

*In Pursuit of*  
**Rapid and  
Inclusive  
Growth**



Budget Priorities  
Framework  
(NBM No. 119)



Dir. Rolando U. Toledo  
Department of Budget and Management

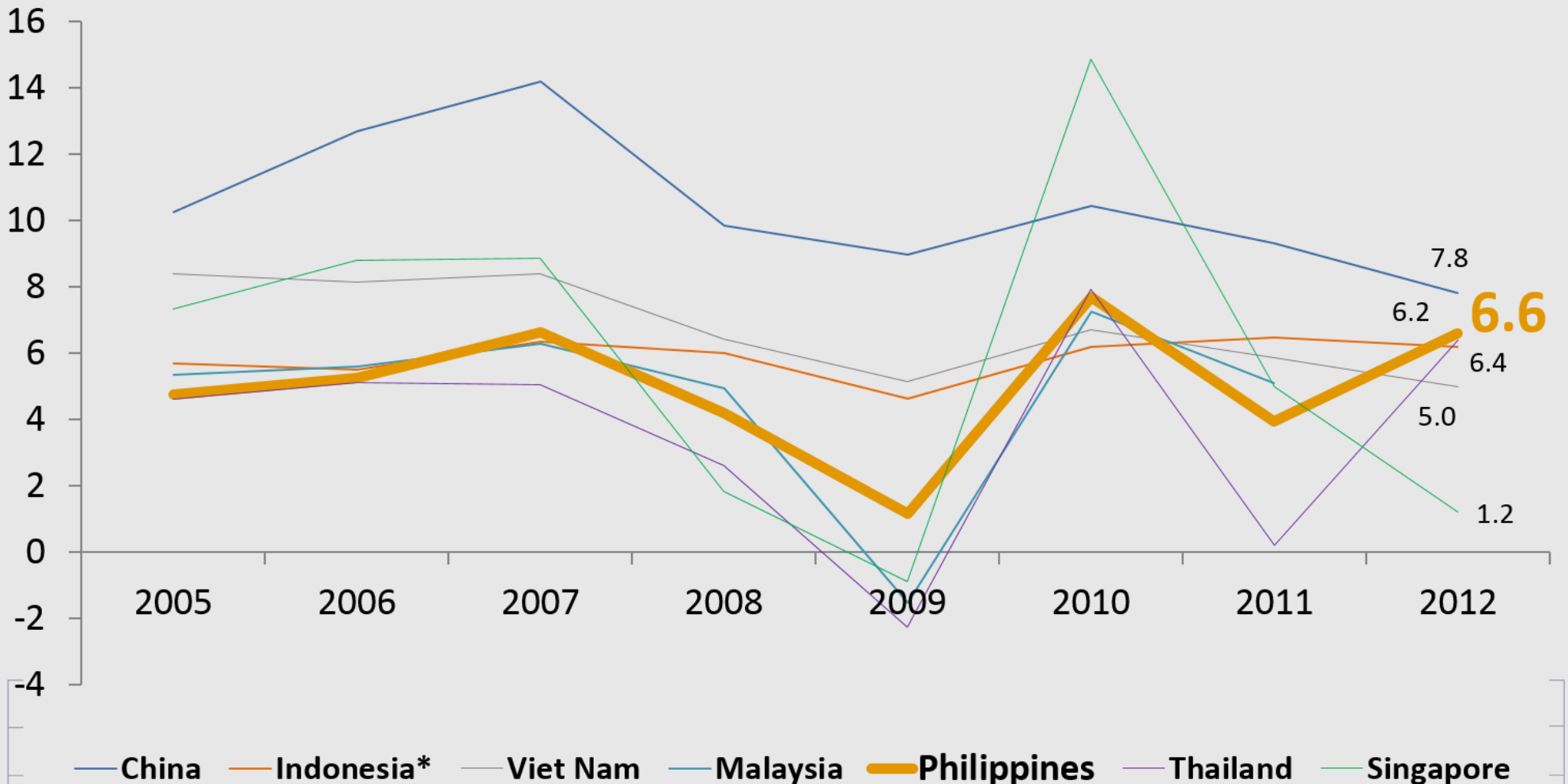
FY 2014 1<sup>st</sup> Quarterly Membership Meeting and Workshop of the PAGBA  
April 23, 2014

