourism stakeholders on the prevailing trends and developments in the sector. DOT is also providing assistance to local government units in crafting their Local Tourism Codes that are consistent with international, regional and national tourism policies.

*Target 8.10. Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all*

**Financial inclusion, the provision of services at affordable prices, is crucial to sustaining economic growth and prosperity.** Access to bank accounts and banking services must be available to a larger portion of society, in order to enable them to participate in growth processes.

The number of banks, Automated Teller Machines (ATMs) and other financial service providers (FSPs) nationwide continues to increase. As of end-2017, a total of 11,744 banking offices and 20,276 ATMs have been available throughout the Philippines. The number of banks, ATMs and FSPs per 100,000 adults is at 16.0, 27.6 and 71.5 in 2017, respectively. In terms of area, there are 8.27 banks and 14.28 ATMs per 100 square kilometers.

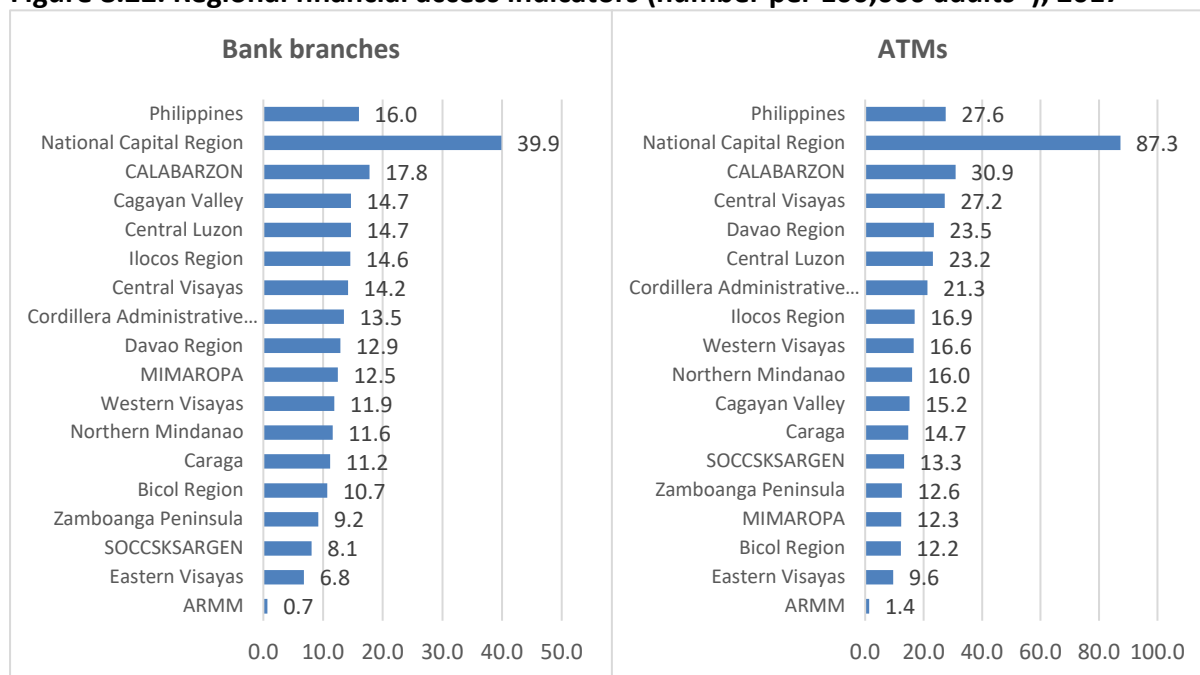
**Figure 8.21. Financial access indicators (number per 100,000 adults\*), 2012-2017**



Note: \*Aged 15 years and older

Source: Yearly Report on the State of Financial Inclusion, Bangko Sentral ng Pilipinas (BSP)

**Figure 8.22. Regional financial access indicators (number per 100,000 adults\*), 2017**



Note: \*Aged 15 years and older

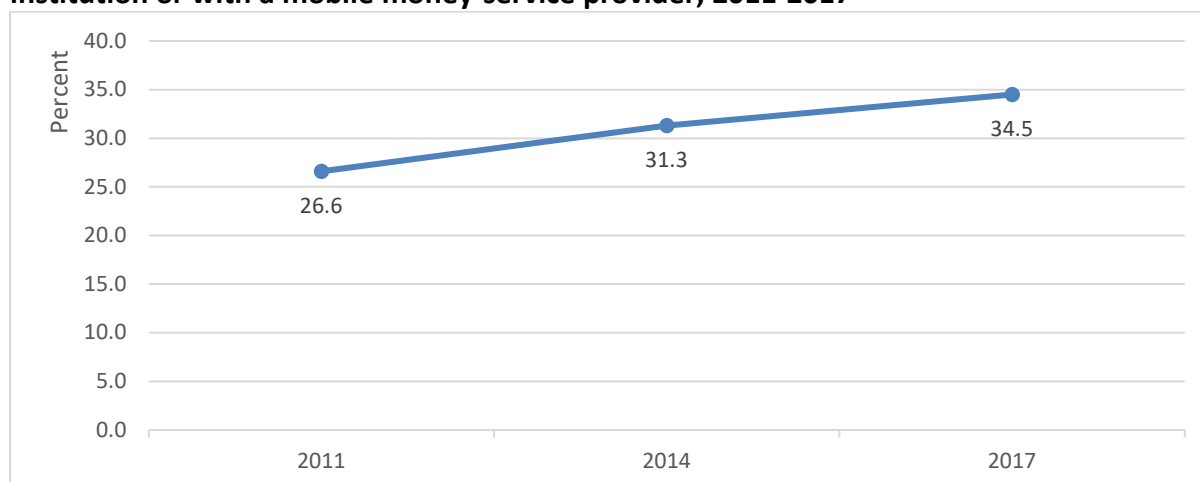
Source: Yearly Report on the State of Financial Inclusion, BSP

**Access to bank accounts has also been rising.** Based on the Global Financial Inclusion database of the World Bank, a third (34.5%) of the population aged 15 years and older have an account at a bank or other financial institution, or with a mobile money-service provider in 2017 (Figure 8.23). This is 3.2 percentage points higher from the 2014 data of 31.3%.

**The Bangko Sentral ng Pilipinas (BSP) has been spearheading advocacy of financial inclusion in the Philippines.** Some of its work focuses on the crafting of inclusive policies, implementing financial education and consumer protection campaigns, conducting advocacy activities, and assessing the levels and trends of financial inclusion in the country. Every year, the BSP is releasing an annual report on the state of financial inclusion in the Philippines, which

discusses access to financial service providers and usage of formal financial products and services.

**Figure 8.23. Proportion of adults\* with an account at a bank or other financial institution or with a mobile money-service provider, 2011-2017**



Note: \*Aged 15 years and older

Source of data: Global Financial Inclusion database, World Bank

The BSP has been implementing various financial inclusion policies and programs. These include the introduction of the Basic Deposit Accounts framework, which aims to simplify the requirements of opening a bank account for the unbanked. Establishment of cash agents and branch-lite units are also allowed to provide an expansive network of financial service touch points, particularly for unbanked local government units (LGUs). The BSP is also promoting interoperability among payment system participants through the National Retail Payments System to allow digital transactions between various accounts (whether bank or other formal accounts). The BSP is likewise partnering with *Negosyo* Centers nationwide to make financial services more accessible to MSMEs, and DepEd to integrate financial literacy sessions in the basic education curriculum.

Another avenue for financial inclusion, particularly for poor families, is the 4Ps of the DSWD. The 4Ps is now moving to the cash card system, with the view to providing easy access to the cash of the 4Ps beneficiaries.

Through these initiatives, the Philippines, through the BSP, is targeting to further expand access to banking, and financial services by 2030. Specifically, the country envisions to have 21.3 banking offices, 111.1 ATMs, and 99.0 other FSPs per 100,000 adults. In terms of usage, 53.3% of adults should have an account at any financial institution or with a mobile money-service provider.



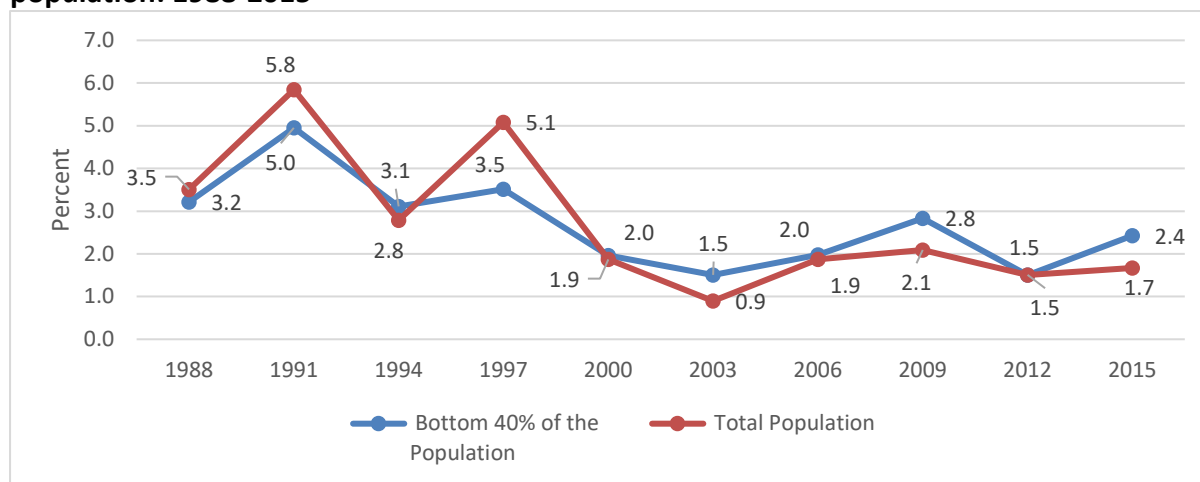
## Goal 10. Reduce inequality within and among countries

Currently, inequalities present a threat to long-term social and economic development. Policies and actions are urgently needed to address challenges faced by marginalized sectors. SDG Goal 10 works on overcoming inequalities, and ensuring that growth and prosperity is inclusive in pursuit of the LNOB agenda.

*Target 10.1. By 2030, progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average*

**For most of 2000 to 2015, the growth of income of households in the bottom 40% in terms of per capita income was faster than that of the general population.** During the period 2000 to 2015, the Philippines had a different economic growth trajectory with annual growth in real terms of GDP averaging 5.0%, compared to substantially lower figures in the one and a half decades preceding this period, which was only at 3.4% in real terms. This growth has taken time to translate into substantial poverty reduction: aggregate poverty incidence stood still at about a fourth of the population from 2003 to 2012, dropping only in 2015 to over a fifth (21.6%) of the country's population. The recent trend has been more optimistic. PSA reports that the first semester poverty estimates for 2018 shows that poverty incidence among families went down from 22.2 percent in the same period in 2015 to 16.1 percent.

**Figure 10.1. Annual growth (%) of household income per capita of bottom 40% and total population: 1988-2015**



Source of basic data: Family Income and Expenditure Survey (FIES), PSA

Given the more robust growth of income of the bottom 40 percent, the lower income but not poor, and lower middle class are closing the income gap with other clusters of income distribution (Albert, Santos and Vizmanos 2018). Given that the context of growth and inclusive development varies per country, no global target has been designated for this particular indicator. The country's government however have agreed to ensure that this rate of faster growth for the bottom 40% of the population shall continue.

The county's performance in reducing inequality can be further corroborated with trends in income inequality measures such as the Gini index<sup>20</sup> and Palma ratio<sup>21</sup>. It can be seen from the data that inequality has been practically the same, especially between 2003 and 2012, but it is considerably reduced at the same period (i.e., 2012 to 2015) when poverty decreased noticeably.

**Table 10.1. Selected statistics on income inequality and (per capita) income distribution in the Philippines**

	2003	2006	2009	2012	2015
<b>Average Per Capita Income (in Nominal PHP)</b>					
Poorest 20%	7,027	8,886	10,994	12,531	15,614
Lower Middle 20%	12,468	15,460	18,394	20,993	25,746
Middle 20%	19,402	23,871	27,727	31,845	38,232
Upper Middle 20%	31,628	39,542	44,946	50,839	59,481
Richest 20%	83,006	102,810	116,253	131,721	148,025
TOTAL	30,706	35,836	43,538	49,585	57,419
<b>Share of Bottom 20% in National Income</b>	4.58	4.72	5.05	5.05	5.44
<b>Palma Ratio (i.e., income of the top 10% to bottom 40%)</b>	2.97	2.90	2.74	2.71	2.45
<b>Gini</b>	0.49	0.48	0.47	0.47	0.45

Source of basic data: FIES, PSA

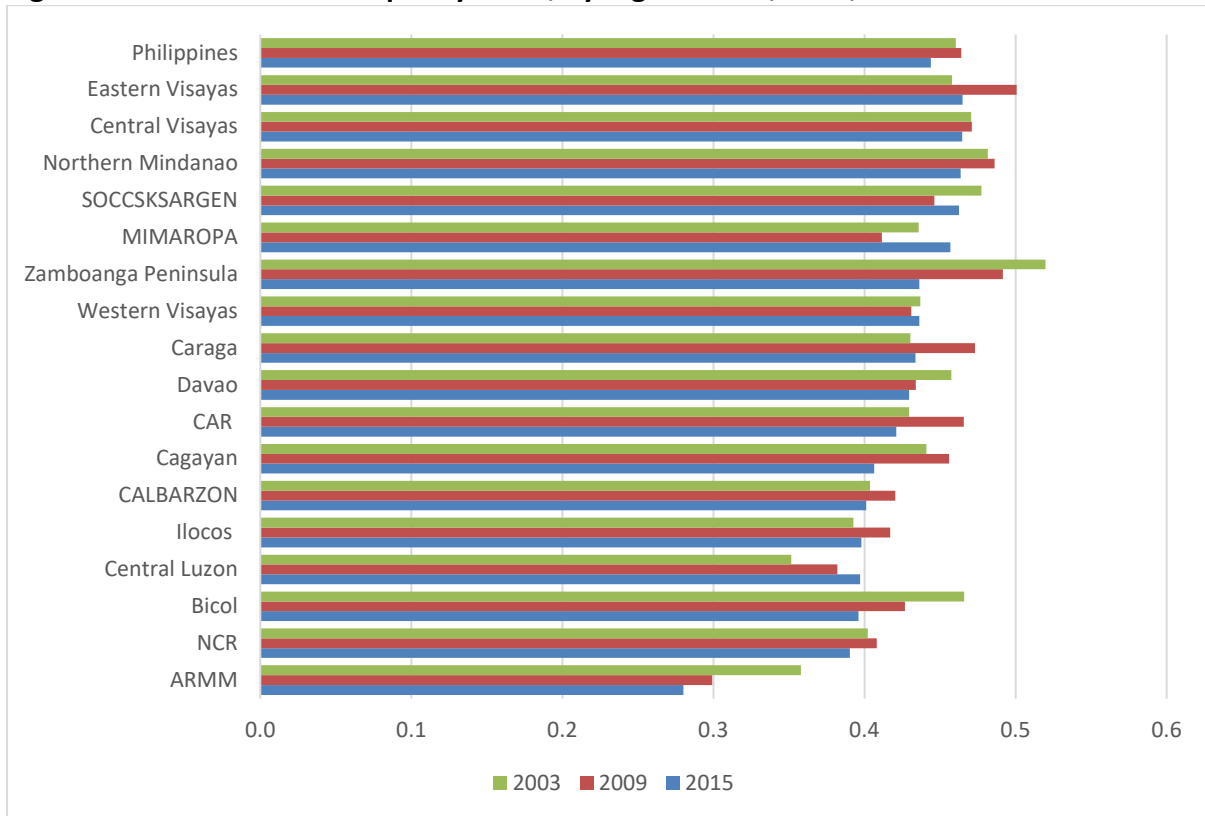
**A regional disaggregation of the Gini index shows an uneven rate of inequality reduction across regions in the country.** Eastern Visayas has a huge reduction in 2015 if compared to 2009, but incurred an increase if compared to 2003. CARAGA and Ilocos exhibit the same inverted-V trend. This is the same case for CAR and CALABARZON, only that there was a decrease, albeit small, in Gini between 2003 and 2015. The estimates for Central and Western Visayas stagnated while Central Luzon, MIMAROPA and Caraga even have garnered higher inequality in 2015 than in 2003. ARMM, Bicol, Zamboanga Peninsula and Davao Region have exhibited consistent decrease in the Gini index. These regional trends show not only large disparities but also inconsistent progress in inequality reduction efforts.

**Average annual per capita income from 2003 - 2015 by regions also shows major disparities in income and the persistence of these disparities.** NCR has the highest average annual per capita income at PHP 425,000 (followed by neighboring regions), while the ARMM registers the lowest, at PHP 139,000. Cognizant of these disparities in welfare conditions across the country, the Philippine government is working towards increasing investing in infrastructure that improves connectivity in the country to spur regional development, and consequently hasten achievement of reduced inequality and shared prosperity.

<sup>20</sup> "The Gini index measures the area between the Lorenz curve and a hypothetical line of perfect equality, expressed as a percentage of the maximum area under the line. The Gini ranges from zero (which reflects complete equality, i.e., all persons have exactly the same income) to one (which indicates complete inequality, where one person has all the income while all others have none). While a larger Gini coefficient signifies more inequality, the interpretation of the Gini is more straightforward when the figures are compared across time and space." (Albert, Dumagan and Martinez 2015)

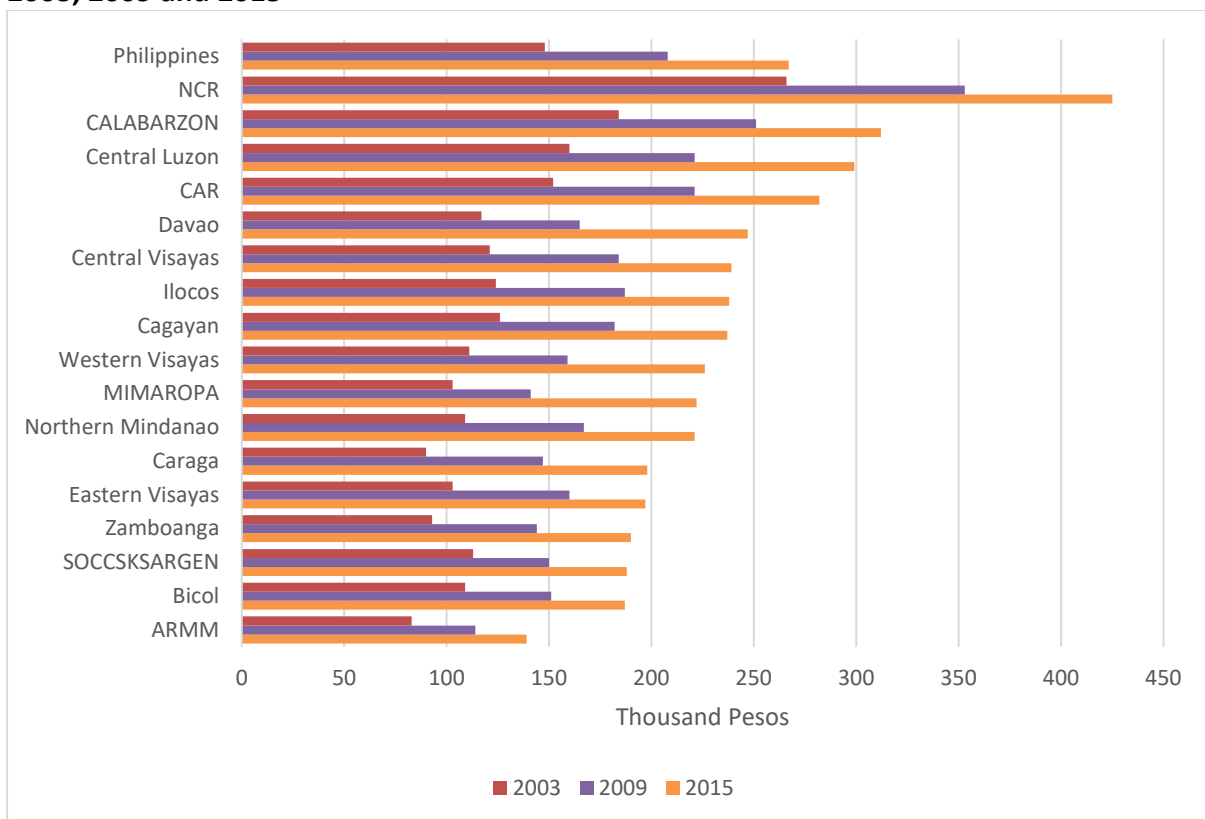
<sup>21</sup> The Palma ratio is the share of the total (per capita) income of the top 10% (of per capita income distribution) in proportion to that of the bottom 40%. (Albert, Dumagan and Martinez 2015)

**Figure 10.2. Gini income inequality index, by region: 2003, 2009, and 2015**



Source: FIES, PSA

**Figure 10.3. Average annual per capita income in thousands at current prices, by region: 2003, 2009 and 2015**



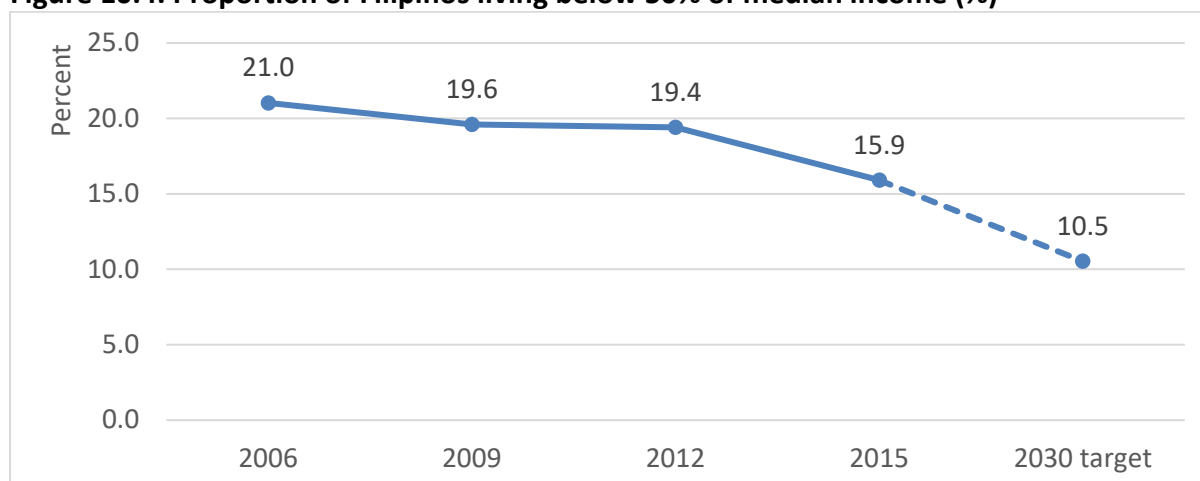
Source: FIES, PSA

*Target 10.2. By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status*

Social inclusion is a key foundation for achievement of shared prosperity. This entails promoting equality with regard to economic opportunity, social and political rights across various socioeconomic and cultural characteristics of the population like age, sex, disability and ethnicity. Such becomes more relevant especially in a country like the Philippines, which has in its population a vast population of culturally diverse people. Social inclusion becomes more so vital when considering the marginalized sectors in the country like women, IPs and PWDs and ensuring that they do not get left behind.

**Trends show a steady decrease in the share of people living below half of the national median income from about 20% in 2006 to 15% in 2015.** This suggests that on average, Filipinos are gaining higher relative incomes, implying a more equitable distribution of economic opportunity for all. The government is committed to continue this downward trend, has set a target of 10.5% for this indicator by 2030.

**Figure 10.4. Proportion of Filipinos living below 50% of median income (%)**



Source: FIES, PSA

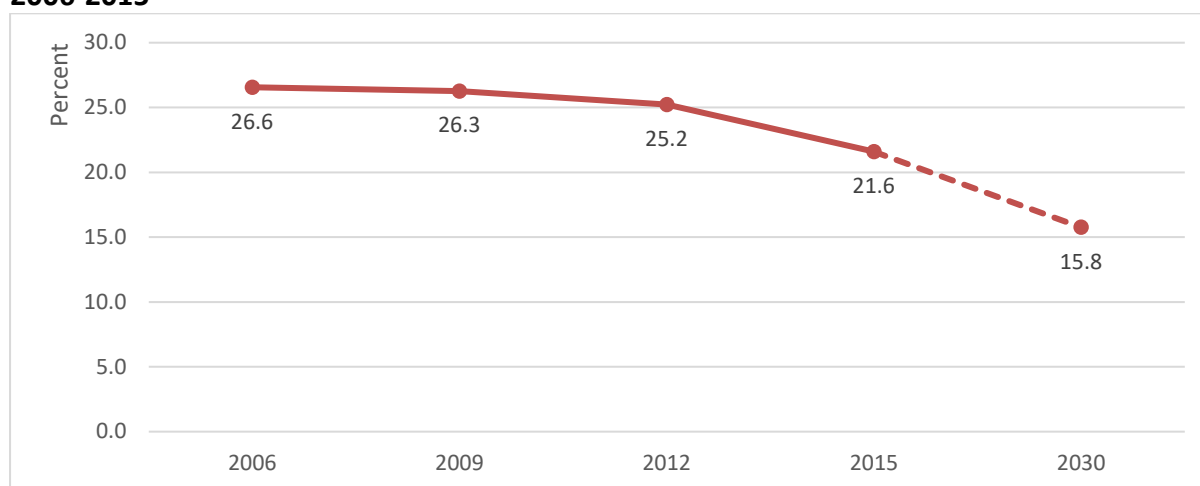
Trends in the official poverty rates, i.e. the proportion of people living below the national poverty line, (**Figure 10.5**) confirm the earlier trends in relative poverty. While the official poverty rate has slowly been decreasing between 2006 to 2012, it has considerably reduced between 2012 and 2015. Extrapolations estimate that the Philippines will reach 15.8% poverty rate by 2030 if the recent rate of reduction stays along the same course (**Figure 10.5**). As of the 2018 first semester poverty estimates, poverty incidence is at 21.0%, a marginal decrease from 2015 figures.

**Welfare disparities are prevalent between the average Filipino and marginalized groups.**

Republic Act 8425 or the Social Reform and Poverty Alleviation Act provides the government's framework for social protection and defining poverty. This law also has also identified 14 basic sectors, that require focused intervention for poverty alleviation. These sectors are: (1) farmer-peasant; (2) artisanal fisherfolk; (3) workers in the formal sector and migrant workers; (4) workers in the informal sector (5) IPs and cultural communities; (6) women; (7) differently-abled persons; (8) senior citizens; (9) victims of calamities and disasters; (10) youth and students; (11) children; (12) urban poor; (13) cooperatives; and (14)

non-government organizations. Among these 14 sectors, PSA releases estimates of poverty for 9 of the 14 basic sectors. The basic assumption here is that individuals belonging to households that are poor, are themselves considered poor. While in practice there are intra household differences, this assumption is made to yield poverty estimates for the corresponding populations of these basic sectors. Poverty rates using national poverty lines for the populations of the basic sectors are typically much larger than corresponding shares of the population in poverty. The proportions of the basic sectors that are in poverty are highest for fisherman, farmers and children, while the lowest poverty rates are for persons residing in urban areas, and for senior citizens (Table 10.2).

