

2010

ANNUAL REPORT



**Pananaliksik at Talakayan Tungo
Sa Pag-ahon Mula sa Kahirapan**



Service through Policy Research

The Philippine Institute for Development Studies (PIDS) was created on September 26, 1977 by virtue of Presidential Decree No. 1201. It was established to respond to the critical and growing need for research for planning and policy formulation. It is organized as a nonstock, nonprofit government corporation.

The PIDS research is envisioned to help government planners and policymakers in the executive and legislative branches of government. Its primary clientele consists of the network of agencies which make up the National Economic and Development Authority.

ROLES AND GOALS

Broadly stated, the goals of PIDS are: 1) to develop and implement a comprehensive and integrated research program that will provide the research materials and studies required for the formulation of national development plans and policies; 2) to serve as a common link between the government and existing research institutions; and 3) to establish a repository for economic research information and other related activities.

PROGRAMS AND ACTIVITIES

To carry out its mandate, the Institute has maintained three basic programs, namely: Research Program; Outreach Program; and Dissemination and Research Utilization Program.

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ABOUT THE COVER



In 2010, the Development Policy Research Month (DPRM) carried the theme, "Pananaliksik at Talakayan Tungo sa Pag-Ahon Mula sa Kahirapan." (research and discussion toward the upliftment from poverty), and involved the participation of over 60 institutions among national agencies and local government units as well as from the nongovernment, private, and academic sectors. As suggested in its theme, this year's DPRM highlighted the importance of policy research in poverty alleviation.

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Essentially, think tanks seek to bridge the gap between knowledge and power ... The role of think tanks is to link the two roles, that of policymaker and academic, by conducting in-depth analysis of certain issues and presenting this research in easy-to-read, condensed form for policymakers to absorb.

- James G. McGann (with Erik C. Johnson)

Comparative Think Tanks, Politics and Public Policy.

Cheltenham, 2005



2010 was an eventful year for the Philippines and the Institute. President Benigno Simeon Aquino III assumed office in June amid high expectations of better governance. Relatively rapid economic growth in 2010—although not directly attributable to policies of the new administration—augurs well for the country. The economic team formed by President Aquino is well-respected and PIDS looks forward to collaborating with its members.

Meanwhile, the Institute was designated as regional coordinator of the East Asian Development Network (EADN), a role we took on beginning in July. Our main task in the next five years is to assist the Global Development Network (GDN) in its core business of building research capacity. EADN of course will focus on developing countries in the region. PIDS was also chair of the Network of East Asian Think-tanks or NEAT in 2010 and hosted the 8th annual conference in August. The major output of this conference was a memorandum containing policy recommendations related to regional integration and cooperation. The memorandum was submitted for possible consideration by the ASEAN+3 Leaders Summit held in Viet Nam in October.

These events highlight the important role of PIDS in East Asia. The Institute has also been an active participant in research projects sponsored by the Economic Research Institute for ASEAN and East Asia or ERIA. Lately, these projects have focused on the progress in establishing the ASEAN Economic Community.

In 2009, PIDS convened a committee to update the Institute's research agenda and propose one for the period 2010-2014. The members consulted with various stakeholders, with most of the meetings conducted in 2010. One of the major recommendations of the committee was for PIDS to come up with more regular outputs. Toward this end, PIDS management decided to revive an earlier publication and reconfigure it as the Economic Policy Monitor or EPM. The approach contained in the EPM is twofold: socioeconomic issues that must be addressed will be identified and in certain instances, specific policies will be recommended; and the impact or potential impact of recent policy measures in selected sectors will be discussed and analyzed.

The EPM will contain an assessment of the Philippine macroeconomy—which will be a regular feature—and then focus on policy developments in selected key areas. One of these will be lifted from the theme of the Development Policy Research Month which in 2010 was “Pananaliksik at Talakayan tungo sa Pag-ahon mula sa Kahirapan.” The title of the 2010 EPM was therefore “Fiscal Space, Investment, and Poverty Alleviation.” Apart from the troubling persistence of chronic poverty in the Philippines, the widening fiscal deficit has been a source of concern particularly in the last few years of the Arroyo administration.

2010 was a record year for PIDS in terms of engaging in external projects. A major project was initiated by the Center for Health Market Innovations and funded by the Rockefeller Foundation.