# Outline of Presentation

- Rationale
- Major Challenges
- Purpose
- Fiscal Space
- Priority Objectives
- Priority Programs
- Focus Geographical Areas

# Rationale

# Comparative GDP growth shows Philippines performing better in recent years



Sources: ADB ARIC; country websites; \*2012 FY data is not yet available

# Facts

- Poverty in the country remained statistically the same at 19.7% of families in 2012 from 20.5% and 21% in 2009 and 2006, respectively;
- Families who live below the poverty threshold are increasing: 4.2 million in 2012 from 4.0 million in 2009 and 3.8 million in 2006; and
- The jobless rate fell slightly to 6.5% in October 2013 from 6.8% a year earlier

# Major Challenges

- How can we get our poor out of poverty permanently?
- How can we manage our country's high growth rates to make a larger dent on poverty and unemployment?
- How can we sustain our high economic growth, which is essential to poverty reduction?

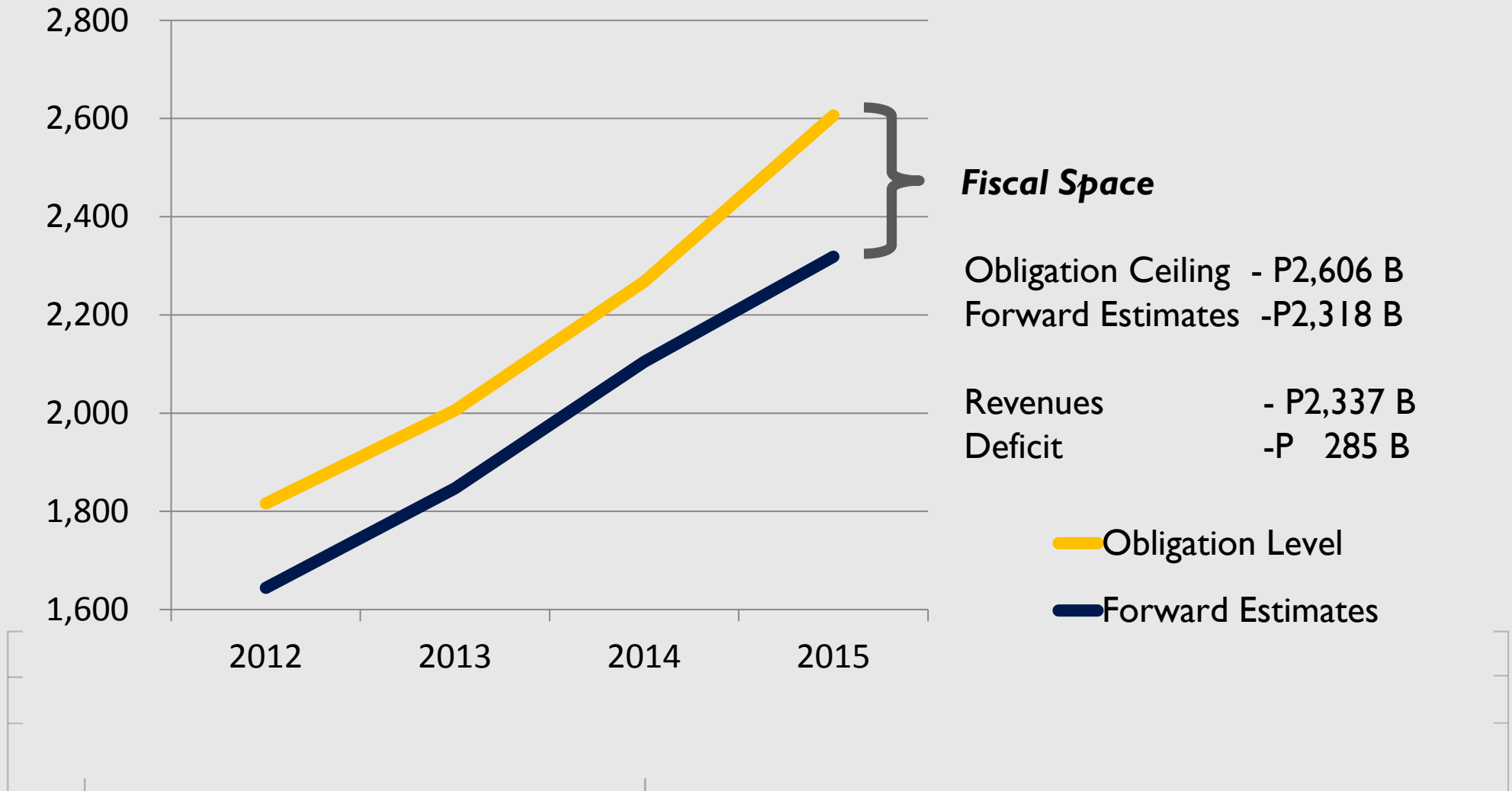
# Purpose

Identify the:

- Key outcomes which departments and agencies will aim for in the run-up to 2016;
- Strategies and programs that will be supported in the FY 2015 budget; and
- Spatial or geographical focus areas of the strategies.

# Fiscal Space, 2015

*In billion Pesos*





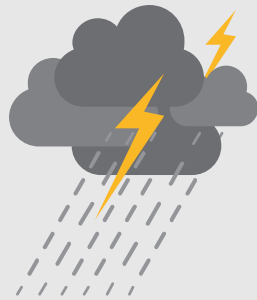
# 4 Priority Objectives



Making growth  
inclusive



Sustaining the  
growth momentum



Managing disaster  
risks



Pursuing good  
governance and  
anti-corruption

# 2014-2015 Budget Priorities Framework

## Rapid Growth and Inclusive Development

### Social Protection and Social Services

- Conditional Cash Transfers
- Education and Manpower Development
- Universal Health Care
- Housing

### Economic Expansion

- Strategic Transport Infrastructure Development
  - Tourism Development
  - Agricultural Development
- Revival of the Manufacturing Industry
- Research and Development

### Climate Change and Disaster Risk Management

- Stronger Calamity Response
- Climate Resiliency Policies and Measures
- Disaster Preparedness