**Figure 10.5. Proportion of Filipinos with incomes below the national poverty line (%), 2006-2015**



Source: Official Poverty Statistics, PSA

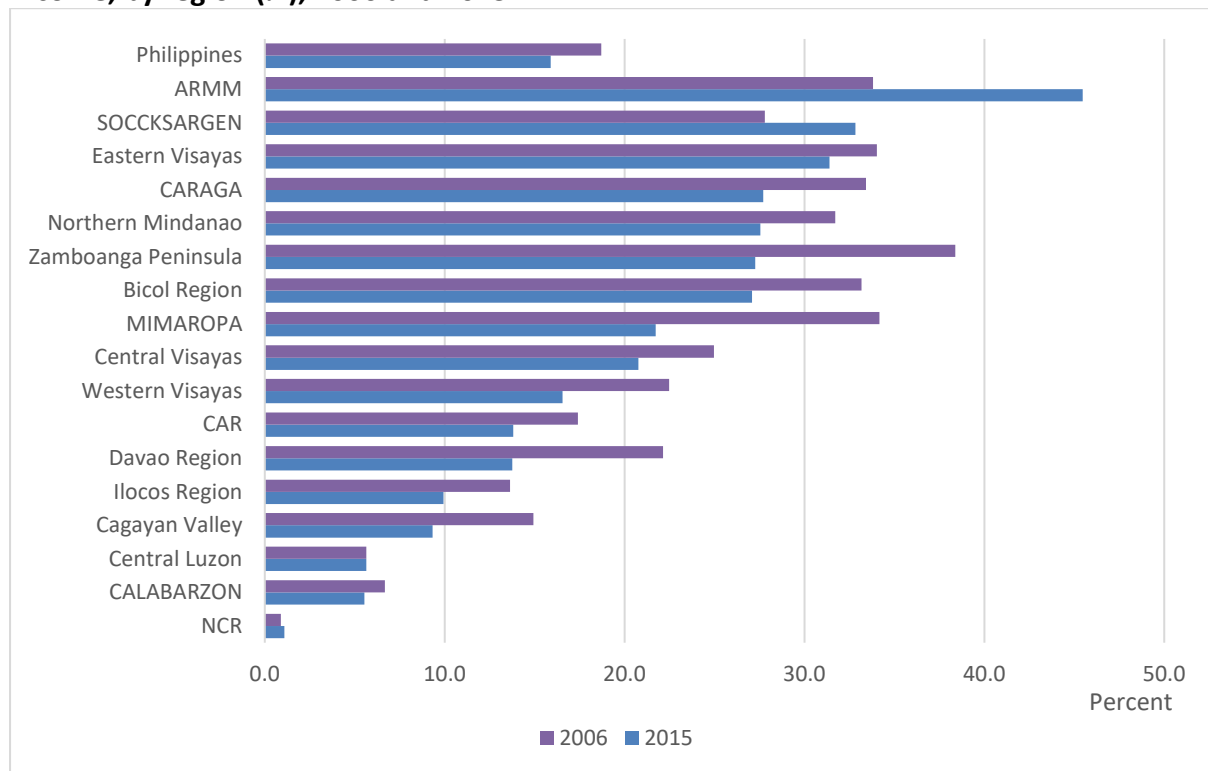
**Table 10.2. Poverty incidence (in %) of basic sectors, 2015**

Basic Sector	Poverty Rate
Farmers	34.3
Fishermen	34.0
Children	31.4
Self-employed and Unpaid Family Workers	25.0
Women	22.5
Youth	19.4
Migrants and Workers Employed in Formal Sector	13.4
Senior Citizens	13.2
Individuals in Urban Areas	11.5

Source: PSA

**Across the regions, the proportion of persons with incomes below half the median per capita income varies considerably ranging from about 1% to 45%. As of 2015, one of every one hundred (1.1%) persons in NCR comes from families with per capita incomes below half the national median per capita income (Figure 10.6). In ARMM, close to half (45.5%) of residents live below half of the median income, as of 2015. Next to NCR, neighboring regions are among the regions with the lowest relative poverty rates, as compared to regions in the Visayas and Mindanao. This profile of the regions follows the same pattern as that based on official poverty rates.**

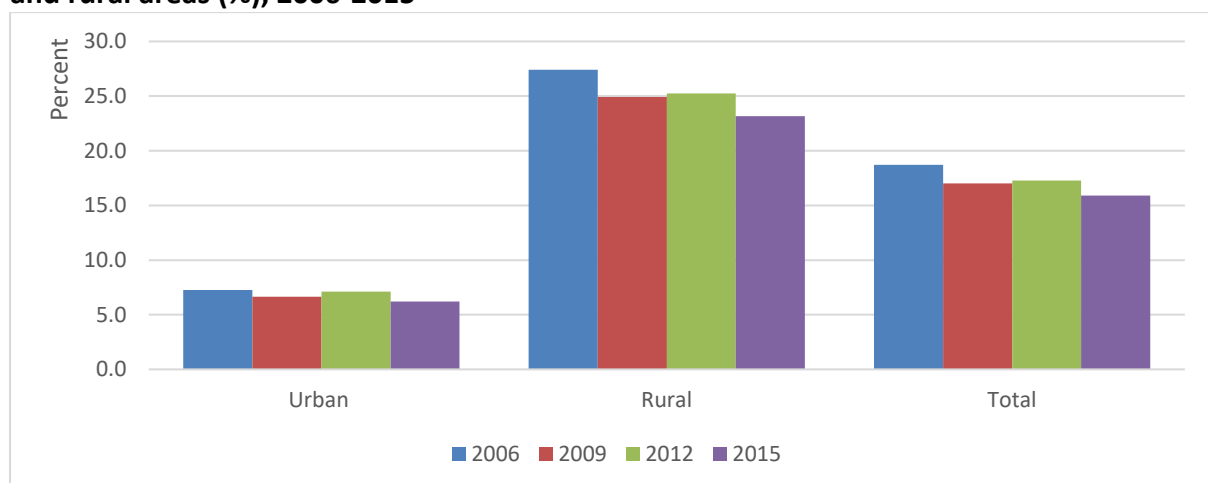
**Figure 10.6. Proportion of Filipinos with incomes below the half of the median per capita income, by region (%), 2006 and 2015**



Source: Authors' calculations using merged data from the FIES, conducted by the PSA.

**Poverty in the Philippines is largely a rural phenomenon.** Recent estimates of the proportion of the population in rural areas with incomes below half of the median income are nearly four times the corresponding figures in urban areas. Historical data shows that there has only been an incremental decrease in median poverty rates in both urban and rural areas (Figure 10.7).

**Figure 10.7. Proportion of Filipinos below half of the median per capita income, by urban and rural areas (%), 2006-2015**

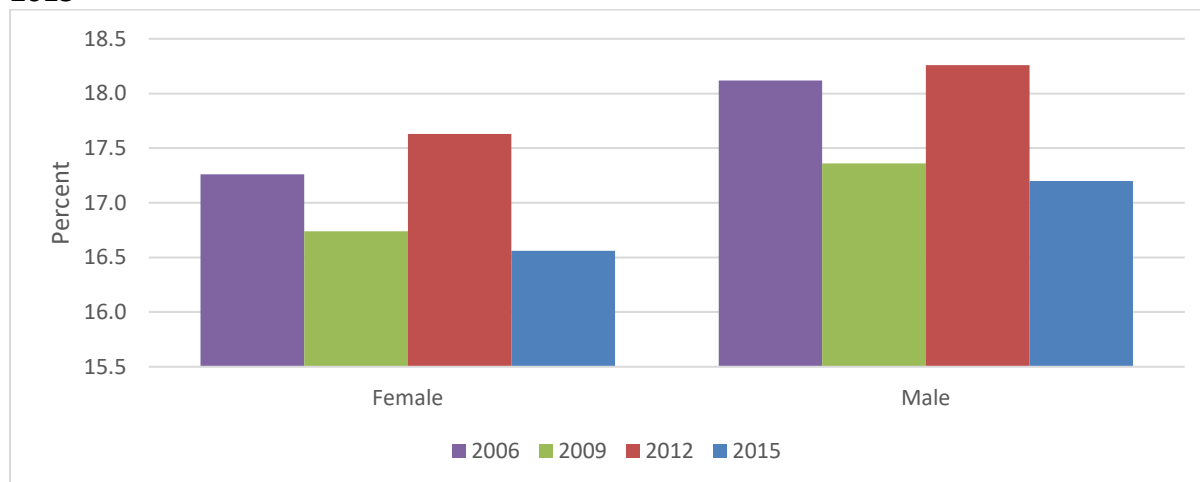


Source: Authors' calculations using merged data from the FIES, conducted by the PSA.

The basic data source of official poverty rates on income data is the triennial Family Income and Expenditure Survey (FIES). The FIES has been a rider to the LFS. Merged data from the LFS and the FIES show that a slightly bigger proportion of females are in (relative) poverty

than males (**Figure 10.8**). However, the seeming advantage of women may not capture actual disparities in living conditions, as current methodology for poverty estimation does not account for intra-household differences.

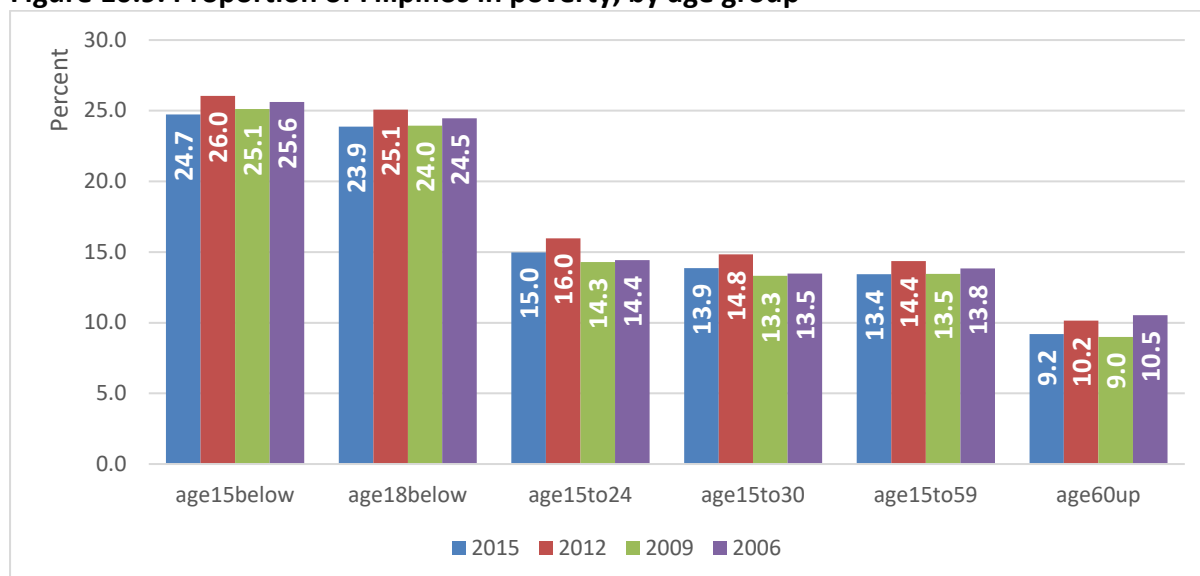
**Figure 10.8. Proportion of Filipinos below half the median per capita income by sex, 2006-2015**



Source: Authors' calculations using merged data from the FIES and LFS, conducted by the PSA.

**Disaggregation of relative poverty rates by age group also show marked disparities in poverty.** Across the country, children aged below 15 are far more at risk of being poor than other age groups: as of 2015, a fourth (24.7%) of children (below 15 years old) come from families with per capita incomes less than half the median per capita income, while about one in five (15.0%) youth aged 15 to 24 are in relative poverty, while 9.2% of senior citizens aged 60 and above are from households with incomes below half the median income. **Figure 10.9** shows the relative poverty rates across age groups.

**Figure 10.9. Proportion of Filipinos in poverty, by age group**



Source: Authors' calculations using merged data from the FIES, conducted by the PSA.

Of late, the Philippines has given more equitable economic opportunities to its citizens as indicated by a decreasing share of the population below 50% of the national median income, and a considerable decrease in the official poverty rate. However, greater effort must be exerted

into ensuring social inclusion given persistence of disparities across sub-populations defined by location, age and sex. Government needs to continue developing policies and programs on regional development, on addressing urban-rural disparities, and on social inclusion.

**Equitable economic development is a key tenet of *AmBisyon Natin 2040*, and the PDP for 2017-2022** (NEDA 2016; NEDA 2017). Billed as “*Pagbabago*”, the PDP stresses the reduction of inequality through the access and expansion of economic activities and the development of human capital across all sectors, particularly lagging ones like the agriculture and fisheries, as well as MSMEs. The PDP also stresses the need to push for regional development.

Essential to attaining inclusive growth is strengthening of the capabilities of the poor to gain access to economic opportunities. A major social protection instrument of government is the 4Ps chiefly implemented by the DSWD. The 4Ps is geared towards investing in human capital development primarily through health and education. Under this program, monthly education grants are given to poor households (PHP 300/month for every child attending primary school, PHP 500/month for every child attending secondary school) provided that the beneficiary children go to school at least 85% of the time. Further, family beneficiaries of the 4Ps are given health grants (PHP 500/month) conditioned on the availment of pre and post-natal care by mothers, attendance to Family Development Sessions, regular vaccination and check-ups of children below 5 years old, deworming children 6-14 years biannually. The current government has also provided extra cash grants to compliant families, in the amount of PHP 600/month rice subsidy. Unconditional cash grants in the amount of PHP 200/month for 2018 and P300/month for 2019 and 2020 have also been provided to 4Ps families and other low-income families to offset the effects of government’s tax reform.

The 4Ps is meant to eventually stop intergenerational poverty by investing in the youth early, allowing them to remain physically and mentally healthy so that they may be more productive citizens in the future. As of 2018, 4Ps has a total of 4,219,784 household beneficiaries, of which 4,010,477 are covered by regular CCTs, whilst the rest are covered by a modified CCT (MCCT).

Evaluations of the 4Ps suggest that the program has yielded positive outcomes (Orbeta and Paqueo 2016), contributing to higher enrollment rates, particularly among pre-primary and primary aged-children in 2011 and further among secondary-aged children in 2014. Further, while 4Ps has not decreased child labor incidence, it has had a marked effect in decreasing the average time spent on paid work for children. Furthermore, the 4Ps has allowed for greater access to health services, with more children receiving check-ups and vitamin supplements and mothers getting natal care. There is also a marked increase in household expenditure on basic expenses like education and clothing, as well as an increased level of food expenditures for the bottom 20% of the population (Tutor 2014). Other studies also point to unintended consequences of the 4Ps, which reduce incidence of conflict, attributable to disbursements given directly to beneficiaries that have empowered the beneficiaries (Crost, Felter and Johnston 2016).

While various studies point to the positive effects of the 4Ps, recommendations have been made about increasing the cash grants that have not been adjusted for inflation since its inception in 2008 (Orbeta and Paqueo, 2017). Further, grants could also be adjusted for differences in the school participation between boys and girls, with boys having larger apparent opportunity costs for schooling (David, Albert and Vizmanos 2018).



Another program implemented by DSWD called the Kalahi CIDSS – National Community-Driven Development Program (KC-NCDDP), which is aimed towards empowering communities in poor and vulnerable areas in the country. This is accomplished through the community-driven development (CDD) framework, where focus is empowering the members of the local communities, granting improved access to social work and development services and enabling greater participation in planning, budgeting, implementation and disaster risk management. As of 2018, the KC-NCDDP has executed 4941 community sub-projects, 263% more than its 1876 project target. Examples of these sub-projects range from community water systems, day care centers, barangay health stations, and housing. Other sub-projects also include building infrastructure like roads, bridges and access trails, as well as the provision of economic support like enterprise training, post-harvest facilities and irrigation. An environmental dimension is also present, with sub-projects being implemented towards building drainages, sea walls and other sanitation facilities.

Another social protection program that also has grown in budget and coverage since its inception in 2011 is the Social Pension (SocPen) program. Through SocPen, indigent senior citizens (not covered by any pension) are given monthly stipends of five hundred pesos each for augmenting daily subsistence and medical needs. By targeting indigent seniors, SocPen has a poverty focus. A review of the cash assistance should be regularly undertaken by Congress with DSWD every 2 years.

At program inception in 2011, about 150,000 beneficiaries were enrolled in SocPen. Program targets remained below half a million up to 2014, until they were doubled in 2015. That year, the minimum age of beneficiaries was reduced to 65, and further down to 60 in 2016, which resulted in huge budget jumps. For 2018, 19 billion pesos is allocated to assist 3 million “indigent senior citizens.” Together with the 4 million 4Ps beneficiary families, the 3 million SocPen beneficiaries for 2018 are among the priority beneficiaries of the government subsidies for lower income families under the recent tax reform law. By providing a monthly assistance to social pensioners (many of whom are in the DSWD National Household Targeting System for Poverty Reduction), SocPen has a poverty focus. But, the current lack of standardized operational guidelines for consistently screening program applicants has weakened the poverty focus of SocPen and the ability to achieve the main objective of extending protection to indigent seniors (Velarde and Albert 2018).

The National Anti-Poverty Commission (NAPC) also has a program called the *Sambayanihan Serbisyong Sambayanan*, which is a five-year development plan aiming to achieve the PDP target of 14% poverty incidence by 2022. The development plan is structured to execute anti-poverty strategy that is climate-responsive, culture and gender sensitive, convergent and participatory through the use of local consulting mechanisms (Provincial Consultative Bodies) in cooperation with LGUs to promote a volunteerism, whole-of-society approach in addressing poverty issues.

The *Sambayanihan* development plan has a total of six tenets: (i) the institutionalization of an Integrated Resettlement Sites Development Framework, which includes capacity-building in climate change adaptation, sustainable housing, urban health systems, enterprise development, urban/community-based gardening, re-greening and community-based waste-to-energy projects; (ii) the supporting of agro-industrial development strategies in rural areas geared towards strengthening the linkages between labor-intensive industries and the agriculture, forestry, and fisheries sectors through agricultural mechanization and agri/aqua-culture support services; (iii) the strengthening of cooperatives and entrepreneurship amongst the poor through

convergence of services, enterprise development, product diversification and processing, marketing support and establishment of trading posts, including Cultural Heritage Centers for IPs in their ancestral domain; (iv) supporting of local agricultural production and development and practice of organic agriculture through crop productivity enhancement, policy and program reevaluations towards prioritization of local consumers and local products, and capacity building for organic agriculture strategies in both urban and rural areas; (v) securing the health and well-being of poor communities through support of community health organizing, training of Barangay Health Workers, promotion of traditional medicine and advocating the *Kabahagi, Kabataan, Kagalingang Panlipunan*, and; (vi) the Mindanao Special Development Program, of which the framework focuses on issues like landlessness, rural development, displacement, extrajudicial killings of IPs, armed violence, and climate change.

**However, despite efforts to reduce the proportion of people in poverty, challenges remain in extending this development towards marginalized sectors in the country.** Effective development policy continues to struggle in addressing the contexts and needs of marginalized sectors in the country, particularly PWDs and IPs. An obstacle in addressing the plights of these sectors come from their systemic lack of representation, particularly in the lack of comprehensive data on their sectoral demographics, placing a fundamental challenge in crafting policy towards inclusive development.

**There is a need to reach out even further to PWDs, who remain one of the most vulnerable sectors in the country.** According to the 2010 Census of Population and Housing, PWDs make up 1.57% or 1,443,000 people in the Philippines. Even such numbers may prove to be conservative because disability as a research area faces considerable data constraints; most surveys still do not have data disaggregation by disability (Marella, et al. 2016; Tabuga 2010). This is problematic as various studies show that PWDs lack access to various social services like healthcare (Brolan, et al. 2015; Lee et al. 2015; Mueller, et al. 2011), employment (Cruz, 2017; Mina 2017; Lamichhane and Watanabe 2015; Mina 2013), rehabilitation services and assistive devices (Lamichhane and Watanabe, 2015; Lee et al. 2015; Olavides-Soriano, Ampo and Escorpizo 2011), education (Agbon and Mina 2017; Cruz, 2017), social welfare services (Lee et al. 2015; Cruz, 2017), and disaster management (Benigno, et al. 2015). The reasons behind this come from the imminent handicaps that hinder employment or the very physical effort needed to engage in such social activities.

In response, the government has created a considerable number of legislation and policies towards the improvement of PWD welfare, with the most notable of these being the Magna Carta for Persons with Disability in 1992. This was later expanded by laws that established the PWD affairs office in every province and municipality, the provision of discount privileges and PWD identification cards. Commitment to the improvement of PWD welfare is also reinforced through international agreements like the United Nations Conventions on the Rights of Persons with Disabilities.

However, despite the existence of meaningful legislation, considerable issues arise with regard to their implementation. Some of the persisting dilemmas with regard to PWD policy are the awareness and participation of PWDs towards disability laws and discount privileges (Tabuga 2013). These barriers are often cross-cutting, encompassing various economic, physical and social dimensions. From a financial standpoint, PWDs do not get to participate in discount privileges and other programs because they do not have income-generating activities, instead relying on family members for daily needs. PWDs are hampered by the inherited human capital that they receive, as their disabilities often entail greater expenses from their families and

consequently, less investment capacity-building assets like education. Studies also showed trends of families with PWDs being poor and residing in rural areas, which further hinder access to social services. This creates a vicious cycle of poverty for PWDs (Tabuga 2010; Albert, Mori, et al. 2009).

**Extended disputes in land and resource ownership and the challenge of modernization keep IPs vulnerable to poverty and lack of opportunities.** In the 2016-2022 Strategic Directions of the National Commission on Indigenous People (NCIP), the fundamental challenge of IPs in the country is its pursuit towards self-determination that largely hinges on the recognition of their ownership and control of their ancestral domain. Because these lands were communally shared by the IPs, such lands became vulnerable to encroachment by external actors and institutions that sought to use the rich natural resources that could be utilized in these areas. Consequently, this led to the disruption of the lives of these ethnic groups, and in some cases, their outright displacement from their homes.

The Indigenous People's Rights Act (IPRA) of 1997 or RA 8371 was legislated in recognition, promotion and protection of the rights of IPs. The legislation shall create a government instrument, the Certificate of Ancestral Domain Title (CADT) to formally recognize the rights of IPs to their land. Under this law, the rights of IPs to their ancestral land were to be recognized, and efforts shall be made for them to be able to preserve and develop their culture and traditions. However, the implementation of this the IPRA has been inconsistent and taken time. Amongst the identified 14,943,602 hectares of ancestral domain, only 5,110,393 hectares have been provided CADTs (as of 2016), while 3,177,781 hectares are still being processed.

In the time that it has taken for IPs to truly have ownership of their domain, ancestral lands have become common site for resource grabbing between amongst various tribes, against the government and against other entities like extractive/intrusive industries (i.e. mining, hydropower plants). The situation is further aggravated by the constant armed conflict that takes place in such areas involving the military and the CPP/NPA/NDF, of which IPs are often made to take part in on both ends. These conditions have vastly impacted the IPs, who remain poor, illiterate and vulnerable to disease due to their lack of resources and isolation from education and health facilities.

NCIP continues to implement programs and campaigns to promote and protect the interests of the IPs through the 2016-2022 Strategic Directions, which hopes to provide the balance between securing land and self-determination rights and providing much needed social services and welfare to the IPs. This is to be done through the overhaul of frontline Community Service Centers and provincial offices and the capacity building of NCIP personnel as well as IPs mandatory representatives to cater to the unique needs of the IPs. Furthermore, the IPs shall be forwarded as a third party in the ongoing peace talks between the government and the CPP/NPA/NDF as their people and lands are the most affected with the ongoing hostilities. The agenda of the IPs shall include the respecting of ancestral domain, the cessation of violence in their areas, and their right to self-governance. Finally, to ensure the sustained support and development of the IPs, NCIP shall implement the IP Master Plan, a consolidation of programs and projects as reflected by the Ancestral Domain Sustainable Development and Protection Plans (ADSDPPs), alongside the Philippine Indigenous Peoples Ethnographic Survey (PIPES), which shall contain a Census of IPs, delineation of ancestral domains, formulation of ADSDPPs and an ethnography on the rich culture of our IPs.

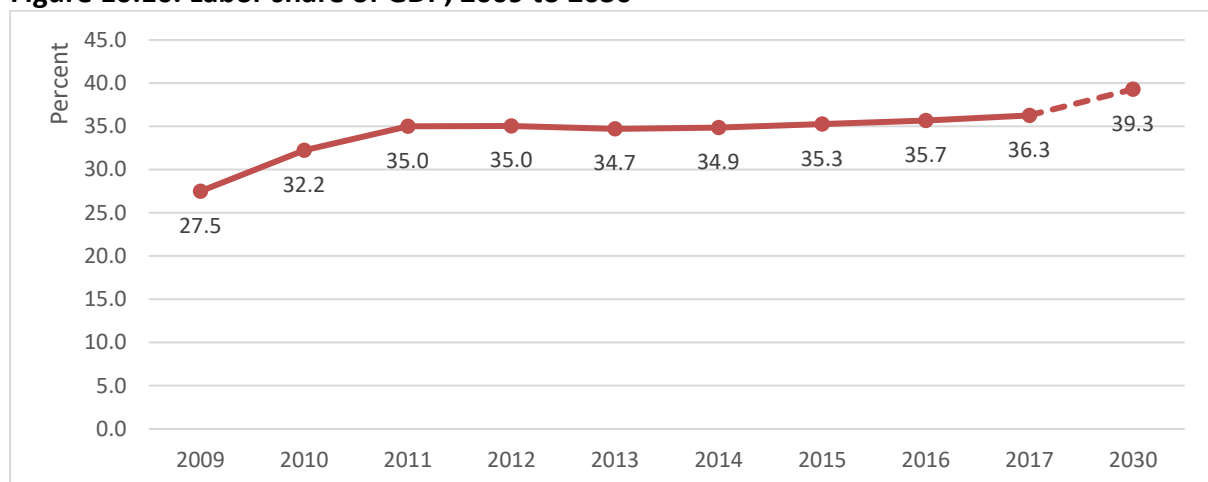
**The principle of economic and social inclusion also extends to people from different race, ethnicity and origins.** This is particularly manifested in the policies that the country has implemented for refugees and for persons of concern (POCs). The United Nations High Commissioner for Refugees (UNHCR) in the Philippines has launched the #CitiesWithRefugeesCampaign, which engages in LGUs in creating inclusive communities that integrate refugees. The Inter-Agency Agreement on the Protection of Asylum Seekers, Refugees and Stateless Persons in the Philippines was also implemented, in line with the commitments of fifteen government agencies and the judiciary in extending assistance to refugees. RA 11055 which means to establish a National ID system for the country has also included POCs in its implementation, allowing them to take part in the streamline process of having one identification for all public transactions. Currently, there is also an initiative to develop the Comprehensive Refugees and Stateless Persons Protection Bill to better safeguard rights of the refugees.

**Target 10.4. Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality**

A rapidly-growing economy like that of the Philippines has the potential to create greater opportunities for its workforce. The share of labor in the GDP thus provides an indication of the progress in laborers' living standards.

**In the period 2009 to 2017, the Philippines has had positive trends in the labor share of GDP, and this trend is expected to continue.** Higher annual gains are observable from the years 2009 to 2011, with growth gaining more momentum from 2011 onwards (**Figure 10.10**). A growth formula has been formulated from the historical data on labor share and a 2030 target is extrapolated to indicate where the country is expected should the country stay the course of trends.

**Figure 10.10. Labor share of GDP, 2009 to 2030**



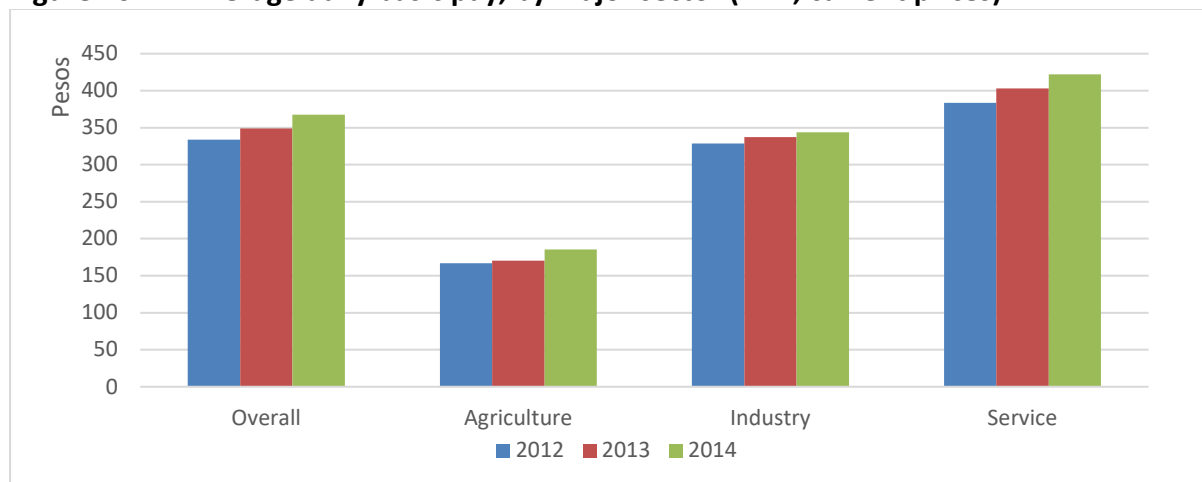
Source: Consolidated Accounts and Income Outlay, PSA

Though increased productivity and GDP imply higher living standards, income distribution and policy also play key factors that are not necessarily captured in the labor share of GDP, which is underestimated. Currently, the indicator does not include the income of the self-employed, and yet a sizeable proportion of the employed population in the Philippines is made up of people who are self-employed.

**Further, measurement issues also arise from GDP, which is unable to fully cover activities in the informal sector and the black market, as well as social and environmental costs in production.** This is of particular note in the area of social protection, where most of the country’s social assistance and insurance schemes, like the SSS and GSIS are accessible primarily to formally employed workers. Workers who are unemployed or who undergo long periods of unemployment consequently have drastically less access (Reyes, Tabuga and Asis 2018). In particular, women are more likely to be part of the informal or vulnerable employment sector than men. This is shown by their significantly lower labor participation rates. Furthermore, disaggregation of informal sector workers shows a trend of women primarily working as unpaid family workers. These types of work are some of the most vulnerable worker categories in the informal labor sector, attributed with irregular days of work, low wages and a lack of viable social insurance policies (Antonopoulos 2011; Albert and Vizmanos, 2018).

**Disparities in average wages in major sectors of the Philippines can also be noted.** Agricultural workers, in particular, have average wages that are considerably below the national averages. Those dependent on agriculture are often among the poorest and most vulnerable (Albert and Vizmanos 2018). Achieving shared prosperity among all major sectors require a policy orientation geared towards increasing labor productivity and effective targeting of social protection to the poor.

**Figure 10.11. Average daily basic pay, by major sector (PHP, current prices)**



Source: Decent Work Statistics, PSA

With the twofold objective to alleviate citizens from poverty and to maximize potential productivity and employment, the DSWD is also implementing the SLP, which provides for economic opportunities to households through skills trainings, seed capital funds, and pre-employment allowances. The SLP has two main methods: micro-enterprise development and employment facilitation. The program has served 82,455 households from 2016-2018, most of whom are also beneficiaries of the 4P’s. The two programs work in conjunction with the aim to improve the economic well-being of the poor (Albert and Dacuycuy 2017). The SLP has been promising in equipping program beneficiaries with supplemental skills that increase their chances of employment or allow engagement into enterprise. These forays into entrepreneurial activities as well as the income generated from more stable forms of employment lead to notable improvement in family living standards (Ballesteros, et al. 2017).

The DOF also spearheaded the campaign that led to the passage of RA 11507 or the Personal Property Security Act on August 17, 2018. The law aims to build over the outdated system of collateral financing to radically enhance credit access opportunities for MSMEs and agricultural workers. This is achieved through the expanded use of movable assets other than land in securing financial capital. These include account receivables, warehouse receipts, machineries, equipment, future harvest, inventory, and intellectual property, among others. This provides a solution for farmers and firm owners that do not have the land that is prerequisite to making financial loans. To ensure the participation of lending institutions, the PPSA provides for the establishment of a reliable and accessible internet-based registry for movable collaterals to reduce credit risks on the part of the lenders. Furthermore, there are currently talks to amend the Warehouse Receipts Law of 1912 seeking to modernize warehouse receipts as trade instruments for collateral to financial access.