It is a two-year project that will support the identification and analysis of health market innovations in the Philippines. Other partners of PIDS for projects that came in in 2010 were the UNICEF, University of Tokyo, ERIA, JETRO and NUPRI. In addition to these joint undertakings with donor agencies, one of the highlights of the year 2010 was PIDS' partnerships with several government agencies in the conduct of major research projects. Emphasizing PIDS' work for the government and its contribution to policy making, PIDS was conducting at least 7 projects in the past year with NEDA, DOH, DOST, PCARRD, DTI and SEARCA. A major project which commenced in the latter part of the year and involves most of PIDS' research fellows was the DBM-WB funded study on Policy-Based Budgeting in a Medium Term Framework. Apart from research activities, PIDS has also begun a new mode of partnership with government agencies – by developing research programs jointly with other government agencies in order to address their research needs which are aligned with PIDS' medium-term research agenda. PIDS expects to further this mode in addition to the conduct of research studies.

PIDS continued to underscore the importance of research dissemination. Either on its own or in partnership with various local and international institutions, the Institute continued to expand the exposure of its outputs to different stakeholders through different fora and publications. In 2010, it took the lead in organizing 23 fora and conferences on important national and regional policy issues. It was also a major partner in crafting the Philippines' country report on child poverty in collaboration with the United Nations Children's Fund (UNICEF) and the National Statistical Coordination Board (NSCB). This is part of a global research initiative by the UNICEF that spans forty-six countries in support of child poverty reduction and children's rights promotion. The Institute likewise released 16 Policy Notes touching on key policy concerns, seven of which

were on topics highlighting certain aspects of child poverty. In addition, the Institute also published the book on BOT (Build-Operate-Transfer) reforms authored by one of its Senior Research Fellows, Dr. Gilberto Llanto, which provided valuable inputs in the drafting of proposed bills for the review of the country's BOT Law in order for it to become a more useful tool in the public-private partnership strategy being espoused by the present government administration.

The year 2010 marked the second tranche of the implementation of the salary adjustment pursuant to the Senate and House of Representatives Joint Resolution No. 4, series of 2009. Salaries of PIDS employees were then adjusted accordingly. Funds for the implementation of the mandated increase in the salary were taken from the Institute's corporate funds.

As the duly designated administrator of the NEDA sa Makati Building, the Institute continued its services for the well-being of its tenants and employees through the maintenance/upkeep of the building facilities and the premises as a whole.

The quotation at the start of this Message aptly describes the mandate of PIDS. Over the years, the Institute has strived to fulfill its mandate. On certain occasions, we have received criticism, some of which were deserved and some of which were unjustified. In some cases, the mandate of PIDS was simply misunderstood. I would like to congratulate the PIDS staff for persevering in their work despite the challenges presented by unfair criticism. As I have emphasized, our success lies in our commitment.



JOSEF T. YAP, Ph.D.

President

Research Activities



Now on its thirty-third year, PIDS continues its efforts to constantly contribute to the deliberation of significant issues and national policies. As a policy think tank of the Philippine government, the year 2010 saw PIDS furthering its partnerships with international development institutions and research affiliates, and continuing its joint undertakings with other government agencies in the conduct of its research mandate.

In line with the Institute's work for the government, it partnered with several government agencies in the conduct of major research projects in the past year. As of end of 2010, the Institute was conducting multiple studies jointly with agencies such as:

■ With PCARRD

Policy Research on the State and Future Supply of and Demand for Agriculture, Forestry and Natural Resources (AFNR) Graduates in the Philippines

This project aims to provide a comprehensive picture of the current and potential human resource capacities of graduates of Agriculture, Forestry and Natural Resources (AFNR) courses to better understand the downtrend in the enrolment in AFNR courses.

■ With NEDA/UN-DESA

Assessing Development Strategies to Achieve the MDGs in Asia and the Pacific: The Case of the Philippines

The study involves an assessment of present strategies on MDG achievements and the challenges being met, and an analysis of the links between policy choices and economic outcomes as they stand in the country. Using the methodology from the previous studies in Latin America, the Caribbean and the Arab states, the PIDS study team adopts an economy-wide, general equilibrium framework along with microeconomic cost-effectiveness analysis to achieve the MDGs and microsimulations to compute poverty and inequality results.