### Job Creation and Livelihood Development

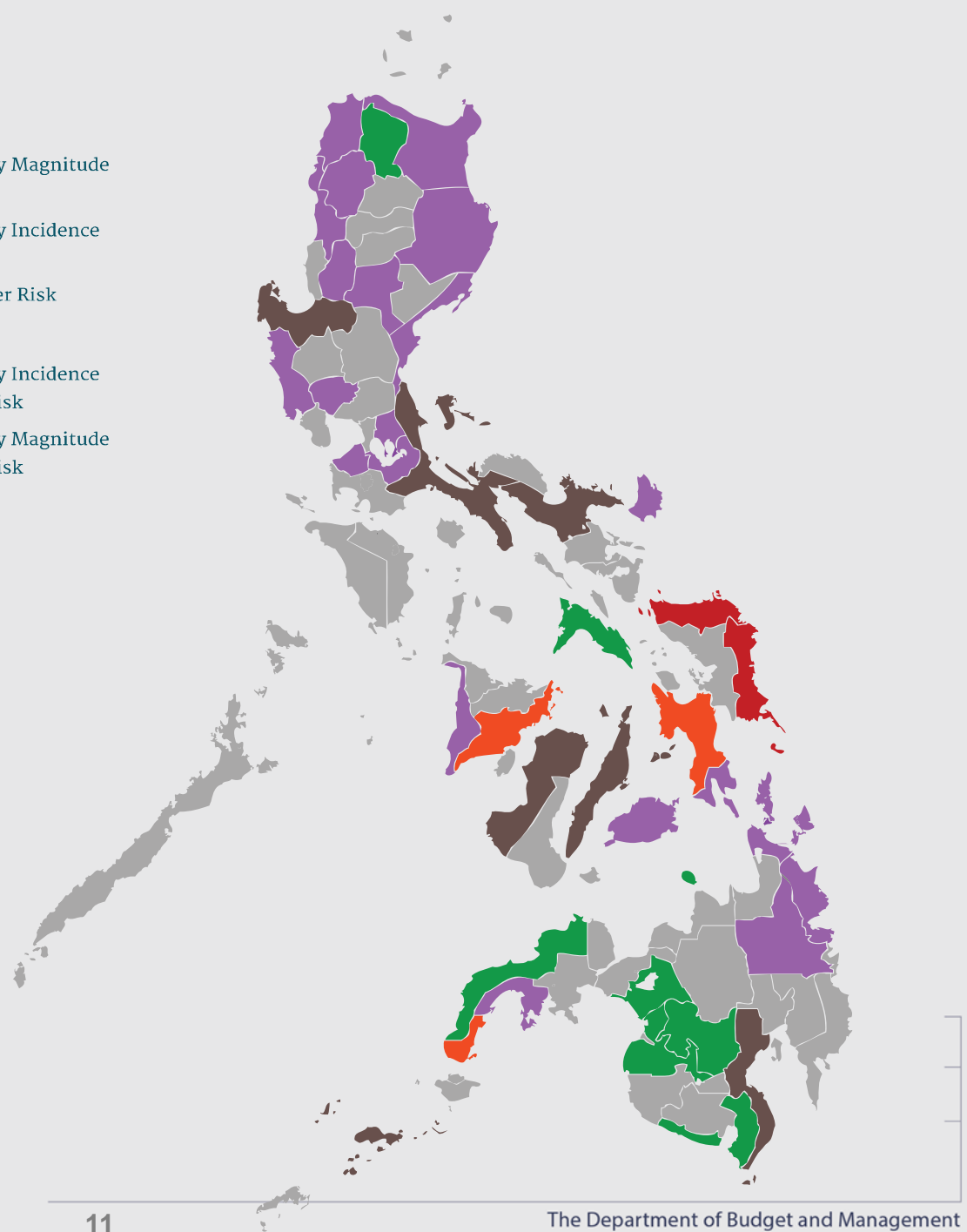
- Program Collaboration
- Infrastructure Development
- Grassroots Participatory Budgeting



# The Budget Priorities Framework

## REGIONAL FOCUS

- High Poverty Magnitude
- High Poverty Incidence
- High Disaster Risk
- High Poverty Incidence + Disaster Risk
- High Poverty Magnitude + Disaster Risk



# Provinces with High Poverty Magnitude

Region	Provinces with High Magnitude of Poor Households	Number of Poor Households
Region I	Pangasinan	148,601
Region 4A	Quezon	122,139
Region 5	Camarines Sur	136,208
Region 6	Negros Occidental	138,664
Region 6	Iloilo	122,770
Region 7	Cebu	151,425
Region 8	Leyte	132,377
Region 9	Zamboanga del Sur	170,181
Region 11	Davao del Sur	111,655
ARMM	Sulu	122,218
	<b>Total</b>	<b>1,356,238</b>

Source: National Household Targeting System for Poverty Reduction (DSWD, 2012)