The government, in cooperation with the private sector, has also initiated microinsurance initiatives as a risk management tool to address the low-income sector's insurance needs with a focus on catastrophic and health risks. Microinsurance product is a financial product or service where: the amount of premiums, contributions, fees or charges, computed on a daily basis, does not exceed five percent of the current daily minimum wage rate for non-agricultural workers in Metro Manila; and the maximum sum of guaranteed benefits is not more than 500 times also of the daily minimum wage rate for non-agricultural workers in Metro Manila. Particularly, the approved Micro-Agri Framework promotes the provision of agriculture micro insurance products and services that are simple, affordable and accessible to the clear majority of the population who are dependent on agriculture through efficient and effective partnership arrangements between the public and private sectors.

*Target 10.5. Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations*

**The health and stability of financial systems has become a major topic of concern on the international policy agenda.** This is especially in the wake of the important role of the local financial sector as intermediary between global financial markets and domestic borrowers (IMF 2006). In the past few decades, the world has experienced episodes of financial distress at the country, regional, and global levels. Volatilities from external capital markets and domestic developments, however, affect the financial sector. Deficiencies in financial systems, like high leverage ratios and subpar profitability, can render an economy more vulnerable to external shocks (IMF 2006).

**Examinations of macroeconomic and financial soundness indicators (FSIs) are useful for regularly identifying coincidental and leading signals of financial vulnerability.** The FSIs combine macroeconomic measurement frameworks, as well as prudential and commercial measurement methodologies to better assess the strengths and vulnerabilities of national financial systems (IMF 2006).

**Table 10.3** shows baseline data for selected FSIs and targets of the Bangko Sentral ng Pilipinas (BSP) for these FSIs by 2030. Aside from aiming to hit these targets, the government intends to prioritize the generation of more frequent data for these FSIs, in line with the plan to improve regulation and monitoring of the financial system in the country.

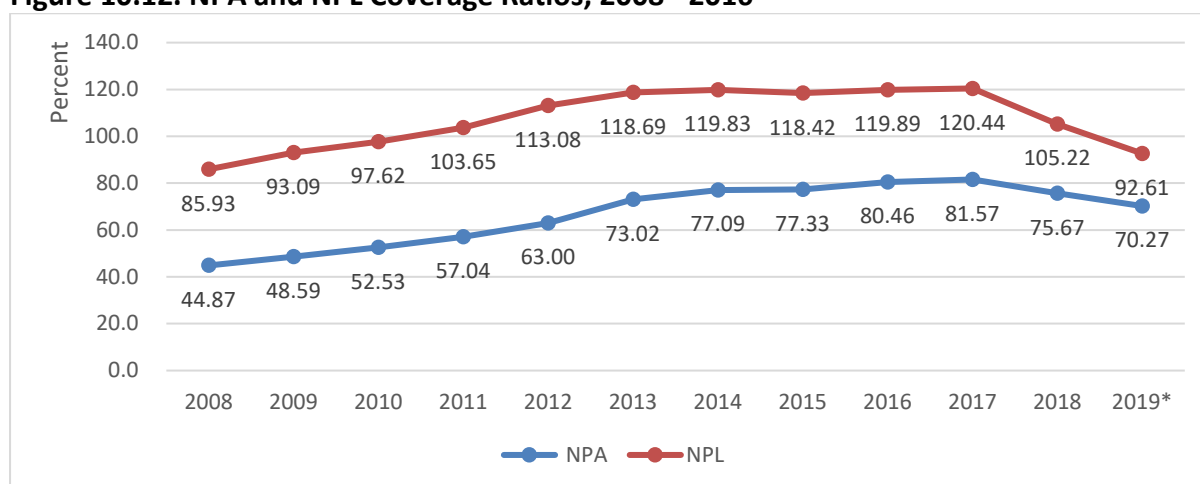
**Table 10.3. Selected financial soundness indicators, baseline data and targets for 2030**

Financial Soundness Indicator	Baseline Data	Year	Source of Data	Target for Year 2030
<b>1. Capital Adequacy</b>				
a. Regulatory capital to risk-weighted assets (consolidated)	16.10%	30 Sept. 2016	BSP	At or above 10%
b. Common Equity Tier 1 (CET1) ratio (consolidated)	14.20%	30 Sept. 2016	BSP	At or above 6%
c. Leverage ratio	-	2018	BSP	At or above 5%
<b>2. Asset Quality</b>				
a. NPL coverage ratio (Allowance for Credit Losses to NPL)	119.89%	2016	BSP	At or above 100%
b. NPA Coverage Ratio	80.46%	2016	BSP	At or above 80%
<b>3. Profitability</b>				
a. Return on Assets	1.20%	2016	BSP	N.A.
b. Return on Equity	10.46%	2016	BSP	N.A.
<b>4. Liquidity</b>				
a. Net stable funding ratio (consolidated)	-	2019	BSP	At or above 100%
b. Liquidity Coverage Ratio	-	2018	BSP	At or above 100%

Source: BSP

From 2008 to 2016, coverage rates for non-performing assets (NPA) and non-performing loans (NPL) have been steadily increasing. Figure 10.12 shows that debt from these assets and loans can be mostly be covered. The BSP has set the 2030 targets for the NPA and NPL coverage ratios at above 100% and 80%, respectively. These targets have already been achieved as early as 2016 and need only be maintained to ensure the financial sector stability.

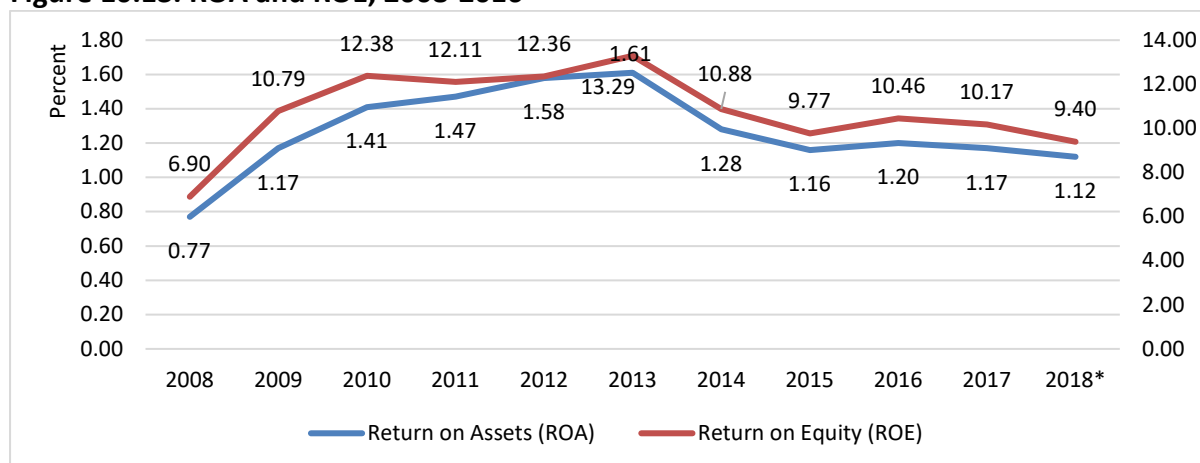
**Figure 10.12. NPA and NPL Coverage Ratios, 2008 - 2016**



Source: BSP

Profitability indicators has been relatively more turbulent: both the return on assets (ROA) and the return on equity (ROE) have shown marked increases from 2008 to 2013, followed by sizable decrease beyond 2013. The ROA<sup>22</sup> has stabilized at around 1.20%, while ROE<sup>23</sup> has shown an incremental increase, from 9.95% in 2014 to 10.46% in 2016 (Figure 10.13). Starting 2018, the BSP shall begin releasing baseline data on other key FSIs like the leverage and liquidity ratios.

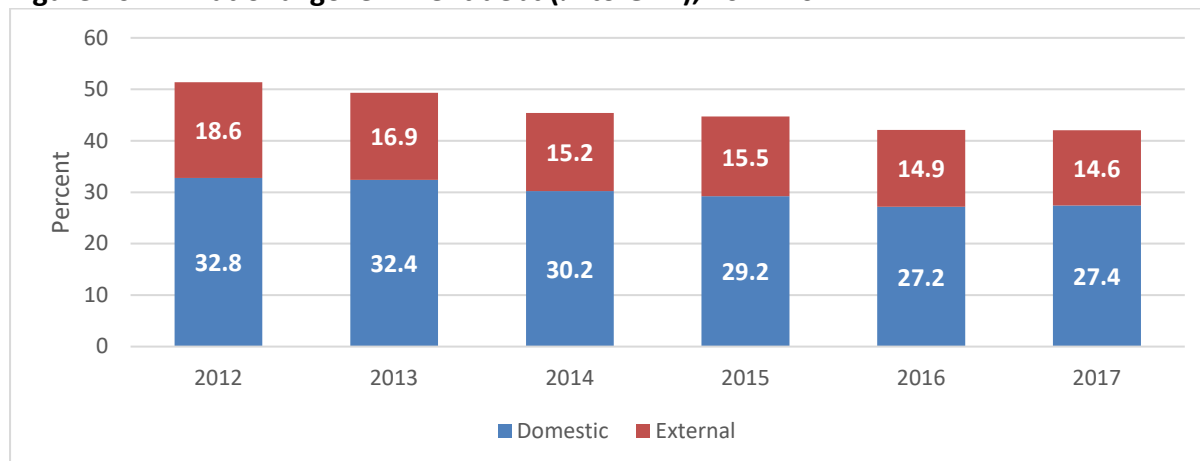
**Figure 10.13. ROA and ROE, 2008-2016**



Source: BSP

Data on national government debt also shows that the economy is growing at a rate where the debt-to-GDP ratio has steadily decreased, from 51.5% in 2012 to 42.1% in 2017. These trends shown in Figure 10.14 indicates a strong capacity of the government to leverage its debt, alongside making it a less risky investment for lenders.

**Figure 10.14. National government debt (% to GDP), 2012-2017**



Source: BSP

<sup>22</sup> Return on Assets (ROA) is calculated as the net income divided by total assets.

<sup>23</sup> Return on Equity (ROE) is calculated as the net income divided by total shareholder equity. Likewise, total shareholder equity is calculated by shareholder equity minus debt.



*Target 10.6. Ensure enhanced representation and voice for developing countries in decision-making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions*

In the wake of global issues like climate change, disease and poverty that require concerted efforts in the international community, all countries, especially developing countries should be involved in the deliberation and decision on possible courses of action.

**Table 10.4** details the current standing of the Philippines with regard to its membership status in particular international organizations. While the Philippines is currently not a member of the United Nations Security Council, the country was a member in the Council in 2004 to 2005.

**Table 10.4. Current Membership and Voting Rights of the Philippines in International Organizations**

International Organizations	Membership	Voting Rights
United Nations General Assembly	Yes	Yes
United Nations Security Council	No	No
United Nations Economics and Social Council	Yes	Yes
International Monetary Fund	Yes	Yes
International Bank for Reconstruction and Development	Yes	Yes
International Finance Corporation	Yes	Yes
Asian Development Bank	Yes	Yes
World Trade Organization	Yes	Yes

Source: UN, World Bank, Asian Development Bank, World Trade Organization

Several of the international organizations listed are part of the United Nations, an international organization formed in 1945, dedicated to maintaining international peace and security, promoting human rights, adherence to international law and currently, advocating sustainable development. The main organs of the UN System are the General Assembly, the Security Council and the Economic and Social Council.

- The UN General Assembly (UNGA) is the main deliberative, policymaking and representative organ of the United Nations, with all 193-member states represented and voting. The UNGA is in charge of recommending general principles of cooperation for peace, security and disarmament, as well as the scope of power of the UN, settlement of issues between countries and deliberation of sanctions or actions proposed by other organs. The Philippines has been a member of the Assembly since 1945.
- The UN Security Council is the main organ of the UN that is in charge of maintaining international peace and security. The Security Council may give recommendations to resolve these international threats and issues. The Security Council is composed of ten elected members and five permanent members (China, United States, France, United Kingdom and Russia). The Philippines is not a member of the Security Council, which alternates its membership every two years.
- The UN Economic and Social Council (ECOSOC) is the main organ of the UN for policy review, coordination and recommendation, with 54 members elected by the General Assembly for three-year terms. The ECOSOC spearheads the transition from the MDGs to the SDGs, creating forums and encouraging international partnerships and collaboration towards sustainable development. The Philippines is a newly elected member of this Council, serving a term until 2020.

The International Monetary Fund (IMF) is an international organization concerned with fostering the global financial stability of the international monetary system and international trade, thereby bringing economic growth and reduced poverty. The IMF achieves this through economic surveillance, lending and capacity development. IMF also provides loans to countries that need rationalizing their balance of payments, stabilizing currency and restoring other needed condition for economic development. The Philippines has been a member of IMF since 1945.

The International Bank for Reconstruction and Development (IBRD) is one of the largest development banks in the world and is attached to the World Bank Group. Its primary purpose is to provide loans, risk management products and other financial services to middle-income and low-income countries, with the goal of building shared prosperity. Another organization attached to the World Bank Group is the International Finance Corporation (IFC), which provides loans, investments and asset management service catered to private sectors of countries around the world. The Philippines has been a member of IBRD and IFC since 1945.

The Asian Development Bank (ADB) is an organization established in the 1960's. Its mandate is to assist in promoting social and economic development in the Asia-Pacific region through loans, grants, equity investments and technical assistance. The Philippines has been a member economy of ADB since 1966.

The World Trade Organization (WTO) is an organization that espouses fair and open trade. It provides a platform for agreements that reduce barriers to international trade as well as providing an institutional and legal framework in implementing said agreements and to settle disputes that may arise from them. The Philippines has been a member of the WTO since 1995.

*Target 10.a. Implement the principle of special and differential treatment for developing countries, in particular least developed countries, in accordance with World Trade Organization agreements*

**Trade is an essential factor in sustained growth and development, made even more influential in the context of rapid globalization and faster movement of goods, services and capital in the world today.** Trade grants access to assets and resources that would otherwise be unavailable and allows greater specialization of a country's domestic resources towards comparative advantage. The WTO recognized this in its 2001 Doha Ministerial Declaration, citing the relationship that trade has with growth, employment and poverty alleviation. The Declaration stresses the need for free trade and for investment as an instrument that facilitates greater gains in trade. Importantly, it recognized the need for developing countries, especially least developed countries (LDCs) to be able to not only have access to international markets, but also that their exported goods are able to penetrate the global community as well. It is in this light that the WTO has signified its continued support of regional trade agreements as well as special and differential treatments (SPTs) for developing countries.

SPTs are special provisions that are given to developing countries. WTO classifies these as longer time periods for implementing agreements, greater trade opportunities through lowering of tariffs and other policies, and support in building trade infrastructure and improving technical capacities of developing countries. One of the key agreements about SPTs is the General Agreement on Tariffs and Trade (GATT) Article XVIII, which gave developing

countries, such as the Philippines, the right to restrict imports for the purpose of growing infant industries and leveraging BOP deficiencies. The GATT also included non-reciprocal preferential treatment provisions, which meant that developed countries should not expect preferential treatment from developing countries in reciprocation.

To monitor the extent to which developing countries have access to global markets, we can examine the proportion of tariff lines applied to imports from LDCs and developing countries with zero-tariff. International and historical comparisons reveal trends on the reduction of tariff rate for various products, indicating greater access. Accurate estimation of SPTs in developing countries can be challenging, which limits measurements to tariffs, which is only one of many barriers to trade. Utilization of these SPTs is also assumed to be maximized, but in practice, this may not be the case for various reasons such as the inability of developing country exporters to meet eligibility criteria. Finally, duty free treatment may not always be equivalent to preferential treatment to developing countries, as treatment is dependent on the type of goods being covered.

**Levels of removed tariffs in product lines vary considerably across trade agreements that the Philippines is engaged with.** ATIGA and AANZFTA have the highest number of product lines duty free at 99.0% and 93.3%, respectively (**Table 10.5**). The agreement with the lowest number of zero-tariff product lines is AIFTA with only 4% of product lines that are duty free. The removal of tariffs means that product exports from the Philippines do not have extra taxes placed upon them, making them more competitive in foreign markets, whilst likewise, products imported to the Philippines also do not have added taxes, which negates any price advantage of local products. The government of the Philippines has stated that the main agreements to be monitored are the ATIGA, the AIFTA and the ACFTA, as other agreements mentioned are partnered with already developed countries.

**Table 10.5. Proportion of tariff lines applied to imports from LDCs and developing countries with zero-tariff**

International Agreements	2016	2017	2018
ASEAN Trade in Goods Agreement (ATIGA)	98.8	99.1	99.0
Imports from Cambodia	98.8	-	99.0
Imports from LAO PDR	98.6	-	99.0
Imports from Myanmar	98.7	-	99.0
Imports from Malaysia	98.6	-	99.0
Imports from Indonesia	98.8	-	99.0
Imports from Viet Nam	99.0	-	99.0
ASEAN-Australia-New Zealand Free Trade Area (AANZFTA)		93.3	
ASEAN-India Free Trade Area (AIFTA)	3.5	4.0	52.2
ASEAN-China Free Trade Area (ACFTA)	86.8	82.6	82.3

Source: Tariff Commission

The Philippine government adopts a more nuanced, case-by-case approach in negotiating trade deals to keep with the economic and political context of the international arena. Furthermore, a removal of tariffs on all products may not be beneficial in all circumstances, particularly for local producers who have to face stiff foreign competition.

Imports are reflected in **Table 10.6**, which shows the share of products the country imports from various countries that are duty free. The data shows that China is one of the countries that

the Philippines imports the most products from (at USD 14,868 million), more than double imports from Indonesia (valued at USD 6,724 million).

The objective behind the implementation of the SPTs is to improve the integration of developing countries with the global market, in particular, products, goods and services from developing countries should penetrate foreign markets without the presence of trade barriers like tariffs. To draw trends on the efficacy of these free trade agreements, it is crucial to examine the trade balance<sup>24</sup> of the country.

**Table 10.6. Percentage of tariff lines with imports at zero duty and value of imports**

Source Country	Free Trade Agreement	% of Tariff Lines with imports at zero duty (2017)	Value of imports (million USD) in 2017
Cambodia	ATIGA	3.26	15.00
China	ACFTA	76.01	14,868.00
India	AIFTA	41.03	87.00
Indonesia	ATIGA	39.17	6,724.00
Lao PDR	ATIGA	0.05	3.00
Malaysia	ATIGA	47.11	3,692.00
Myanmar	ATIGA	1.99	15.00
Thailand	ATIGA	48.94	6,604.00
Vietnam	ATIGA	32.10	2,490.00

Source: Tariff Commission

**Trends on the total exports and imports in the Philippines show that imports have been steadily increasing through the years, while the country's total exports tend to fluctuate.** This trend (**Figure 10.15**) is also reflected in the historical data of the balance of trade (**Figure 10.16**). In particular the Philippines saw a stark increase in its trade deficit from 2016 to 2018.

**Figure 10.15. Total imports and exports (January - October) in FOB value (in USD million)**



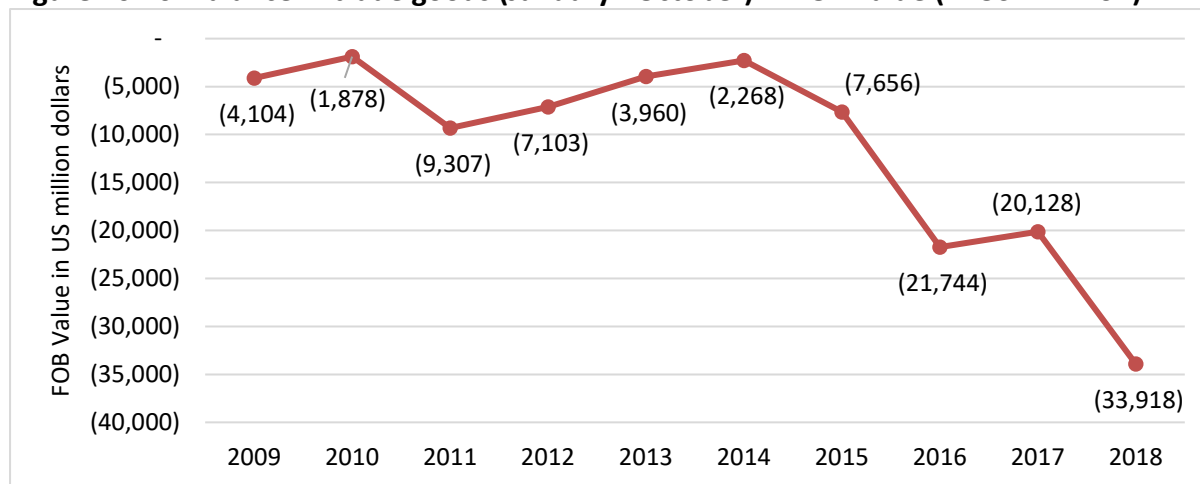
Source: External Trade Performance, PSA

The data raises questions on whether the Philippines is able to utilize multilateral free trade agreements to their full benefits [See: Aldaba et al. 2015; Wignaraja et al. 2010 for assessment of the utilization of FTAs]. This could signify that local producers are not able to have greater access to the global market, and even more alarming, have to face stiffer competition from

<sup>24</sup> Trade balance is defined as the difference between total exports and total imports. A positive difference means that a country is running a trade surplus, while a negative difference means the country is running a trade deficit.

foreign counterparts of their products. While this competition is a welcome development for particular industries with marked market control, it could be damaging for smaller local industries.

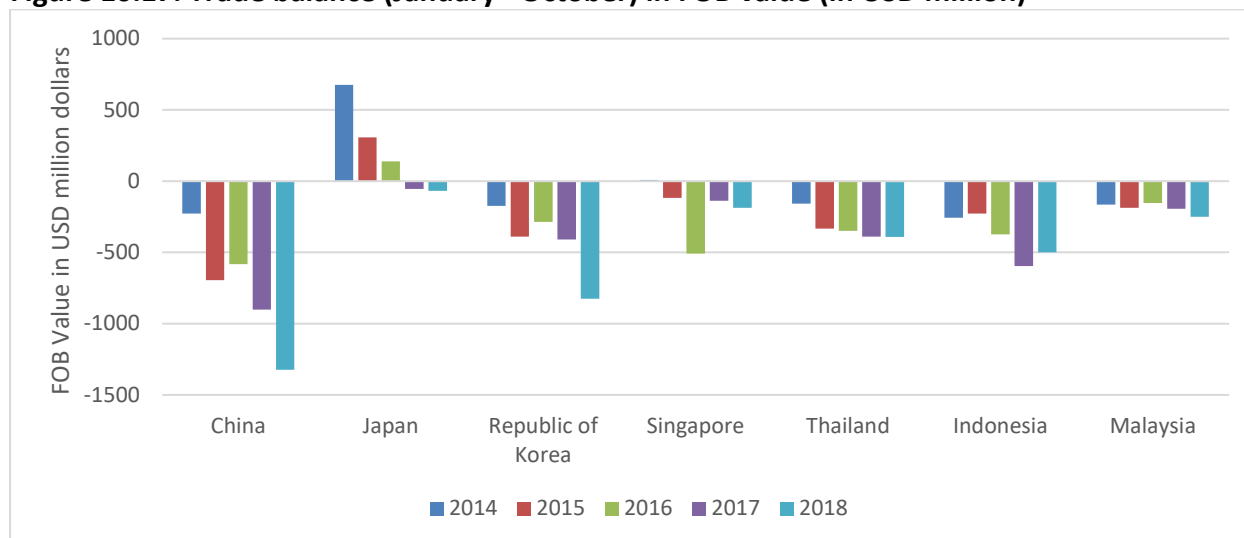
**Figure 10.16. Balance in trade goods (January - October) in FOB value (in USD million)**



Source: External Trade Performance, PSA

**Further disaggregation of trade balance by countries involved in multilateral trade agreements corroborates this trend of utilizing duty free zones for the purpose of importing goods far more than exporting products.** The starkest case for this trend is the trade balance with China, where a trade deficit of USD 227.81 million in 2014 has ballooned USD 1,324.43 million in 2018 (**Figure 10.17**). The same pattern follows with other countries that are trading partners with the Philippines in agreements being monitored.

**Figure 10.17. Trade balance (January - October) in FOB value (in USD million)**



Source: External Trade Performance, PSA

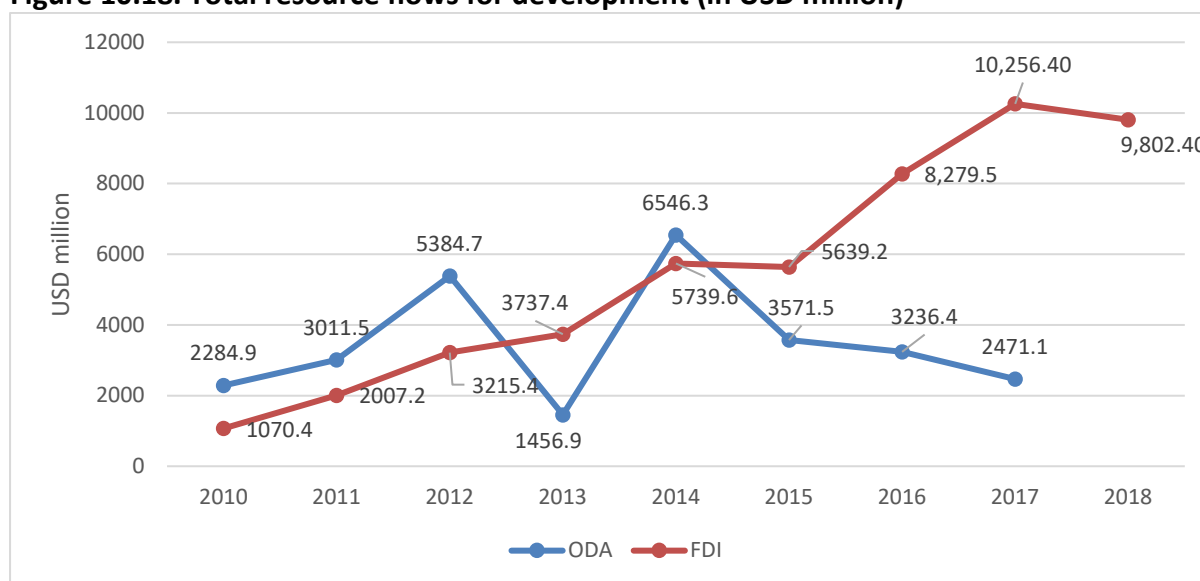
The data available shows that while the Philippines has engaged in various multilateral trade agreements for broadening access to international markets, the utilization of this greater access has not translated to equitable growth in product exports vis-à-vis product imports. Importation of products has increased dramatically, regardless of country trading partner. Trade and industry policy must be geared towards greater utilization of SPTs.

*Target 10.b. Encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest, in particular least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes*

**Aside from domestic activity and trade, the Philippines also receives funding from official development assistance (ODA), other official flows, and private flows.** The key characteristic of ODAs is that it is concessional and is in the form of at least 25% grant. OFF includes commercial grants to countries, private sector subsidies, and export-oriented bilateral transactions. Financial flows that come from private sector and grants are classified as private flows, which are further divided into foreign direct investment (FDI)<sup>25</sup>, portfolio equity, OFW remittances and private sector loans. Of particular interest to this target is FDI, which is classified as investments made by enterprises from another country.

**The Philippines has experienced a steady increase in FDI from 2010 to 2016.** These trends (Figure 10.18), indicate that more foreign firms are interested in having business ventures in the country. ODA flows, on the other hand tend to fluctuate more, with flows entering at USD 3390 million at its peak and USD 1740 million at its lowest from 2010-2016. This particular trend, however, is not necessarily negative as ODA donations fluctuate depending on other external factors that determine the amount of aid a particular developing country needs in comparison to the others.

**Figure 10.18. Total resource flows for development (in USD million)**

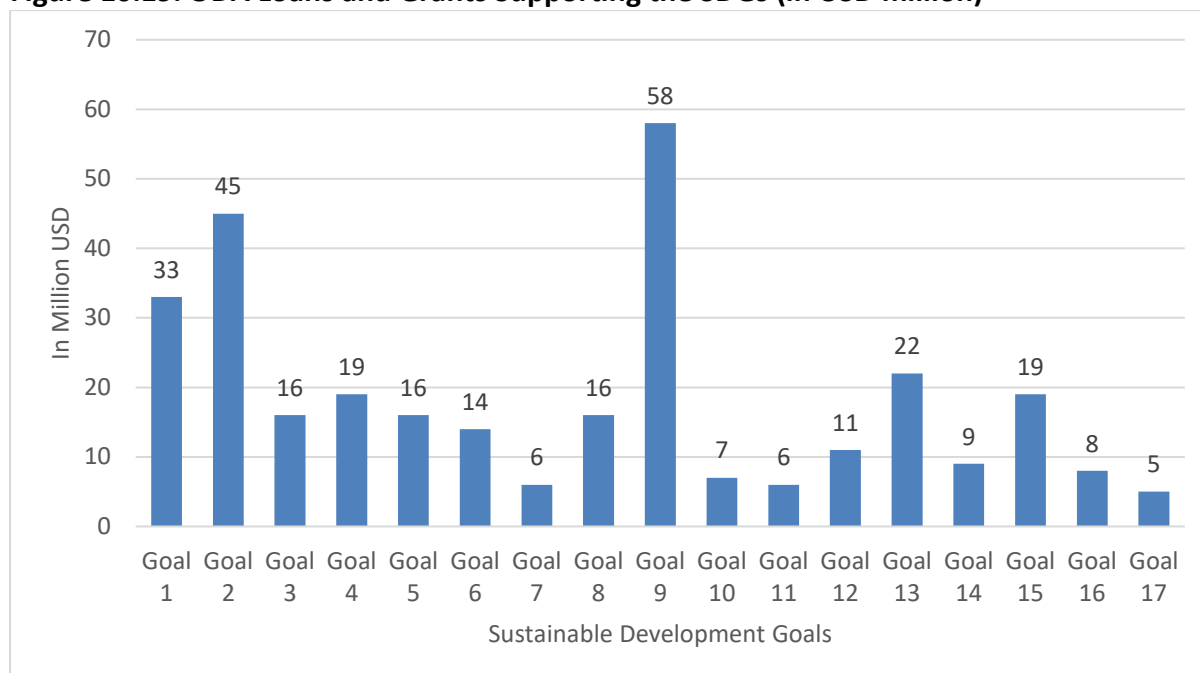


Source: Philippine Flow of Funds, BSP; ODA Portfolio Report, NEDA

**ODA has served as an integral source of funding for various development projects in the Philippines.** NEDA’s ODA Portfolio Report gives a broad coverage of projects launched using ODA funding. The 2017 ODA Report shows that ODA funding was used to execute 131 various projects for the SDGs. Funds were also used for various projects under the 2017-2022 PDP (see Annex).

<sup>25</sup> FDI differs from portfolio equities in that the former requires actual investment from a foreign firm in the local country, whereas portfolio investments may merely be the purchasing of foreign equities.

**Figure 10.19. ODA Loans and Grants Supporting the SDGs (in USD million)**



Source: ODA Portfolio Review 2017, NEDA

Funds were allocated towards the expansion of economic capacity and opportunities for agricultural workers, particularly through yield increase, technological innovation, accessibility of formal credit for small farmers and the continued implementation of agrarian reform. Likewise, projects were also launched for human capital development, with particular focus on education. This included student assistance programs, learning mastery initiatives and resources, and capacity building for teachers in the elementary and secondary levels. Projects were also implemented to address vulnerability from poverty, through the expansion of conditional cash transfer programs and emergency assistance for families struck by natural calamities. Initiatives were also targeted towards infrastructure development through various road constructions, airports, irrigation, water and sanitation facilities as well as the transition from primary to renewable energy sources. Premium was also given to sustaining the environment, through forest recovery programs, solid waste reduction initiatives and the protection of ancestral domains.

On the other hand, **Table 10.7** shows that from 2015 to 2017, FDI net equity capital distribution has been heavily focused towards industries like manufacturing, financial and insurance activities, and most recently, electricity gas, steam and air-conditioning supply. Sectors like agriculture, water and waste management, health and social work, defense and education are also observably not well supported by FDI flows.

The imperative around the SDGs is that nobody is left behind. This places a mandate on the Philippines and all UN member states that committed to the SDGs not only to focus on development as whole, but also to ensure the marginalized sectors in society reap growth dividends. While the Philippines has committed to reducing inequality, more efforts are required to ensuring that development is more inclusive. Several indicators discussed here suggest stark disparities across regions, and among various subpopulations. The pursuit of equitable development entails the formulation of policies that bridge gaps in socio-economic opportunities. While the Philippines has enjoyed, of late, a sustained level of economic growth, coupled with sound macroeconomic and financial fundamentals, it needs to enhance human

capital and ensure that productivity, growth and prosperity are made accessible to the entire population, regardless of sex, location, and socio-economic background.

**Table 10.7. Net FDI by industry (% share to net equity other than reinvestment of earnings; BPM6 concept)<sup>26</sup>**

Sectors	2015	2016	2017	2018
Agriculture, Forestry and Fishing	0.02	0.01	0.59	0.02
Mining and Quarrying	2.59	1.95	0.26	0.22
Manufacturing	42.54	12.90	34.78	47.72
Electricity, Gas, Steam and Air Conditioning Supply	0.54	-3.21	40.85	8.50
Water Supply; Sewerage, Waste Management and Remediation Activities	0.01	-	0.04	0.01
Construction	5.65	0.34	4.78	1.58
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	6.37	8.03	2.45	3.23
Transportation and Storage	-0.18	0.30	1.46	0.35
Accommodation and Food Service Activities	0.31	6.49	-1.05	0.30
Information and Communication	0.88	-0.10	1.13	0.62
Financial and Insurance Activities	28.77	43.44	4.16	14.55
Real Estate Activities	7.59	4.70	7.29	13.07
Professional, Scientific and Technical Activities	-2.42	0.68	1.94	0.52
Administrative and Support Service Activities	1.78	0.87	-0.17	0.88
Public Administration and Defense; Compulsory Social Security	0.00	0.00	0.00	0.00
Education	0.10	0.02	0.04	0.01
Human Health and Social Work Activities	0.02	1.36	0.70	0.09
Arts, Entertainment and Recreation	0.22	22.18	0.82	8.31
Other Service Activities	0.03	-	-	0.01
Activities of Households as Employers; Undifferentiated Goods-and-Services-Producing Activities of Households for Own Use	0.00	0.00	0.00	0.00
Activities of Extraterritorial Organizations and Bodies	0.00	0.00	0.00	0.00
Others, not elsewhere classified	5.23	0.04	0.00	-

Source: BSP

The indicators also show that the Philippines has been actively participating in the global economy; utilizing the tools available under the multilateral and bilateral trading system. The Philippines needs to ensure that it utilizes trade to achieve the SDGs. It is recommended that the country adopts the recommendations identified by the WTO to mainstream trade to achieve the SDGs. These are:

1. Mainstream trade into national and sector strategies to achieve the SDGs.
2. Strengthen the multilateral trading system so that it can continue supporting inclusive growth, jobs and poverty reduction.

<sup>26</sup> Data are compiled based on the framework prescribed by the International Monetary Fund (IMF) Balance of Payments and International Investment Position Manual, 6th edition (BPM6). Classification by industry is available for the equity capital component of FDI only; other components of FDI (i.e., debt instruments or intercompany borrowings and reinvestment of earnings) do not have a breakdown by industry.



3. Continue reducing trade costs including through full implementation of the WTO's Trade Facilitation Agreement.
4. Build supply-side capacity and trade-related infrastructure in developing countries and least-developed countries.
5. Focus on export diversification and value addition.
6. Enhance the services sector.
7. Apply flexible rules of origin to increase utilization of preference schemes.
8. Ensure that non-tariff measures do not become barriers to trade.
9. Make e-commerce a force for inclusion.
10. Support micro, small and medium-sized enterprises to engage in international trade.

ANNEX

RM Indicator	Results	Output
<b>Chapter 8: Expanding Economic Opportunities in Agriculture, Forestry, and Fisheries</b>		
Yield of major commodities increased	<u>Agrarian Reform Infrastructure Support Project III/DAR/JICA</u> Increase in palay yield in the agrarian reform communities in the municipalities of Kapangan and Kibungan in Benguet, and Dumalag in Capiz from 2.89 to 5.56 mt/ha	<u>Agrarian Reform Infrastructure Support Project III/DAR/JICA</u> <ul style="list-style-type: none"> <li>• 12,611 ha irrigated</li> <li>• 120 Communal Irrigation Systems (CIS)/Communal Irrigation Projects (CIP) rehabilitated/constructed</li> <li>• 7,068 farmers applied the improved technology in farming</li> <li>• 134 irrigators associations organized/strengthened</li> </ul>
Number of new technologies increased	<u>Rapid Food Production Enhancement Programme/ DA/IFAD</u> Increase in palay in Regions VIII (Western Visayas) and X (Northern Mindanao) yield from 2.99 mt/ha to 4.51 mt/ha	<u>Rapid Food Production Enhancement Programme/DA/IFAD</u> <ul style="list-style-type: none"> <li>• 27 post-harvest facilities constructed</li> <li>• 24 agricultural-support facilities constructed</li> <li>• 109 irrigators associations trained</li> <li>• 5,459 farmers trained</li> </ul>
Share of small farmers borrowing from formal credit sources to total number of farmers availing credit increased		<u>Philippine-Sino Center for Agricultural Technology/DA/China</u> 3 new technologies on rice production and biogas technology adopted
Share of small fisherfolk borrowing from formal credit sources to total number of fisherfolk availing credit increased		<u>Agricultural Credit Support Project/LBP/JICA</u> 358 cooperatives for small farmers and fisherfolk availed credit amounting to ₱2.184 billion <u>Agrarian Reform Communities Project II/ DAR/ADB and OFID</u> 18,219 agrarian reform beneficiaries (ARBs) and non-ARBs provided access to credit
Area distributed under CARP increased		<u>Agrarian Reform Communities Project II/ DAR/ADB and OFID</u> 4,293 ha distributed to ARBs
Number of ARBs with Emancipation Patent/Certificate of Land Ownership Awards (CLOA) increased		<u>Agrarian Reform Communities Project II/ DAR/ADB and OFID</u> 2,733 ARBs issued with individual titles
<b>Chapter 10: Accelerating Human Capital Development</b>		
Net enrolment rate increased (%) <ul style="list-style-type: none"> <li>• Kindergarten</li> </ul>		<u>Basic Education Assistance for ARMM/DepEd/Australia-DFAT</u> 1,650 children with special needs enrolled in Special Education

RM Indicator	Results	Output
<ul style="list-style-type: none"> <li>• Elementary</li> <li>• Junior High School</li> <li>• Senior High School</li> </ul>		
Completion rate increased (%) <ul style="list-style-type: none"> <li>• Elementary</li> <li>• Junior High School</li> <li>• Senior High School</li> </ul>		<u>Senior High School Support Program/ DepEd/JICA</u> 1.3 million senior high school graduated in SY 2017-2018 <u>Basic Education Assistance for ARMM/ DepEd/Australia-DFAT</u> 1,974 school heads trained on school-based management and school improvement planning
Proportion of students performing at moving towards mastery, closely approximating mastery or mastered increased (%)	Basa Pilipinas/DepEd/USAID <ul style="list-style-type: none"> <li>• 23% of grade 2 students met English fluency</li> </ul>	Basa Pilipinas/DepEd/USAID <ul style="list-style-type: none"> <li>• 9.39 million teaching and learning materials distributed</li> <li>• 14,665 classrooms provided with learning materials</li> </ul>
<ul style="list-style-type: none"> <li>• Elementary</li> <li>• Junior High School</li> <li>• Senior High School</li> </ul>	<ul style="list-style-type: none"> <li>• 4% of grade 3 students met the comprehension benchmarks</li> </ul>	<ul style="list-style-type: none"> <li>• 30,729 teachers trained on fluency and comprehension Education Governance Effectiveness (EdGE) Program/DepEd/USAID</li> <li>• 7,654 teachers trained on remedial reading program</li> <li>• 2,382 schools conducted remedial reading programs Basic Education Sector Transformation (BEST) Program/DepEd/Australia-DFAT</li> <li>• 700 scholarships awarded to teachers</li> <li>• 156 schools conducted orientation on Learning Action Cells</li> <li>• 179 superintendents and assistant superintendents trained on education leadership</li> <li>• 56 DepEd policies approved to support K to 12, Senior High School, Multi-grade Schools, Gender-Responsive Basic</li> </ul>

RM Indicator	Results	Output
		Education, and Inclusive Education
<b>Chapter 11: Reducing Vulnerability of Individuals and Families</b>		
Number of Conditional Cash Transfer (CCT) beneficiaries covered		<u>Social Protection Support Project/ DSWD/ADB, Social Protection Support Project-Additional Financing/ DSWD/ADB, and Social Welfare Development and Reform Project II/DSWD/WB</u> 4,394,813 active CCT beneficiaries registered
percentage of families affected by natural and human-induced calamities provided with relief assistance		<u>Emergency Assistance and Early Recovery for Poor Municipalities Affected by Typhoon Yolanda /DSWD/ADB-JFPR</u> 1,435,761 families affected by calamities provided with relief assistance
percentage of emergency shelter assistance provided		<u>Emergency Assistance and Early Recovery for Poor Municipalities Affected by Typhoon Yolanda /DSWD/ADB-JFPR</u> <ul style="list-style-type: none"> <li>• 170,712 (86%) of household beneficiaries affected by Typhoon Lawin received assistance</li> <li>• 145,308 (56%) of household beneficiaries affected by Typhoon Nina received assistance</li> </ul>
<b>Chapter 19: Accelerating Infrastructure Development</b>		
Average travel time by road with roll-on roll-off (RORO) in key corridors decreased (hours)	<u>Road Upgrading and Preservation Project/DPWH/JICA</u> <ul style="list-style-type: none"> <li>• Travel time from Lipa Floral Garden Junction, Batangas to Alaminos Junction, Laguna reduced by 75 minutes from 95 to 20 minutes</li> <li>• Travel time from San Jose – Rizal Road Section to Mamburao-Abra De Ilog Road Section, Mindoro Province reduced by 3 to 5 hours from 7-8 hours to 3-4 hours</li> <li>• Travel time from Viga-Bagamanoc Section to end of Bacak-Minaile Section, Catanduanes reduced by 46 minutes from 74 to 28 minutes</li> </ul> <u>Road Improvement and Institutional Development Project/DPWH/ADB and OFID</u>	

RM Indicator	Results	Output
	<ul style="list-style-type: none"> <li>• Travel time from Ormoc to Palo reduced by one hour</li> <li>• Travel time from Capiz to Iloilo reduced by one hour</li> </ul>	
Round-trip flights increased	<u>Puerto Princesa Airport Development Project/DOTr/ KEDCF</u> As of December 2017, aircraft movement for the newly constructed airport reached about 10,650 flights <sup>16</sup>	
Ratio of actual irrigated area to the total potential irrigable area increased (%)	Irrigated 5.3% (159,931.75 ha) of the total potential irrigable area of 3,019,609 ha	<u>Agrarian Reform Communities Project II/ DAR/ADB and OFID</u> <ul style="list-style-type: none"> <li>• 4,178.75 ha irrigated</li> <li>• 10 small scale irrigation systems completed</li> </ul>
		<u>Agrarian Reform Infrastructure Support Project III/DAR/JICA</u> <ul style="list-style-type: none"> <li>• 12,611 ha irrigated</li> <li>• 120 CISs/CIPs constructed/rehabilitated</li> </ul>
		<u>Mindanao Sustainable Agrarian and Agriculture Development/DAR/JICA</u> <ul style="list-style-type: none"> <li>• 392 ha irrigated</li> <li>• 5 CIS completed</li> </ul>
		<u>Jalaur River Multi-Purpose Project Stage 2/ NIA/KEDCF</u> 8,800 ha irrigated
		<u>National Irrigation Sector Rehabilitation and Improvement Project/NIA/JICA</u> 18,530 ha rehabilitated and restored
		<u>Participatory Irrigation Development Project/ NIA/WB</u> 115,420 ha generated, rehabilitated and restored
Cropping intensity increased (%)	<u>Rapid Food Production Enhancement Programme/ DA/IFAD</u> Cropping intensity increased in: <ul style="list-style-type: none"> <li>• Region VI: from 119% to 181%</li> <li>• Region VIII: from 107% to 164%</li> <li>• Region X: from 146% to 189%</li> </ul>	<u>Rapid Food Production Enhancement Programme/DA/IFAD</u> 13,228 ha rehabilitated and restored

RM Indicator	Results	Output
	<u>Agrarian Reform Infrastructure Support Project III/DAR/JICA</u> Cropping intensity in CISs covered by the project increased from 100% to 163%	<u>Agrarian Reform Infrastructure Support Project III/DAR/JICA</u> <ul style="list-style-type: none"> <li>• 12,611 ha irrigated</li> <li>• 120 CISs/CIPs rehabilitated/ constructed</li> <li>• 134 irrigators associations or farmers organizations organized and strengthened</li> </ul>
	<u>Participatory Irrigation Development Project/NIA/WB</u> Cropping intensity in national irrigation systems covered by the project increased from 151% to 164%	<u>Participatory Irrigation Development Project/ NIA/WB</u> 113,743 ha rehabilitated and restored
Proportion of households with access to safe water supply to total number of households increased (%)	<u>Provincial Towns Water Supply and Sanitation Program III/ LWUA/KfW</u> 100% service area coverage achieved	<u>Provincial Towns Water Supply and Sanitation Program III/LWUA/KfW</u> 7 water supply systems completed and operational (i.e., Balaoan, La Union; Binalonan, Pangasinan; Aparri, Cagayan; Orani, Bataan; Mabitac, Laguna; Infanta, Quezon, and Victorias City, Negros Occidental)
		<u>Agrarian Reform Communities Project II/ DAR/ADB and OFID</u> 11 Level II water supply systems constructed
	<u>Mindanao Sustainable Agrarian and Agriculture Development/DAR/JICA</u> 4,203 households served	<u>Mindanao Sustainable Agrarian and Agriculture Development/DAR/JICA</u> 17 potable water supply systems constructed/rehabilitated
	<u>Agrarian Reform Infrastructure Support Project III/DAR/JICA</u> 19,848 households served	<u>Agrarian Reform Infrastructure Support Project III/DAR/JICA</u> 70 Level I and II water supply systems constructed
		<u>Italian Assistance to Agrarian Reform Community Development Support Program/DAR/Italy</u> 2 Level II water supply systems constructed
Proportion of cities/municipalities served by water districts with 24/7 water supply increased	<u>Provincial Towns Water Supply and Sanitation Program III/ LWUA/KfW</u> 24/7 water supply achieved	<u>Provincial Towns Water Supply and Sanitation Program III/LWUA/KfW</u> 7 water supply systems completed and operational (i.e., Balaoan, La Union; Binalonan, Pangasinan; Aparri, Cagayan; Orani, Bataan; Mabitac, Laguna; Infanta, Quezon, and Victorias City, Negros Occidental)
New roads constructed		<u>Second Cordillera Highland Agricultural Resource Management Project/DA/IFAD and OFID</u> 389 km of farm-to-market roads

RM Indicator	Results	Output
		<p>(FMRs) constructed</p> <p>Philippine Rural Development Project/DA/ WB 184.72 km of FMRs and bridge completed</p> <p>Agrarian Reform Communities Project II/ DAR/ADB and OFID 516.76 km FMRs and bridges constructed/rehabilitated</p> <p>Agrarian Reform Infrastructure Support Project III/DAR/JICA 716 km FMRs constructed/rehabilitated</p> <p>Italian Assistance to Agrarian Reform Community Development Support Program/DAR/Italy 5.19 km FMRs constructed/rehabilitated</p> <p>Mindanao Sustainable Agrarian and Agriculture Development/DAR/JICA 65.18 km FMRs constructed/rehabilitated</p> <p>Road Improvement and Institutional Development Project/DPWH/ADB and OFID</p> <ul style="list-style-type: none"> <li>• Contract Package II Lot 2.1a Palo-Carigara-Ormoc Road and Lot 2.1b, Daang Maharlika Road with total length of 36.12 km completed</li> <li>• Contract Package II Lot 2.2 Iloilo-Capiz Road with total length of 27.01 km completed</li> </ul> <p>Road Upgrading and Preservation Project/ DPWH/JICA Road section located in Viga-Bagamanoc to end of Bacak-Minaile with total length of 20.5 km completed</p>
Coverage area of irrigation facilities increased		<p>Rapid Food Production Enhancement Programme/DA/IFAD</p> <ul style="list-style-type: none"> <li>• 9,347 ha rehabilitated</li> <li>• 109 CISs completed</li> </ul>
<p>Water and sanitation (WatSan) facility to pupil ratio improved</p> <ul style="list-style-type: none"> <li>• Primary (K to 6)</li> <li>• Junior High School</li> </ul>	<p>Basic Education Assistance for ARMM/DepEd/Australia-DFAT</p> <ul style="list-style-type: none"> <li>• percentage of schools with access to water increased from 50% in SY 2010-2011 to 87% in</li> </ul>	<p>Basic Education Assistance for ARMM/ DepEd/Australia-DFAT</p> <ul style="list-style-type: none"> <li>• 400 schools and 550 learning centers provided with washing facilities</li> <li>• Constructed/rehabilitated toilets in 255 schools</li> </ul>

RM Indicator	Results	Output
• Senior High School	SY 2015-2016. • Pupil-toilet ratio decreased from 226:1 to 136:1	
Classroom to pupil ratio improved • Primary • Kindergarten • Grades 1-3 • Grades 4-6 • Junior High School • Senior High School	<u>Basic Education Assistance for ARMM/DepEd/Australia-DFAT</u> At least 25% of DepEd Senior High Schools with an average of 40 to 45 students met the minimum service standards	<u>Basic Education Assistance for ARMM/ DepEd/Australia-DFAT</u> • Established alternative delivery model learning centers in 774 barangays, 293 Tahderiyah centers in 266 barangays, and 52 madaris (Islamic schools) in 53 barangays • Quality assurance classroom construction manual developed and adopted by DepEd-ARMM
		<u>Basic Education Sector Transformation (BEST) Program/DepEd/Australia-DFAT</u> 250 disaster-resilient classrooms constructed
Volume of desludged and/or treated septage in WDs increased (m3)	<u>Metro Manila Wastewater Management Project/LBP/WB</u> Increase of 25.50 m3/day in wastewater treatment capacity	<u>Metro Manila Wastewater Management Project/LBP/WB</u> • 3 septage treatment plants (STPs) completed: Ayala-Alabang STP (10,000 m3/day); Talayan STP (71,620 m3/day); and South STP (250 m3/day). • 1 conveyance system completed in Pasay
	<u>Metro Manila Wastewater Management Project/LBP/WB</u> 382 tons of biochemical oxygen demand (BOD)/year removed by sewage and STPs	<u>Metro Manila Wastewater Management Project/LBP/WB</u> • 3 STPs completed: Ayala-Alabang STP (10,000 m3/day); Talayan STP (71,620 m3/day); and South STP (250 m3/day). • 1 conveyance system completed in Pasay
	<u>Environmental Development Project/DBP/JICA</u> 10,866.09 kg equivalent BOD treated	<u>Environmental Development Project/DBP/ JICA</u> 16 water supply and sanitation systems constructed and operational
Proportion of Households (HHs) with access to basic sanitation to total of HHs increased	<u>Environmental Development Project/DBP/JICA</u> 100 households connected to water supply and sanitation systems	<u>Environmental Development Project/DBP/ JICA</u> • 16 water supply and sanitation systems constructed and operational • 1,827,558 meters of water supply and sanitation network/rehabilitated/ improved/replaced/ installed
Renewal Energy (RE) capacity increased (MW, cumulative)	<u>Environmental Development Project/DBP/JICA</u> Additional capacity of 6.17MW in renewable energy generated	<u>Environmental Development Project/DBP/ JICA</u> 7 power plants constructed and operational



RM Indicator	Results	Output
Energy intensity (primary energy) reduced (tons of oil equivalent) per million peso)	<u>Environmental Development Project/DBP/JICA</u> Reduction in fossil fuel utilization of 28,1887.37 barrels/year	
<b>Chapter 20: Ensuring Ecological Integrity, Clean and Healthy Environment</b>		
Area of denuded and degraded forestland decreased		<u>Mindanao Sustainable Agrarian and Agriculture Development/DAR/JICA</u> 4,372 ha in 205 barangays covered by agroforestry and tree crops production projects
		<u>Integrated Natural Resources and Environmental Management Project/DENR/ ADB and IFAD</u> <ul style="list-style-type: none"> <li>• 4,715 ha covered through afforestation and reforestation contracts</li> <li>• 6,806 ha covered through assisted natural regeneration contracts</li> <li>• 5,368 ha covered through agroforestry contracts</li> <li>• 958 ha covered through commercial plantation contracts</li> </ul>
		<u>Forestland Management Project/DENR/ JICA</u> 22,940 ha of tree and agro-forestry plantation established
Solid waste diversion rate increased	<u>Environmental Development Project/DBP/JICA</u> 1,183,090 m3 of waste landfilled	<u>Environmental Development Project/DBP/ JICA</u> 19 solid waste management projects completed
Number of issued Certificate of Ancestral Domain Title (CADTs) increased		<u>Second Cordillera Highland Agricultural Resource Management Project/DA/IFAD and OFID</u> 1 CADT issued
Number of Ancestral Domain Sustainable Development and Protection Plan (ADSDPP) formulated		<u>Second Cordillera Highland Agricultural Resource Management Project/DA/IFAD and OFID</u> 6 ADSDPP formulated

Source: ODA Investment Portfolio Report

## **Goal 13. Take urgent action to combat climate change and its impacts**

Intense natural disasters (causing at least 100 deaths or affecting the survival needs of at least 1,000 people), especially climate-related events, have been rising globally over the past 40 years. While climate science is careful not to attribute a particular extreme event to rising carbon emissions and related increase in temperatures, but the accumulating evidence points to more intense precipitation, and the incidence of extreme temperatures. Reports from the Intergovernmental Panel on Climate Change (IPCC) link more extreme climate events worldwide with carbon emissions and manmade climate change (See, e.g., IPCC, 2015). Thus, disaster risks are expected to get more extreme over time unless we act to reverse the trends.

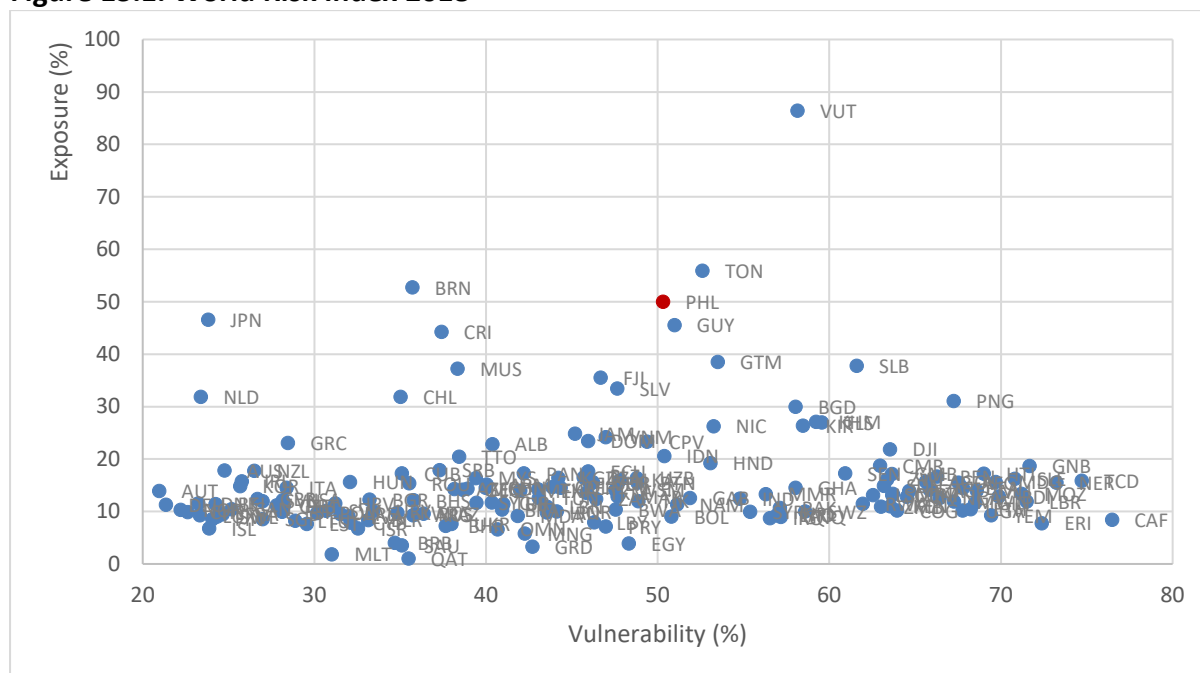
**Given its serious and alarming consequences, climate change needs concerted global action.** The Paris Agreement, signed in 2015 by 196 UN member states including the Philippines, is a landmark consensus of countries to reduce greenhouse gas emissions (mitigation) and manage the threats from climate change (adaptation). The Katowice Climate Package has recently been adopted during the Conference of Parties on December 2018 which includes decisions on nearly all of the issues mandated as part of the Paris Agreement Work Programme. This milestone serves as a key development for the Agreement to enter into force by 2020.

**The Philippines faces challenges in build economic resilience given its high-risk exposure and vulnerability to natural disasters.** The Philippines has consistently placed 3<sup>rd</sup> globally in the World Risk Index (WRI) ranking from 2015 to 2018 (Heintze, et al. 2018). The WRI ranking of countries uses the following components: (a) likelihood of being struck by natural disasters, (b) the level of preparedness and ability to respond effectively to disasters, (c) the ability to adjust and form “long-term strategies” for climate change, and; (d) citizens’ socioeconomic conditions.

The first component of the WRI measures the exposure of a country to extreme natural calamities while the remaining components determine the vulnerability of a nation against disasters (**Figure 13.1**). As an archipelago located in the Pacific Ring of Fire, the Philippines also ranked 4<sup>th</sup> behind Vanuatu, Tonga, and Brunei Darussalam in the same index in terms of exposure to climate-related hazards. Majority of Philippine cities and municipalities are coastal communities; many are in low-lying areas that are located along the paths most often taken by destructive typhoons; and are very vulnerable to the effects of rising sea levels.

**Monitoring of Goal 13 is crucial to examine the extent of resilience built in the wake of risks from climate change, but critical data gaps persist.** Globally, eight statistical indicators were suggested for monitoring of Goal 13, but for most (5) of these indicators, either no internationally established methodology have been developed, or standards for these indicators are still under development. In the Philippines, however, the Goal 13 indicators classified as Tier II at the global level are readily available indicators with established methodologies (**Table 13.1**).