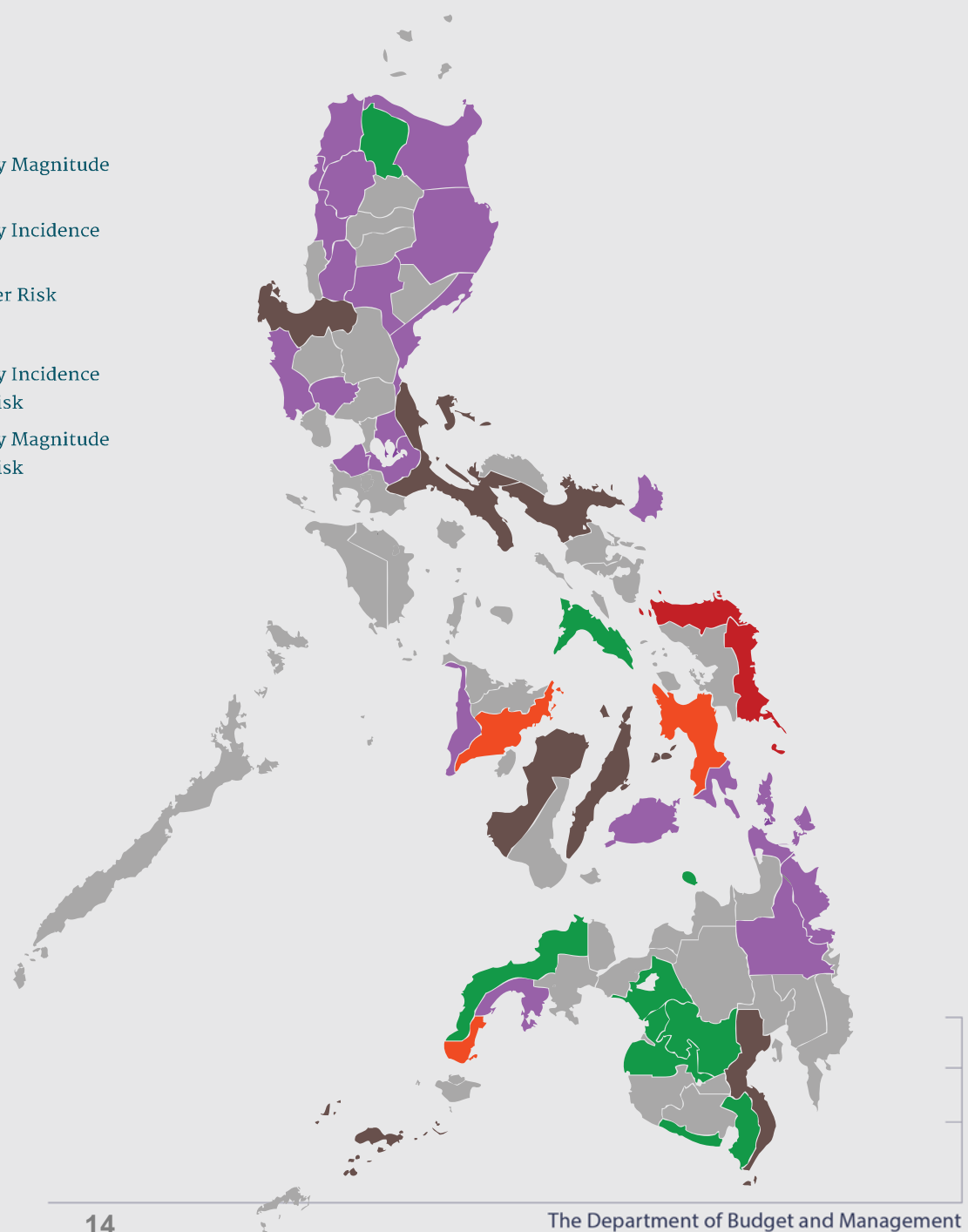
# Provinces with High Poverty Magnitude

- Strategies to be adopted in these provinces:
  - Promote higher economic growth to create opportunities for employment;
  - Enable the poor to participate in the growth process through improvements in human capital, and flexible work arrangements
- Interventions to be pursued:
  - Building roads that will connect lagging areas to growth areas;
  - Providing social protection and basic services for human capital improvement;
  - Promoting agri-based industries; and
  - Encouraging investments in BPO, tourism, real estate, and retail trade.