**Figure 13.1. World Risk Index 2018**



Source: World Risk Report, Bündnis Entwicklung Hilft and Ruhr University Bochum (2018)

**Table 13.1. Tier classification of SDG 13 indicators at the global and national level**

SDG 13 Indicator	Global	Philippines
13.1.1 Number of deaths, missing persons and directly affected persons attributed to disasters per 100,000 population	Tier II	Tier I
13.1.2 Number of countries that adopt and implement national disaster risk reduction strategies in line with the Sendai Framework for Disaster Risk Reduction 2015-2030	Tier II	Tier I
13.1.3 Proportion of local governments that adopt and implement local disaster risk reduction strategies in line with national disaster risk reduction strategies	Tier III	Tier I
13.2.1 Number of countries that have communicated the establishment or operationalization of an integrated policy/strategy/plan which increases their ability to adapt to the adverse impacts of climate change, and foster climate resilience and low greenhouse gas emissions development in a manner that does not threaten food production (including a national adaptation plan, nationally determined contribution, national communication, biennial update report or other)	Tier III	Tier I
13.3.1 Number of countries that have integrated mitigation, adaptation, impact reduction and early warning into primary, secondary and tertiary curricula	Tier III	Tier III
13.3.2 Number of countries that have communicated the strengthening of institutional, systemic and individual capacity-building to implement adaptation, mitigation and technology transfer, and development actions	Tier III	Tier III
13.a.1 Mobilized amount of United States dollars per year between 2020 and 2025 accountable towards the \$100 billion commitment	Tier III	Tier III

SDG 13 Indicator	Global	Philippines
13.b.1 Number of least developed countries and small island developing States that are receiving specialized support, and amount of support, including finance, technology and capacity-building, for mechanisms for raising capacities for effective climate change-related planning and management, including focusing on women, youth and local and marginalized communities	Tier III	Tier III

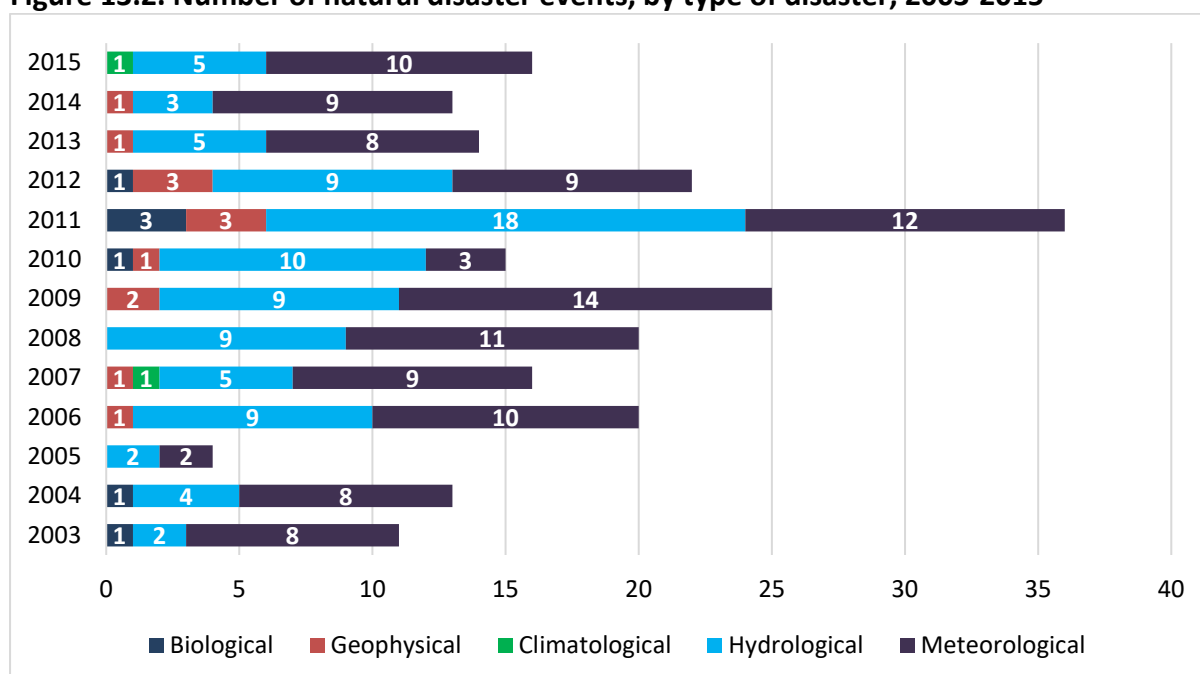
*Target 13.1. Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries*

**A country with an established disaster risk policy complemented by adequate resources is in a better position to effectively respond to unforeseen calamities ahead.** Risk information and assessment are invaluable for building adaptive capacity and managing risk resilience (Llanto 2016).

In 2010, the National Disaster Risk Reduction and Management (NDRRM) Act was enacted, which targeted the institutionalization of a disaster risk policy matched with resources. At the moment, the establishment of a national loss and damage registry is underway.

However, we still see an eroding national capacity to adapt to the intensifying and increasing uncertainty in the trajectories and magnitudes of climate-related hazards, as evidenced by the increasing risks, translated into deaths and economic losses.

**Figure 13.2. Number of natural disaster events, by type of disaster, 2003-2015**



Source: Authors' calculations based on data from EM-DAT: The Emergency Events Database - Université catholique de Louvain (UCL) - CRED, D. Guha-Sapir - [www.emdat.be](http://www.emdat.be), Brussels, Belgium

Countries, such as the Philippines, and various disaster stakeholders (including insurance companies and researchers) have developed disaster databases. The most comprehensive,

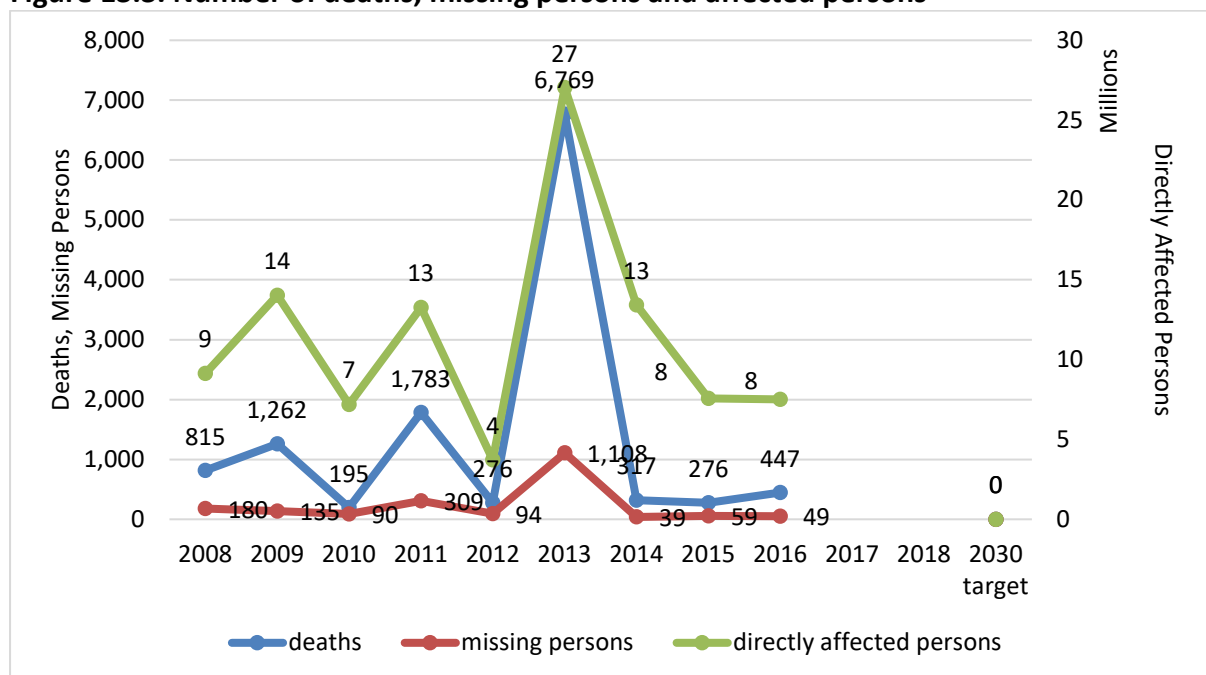
publicly available database on natural disasters is the Emergency Event (EM-DAT) database of the Centre for Research on the Epidemiology of Disasters (CRED), which suggests that the Philippines is among the countries with the most frequent incidence of hazards and extreme events. The Philippines reportedly had a total of 225 natural disasters between 2003 to 2015 (**Figure 13.2**). About nine in ten (91.1%) of these disasters were climate-related comprising meteorological (storms), hydrological (floods and wet mass movements), and climatological (drought and wildfire) types. During this period, tens of thousands got harmed from these extreme events: 21,519 died and more than 172 thousand persons were injured as a direct consequence of natural disaster events.

### 13.1.1. Number of deaths, missing persons and directly affected persons attributed to disasters per 100,000

Historical information on the number of deaths, missing persons and directly affected persons attributed to disasters per 100,000 population measures a country's resilience to disasters. This indicator can be further divided into three sub-indicators: (a) the number of people who died during the disaster, or directly after, as a direct result of the hazardous event; (b) the number of people whose whereabouts is unknown since the hazardous event; (c) people who are affected, either directly or indirectly, by a hazardous event directly affected are those who have suffered injury, illness or other health effects; who are evacuated, displaced, relocated or have suffered direct damage to their livelihoods, economic, physical, social, cultural and environmental aspects.

Another alternative to measure sub-indicator on the number of affected persons refers to the total number of individuals or populace (i.e. the family head and its dependents) who took pre-emptive evacuation prior to the onslaught of the disaster; or who sought temporary refuge due to the disaster either to their relatives' or friend's house, or in an evacuation center. The available data for this is measured in absolute terms.

**Figure 13.3. Number of deaths, missing persons and affected persons**



Source: National Disaster Risk Reduction and Management Council (NDRRMC)

**Figure 13.3** shows a spike in the number of deaths, missing and affected persons in 2013. This was on account of the effects of super typhoon Haiyan (locally known as "Yolanda"), the deadliest typhoon on record to ever hit the country. The government's 2030 target for the number of deaths and missing persons is zero while a decreasing trend is expected for the number of affected persons until 2030 as the country is working towards a systematic management of climate-related risks.

### 13.1.2. Number of countries that adopt and implement national disaster risk reduction strategies in line with the Sendai Framework for Disaster Risk Reduction 2015-2030

According to the UN Global Database of SDG Indicators (UN 2018), the Philippines is one of the 83 countries worldwide with legislative and/or regulatory provisions for managing disaster risk. The Sendai Framework for Disaster Risk Reduction 2015-2030, successor to the Hyogo Framework for Action 2005-2015, is a non-binding international accord by UN member states which contains targets and priorities for disaster risk reduction. Disaster risks are largely a function of the hazard, population exposure, and population vulnerability (Thomas, Albert and Hepburn 2014). The Sendai Framework strongly advocates for climate change adaptation by acknowledging the primary role of the State in reducing disaster risks. In particular, this global agreement aims to the substantial reduction of disaster risk and losses in lives, livelihoods and health and in the economic, physical, social, cultural and environmental assets of persons, businesses, communities and countries.

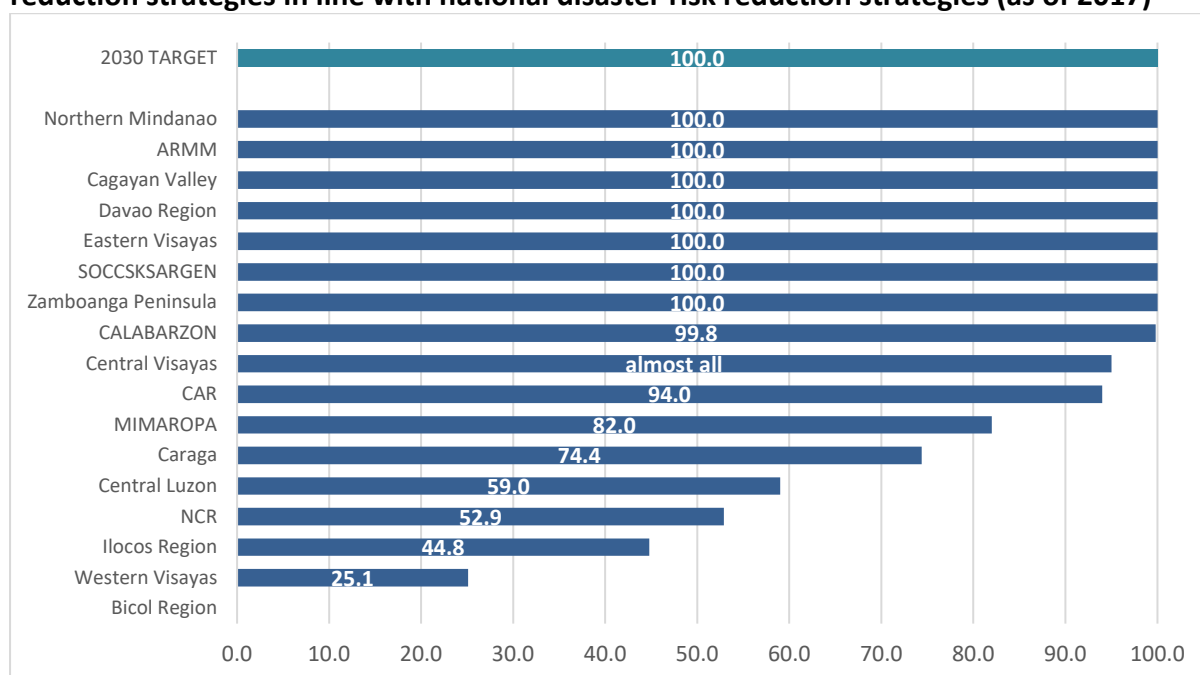
Before the Sendai Framework was formulated, the Philippines already passed RA 10121, also known as the Philippine Disaster Risk Reduction and Management Act of 2010. The Philippine DRRM Act provides a comprehensive, all-hazard, multi-sectoral, interagency, and community-based approach to DRRM. This law mandated the crafting and implementation of the National Disaster Risk Management Framework and the NDRRM Plan (NDRRMP), but institutional issues hamper the law's effective implementation (Domingo and Olaguera 2017).

In 2015, the NDRRM Council (NDRRMC) of the Philippines released its National Disaster Preparedness Plan in 2015 to reflect recent agreements, (including the Sendai Framework), policies and issuances of the Philippine government that have relevance on preparedness assigned from those already mentioned in the NDRRMP.

Moreover, the House of Representatives approved on final reading of the Department of Disaster Resilience Act which establishes the Department of Disaster Resilience – the national agency responsible for disaster preparedness, prevention, mitigation, response, recovery, and rehabilitation.

Data on the proportion of LGUs in the Philippines with a Local Disaster Risk Reduction Management Plan (LDRRMP) in line with the Sendai Framework reflects the prioritization and importance given by LGUs and local chief executives in disaster risk reduction in their area. While seven out of 17 regions achieved having 100% of their local governments incorporating disaster risk reduction in their respective plans and priorities, standardization of the contents of these plans and the development of quality assurance tool for local climate change action plans (LCCAPs) is still wanting. Furthermore, eight regions, still have to meet the target of establishing a LDRRMP for all their LGUs. These regions include, the NCR, the CAR, Ilocos, Central Luzon, MIMAROPA, Western Visayas, Central Visayas and Caraga.

**Figure 13.4. Proportion of local governments that adopt and implement local disaster risk reduction strategies in line with national disaster risk reduction strategies (as of 2017)**



Note: Data as of 2017. Data for Bicol Region is yet to be received.

Source: NDRRMC, Office of Civil Defense

**Target 13.2. Integrate climate change measures into national policies, strategies and planning**

RA 9729, or the Climate Change Act, was signed in October 2009 as the Philippines' response to mainstream climate change in policy formulation and to establish a framework strategy and program for this serious phenomenon. The law also provided for the establishment of the Climate Change Commission (CCC) to lead the implementation and coordination of programs and action plans related to climate change in the country. Two years after CCC was formed, the National Climate Change Action Plan (NCCAP) was formulated to serve as the national climate change framework strategy. This plan prioritizes food security, water sufficiency, ecological and environmental stability, human security, climate-smart industries and services, sustainable energy, and knowledge and capacity development as the strategic direction for 2011 to 2028. NCCAP is currently being updated in line with the formulation of Nationally Determined Contributions (NDC) and National Adaptation Plan.

NDC is expected to be submitted to UN Framework Convention on Climate Change before December 2020. The NDC guides the country's long-term development plan towards a climate-resilient and low-carbon pathway through the identification of the sector-specific climate change mitigation options and adaptation priorities.

It is also important for government programs geared towards addressing the impacts of climate change to be continually monitored and aligned with national plans of the country. In 2012, RA 101174, amended the Climate Change Act of 2009 to establish the People's Survival Fund to provide long-term financing for climate change adaptation projects. Furthermore, CCC issued joint memorandum circulars with DBM and the Department of Interior and Local Government (DILG) in 2015 to establish a national and local climate budget tagging system to

track climate change-related programs and projects in the annual program of the government. Since then, national government agencies tagged their climate budgets using a common set of guidelines and procedures, to be subjected to Quality Assurance and Review. Another memorandum was issued on the same year encouraging local government units to track their climate expenditures in their Annual Investment Programs.

Moreover, the Executive Order 174 in 2014 established the Philippine Greenhouse Gas Inventory Management and Reporting System. This policy institutionalized the greenhouse gas inventory management and reporting system in relevant government agencies to enable the country to transition towards a climate-resilient pathway for sustainable development.

RA 10771, known as the Philippine Green Jobs Act, is another milestone toward climate action in the country. This policy was issued in 2016 to promote the creation of green jobs and provide incentives to business enterprises that produce goods and render services for the benefit of the environment, conserve natural resources for the future generation, and ensure the sustainable development of the country and its transition into a green economy.

To harmonize and integrate efforts of sectors and stakeholders in addressing the intensifying impacts of climate change, CCC recently adopted a National Climate Risk Management Framework that consists of three components, namely: (a) probabilistic climate risk assessment; (b) climate risk evaluation, and; (c) climate risk management action formulation, to be operationalized by agencies concerned.

Ensuring that these policies, regulations and regulatory frameworks are implemented require strengthening institutional arrangements to effect sustainable action.



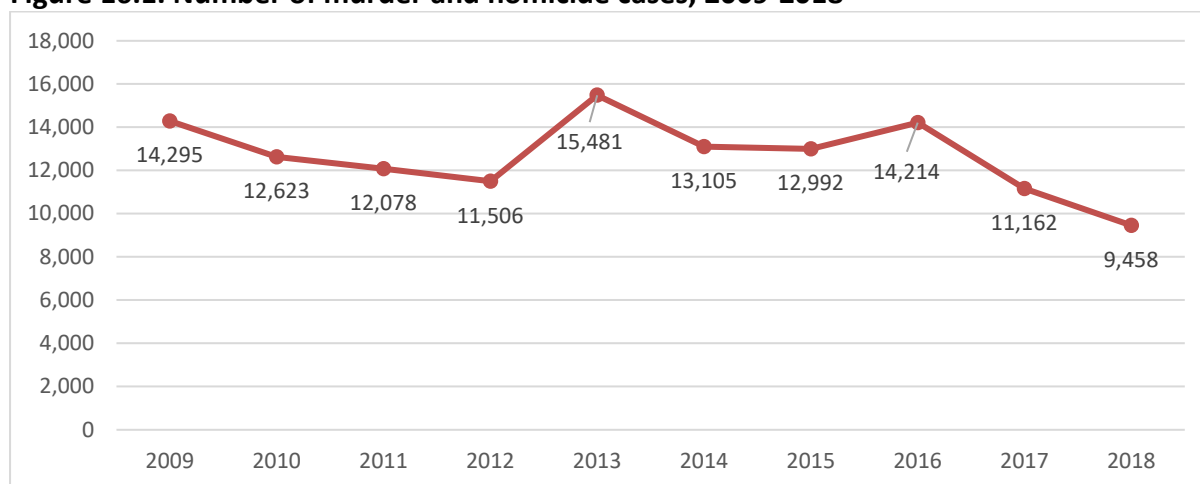
## Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Essential to the achievement of sustainable development is fostering a peaceful and just environment where fundamental freedoms are protected and institutions are effective, accountable and inclusive. One of the most dangerous hindrances to development is violence in all of its forms. Violence pervasively brings negative effects, from stunting economic growth, to placing insecurity in communities, to lowering health levels of children and to destabilizing social cohesion. Meanwhile, institutions play a key role in sustainable development as they establish and enforce rules in society to maintain peace and order. Institutions are vanguards of human rights. SDG 16 highlights the need to significantly reduce all forms of violence and related death rates, corruption, and bribery; to promote participatory and inclusive approaches in all levels of decision-making in public institutions; and to ensure public access to information in accordance with local and international agreements. The indicators for Goal 16 are examined here with supplementary indicators, with the aim of providing a clear picture of the country's standing on promoting peace, justice, and strong institutions.

*Target 16.1. Significantly reduce all forms of violence and related death rates everywhere*

Violence as reflected by number of cases of homicide and murder went down from 14,295 to 9,458 from 2009 to 2018. This downward trend, however, was not sustained as there was an upsurge in 2013. **Figure 16.1** shows this trend. The government, through the Philippine National Police (PNP), targets to reduce the intentional homicide rate annually by 5% by 2030. It is of note that this does not mean a reduction of cases merely, but also in consideration with the annual growth of the population.

**Figure 16.1. Number of murder and homicide cases, 2009-2018**

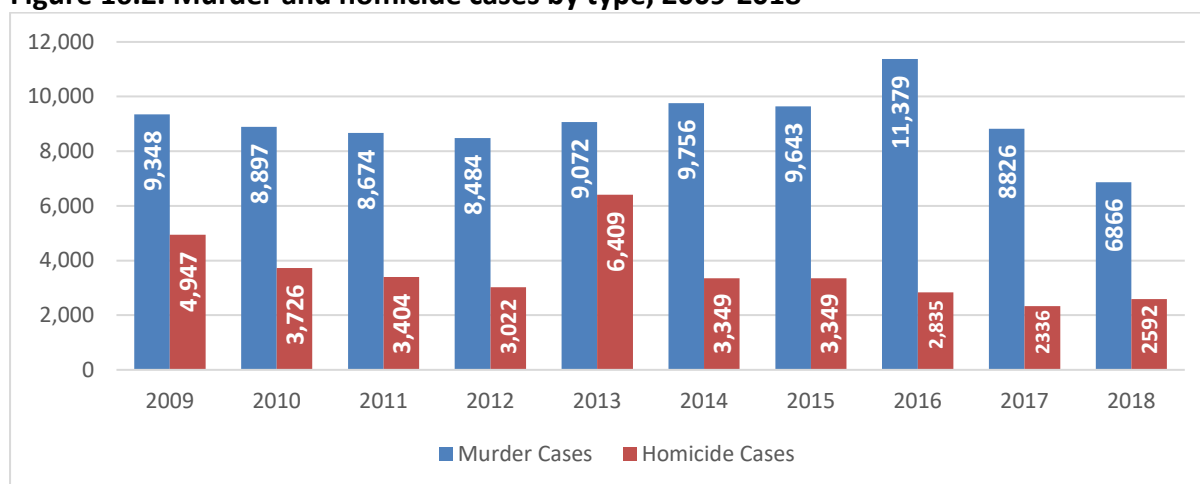


Source: PNP; PSA

The abovementioned trend is consistent with that of homicide cases which is at a downward trend, from 4,947 in 2009 to 2,592 in 2018. However, murder cases have been relatively flat and the recent estimate even shows a slightly upward turn (**Figure 16.2**). From 9,348 in 2009,

murder sluggishly decreased to 9,643 in 2015 but inched upward to 11,379 in 2016, the highest since 2009.

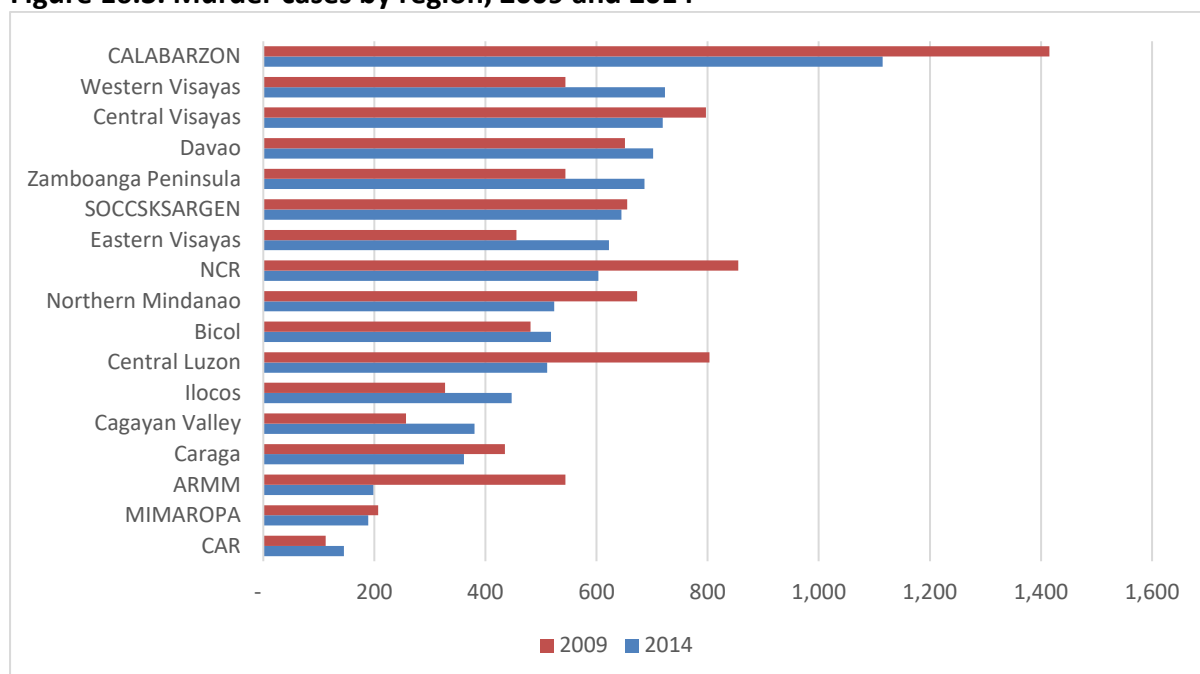
**Figure 16.2. Murder and homicide cases by type, 2009-2018**



Source: PNP; PSA

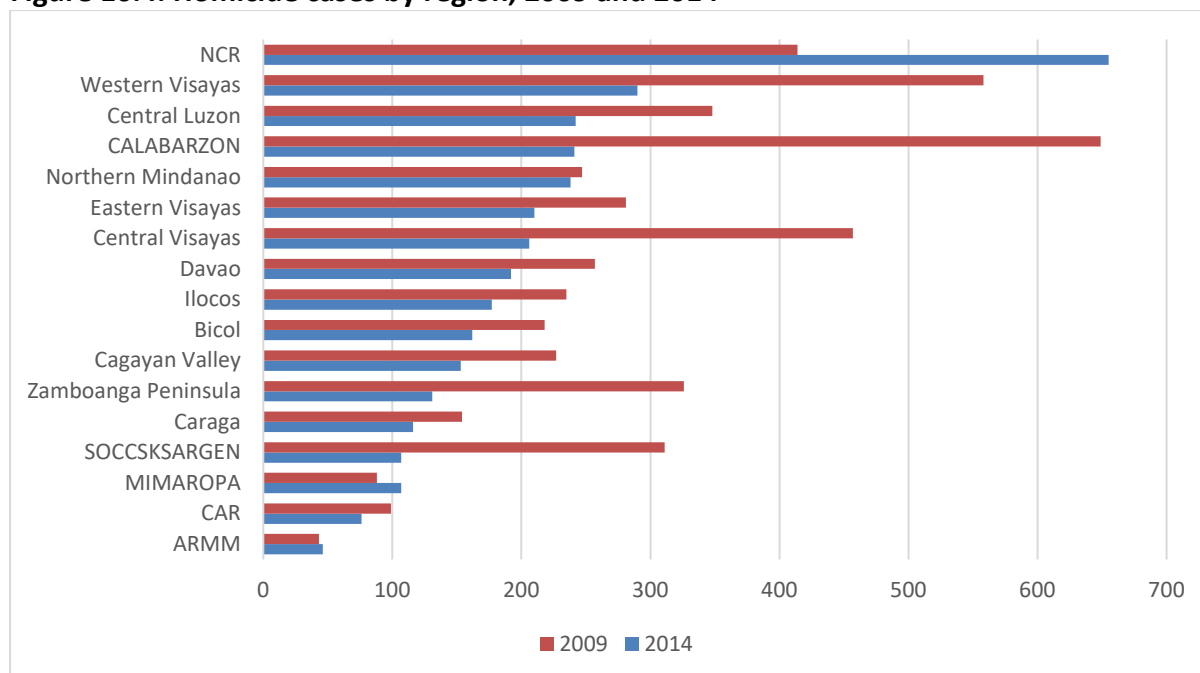
**While the trend of murder cases at the national level appears flat, those at the sub-national regions exhibit some variations worth mentioning. Figure 16.3** illustrates murder cases in 2009 and 2014 across the regions in the country, and suggests an upward trend in the Western Visayas, Davao, Zamboanga, Eastern Visayas, Bicol, Ilocos, Cagayan and CAR. On the other hand, regional reduction of murder rates has had greater progress in CALABARZON, Central Visayas, NCR, Northern Mindanao, Central Luzon and ARMM (Figure 16.4).

**Figure 16.3. Murder cases by region, 2009 and 2014**



Source: PNP; PSA

**Figure 16.4. Homicide cases by region, 2009 and 2014**



Source: PNP; PSA

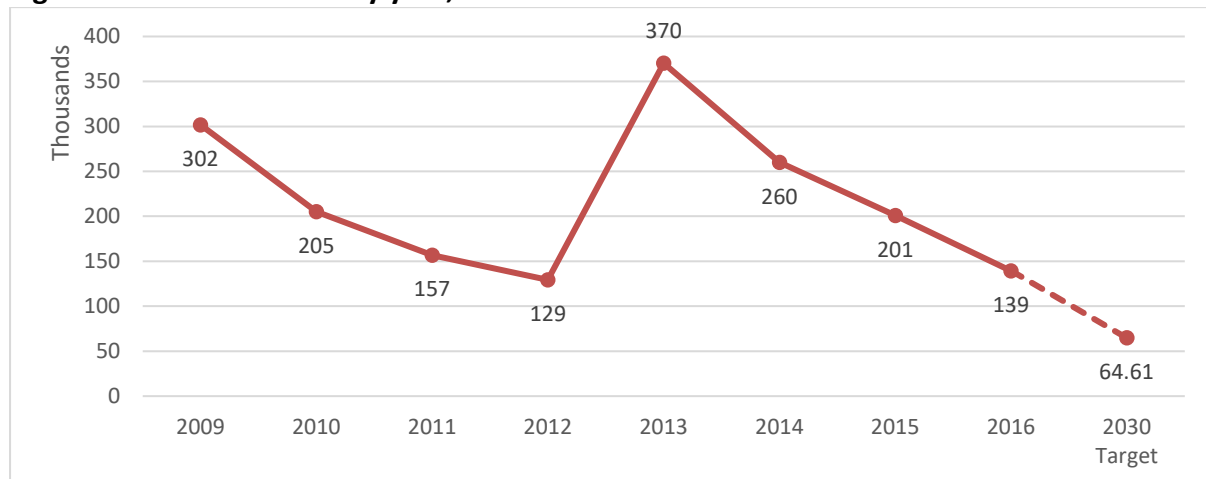
Among the regions, CALABARZON, has the highest number of murder cases in 2014 at 1,115 while CAR, an upland region, has the lowest rate at 145. In comparison, homicide cases have decreased in most regions in the country. NCR and MIMAROPA have recorded the higher number of homicide cases in 2014, at 655 and 107, respectively. In terms of number, ARMM has the lowest number of cases at 46, whilst NCR and Western Visayas have the most at 655 and 290, respectively.

Another measure of violence in society is the number of index crimes that are recorded. The PNP defines index crimes as crimes against persons, like the above-mentioned crimes alongside physical injury and rape, and crime against property, like robbery, theft, carjacking/carnapping and cattle rustling. Such index crimes are used as indicator for violence due to the grave nature of the crimes. Trends in the average number of index crime cases follow similar patterns from murder and homicide cases, in that though there is a marked reduction in the number of index crimes, an upsurge is observed in 2013, which is the highest amount of index crime rate recorded in the seven-year time span (**Figure 16.5**).

Regional disaggregation of the data shows that much of the increase of crimes against persons in 2014 came from Western Visayas. Notably, there were also large increases recorded in Bicol, Ilocos, SOCCSKSARGEN, Central Visayas, Zamboanga, Davao, and while its crime rate is increasing, ARMM has the lowest rate among all regions. Studies suggest that crime tends to be more correlated with inequality rather than with other socio-economic measures of welfare development such as poverty, or levels or growth in economic output (Albert 2013).

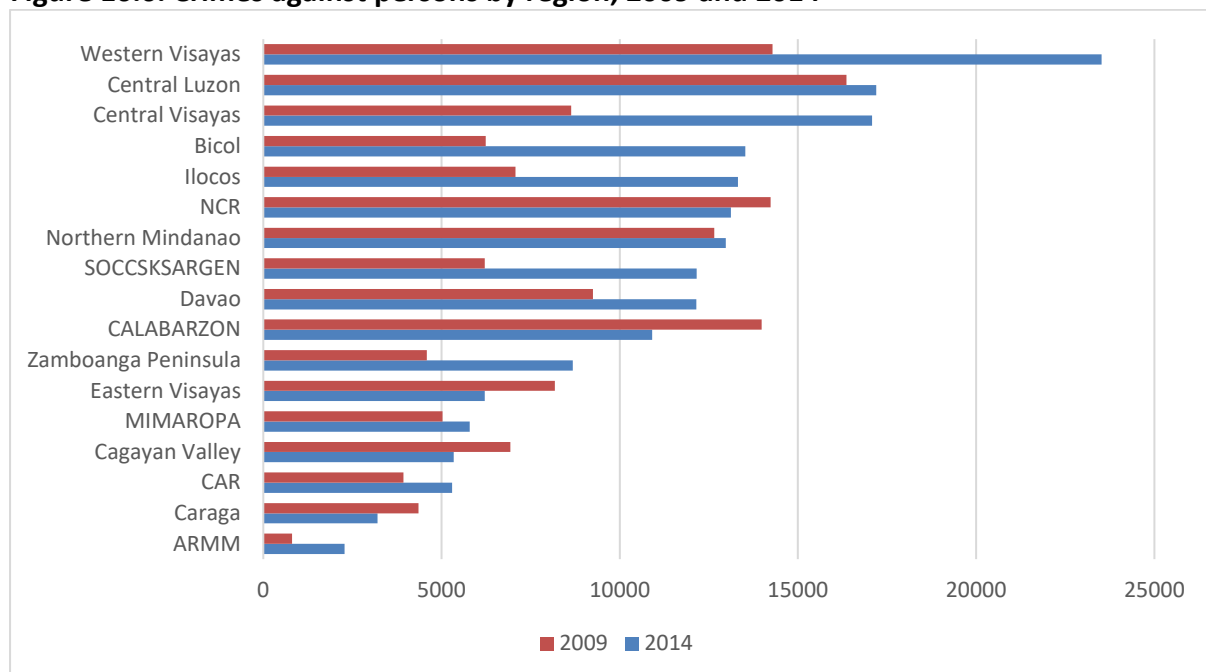
For the SDG target, the government through the PNP also agreed to reduce the national index crime rate annually by 5% by 2030.

**Figure 16.5. Index crimes by year, 2009 to 2016**



Source: PNP; PSA

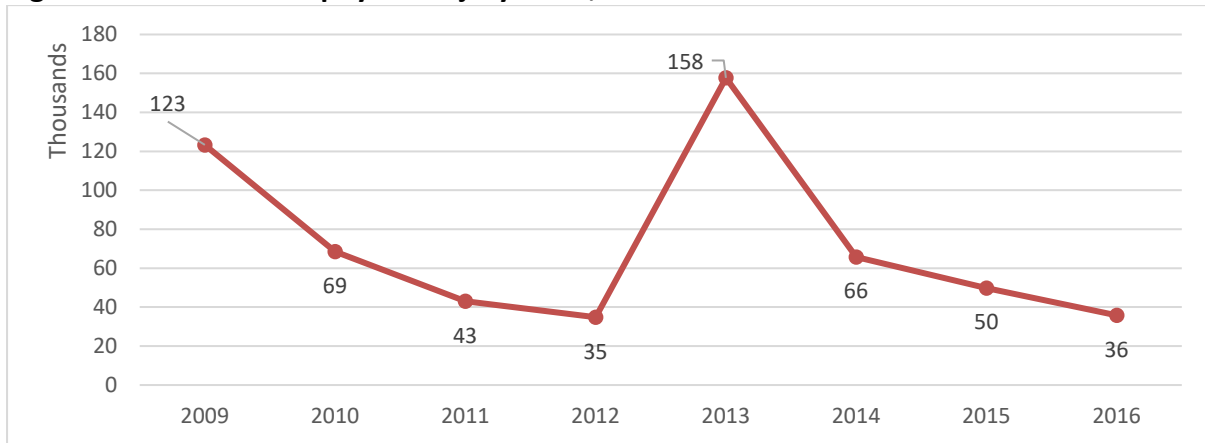
**Figure 16.6. Crimes against persons by region, 2009 and 2014**



Source: PNP; PSA

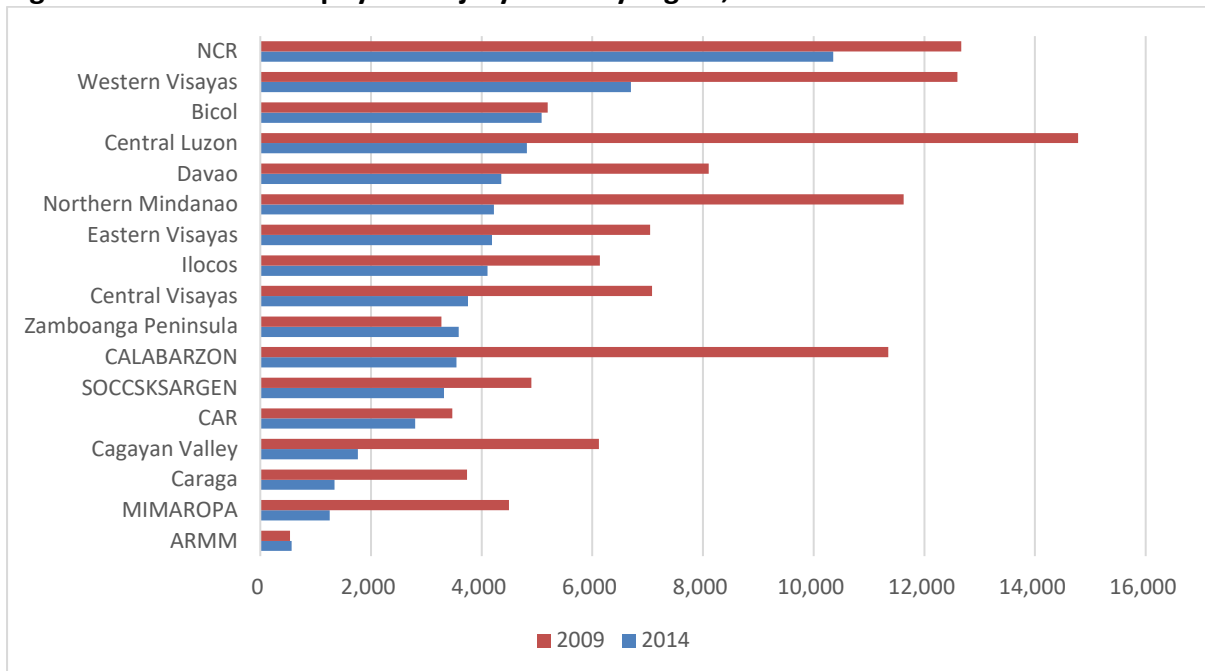
**A closer look at crime data, particularly the different types of crime, provides a better understanding of the peace and order condition in the country.** Much of the reduction in crimes against persons, (composed of murder, homicide, rape and physical injury) is contributed by the reduction of physical injury cases. From 123,312 in 2009, the number of cases went down to 35,796 in 2016 (**Figure 16.7**). A spike was recorded in 2013 which is consistent with the overall index crime rate. Among the sub-national regions, the capital - NCR has the highest number of physical injury cases while ARMM has the lowest (**Figure 16.8**). In contrast to the recent reduction in cases of physical injury, it is alarming that the number of rape cases in the Philippines has surged, from 5,813 in 2009 to 7,349 in 2018, peaking at 10,298 cases in 2015 (**Figure 16.9**). The region with the most number of rape cases (albeit based on older data - 2014) is CALABARZON while the lowest is recorded in ARMM (**Figure 16.10**).

**Figure 16.7. Number of physical injury cases, 2009 to 2016**



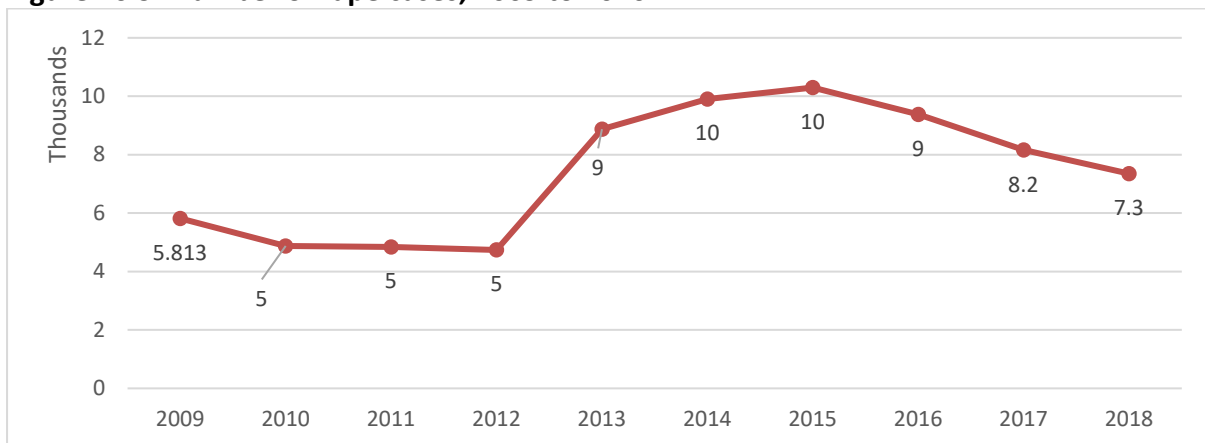
Source: PNP; PSA

**Figure 16.8. Number of physical injury cases by region, 2009 and 2014**



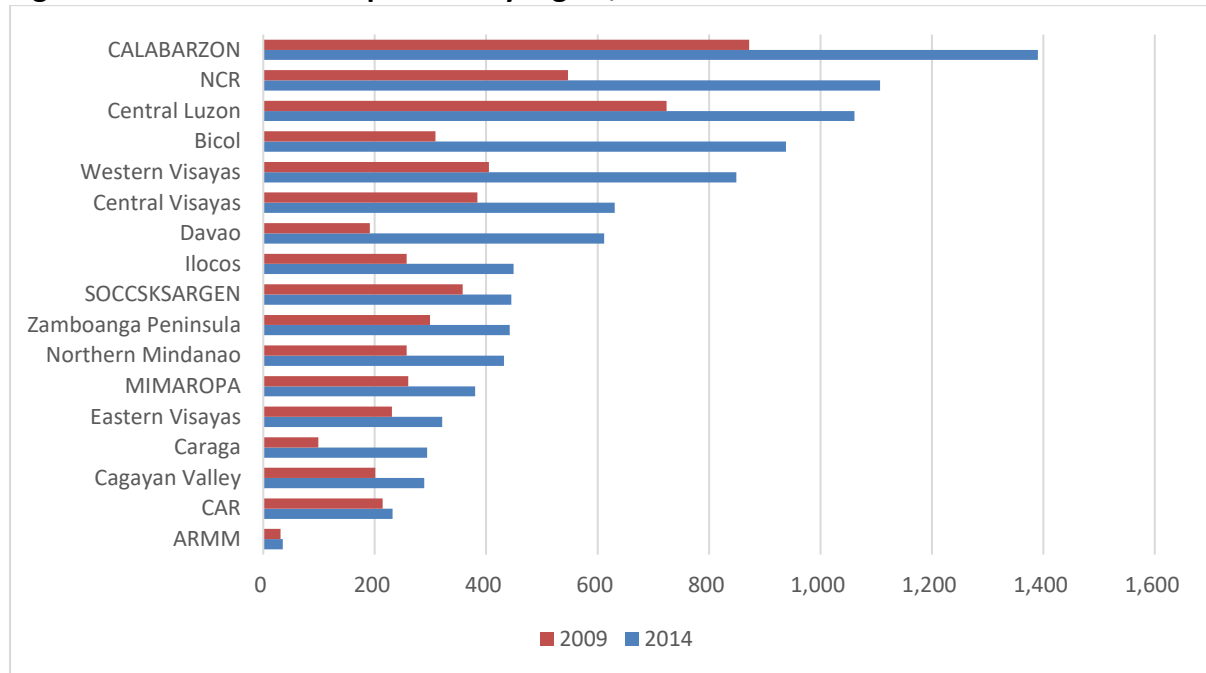
Source: PNP; PSA

**Figure 16.9. Number of rape cases, 2009 to 2016**



Source: PNP; PSA

**Figure 16.10. Number of rape cases by region, 2009 and 2014**



Source: PNP; PSA

**It is worth noting that child abuse remains a persistent occurrence in the country.** Case number data from DSWD shows varying trends in the number of annual cases of child abuse reported to the agency. From 4,327 cases during 2010, the number increased to 5475 cases in 2011 before slowly decreasing in a span of six years to 3495 cases by 2017. Latest 2018 figures show a total of 4,087 cases of child abuse reported to DSWD. Of these cases, 809 or about 20% came from sexual abuse. Meanwhile 764 cases or about 19% came from neglect, and 507 cases or 12% were from abandonment. Other notable figures are the number of cases of physical abuse/maltreatment, sexual exploitation and child labor, at 148,146 and 85 cases, respectively. It is noteworthy that more reported cases have girls as victims than boys, with there being almost twice as many girl victims (2,685) than boys (1,402). This data only serves to show a glimpse of the entire picture of child abuse in the country. Nevertheless, this strengthens the impetus for greater effort in securing a safe and healthy environment for children.

**In response, the state has created various legislations to institutionalize the rights of children and to protect them from violence and abuse.** One of these is RA 7610 or the Special Protection of Children Against Abuse, Exploitation and Discrimination Act. Passed in 1992, this law called for the crafting of a comprehensive program that will protect children from all types of abuse and that will hinder their development and endanger their survival. This law is instrumental in defining and punishing crimes against children such as child prostitution, trafficking and other acts of abuse such as neglect, cruelty and exploitation. The law also stipulates guidelines on the employment of children, stipulating the need provide them with non-formal education and to ensure that their work does not place their health or morals in jeopardy. Furthermore, RA 7610 calls for the provision of health and education services to all children in indigenous communities. The law also stipulated guidelines for children caught in armed conflict through barring the use of public areas like schools and hospitals for military stations, being given priority and separate shelter for their families during evacuation and special prioritization and intervention by the DSWS for children arrested for reasons related to armed conflict. This has led to the creation of the Committee for the Special Protection of Children and the Child Protection Program under the Department of Justice, which calls for an

inter-agency approach in monitoring, addressing, and formulating policy and strategy towards child abuse cases around the country.

This is further reinforced by RA 10627 or the Anti-Bullying Act of 2013. The law defined bullying beyond unwanted physical contact by also including damage to a victim's emotional well-being, slanderous statements and cyber-bullying for elementary and secondary students. It prohibits acts of bullying on school grounds, as well as property and mediums related to it like adjacent establishments, school-sponsored activities, school buses and technology and electronic devices leased by the school. It also prohibits bullying in non-school related settings that may likewise create a hostile school environment for the victim and disrupt his or her learning process. RA 10627 calls for the creation of anti-bullying handbook and a comprehensive, holistic policy aimed to reduce bullying through appropriate sanctions, rehabilitation and capacity-building amongst school workers and parents alike.

Another key piece of legislation towards the right of children is RA 9344 or the Juvenile Justice and Welfare Act of 2006. Under this Act, children in conflict with the law shall have the following rights, including but not limited to:

- i. the right not to be subjected to torture or other cruel, inhuman or degrading treatment or punishment;
- ii. the right not to be imposed a sentence of capital punishment or life imprisonment, without the possibility of release;
- iii. the right not to be deprived, unlawfully or arbitrarily, of his/her liberty; detention or imprisonment being a disposition of last resort, and which shall be for the shortest appropriate period of time;
- iv. the right to be treated with humanity and respect, for the inherent dignity of the person, and in a manner which takes into account the needs of a person of his/her age;
- v. the right to prompt access to legal and other appropriate assistance, as well as the right to challenge the legality of the deprivation of his/her liberty before a court or other competent, independent and impartial authority, and to a prompt decision on such action;
- vi. the right to bail and recognizance, in appropriate cases;
- vii. the right to testify as a witness in his/her own behalf under the rule on examination of a child witness;
- viii. the right to have his/her privacy respected fully at all stages of the proceedings;
- ix. the right to diversion if he/she is qualified and voluntarily avails of the same;
  - x. the right to be imposed a judgment in proportion to the gravity of the offense where his/her best interest, the rights of the victim and the needs of society are all taken into consideration by the court, under the principle of restorative justice;
- xi. the right to have restrictions on his/her personal liberty limited to the minimum, and where discretion is given by law to the judge to determine whether to impose fine or imprisonment, the imposition of fine being preferred as the more appropriate penalty;
- xii. in general, the right to automatic suspension of sentence;
- xiii. the right to probation as an alternative to imprisonment, if qualified under the Probation Law;
- xiv. the right to be free from liability for perjury, concealment or misrepresentation; and
- xv. other rights as provided for under existing laws, rules and regulations.

The law further states that children aged fifteen or under at the time the offense was made is exempt from criminal liability, though they shall be subject to a child intervention program.

This is likewise applicable to children in between 15 and 18 years old, unless it is established that they acted with discernment. This law also created the Juvenile Justice and Welfare Council, an inter-agency institution that oversees the Act's implementation and periodically develops a 3-5-year comprehensive juvenile intervention program with government agencies, CSOs and youth organizations. It is also tasked with the monitoring, policy formulation and ensuring that children are included in the discourse towards lowering juvenile crime.

**Overall, the national data on crime together with the sub-national and crime type disaggregation reveal that success in reduction of violence in the country varies considerably.** While the national level rates of homicide and physical injury have been decreasing in recent years, the reduction has not been uniform throughout the regions in the country. Some regions have even registered increased crime rates through the years. Furthermore, the rising rates of murder and rape are a huge cause for concern. These nuances show the importance of looking beyond the national aggregate performance and indices of crime statistics. Efforts must therefore prioritize the reduction and prevention of murder and rape cases. The LGU's role is also very crucial in the promotion of peace and order in the regions that are lagging behind.

*Target 16.5. Substantially reduce corruption and bribery in all their forms*

**Reducing corruption and bribery is crucial in the promotion of accountable and inclusive institutions.** While conceptually, corruption harms development, operationally showing this can be a challenge since defining and measuring corruption can be quite difficult. By its very nature, corruption's absolute levels are hard to assess with "hard" data. Even the total number of bribes reported, or the number of prosecutions in court cases on corruption, cannot be indicators of corruption levels, as these would only show, respectively, how the media are successful in exposing corruption, and how successful the courts are in prosecuting these cases.

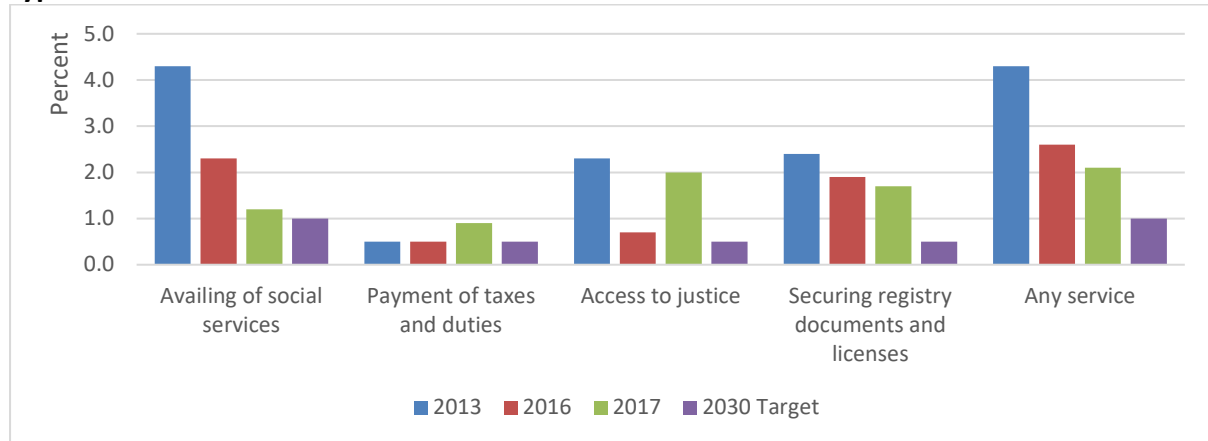
Some institutions such as the World Bank have described corruption as "the abuse of public office for private gain" (Bhargava 2006). Although such a definition limits the focus of corruption to the public sector, although corruption may also be present in the private sector, this definition provides a means to operationally measure corruption. The two SDG indicators for measuring corruption follow this definition and limit the measurement to administrative bribery, that is, bribery occurring when citizens have dealings with public administrations and civil servants.

**In the Philippines, the Office of the Ombudsman has worked with the PSA to measure the extent or pervasiveness of petty or bureaucratic corruption in the country.** The National Household Survey on Experience with Corruption in the Philippines has been a rider to the APIS in 2010, 2013, 2016 and 2017. In this survey, respondent families are asked regarding whether they had official transaction with a government agency and whether a member of the family was asked for bribe when he/she had an official transaction with a government official or in a government agency. The number and percentage of families bribed (in proportion to those who made a government transaction) are indicators to track bribery. Data from 2013 to 2017 shows that relative to the total number of families who have made a government transaction, there has been a marked reduction in bribing attempts overall. The reduction in the proportion of bribery attempts have been noticeable for social services transactions and securing of registry documents and licenses, whilst that for access to justice tends to highly fluctuate. The corresponding percentage for those paying taxes and duties has



been at levels of less than 1%. Accounting for these historical trends, the government targets reducing bribery down towards the targets of 1% or half of 1% in particular service domains (Figure 16.11).

**Figure 16.11. Percentage of families asked for bribe during government transactions, by type of service**

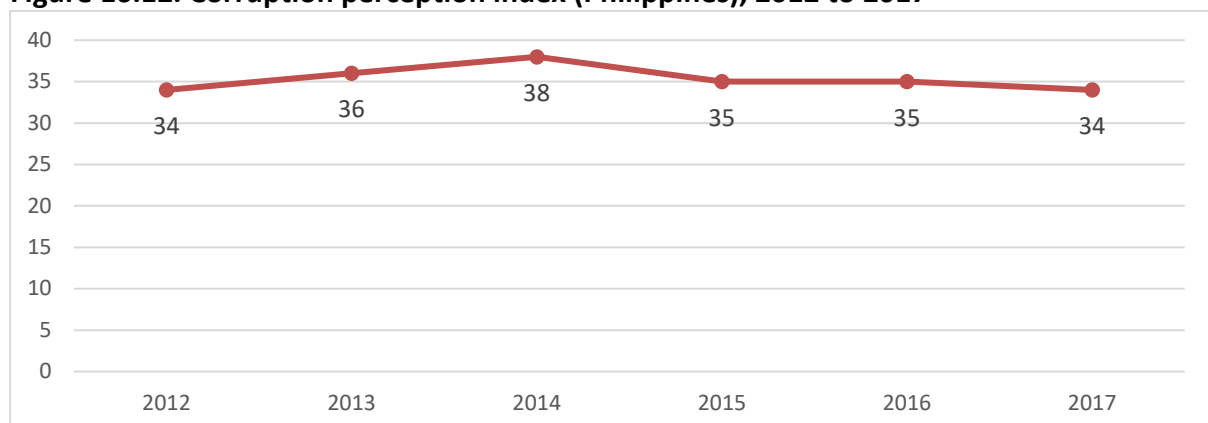


Source: APIS, PSA

Since corruption involves “under the table” negotiations, perceptions of corruption would be the only feasible means of getting data on corruption. Since 1995, Transparency International has been generating yearly its Corruption Perceptions Index (CPI), a barometer of corruption of countries in a scale from 0 (highly corrupt) to 100 (very clean).

Based on the 2017 CPI Report, the Philippines ranked 111<sup>th</sup> out of 180 countries in terms of corruption. Trends in the CPI for the Philippines (Figure 16.12) suggest that the country has made incremental gains in reducing corruption from 2012 to 2014, though in 2017, the country has slumped back to its 2012 level. One caveat is that the CPI is perception-based. A story of rampant corruption can be created, and this story can be easily propagated. Alternatively, an administration can mount a successful media campaign suggesting that the extent of corruption has gone down, without really changing what’s happening on the ground. The CPI may also be based on Western standards of corruption, whereas governance and corruption have a socio-cultural context, and is better understood and better measured by taking into account the norms of a particular society. Despite these limitations, these data on CPI can give a reflection of the level of trust given by citizens towards a nation’s public institutions.

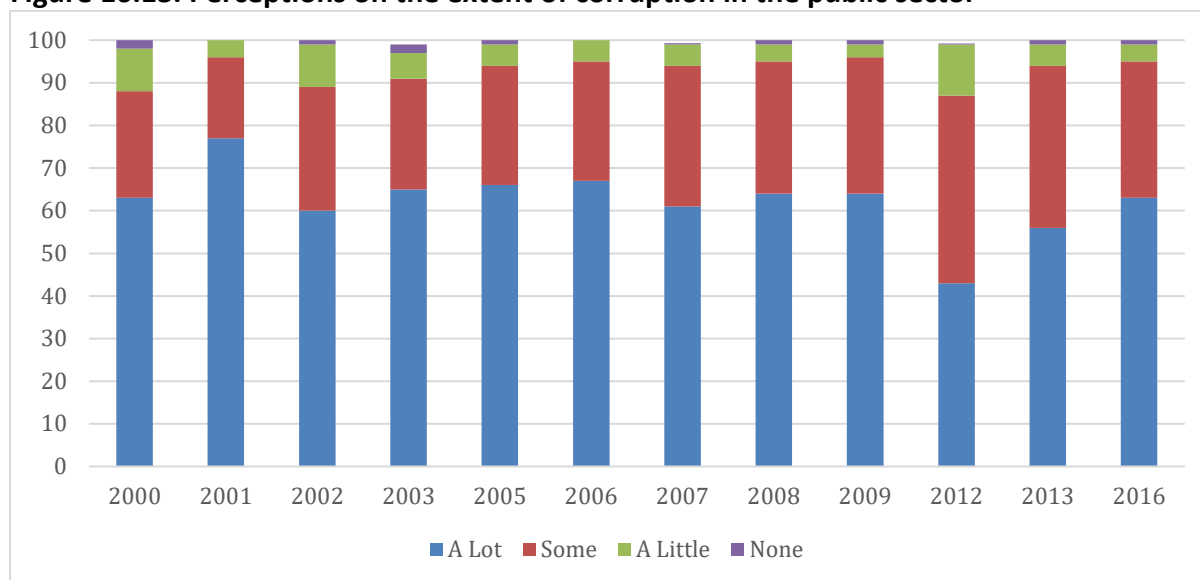
**Figure 16.12. Corruption perception index (Philippines), 2012 to 2017**



Source: Transparency International

The Social Weather Stations, a non-government organization has also worked on measuring corruption through its Survey of Enterprises on Corruption. In these surveys that have been conducted from 2000 to 2016, institutions involved in public works and internal revenue consistently have difficulty getting good marks, while those in the social sector generally get good or very good ratings. The scarce data on corruption suggests that there is potential to reduce corruption in the country, at least as far as bribery is concerned, in the coming years.