# The Budget Priorities Framework

## REGIONAL FOCUS

- High Poverty Magnitude
- High Poverty Incidence
- High Disaster Risk
- High Poverty Incidence + Disaster Risk
- High Poverty Magnitude + Disaster Risk



# Provinces with High Poverty Incidence

<b>Region</b>	<b>Provinces with High Poverty Incidence</b>	<b>Poverty Incidence (2012)</b>
CAR	Apayao	61.4
Region 5	Masbate	51.3
Region 8	Eastern Samar	63.7
Region 8	Northern Samar	50.2
Region 9	Zamboanga del Norte	54.4
Region 10	Camiguin	53.6
Region 12	North Cotabato	52.4
Region 12	Saranggani	53.2
ARMM	Lanao del Sur	73.8
ARMM	Maguindanao	63.7

# Provinces with High Poverty Incidence

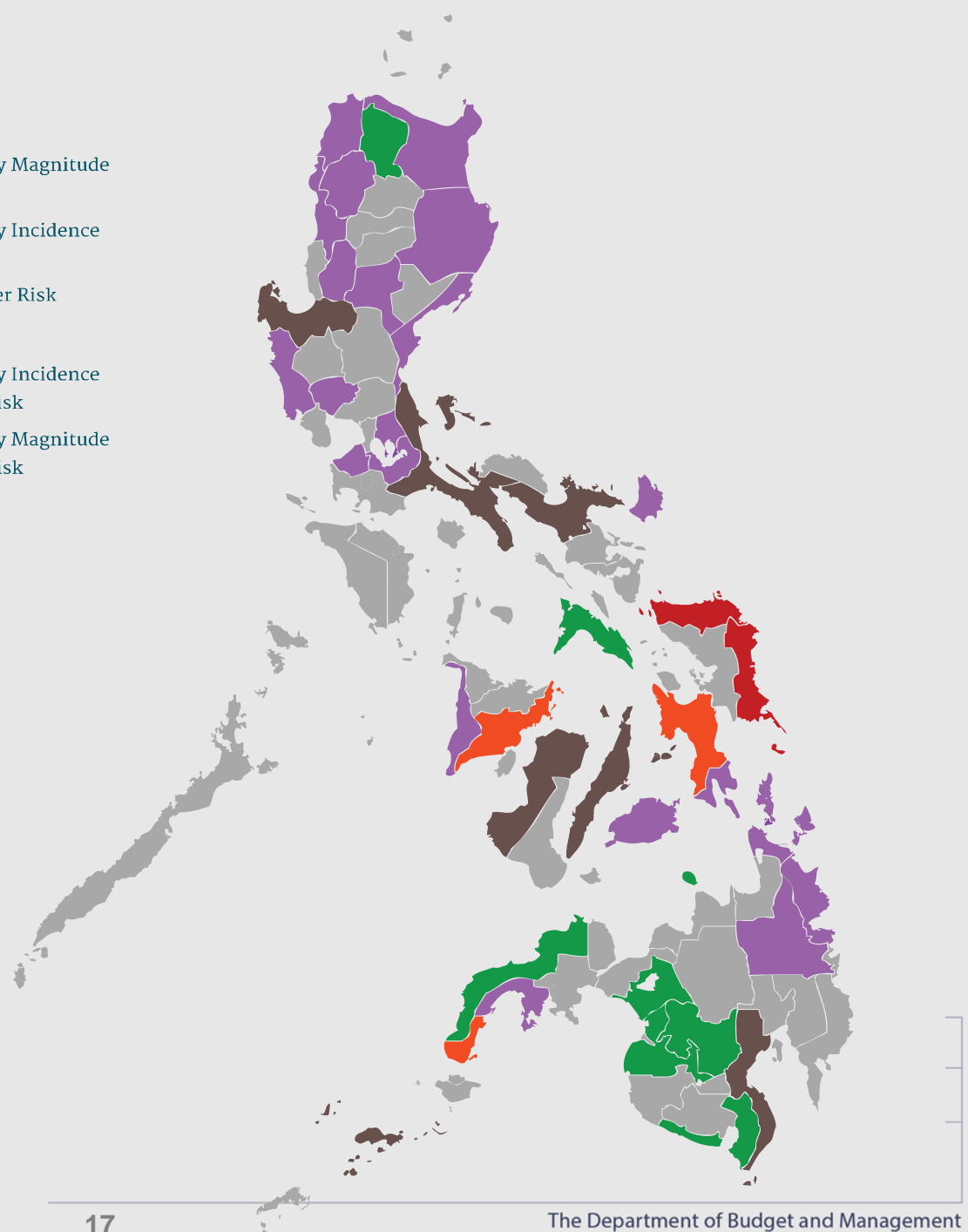
- Strategies to be adopted in these provinces:
  - Provision of social assistance programs while economic opportunities are being created; and
  - Creation of programs that promote economic and physical mobility
- Interventions to be pursued:
  - Providing social protection and basic services;
  - Undertaking infrastructure construction that will provide opportunity for jobs;
  - Short-term job creation induced by infrastructure investment (port facilities, cash-for-work, etc.);
  - Promoting investments in the tourism industry; and
  - Promoting investments in and setting up agri-based industries (seaweeds, fisheries, coconut)