**Figure 16.13. Perceptions on the extent of corruption in the public sector**



Source: Survey of Enterprises on Corruption, Social Weather Stations

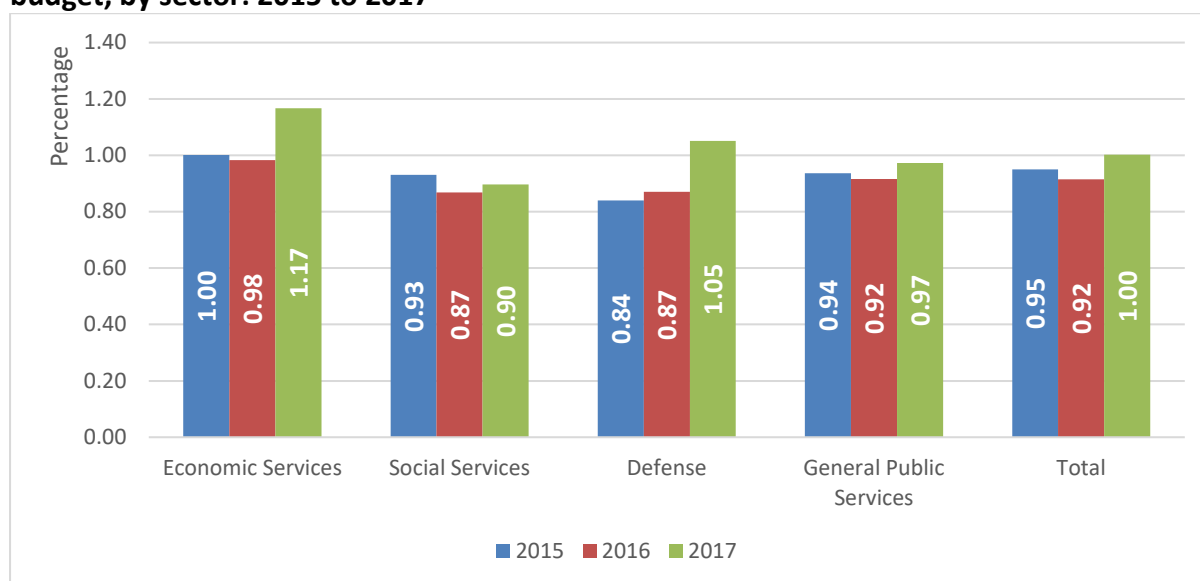
**Target 16.6. Develop effective, accountable and transparent institutions at all levels**

**Essential to the promotion of peace and stability in the country, as well as the equitable distribution of resources and economic opportunities are the various public institutions that formulate and implement the laws of the land.** The government plays an essential role in bringing forth security. It is essential that institutions are efficient and accountable in their delivery of services and programs.

**Figure 16.14** shows data from the Philippines on primary government expenditures as a proportion of original approved budget in the period 2015 to 2017. The national government of the Philippines has been generally consistent in the outturn of aggregate budget expenditure to the approved allocations, with spending overall around at least 82% of approved budgets throughout these three fiscal years. In 2017, actual expenditure outturns have been larger than the originally approved budget for economic services and defense by 17% and 5%, respectively, whilst expenditures on social services and general public services have been 10% lower than their respective approved budgets.

Meanwhile, **Table 16.1** and **16.2** show a breakdown of total government spending on essential services from 2016 and 2017, respectively. Disbursement rates in 2017, particularly in social protection and education, have been lower (than in the previous year). It appears that a number of agencies in these sectors appear to lack the absorptive capacities to spend the budgets they requested especially because of procurement processes. Government needs to find ways of streamlining budget procurement processes to fully utilize allocated budgets into services and programs.

**Figure 16.14. Primary government expenditure as a proportion of original approved budget, by sector: 2015 to 2017**



Source: DBM

Transparency is also essential in the pursuit of developing effective and accountable institutions. To this end, the DILG released Memorandum 2010-83 on the Full Disclosure of Local Budget and Finances, and Bids and Public Offerings. This memorandum follows section 352 of the Local Government Code that requires the publicly accessible posting of revenues and subsequent appropriations of an LGU during a particular fiscal year. This also implements RA 9184 or the Government Procurement Reform Act, which calls for the posting of the invitation to Bid, Notice of Award, Notice to Proceed and Approved Contract for public viewing. These initiatives increase transparency in government funds and serve as a deterrent for luxurious and inappropriate spending.

**Table 16.1. Proportion of total government spending on essential services, in thousands of pesos (2016)**

Particulars	Allotments (1)	Obligations (2)	Disbursements (4)	Disbursement Rates (5) = (4/2)
<b>I. Total Spending on Essential Services (A + B + C)</b>	757,401,250	668,729,132	612,653,588	-
<b>A. Education Service</b>	490,757,529	437,220,986	396,172,999	90.6%
<b>Proportion of Government Spending on Education Service</b>	-	24.9%	26.3%	-
DepEd	415,997,151	371,048,700	336,065,029	90.6%
SUCs	59,004,165	53,088,662	48,265,383	90.9%
CHED	8,227,287	6,662,221	5,650,711	84.8%
TESDA	7,528,926	6,421,403	6,191,876	96.4%
<b>B. Health Service</b>	134,709,914	122,615,083	120,599,814	98.4%
<b>Proportion of Government Spending on Health Service</b>	-	7.0%	8%	-
Department of Health	90,748,600	78,679,869	76,828,230	97.6%
Lung Center of the Philippines	202,144	202,144	202,144	100.0%

Particulars	Allotments (1)	Obligations (2)	Disbursements (4)	Disbursement Rates (5) = (4/2)
National Kidney and Transplant Institute	564,206	538,106	538,106	100.0%
Philippine Children's Medical Center	927,323	927,323	927,323	100.0%
Philippine Health Insurance Corporation	41,492,848	41,492,848	41,492,848	100.0%
Philippine Heart Center	719,147	719,147	555,517	77.2%
Philippine Institute of Traditional and Alternative Health Care	55,646	55,646	55,646	100.0%
<b>C. Social Protection Service</b>	131,933,807	108,893,063	95,880,775	88.1%
<b>Proportion of Government Spending on Social Protection Service</b>	-	6.2%	6.4%	-
DSWD	131,933,807	108,893,063	95,880,775	88.1%
<b>II. Total Allotments, Obligations, and Disbursements of National Government Agencies, Special Purpose Funds, and Automatic Appropriations</b>	2,075,300,314	1,753,329,592	1,503,887,603	85.8%
<b>III. Proportion of Government Spending on Essential Services</b>	-	38.1%	40.7%	-

Source: DBM

**Table 16.2. Proportion of total government spending on essential services, in thousands of pesos (2017)**

Particulars	Allotments (1)	Obligations (2)	Disbursements (4)	Disbursement Rates (5) = (4/2)
<b>I. Total Spending on Essential Services (A + B + C)</b>	893,655,270	862,416,450	697,110,562	-
<b>A. Education Service</b>	568,057,991	550,293,918	450,939,905	81.9%
<b>Proportion of Government Spending on Education Service</b>	-	24.2%	30.1%	-
DepEd	472,096,464	458,407,123	384,436,335	83.9%
SUCs	65,557,546	63,380,026	53,564,842	84.5%
CHED	22,343,845	20,676,754	6,842,521	33.1%
TESDA	8,060,136	7,830,015	6,096,207	77.9%
<b>B. Health Service</b>	164,030,038	158,499,655	116,491,558	73.5%
<b>Proportion of Government Spending on Health Service</b>	-	7.0%	8%	-
Department of Health	112,261,989	106,737,606	67,567,829	63.3%
Lung Center of the Philippines	265,190	265,190	265,190	100.0%
National Kidney and Transplant Institute	464,189	464,189	464,189	100.0%
Philippine Children's Medical Center	544,163	538,163	538,163	100.0%

Particulars	Allotments (1)	Obligations (2)	Disbursements (4)	Disbursement Rates (5) = (4/2)
Philippine Health Insurance Corporation	49,993,658	49,993,658	47,188,342	94.4%
Philippine Heart Center	383,917	383,917	383,917	100.0%
Philippine Institute of Traditional and Alternative Health Care	116,932	116,932	83,928	71.8%
<b>C. Social Protection Service</b>	161,567,241	153,622,877	129,679,099	84.4%
<b>Proportion of Government Spending on Social Protection Service</b>	-	6.7%	8.7%	-
DSWD	161,567,241	153,622,877	129,679,099	84.4%
<b>II. Total Allotments, Obligations, and Disbursements of National Government Agencies, Special Purpose Funds, and Automatic Appropriations</b>	2,419,698,885	2,276,089,673	1,498,167,898	65.8%
<b>III. Proportion of Government Spending on Essential Services</b>	-	37.9%	46.5%	-

Source: DBM

**Beyond policies and expenditures on the national level, institutions at the regional level must also be able to efficiently and equitably distribute resources and provide economic opportunities.** Data shows that economic growth and effective governance are uneven across the country, particularly in regions far from urbanized metro areas. One of the starkest examples of this is the ARMM. Historically, the ARMM has been at the tail of the country with regard to development. For decades, the ARMM has been at the forefront of hostilities between the government and groups like the Moro Islamic Liberation Front (MILF) and the Moro National Liberation Front (MNLF). At the core of this conflict are the groups' demand for ownership and control of their ancestral lands and the right to self-determination for the Muslims, stemming from clan wars and the corrupt, inefficient governance in the region. Data consistently shows ARMM as a region that is relatively behind the rest of the country in terms of development outcomes. As of the 1st semester of 2018, poverty incidence in the region is at 63.0%, while subsistence incidence is at 36%, rates that are alarmingly above national averages.

The government has been in negotiations with the MILF for more than a decade. In 2011, the administration, then led by President Benigno Aquino, dubbed the ARMM “a failed experiment” leading to the signing of the Framework Agreement on the Bangsamoro (FAB) in 2012. This was further reinforced through the signing of the Comprehensive Agreement on the Bangsamoro (CAB) in 2014. This documented called for the establishment of a Bangsamoro region that has autonomy over its political, legal and economic institutions, wherein the Bangsamoro government has exclusive powers in comparison to the reserved powers of the Central Government. In line with this, several versions of the Bangsamoro were passed, and while the House approved a draft that would become the Basic Law of the Bangsamoro, the 16th Congress was adjourned before it was signed into legislation. On July 26, 2018, RA 11054 known as the Bangsamoro Organic Law (BOL) was enacted, providing the basic structure of government for the Bangsamoro ARMM (BARMM), in line with the CAB.

Through the Bangsamoro Organic Law, BARMM now has the right to self-governance, allowing it freedom to pursue its own path of political, economic, social and cultural development in the region, while still remaining part of the Philippines, concurrently upholding the Constitution as the fundamental law of the land. Under the BOL, the freedom of choice of all people in the region, be they Moro or not, are to be respected and there will be no discrimination on the basis of identity, religion and ethnicity. The political structure of the BARMM region consists of a Parliament and a National Government-Bangsamoro Government Intergovernmental Relations Body. The Parliament is composed of 80 members, wherein half of the seats are to be filled by members of political parties, not more than forty percent of the seats from district representatives and at least ten percent for reserved seats and sectoral representatives. In contrast to the unitary, independent branches in the national government, the BARMM Parliament is more closely tied, wherein the Parliament exercises the legislative authority, whilst a Chief Minister elected amongst the representatives, alongside his or her cabinet, exercise executive authority over the region. The judiciary branch of the government is in consonance with both the Constitution and Sharia Laws (applicable only to Moros), while regular courts will also continue to exercise regular judicial functions as provided by national law. Furthermore, the BARMM government can adopt principles of conciliation and mediation by creating mechanisms for alternative dispute resolution.

One of the primary features of BARMM is the autonomy that it is given in terms of its fiscal policy and spending. The Parliament has full control of its income and revenue from taxes and resources. It also has the authority to levy new taxes and fees which it deems necessary for economic self-sufficiency and genuine development. It can also prepare its own expenditure program with its own budget and annual appropriations law to be passed by the Parliament. Furthermore, BARMM will also have an automatic allocation of the annual block grant, equivalent to 5% of the net national internal revenue of the Bureau of Internal Revenue and Bureau of Customs, and a share of 75% in government revenue from resources within the region. Augmenting this further is a five-billion-peso annual grant from the national government for ten years, which shall be used to assist rehabilitation in the areas of conflict in the region.

As determined by two plebiscites that were held earlier in the year, BARMM shall consist of Basilan (with the exception of Isabela), Lanao del Sur, Maguindanao, Sulu, Tawi-Tawi, Cotabato City and 67 barangays from North Cotabato. The BOL also stipulates that regional waters extending up to 19 kilometers are under its jurisdiction, barring those inland water used for energy outside BARMM, which the Parliament shall co-manage with the Department of Energy (DOE). It is of note that despite its autonomy, BARMM will still receive support from the national government, especially with regard to country-wide priorities like trade, infrastructure and national security.

As the law is being implemented and the transition from ARMM to BARMM is ongoing, it is worth noting that the need to create contextualized regional development plans must be into emphasis going forward. Further, the NG should preferably work with the BARRMM government and regional offices of NG agencies (NGAs) to continue capacity development for narrowing development gaps across the regions.

**Target 16.7. Ensure responsive, inclusive, participatory and representative decision-making at all levels**

Inclusive representation in decision-making is viewed as both an end-in-itself and a means of ensuring that resources and economic opportunities are made available for everyone, especially to sectors that have been historically marginalized.

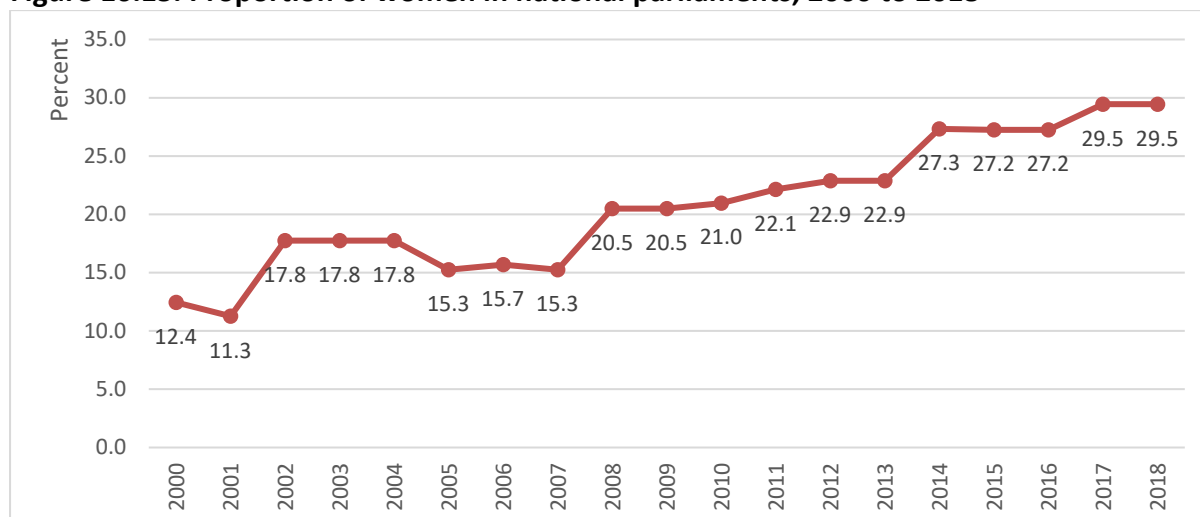
While we would want to examine in detail the SDG indicator:

*Proportions of positions (by age group, sex, persons with disabilities and population groups) in public institutions (national and local), including (a) the legislatures; (b) the public service; and (c) the judiciary, compared to national distributions,*

the only available disaggregation about public-sector positions is the proportion of positions by sex of employees in NGAs and State Universities and Colleges (SUCs) in the Philippines. These data are sourced from the Government Manpower Information System of the DBM as of November 2018. The figures show that there are far more women, at 913,386, working in NGA's and SUCs compared to men at 325,766. The large share of women is mostly on account of the feminized bureaucracy of public school teachers. Further, these aggregates pertain to all employees within these institutions, including workers that do not hold particular decision-making power.

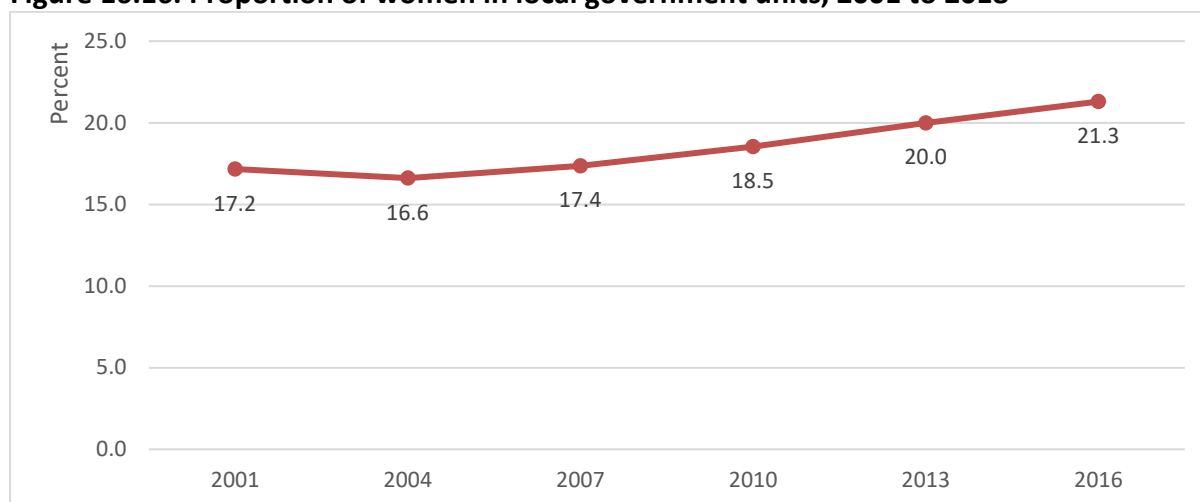
An examination of the proportion of women elected in national parliament and LGUs allow a more comprehensive view of sex composition in public institutions. The data shows that there has been a considerable rise in the proportion of women in decision-making position in public institutions, but that this is still far below gender parity. In 2000, only about a tenth (12.4%) of all seats at the national parliament are occupied by women (**Figure 16.15**). A decade later, this has nearly doubled (21.0%) and in 2018, the share of women has been its highest at 29.4%. Despite this positive trend of an increasing proportion of seats held by women, the levels are still far from near 50%. At the local level, the representation of women has hardly changed, only 21.3% of women are local government executives as of 2018 which is a mere 4 percentage points above that in 2001 (**Figure 16.16**). Studies point out that the share of women in politics is low not because the voting public is not inclined to vote for women, but because, few women are entering into electoral politics (David, Albert and Vizmanos 2017). Furthermore, in the executive branch, top positions in agencies (called cabinet offices) have likewise remained largely male dominated. More concerted efforts are, therefore, necessary to ensure a gender balanced representation in both national and local policy-making bodies, and in the entire political leadership.

**Figure 16.15. Proportion of women in national parliaments, 2000 to 2018**



Source: Commission on Elections (Comelec)

**Figure 16.16. Proportion of women in local government units, 2001 to 2018**



Note: PSA calculates proportion of women in local government units as the number of local government seats occupied by women divided by the number of total government seats. Local government seats would comprise of elected government officials in all levels of local government.

Source: Comelec

The discussion above is limited to sex-disaggregated data on policy decision-makers. To determine the extent of social inclusion, government should work on generating further disaggregation of data of public officials, according to other social groups, such as age, ethnicity, and disability. Such information will help in the assessment of how diverse the composition is in public institutions, and implicitly, how representative it is of the agenda of the entire population so that interventions for improving inclusive representation can be designed accordingly.

*Target 16.8 Broaden and strengthen the participation of developing countries in the institutions of global governance*

**Countries should have stable and accountable institutions especially given the context of the challenges and opportunities provided by globalization, especially in terms of trade**



**and financing.** Furthermore, as the world faces various global issues like climate change, disease and poverty, it is essential that all countries, especially developing countries who are in the frontlines of these global issues, be involved in the deliberation and decision on possible courses of action.

The Philippines is a member of several international organizations, and leverages its membership in these bodies to pursue solutions to global, regional and national concerns. The table below details the current standing of the Philippines with regard to its membership status in several international organizations.

**Table 16.3. Current membership and voting rights of the Philippines in international organizations**

International Organizations	Membership	Voting Rights
United Nations General Assembly	Yes	Yes
United Nations Security Council	No <sup>27</sup>	No
United Nations Economics and Social Council	Yes	Yes
International Monetary Fund	Yes	Yes
International Bank for Reconstruction and Development	Yes	Yes
International Finance Corporation	Yes	Yes
Asian Development Bank	Yes	Yes
World Trade Organization	Yes	Yes

Source: UN, World Bank, Asian Development Bank, World Trade Organization

It is necessary to understand the roles and initiatives being performed by each of these international organizations so as to emphasize the necessity of membership in these institutions.

Founded in 1945 as a global response to the end of World War II, the United Nations is an international organization dedicated to maintaining international peace and security, promoting human rights, adherence to international law and moving towards sustainable development. Though the UN is built upon the principle of equal sovereignty, the organization may act and impose various sanctions to international issues and threats. The main organs of the UN are the General Assembly, the Security Council and the Economic and Social Council.

The UN General Assembly (UNGA) is the main deliberative, policymaking and representative organ of the United Nations, with all 193-member states represented and voting. The UNGA is in charge of recommending general principles of cooperation for peace, security and disarmament, as well as recommendations on the scope of power of the UN, settlement of issues between countries and deliberation of sanctions or actions proposed by other organs. The Philippines has been a member of the UNGA since 1945.

The UN Security Council is the main organ of the UN that is in charge of maintaining international peace and security. As such, its duties include the investigation of international disputes and the determination of international threats to peace and other acts of aggression. The Security Council may then give recommendations to resolve these international threats and issues. This may range from economic sanctions and other peaceful measures, or in certain times, the use of military action against threats. These include ceasefire directives, travel bans, embargoes, blockades, and deployment of military personnel. The Security Council is

<sup>27</sup> The Philippines is currently not an elected member of the United Nations Security Council. It's last tenured membership in the institution was from 2004 to 2005. UN Security Council protocol states that non-member countries that are part of the UN may join discussions but without voting privileges.

composed of ten elected members and five permanent members (China, United States, France, United Kingdom and Russia). Elected members of the Security Council alternate their membership every two years. Any UN member state may join discussions in the Security Council, but only Council members have voting power. Permanent members of the Council also exercise a right to veto any substantive resolution.

The UN Economic and Social Council (EcoSoC) is the main organ of the UN for policy review, coordination and recommendation, with 54 members elected by the UNGA for three-year terms. The Council is the key platform of the UN for debates and ideation of initiatives towards sustainable development. The EcoSoC has spearheaded the transition from the MDGs to the SDGs, creating forums and encouraging international partnerships and collaboration towards sustainable development. The Philippines is a newly elected member of this Council, serving a term until 2020.

The International Monetary Fund (IMF) is an international organization concerned with fostering the global financial stability of the international monetary system and international trade, thereby bringing economic growth and reduced poverty. The IMF achieves this through economic surveillance, lending and capacity development. Economic surveillance involves the monitoring of the global monetary system, identifying risks to stability. IMF also provides loans to countries that need rationalizing their balance of payments, stabilizing currency and restoring other needed condition for economic development. Such loans often come with policy recommendations that are conditional to the granting of the loan. Capacity building involves working with various government to train staff as well as modernizing economic policies and institutions. The Philippines has been a member of IMF since 1945.

The International Bank for Reconstruction and Development (IBRD) is one of the largest development banks in the world and is attached to the World Bank Group. The primary purpose of the IBRD is to provide loans, risk management products and other financial services to middle-income and low-income countries, with the goal of building shared prosperity. Another organization attached to the World Bank Group is the International Finance Corporation (IFC), which provides loans, investments and asset management service catered to private sectors of countries around the world. The Philippines has been a member of IBRD and IFC since 1945.

The Asian Development Bank (ADB) is an organization made in the 1960's. Its mandate is to assist in promoting social and economic development in the Asian and Pacific regions through loans, grants, equity investments and technical assistance. The Philippines has been a member of ADB since 1966.

The World Trade Organization (WTO) is an organization that espouses fair and open trade. It provides a platform for agreements that reduce barriers to international trade as well as providing an institutional and legal framework in implementing said agreements and to settle disputes that may arise from them. The Philippines has been a member of the WTO since 1995.

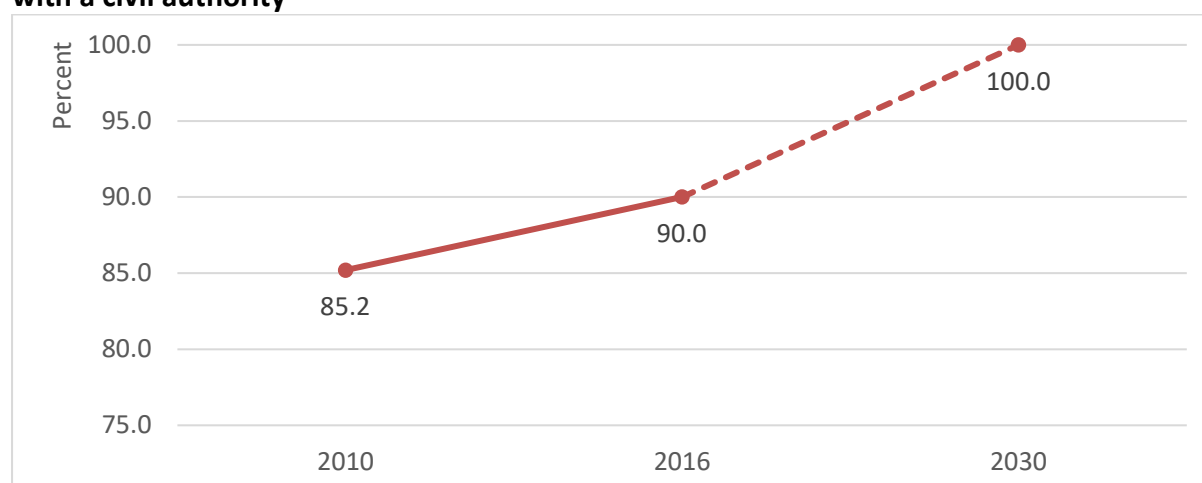
Having representation in international organizations provides a developing country like the Philippines a voice in discussions about globalization and emerging international issues. This is especially true, as a developing country, since this can lead to productive loans and investments, technology and knowledge capacity improvement, as well as a recognized and accountable platform to be able to give insights on the country's largest issues and its place in the global community.

*Target 16.9. By 2030, provide legal identity for all, including birth registration*

Having a legal identity entitles a person to his/her rights as a citizen of a particular country. Such an identity is necessary to gain essential documents and have access to fundamental basic services. A legal identity allows a person to work, take ownership and have the opportunity to live a comfortable life. As such, public institutions ought to ensure that all citizens have legal identities and are entitled to these rights and opportunities.

**As of 2016, 90% of children under 5 years of age in the Philippines have births that are registered with a civil authority.** This is 5 percentage points higher than the corresponding proportion in 2010 (**Figure 16.17**). By 2030, the Philippines expects to have all children under five having birth certificates. The birth registration of all children with a civil authority provides children their legal identity, safeguarding their entitled rights and protects them from violations of such. The birth certificate, which is a concrete evidence of being duly-registered, is necessary for a child to receive health care and education, as well as protection under the country's labor laws when he or she gets employed. Furthermore, registering a child grants them ownership and voting rights. The challenge for this now lies in securing birth certificates for the remaining ten percent, who are often marginalized, like some members of Muslim community and IPs.

**Figure 16.17. Proportion of children under 5 years of age whose births have been registered with a civil authority**



Source: PSA

*Target 16.10. Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements*

**Transparency and openness are vital for the integrity and legitimacy of institutions.** Constituents will have stronger belief and trust in public institutions that protect fundamental freedoms. Providing public access to information which refers to the existence of a system that makes information available to any and all citizens, is therefore essential.

Demand for public access to information has increased in recent times as a reaction towards secrecy behind some policies and decisions, and the growing recognition that an information ecosystem is critical to ensuring sustainable development. The clamor for Freedom of

Information has also been manifested in the Universal Declaration of Human Rights, as well as the International Covenant on Civil and Political Rights.

**The Philippines has adopted and implemented constitutional, statutory and/or policy guarantees for public access to information.** While hitherto, the country does not have a law of Freedom of Information (FOI), this is guaranteed through the passing of key policy pronouncements, most notably, Executive Order (EO) 2, series of 2015. Under this EO, "...every Filipino shall have access to information, official records, public records and to documents and papers pertaining to official acts, transactions or decisions, as well as to government research data used as basis for policy development, "(Section 3). This pronouncement covers all of the government agencies under the executive branch, including GOCCs and LGUs. The EO also provides that government agencies prepare a People's FOI Manual for information requests, which includes offices, point persons, procedures and applicable fees.

Aside from the EO, the government of the Philippines is pursuing attempts to legislate FOI. Senate Bill 1733 resembles EO 2, though expanding the coverage of free public access to information to all branches of the government. It also prescribes various documents that government agencies must upload on their websites and data channels such as budget, disbursements, income and expenditures, IRA utilizations and procurements.

Furthermore, as per the EO on FOI, government agencies are required to submit annual FOI reports on number of processed data requests, and shall be placed under an incentive system that rewards due adherence to the policy. FOI and right to information are also to be added to the curriculum in a course on Geography, History, and Civics in both the primary and secondary level. This is reinforced in House Bill 3237, which also adds that government agencies should regularly publish information such as mandate, structure, powers, duties and decisions, alongside its directory of officials, frontline services, projects, budgets and pertinent statistics. This information shall be placed in the Philippine Gazette as official government documents.

**The country has made gainful strides in promoting and instituting public access to information in recent years.** The government reinforces its strong commitment to pass the FOI bill into law, as well as ensuring that the public is well-informed of their right to information.