# The Budget Priorities Framework

## REGIONAL FOCUS

- High Poverty Magnitude
- High Poverty Incidence
- High Disaster Risk
- High Poverty Incidence + Disaster Risk
- High Poverty Magnitude + Disaster Risk



# Provinces Vulnerable to Shocks and Disasters

Region	Multi-Hazard Provinces a/	Number of Poor Households b/
Region 1	Ilocos Norte	24,890
Region 1	Ilocos Sur	34,213
CAR	Abra	17,544
CAR	Benguet	17,947
Region 2	Cagayan	38,270
Region 2	Quirino	8,492
Region 2	Isabela	54,678
Region 2	Nueva Vizcaya	16,500
Region 3	Zambales	23,804
Region 3	Pampanga	55,328
Region 3	Aurora	9,333
Region 4A	Cavite	58,536
Region 4A	Laguna	55,417
Region 4A	<b>Rizal</b>	<b>48,360</b>
Region 5	<b>Catanduanes</b>	<b>16,743</b>

Region 6	Antique	38,157
Region 6	Iloilo	122,770
Region 7	Bohol	70,028
Region 8	Eastern Samar	38,487
Region 8	Leyte	132,377
Region 8	Northern Samar	59,262
Region 8	Southern Leyte	23,185
Region 9	Zamboanga del Sur	170,181
Region 9	Zamboanga Sibugay	74,643
Caraga	Dinagat Islands	12,869
Caraga	Agusan del Sur	65,473
Caraga	Surigao del Norte	45,343
Caraga	Surigao del Sur	59,179
	<b>Total</b>	<b>1,392,009</b>

Source: a/ DOST and DENR (2012)

b/ National Household Targeting System for Poverty Reduction (DSWD, 2012)

# Provinces Vulnerable to Shocks and Disasters

- Strategies to be adopted in these provinces:
  - Risk reduction and mitigation;
  - Social insurance and social protection; and
  - Income diversification
- Interventions to be pursued:
  - Redevelopment/resettlement of communities in vulnerable area;
  - Climate change risk mitigation and adaptation;
  - Short-term job creation induced by infrastructure investments (e.g., cash for work); and
  - Promoting investments in and setting up agri-based industry (coconut and value-added products)



*In Pursuit of*  
**Rapid and  
Inclusive  
Growth**

Budget Priorities  
Framework  
(NBM No. 119)



Dir. Rolando U. Toledo  
Department of Budget and Management

FY 2014 1<sup>st</sup> Quarterly Membership Meeting and Workshop of the PAGBA  
April 23, 2014

# Priority Programs

- Social Protection and Social Services
- Economic Expansion
- Job Creation and Livelihood Development
- Climate Change and Disaster Risk Management

# Priority Programs

- Social Protection and Social Services
  - Conditional Cash Transfer (CCT)
  - Education and Manpower Development programs
  - Universal Health Care Program
  - Housing

# Priority Programs

- Economic Expansion
  - Strategic Transport Infrastructure Development programs
  - Agricultural Development Programs
  - Revival of the Manufacturing Industry
  - Research and Development (R&D)