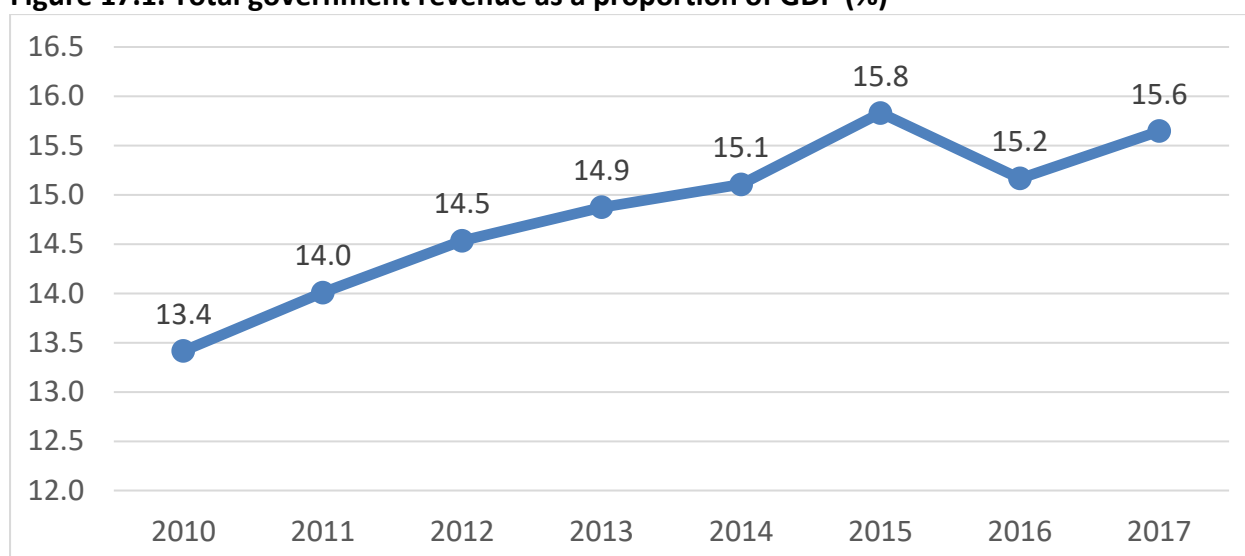
## Goal 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development

Achieving the SDGs in the Philippines and across the world will require effective and cohesive partnerships among various actors such as national and local governments, the development community, civil society, the private sector and other organizations. Each stakeholder has a role to play given the scope, breadth and complexity of the Global Goals and targets. Increased investments in data, and in supporting mechanisms to ensure that no one is left behind are necessary to attain the 2030 Sustainable Development Agenda and the SDGs.

*Target 17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection*

**Buoyed by a rather robust growth in the past decade, the Philippines has had a generally increasing trend in government's revenues relative to GDP from 2010 to 2017.** In this period, the aggregate government revenues have been as much as 15.8% of GDP in 2015 (Figure 17.1). As per the 2017-2022 PDP RM, the government targets total revenues to be 17.7% of GDP by 2022.

**Figure 17.1. Total government revenue as a proportion of GDP (%)**



Source: SNA, PSA

**In the Philippines, the proportion of domestic resources funded by domestic taxes has decreased albeit slightly from 74% in 2016 to 71.7% in 2017.** The proportion of domestic budget funded by domestic taxes shows the extent to which recurrent and capital outlays are covered by domestic revenue mobilization in the form of taxation.

*Target 17.3. Mobilize additional financial resources for developing countries from multiple sources*

**Aside from government revenues, the Philippines has managed to muster considerable financial resources from foreign direct investments and official development assistance**

**(ODA).** In 2016, FDI and ODA have taken a share of 17.7% and 5%, of the Philippines' domestic budget, respectively.

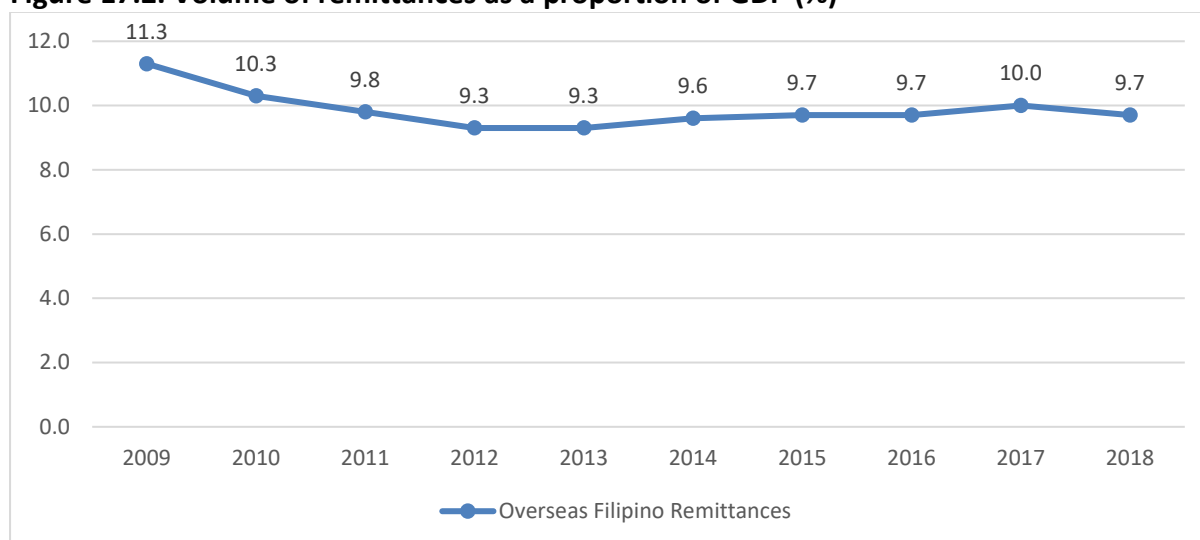
The country expects an increase in FDIs following the promulgation of the Eleventh Regular Foreign Investment Negative List on October 2018 in EO 65, which clarifies the scope and limitation of the restrictions to foreign ownership of certain industries in the Philippines. According to this EO, five investment activities may now be 100% owned by foreigners:

- Internet businesses
- Teaching at higher education levels provided the subject being taught is not a professional subject
- Training centers that are engaged in short-term high-level skills development that do not form part of the formal education system
- Adjustment companies, lending companies, financing companies, and investment houses
- Wellness centers

Moreover, Llanto, Navarro and Ortiz (2015) noted that other non-traditional types of development finance have emerged in the country such as credit extended by the banking sector and use of public-private partnership schemes in building infrastructure.

**From 2009 to 2012, the yearly share of overseas Filipino personal remittances with respect to GDP has ranged from 9.3% to 11.3%.** As of 2018, personal remittances have been 9.7% of the country's aggregate income (**Figure 17.2**). Personal remittances are computed as the sum of net compensation of employees (i.e., gross earnings of OFWs with work contracts of less than one year, including all sea based workers, less taxes, social contributions and transportation and travel expenditures in their host countries), personal transfers (i.e., all current transfers in cash or in kind by OFWs with work contracts of one year or more as well as other household-to-household transfers between Filipinos who have migrated abroad and their families in the Philippines) and capital transfers between households (i.e. the provision of resources for capital purposes, such as for construction of residential houses, between resident and non-resident households without anything of economic value being supplied in return).

**Figure 17.2. Volume of remittances as a proportion of GDP (%)**



Source: BSP

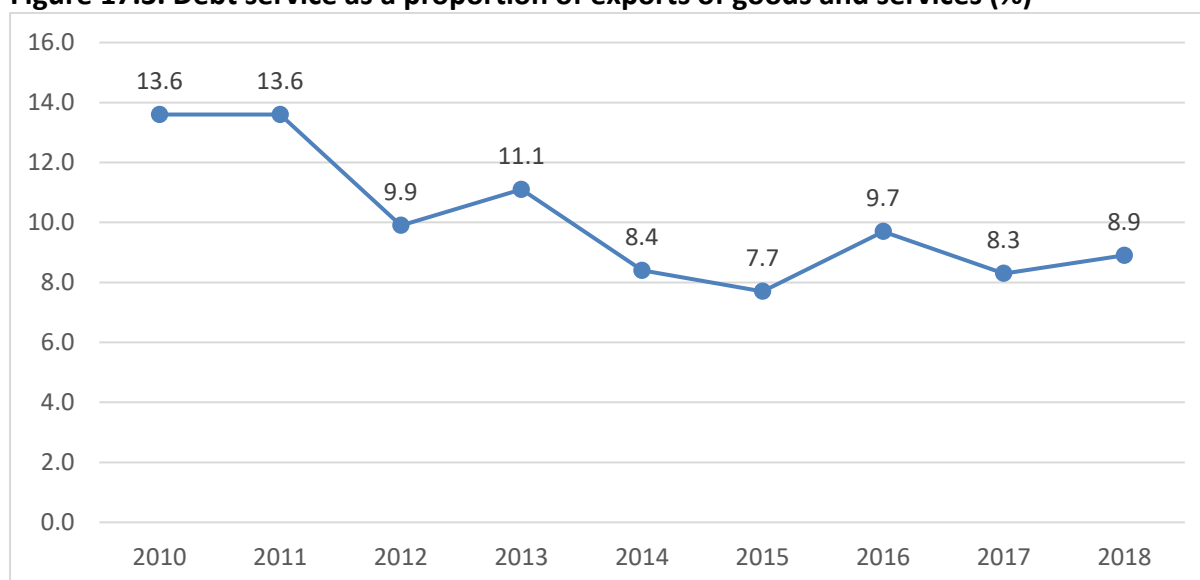
*Target 17.4 Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress*

**From 13.6% in 2010, the Philippine’s debt service as a proportion of exports of goods and services has decreased to 8.9% in 2018.** Total debt service is calculated as the sum of debt amortization and interest payments on foreign borrowings. According to the IMF (2003),

“the ratio of debt service (interest and principal payments due) during a year, expressed as a percentage of exports (typically of goods and services) for that year ... is a key indicator of a country’s debt burden.”

since this ratio is forward-looking providing a sense of export earning potential of a country. The decreasing trend in the debt-service ratio shows that the country is consistently able to sustain long-term foreign debt. (**Figure 17.3**).

**Figure 17.3. Debt service as a proportion of exports of goods and services (%)**



Source: BSP

*Target 17.6 Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism*

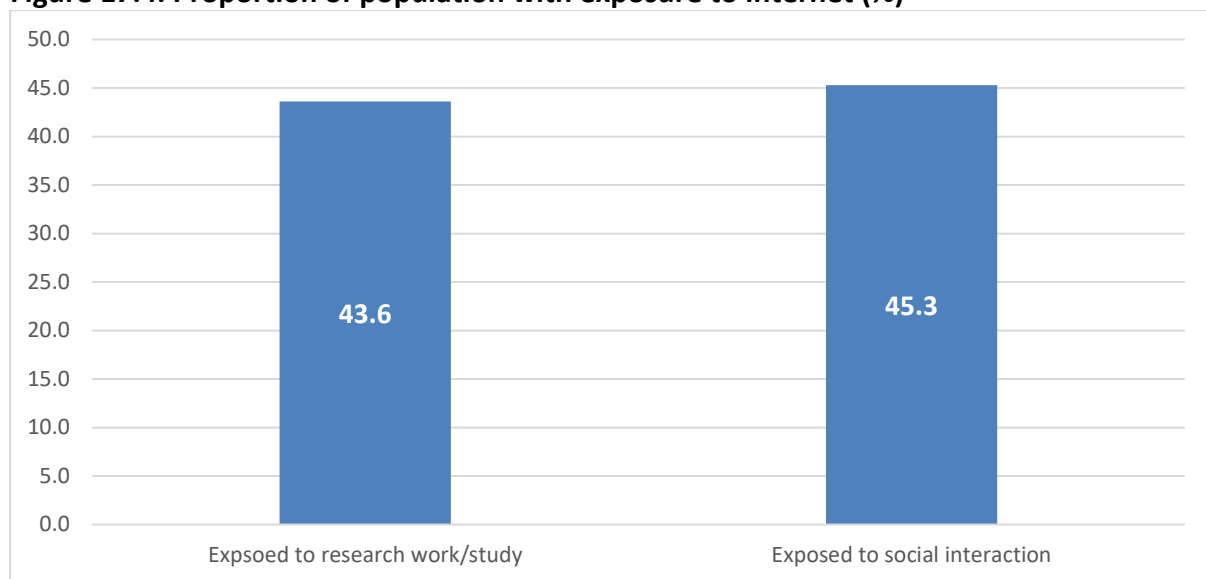
**As of 2016, two in every 100 residents in the Philippines are reported to have fixed Internet broadband subscriptions.** Fixed Internet broadband subscriptions refer to subscriptions to high-speed access to the public Internet (a Transmission Control Protocol / Internet Protocol (TCP/IP) connection), at downstream speeds of at least 256 kbit/s. Penetration of fixed Internet broadband, when broken down by subscription speeds (e.g. (i) 256 kbit/s to less than 2 Mbit/s subscriptions; (ii) 2 Mbit/s to less than 10 Mbit/s subscriptions, and; (iii) Equal to or above 10 Mbit/s subscriptions (4213\_G10), can help measure the extent of the

digital divide, which can potentially aggravate inequalities across all development domains. Comparable statistics on fixed Internet broadband penetration among the original five-member states of the Association of Southeast Asian Nations (ASEAN) suggest that the Philippines and Indonesia are lagging. While the government has not identified a target for this SDG indicator of Internet speed, the National Telecommunication Commission (NTC) has been monitoring customer satisfaction of Internet subscribers and aims to improve satisfaction levels of Internet speed instead.

*Target 17.8. Fully operationalize the technology bank and science, technology and innovation capacity-building mechanism for least developed countries by 2017 and enhance the use of enabling technology, in particular information and communications technology*

According to the 2013 Functional Literacy, Education and Mass Media Survey (FLEMMS) conducted by PSA, the proportion of the population in the Philippines exposed to social interaction in the Internet is at 45.3% in 2013. Meanwhile, the 2013 FLEMMS also puts the share of those using the Internet for research work or study purposes at 43.6% (**Figure 17.4**). Internet uptake helps measure the growth of the Internet, as well as the extent of digitization and innovation resulting in a society.

**Figure 17.4. Proportion of population with exposure to Internet (%)**



Source: 2013 FLEMMS, PSA

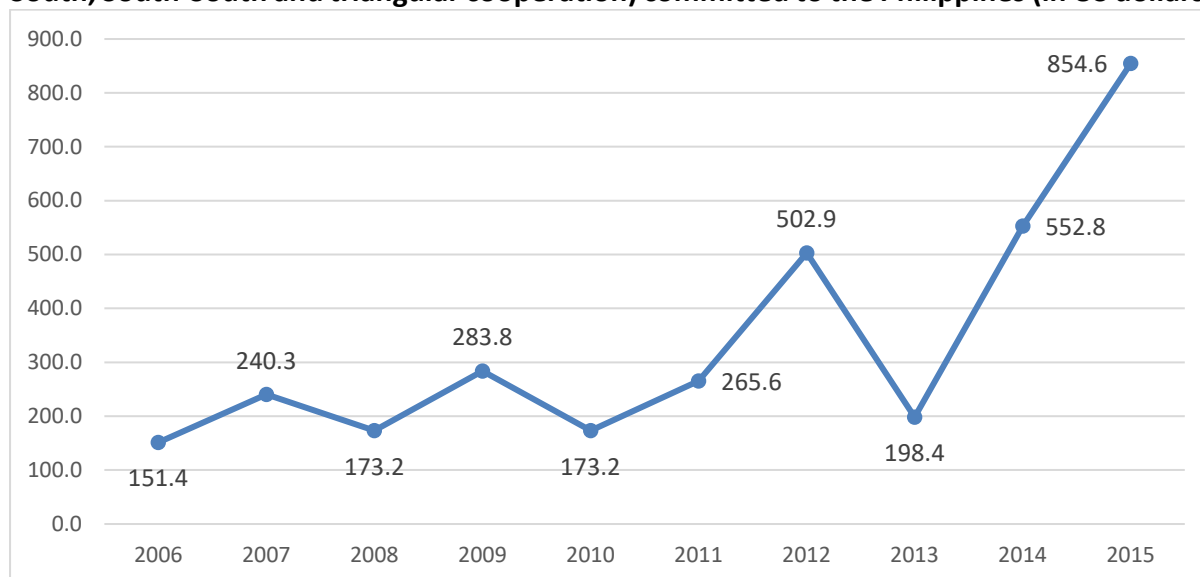
*Target 17.9. Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the sustainable development goals, including through North-South, South-South and triangular cooperation*

**Financial and technical assistance to the Philippines has considerably improved from 151.4 million USD in 2006 to 854.6 million USD in 2015.** The Creditor Reporting System (CRS) of the OECD is the official source of information on aid commitments from OECD member countries, as well as a number of multilateral organizations. ODA and other official flows



for capacity building and national planning received by the Philippines in 2015 reported to OECD by donor countries is about five times the levels available a decade ago. (Figure 17.5).

**Figure 17.5. Dollar value of financial and technical assistance (including through North-South, South-South and triangular cooperation) committed to the Philippines (in US dollars)**



Source: UN SDG database

*Target 17.18. By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts*

**The Philippines has a statistical law consistent with the UN Fundamental Principles on Official Statistics. In 2013, the Philippines enacted RA 10625, also known as the Philippine Statistical Act, which led to the establishment of the PSA.** Prior to this legislation, the country had four former major statistical agencies: National Statistics Office, National Statistical Coordination Board, Bureau of Agricultural Statistics and the Bureau of Employment Statistics. Various laws established these statistical agencies. The 2013 statistical legislation consolidated the four agencies into the PSA. Moreover, RA 10625 also established the Philippine Statistical Research and Training Institute to serve the research and training needs of the PSS. The Philippine Statistical Act also mandated the PSA to formulate a comprehensive statistical program that will address the information requirements of the country's national development plan.

**The Philippines also has its National Strategy for the Development of Statistics, called the Philippine Statistical Development Plan (PSDP).** In May 2018, the PSA Board approved the PSDP 2018-2023 and endorsement to the country's Chief Executive the issuance of an EO to support its implementation. The 2018-2023 PSDP, the latest of a series of National Strategy for the Development of Statistics of the Philippines, contains the priority statistical programs and activities in the PSS which are designed to provide vital information support to the PDP, and SDGs.

*Target 17.19. By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries*

**Considerable resources are provided by and to the Philippines for statistics development in the country.** According to the PSA's Country Report on Support to Statistics (PSA, 2015), total domestic resources allocated to strengthen statistical capacity is at PHP 3.6 Billion, as of 2014. Further, the same report suggests another PHP 0.6 Billion external support from ODA for statistics development. Based on data in the UN SDG Global Indicators Database, trends show a dramatic increase in the financial support for statistical capacity building in the Philippines. From USD 773 thousand in 2006, resources have been augmented to a level of USD 6.6 million in 2015.

**The Philippines has a fairly developed National Statistical System.** The PSS is spearheaded by the PSA, which regularly conducts various primary data collection and other statistical activities for the production of official statistics. For instance, the PSA conducts the country's Census of Population and Housing (CPH) every 10 years. The next CPH is scheduled in 2020. To complement the decennial census, PSA also conducts a mid-decade population census—the latest was done in 2015.

**Since PSA also serves as the national civil registration office, the agency is mandated to manage safekeeping of civil registry documents such as birth, marriage and death certificates.** Birth registration records are then triangulated with population census counts to ensure accuracy. In line with every person's right to have an identity, the Philippines aims to have birth registration coverage at 100% by 2030 (Indicator 17.19.2). As regards death registration, the PSA has already achieved the global SDG target of 80% coverage.

## Challenges and Opportunities

The previous chapters show numerous challenges and opportunities in the country's trajectory towards achieving the SDGs. Several insights warrant reiteration. For instance, social development is closely linked with economic progress, particularly in ensuring productive employment, reducing inequality, and development of human capital.

In 1991, an Education Committee (EDCOM) created by Congress recommended the “trifocalization” of the organizational structure in the education sector. At that time, only one NGA, the then Department of Education, Culture and Sports, had the sole responsibility for all levels of formal and nonformal education in the country. In 1994, CHED and TESDA were established through the enactment of RA 7722 and RA 7796, respectively. Seven years later, then then Department of Education, Culture and Sports (DECS) was transformed to the DepEd by way of RA 9155. Unfortunately, the trifocalization had an unintended consequence of not providing an institutional coordination mechanism for planning and budgeting among DepEd, CHED, and TESDA. This mechanism is crucial in addressing the bottlenecks in the provision of good quality education across the entire education sector. Given that production systems across economies are evolving as a result of the use of frontier technologies of the FIRE, a key characteristic of education and human capital development is continuous learning. The World Economic Forum WEF (2015) lists and describes future skills required and clusters them into three groups, namely, (a) foundational literacies, (b) competencies, and (c) character qualities. DepEd, TESDA and CHED will need to work together and in synergy to ensure that we are future proofing the skills of our future workforce, and that we are ultimately delivering quality education and lifelong learning for all.

While the teacher-student ratio has improved through the years, ensuring that teachers are able to do their job well is very essential. A recent PIDS study shows that teachers in the public sector have very heavy workload, a significant part of which are non-teaching assignments, which can likely erode the quality of teaching (David, Albert and Vizmanos 2019). Plans must be formulated and implemented to unload some of these non-teaching responsibilities from teachers. It was recommended that, in the short to medium term, the public school system explore the option of accepting undergraduate students who are pursuing primary and secondary education degrees to assist in the conduct of administrative work. This task would form part of their on-the-job training.

In the Philippines, the introduction of the K to 12 Program through the Enhanced Basic Education Act of 2013 (RA 10533) has also provided the country a mechanism to radically change the quality of basic education. While this presents an important opportunity, there is a need to ensure that these changes will indeed prepare our future workforce for the jobs of the future. A study at PIDS shows that the CHED's K to 12 Adjustment program suffers from a number of implementation deficits which emanated from CHED's relatively low absorptive capacities vis-a-vis the high volume of work that the program requires (Brillantes, Brillantes and Jovellanos 2018). This was later improved with efforts to decentralize some program-related operations in the regions. The administrative challenges, the study noted, seemed to have captured much of the focus, overshadowing the real intent of the transition program which is the improvement of the competitiveness of the higher education.

Various aggregate statistics on the national SDG indicators do not show the variations in living conditions of subpopulations, particularly the marginalized sectors, such as PWDs, underserved ethnic groups, those internally displaced from disasters and violence, that have

limited access to formal educational services and other social services. When pertinent data disaggregation is not available, this masks the extent of deprivation and disparities marginalized sectors face, and further exacerbates their vulnerabilities. The furthest behind are likely enduring challenges from multiple and intersecting forms of disadvantages that make them even more difficult to reach. Sub-national data, particularly at the regional level show the wide gap across regions in the country. It is essential for government to develop work programs on the SDG principle of LNOB, but this can be extremely challenging without the requisite disaggregated data. Data granularity matters for enabling public policies, programs and projects to be more effectively focused toward those who need help the most.

As the country aims towards sustained economic progress and full and productive employment, several indicators show promise, though the recent decline in the labor force participation rate is worrisome. This decline, albeit slight, in the proportion of economically active people to the population aged 15 and over, does not blend well with the aspiration for inclusive and sustainable development given that the country is endowed with a demographic dividend of a young population. The stark gender gap in labor participation suggests a huge pool of untapped workers who comprise mostly women (who often are not economically active because of unpaid care work in the home). Men and women have to share responsibilities in home care. Further more women, especially among the poor, need to be incentivized to become economically active.

As regards decent work, the Philippines has developed a new national decent work agenda aligned with the SDGs as well as the administration's 0 + 10 socio-economic agenda, the 2017-2022 PDP, and *AmBisyon Natin 2040* (NEDA 2016; NEDA 2017). Legislation have been supportive of the fundamental principles and rights at work, labor standards, occupational health and safety standards, social security and protection, income security, including a regulatory system for OFWs. This is partly attributable to the good efforts of trade unions in advancing the welfare of workers, coupled with the implementation of the tripartite mechanism at the DOLE for ensuring the participatory process of policymaking in the labor sector.

Aiming for decent work is largely about raising incomes through improving productivity of the entire economy so that workers can be elevated from low- to high-value sectors. Efforts must also focus on improving people's employability in jobs that pay higher wages for skills and competencies that are short in supply (Paqueo, et al. 2014). This improvement in the quality of employment is clearly driven by development of highly productive sectors and economic diversification. For this, the country needs to create the enabling environment for the development of high-value industries. Unfortunately, the Philippines is not in the technological frontier, with the country only ranked 73rd among 126 countries in the Global Innovation Index (GII) for 2018, way behind its peers in the ASEAN. There is clearly a need to revisit regulations and other institutional mechanisms that hinder the country's capacity to innovate (Albert *et al.* 2018a). A change in mindset is crucial so that regulations and policies can catalyze rather than stifle creativity, innovation and progress.

Despite the rapid economic growth which the Philippines has enjoyed in seven consecutive years, the reduction of poverty and inequality has only generated traction in recent years. Sub-national indicators show considerable variation and the lack of equity in socio-economic indicators across regions. Annual per capita income in the NCR is currently three times that of ARMM. Access to social services is likewise skewed toward NCR and neighboring regions. Thus, the key challenge is to improve the quality of growth and prosperity and achieve inclusive development.

Furthermore, challenges remain particularly in assisting marginalized sectors such as PWDs and IPs. Socio-economic inequities across the country are a serious barrier to sustaining growth and human development. Furthermore, they are also a fundamental violation of shared norms, values, and rights. Delivering the pledge for LNOB is a challenge but it also presents a transformative opportunity to reach the furthest behind first. A crucial impediment in extending efforts to reach these groups is the lack of data on their characteristics because data systems, particularly national surveys, have not been designed to generate data disaggregates for “rare” populations. There are also concepts that need to be clarified in aid of collecting information on PWDs, IPs, and other vulnerable groups that are “hidden”.

The government’s redistributive efforts have focused mostly around ensuring and improving people’s access to social protection and provision of social assistance to the poor and the vulnerable. The challenges in improving access to social protection are anchored on the reality that a great proportion of working-age population are engaged in the informal sector where earnings are not secure and therefore people are unable to afford the regular premium payments. Therefore, it is crucial for government programs to ensure that it is able to cater to the most vulnerable and indigent in marginalized sectors like the PWDs, elderly, and IPs, among others. Improving the targeting mechanisms for public interventions enables the government to provide assistance.

Due to the structure of the Philippine economy where most of the dynamic sectors (e.g. manufacturing and information technology) have not reached their full potential, government needs to fully implement its Inclusive Innovation Industrial Strategy (i3S), which aims to: build new industries, clusters and agglomeration; ensure MSME growth and development; and, strengthen human resources. The provision of full and productive employment and decent work cannot be the responsibility of DOLE alone. This requires a whole of government approach involving various agencies such as the DOLE, DTI, DA, DOF, DBM, NEDA, DepEd, TESDA and DPWH, coupled with partnerships with business community, given that the private sector is the main engine of the economy.

As the Philippines aims to build a peaceful and just society, its main challenge is to bringing down the cases of rape coupled with reducing other crimes like murder, homicide and physical injury. Regional disparities in crime statistics again arise as the defining aspect of the country’s performance. Also, because these indicators are based on reported crime, the challenge then is in ensuring that there are no impediments for people to adequately report all events and cases. In efforts for reducing corruptive practices, regular monitoring is necessary, as this can inform the formulation of strategies and programs. The Ombudsman survey can help the government and other stakeholders understand the extent of corruption in government transactions; this must be made a regular part of household surveys conducted by the PSA.

## Recommendations

**To sustain the current pace of economic development, the government must address the wide disparities across sub-national regions.** Development remains highly concentrated in the NCR and its neighboring sub-urban areas like CALABARZON and Central Luzon. The NG has laid out plans for heavily investing in infrastructure to improve connectivity across the country that are ultimately meant to narrow the regional development gaps.

**The government must make a clear plan of action to improve the status of BARMM.** This region is lagging in many socioeconomic dimensions. With the Bangsamoro Organic Law, the new Bangsamoro autonomous region will have a political structure that is different from all other regions in the country. Therefore, the NG must proactively reach out and foster collaboration with the new BARMM government for the implementation of effective interventions taking into account the varying cultures that characterize this region. Prioritizing areas and locations that are lagging in terms of the SDGs presents a concrete mechanism for carrying out the LNOB agenda

**The entire educational system (basic, tertiary, technical-vocational) must collaborate and work in synergy to develop interventions that will account for disruptions caused by more use of emerging technologies of the FIRE.** The DepEd, CHED, and TESDA must equip the future workforce with future skills that are required by a rapidly-changing and high-technology economy (Albert, Quimba, et al. 2018). Furthermore, interventions must be upgraded to improve both formal education and non-formal education.

**Efforts are needed to arrest the downward trend in the labor force participation rate and to improve labor participation of women.** For the latter, it is important to recognize the value of women's work, whether at home or in the paid market. As pointed out by Abrigo and Abrigo (2019), women who are economically inactive may not be willing to enter or re-enter the labor market because a loss to the household (whether in terms of foregone household services or even lower child investments) may be greater than their gains from her paid employment. Flexible work policies including flexible work hours, telecommuting, and less hours at work, can allow greater participation of both men and women in home production. may be crucial to fill-in the potential void that having more women work for pay outside the home may pose. Promoting more equal participation of men and women in home production activities may also be undertaken, through mass media and by way of providing lessons in school that challenge traditional gendered roles at home and at work.

**The statistical system must work toward the production of disaggregated data for as many SDG indicators as possible to enable more effective monitoring of progress in the SDGs.** Disaggregated data are needed to uncover disparities, if any, by ethnicity, age, gender, disability status, migration status, and other relevant groupings. Without such data, it would be difficult to design and implement policies and programs to address equity issues and ensure no one is left behind.

**An integrative approach that accounts for the interconnections of the SDGs and the transformative nature of the Global Goals must be implemented.** While each of the government agencies has its own set of interventions for achieving the relevant Global Goal(s), there must be an effective collaboration among all SDG stakeholders, ensuring coherence and efficiency, and removing unnecessary duplication in these efforts. Improving the quality of educational services is essential in the development of skills and talents of the workforce, but

this must be complemented with concerted efforts to link the educational sector with the industry to ensure that the former is building up a labor force that can address the demands of the latter. Human capital development and industry development should be tightly connected with efforts to reduce poverty and inequality. While social protection must also be enhanced, a more sustainable approach to uplift the lives of the poor is to create the environment that will create and expand decent jobs and employment for all.

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