# Priority Programs

- Job Creation and Livelihood Development
  - Collaborative efforts between departments and agencies, including local governments, as evidenced by program budgets
  - Infrastructure Development
  - Grassroots Participatory Budgeting



# Priority Programs

- Climate change and disaster risk management
  - Shift from a reactive approach, focused on disaster rehabilitation and recovery, to a preventive one by:
    - Setting up a stronger calamity response coordinating mechanism and stockpiles of food and relief goods needed for relief efforts;
    - Introducing policies and measures for climate resiliency; and,
    - Preparing climate and geo-hazard vulnerable areas as-identified by the Mines and Geo-Sciences Bureau (MGB).

# Guidelines

# Guidelines

- All new and expanded programs included in 2014 Budget shall be directed towards accomplishing inclusive growth;
- List of programs/projects shall be narrowed down by matching their locations with the focus/convergence areas;

# Guidelines

- Central offices shall continue to guide and coordinate with regional offices on the focus areas in each region, intervention required, and the intensity of resource allocation;
- Lead agency shall ensure coordinated effort among the agencies participating in the programs

# Priority Programs and Participating Agencies (1/2)

CLUSTER/PROGRAM	LEAD AGENCY	PARTICIPATING AGENCIES								
A. Good Governance and Anti-Corruption Digitization of Financial Management Operations	DBM	DOF-OSEC	DOF-BTR	COA	DOST-ASTI	DOST-NCC				
B. Human Development and Poverty Reduction Pantawid Pamilyang Pilipino Program Universal Health Care Program Housing for Informal Settler Families in Danger Areas  Education Program	DSWD DOH DILG*  DEPED	DEPED PHIC DSWD  DPWH DOLE- TESDA	DOH DILG* DBM  MMDA CHED	DPWH DOF	DENR	NAPC	PCUP	HUDCC	NHA	SHFC

1/ Includes SME Development Program

2/ Includes the National Greening Program and other Climate Change Adaptation programs.

\*Requires LGU participation

# Priority Programs and Participating Agencies (2/2)

CLUSTER/PROGRAM	LEAD AGENCY	PARTICIPATING AGENCIES								
C. Economic Development										
Transport Infrastructure Program	DOTC	DPWH	DOT	DA	DTI	CAAP	PPA	PNR	LRTA	MMDA
Energy Development Program	DOE	DENR DOST	DOST	NPC	NEA	DTI	DA			
Agricultural Development Program	DA	DAR	NIA	NFA	PRRI	PCA	DA-BFAR	DOST	CHED	DTI
Manufacturing Revival Program 1/	DTI	NEA	NPC	DILG*	DPWH	DOTC	NAPC			
Tourism Development Program	DTI	DOLE	DOST	DOLE-TESDA	CHED	DA	PCA	DOE	NPC	NEA
	DOT	DOTC	DPWH	CAAP	DOJ-BI	DFA	DOF-BOC	MIAA	DTI	DOLE- TESDA
		CHED	DOST	DOH- Quarantine	DENR	NCAA- NHCP	DEPED- NM	DOE	NEA	NPC
		TIEZA	TPB	DILG*						
D. Disaster Mitigation 2/	DENR-OSEC	CCC	DENR- EMB	NDRMMC	DENR- NAMRIA	DOST- OSEC	DOST- PAGASA	DOST- PHIVOL CS	DA	DILG*
		DPWH	DOH	DND-OCD	MMDA	PRRC	DSWD			

1/ Includes SME Development Program

2/ Includes the National Greening Program and other Climate Change Adaptation programs.

\*Requires LGU participation

# Guidelines

- To improve the quality of new programs and projects that will be included in the budget, agencies shall identify the following features of all new programs and projects:
  - Key outcome and output targets;
  - Strategies and potential impact;
  - Spatial dimensions or geographical focus areas of the strategies;
  - Probable risks and measures to mitigate the risks; and
  - Support needed from other departments (e.g. identifying the agencies and role)