■ With DOH

Assessment of DOH Financial Management on Health Sector Reform Expenditures

The study involves tracking of the Department of Health's expenditures per specific program by reviewing its existing disbursement vouchers, which can lead to possible inferences on the expenditure allocations of offices or services charged with key reform programs. This is an attempt to link the agency's performance to its targets and to assess how much of total spending in the DOH has really supported major health goals.

■ With DOST/IDRC

Towards an Innovation-led Development Path in the Philippines

This study introduces and pilot tests the innovation survey in the Philippine statistical system. The results of the innovation survey can provide a better understanding of the innovative activities of firms, their performance, their linkages and other relevant indicators for the development of policies and support programs. The proposed project will pilot test innovation surveys in three major cities, one each in Luzon, Visayas, and Mindanao.

■ With DTI-BSMED

Review and Technical Editing of the Micro, Small and Medium Enterprise Development (MSMED) Plan 2010-2016

PIDS was engaged by the DTI-BSMED in the review and technical editing of the MSMED Plan 2010-2016 which was prepared by the BSMED. The MSME Development Plan will serve as the framework for developing the MSME sector.

■ With DOST

Determinants of R&D Investments in The Philippines: Implications for Policy

This study aims to find the determinants of R&D investments in the country, which was a direct response to the mandate of President Arroyo to conduct a study that would explore the possibility of "maximizing the country's potential as an attractive R&D location for R&D centers, units and organizations."

■ With SEARCA

Outlook for Philippine Agriculture: Scenarios and Options for Productivity Growth

This study aims to project an outlook for food security and agricultural growth in the Philippines under alternative scenarios for productivity growth and the various policy and investment levers underpinning this growth. The results of the study shall guide policymakers in formulating their medium to long-term strategy for the sector.

In sum, the Institute completed 34 research studies, of which 20 were funded in-house and 14 were conducted with PIDS research partners. Three studies on small and medium enterprises, trade and investment liberalization, and on improving the ASEAN Economic Community scorecard were jointly conducted with the Economic Research Institute for ASEAN and East Asia (ERIA), a regular research partner of PIDS. A study on fostering production and science & technology linkages to stimulate innovation in ASEAN was also undertaken together with IDE-JETRO. The rest of the completed studies were on poverty, public spending on health, benchmarking of government hospitals, fiscal policy, JPEPA, trade and industry, transport and logistics, local services delivery, and persons with disability.



In addition to the research studies, the past year was also marked by preparations for the formulation of the PIDS Research Agenda 2010-2014 led by a Research Agenda Committee which engaged in consultations with PIDS Research Fellows and other stakeholders on the direction of the PIDS research in the next five years.

As of end of 2010, the Institute was engaged in 42 ongoing studies, consisting of major externally funded projects such as the Rockefeller Foundation-funded study on health market innovations in the Philippines; the six-country IDRC-funded project on managing international labor migration in ASEAN; the ACIAR-funded project on the economic impacts of new technologies and policy constraints in the production of fruits and vegetables in the Philippines; and the University of Tokyo-funded study on disability.

As for trade-related studies, the PIDS is the home of the Philippine APEC Study Center Network (PASCN) which continues to conduct studies on trade-related concerns and which completed 3 studies in 2010 on regional economic integration in East Asia; anti-corruption and good governance; and the impact of the global financial crisis on the Philippine labor market. Meanwhile, beginning July 2010, PIDS was appointed as regional coordinator of the East Asian Development Network (EADN).



COMPLETED PROJECTS IN 2010

Fostering Production and Science & Technology Linkages to Stimulate Innovation in ASEAN

Mari-Len Macasaquit, Renee Ajayi, Fatima Del Prado, Christine Ruth Salazar

This study which looked at cases of ten electronics firms located in CALABARZON provides detailed account of inter-firm production linkages and collaboration with knowledge stakeholders as pathways toward industrial upgrading and innovation.

Do Barangays Really Matter in Local Services Delivery? Some Issues and Policy Options

Allan S. Layug, Ida Marie Pantig, Leilani T. Bolong, Rouselle F. Lavado

This paper, which is borne out of the need to address scarcity of evidence-based studies on barangay financing, analyzes and evaluates key issues on financing of devolved functions at the barangay level, with particular focus on fund utilization and program allocation, and proposes some policy options addressing the issues.

Integrating Small and Medium Enterprises (SMEs) into the More Integrated East Asia Region

Rafaelita Aldaba

The paper aims to examine the characteristics and factors that constrain the growth of SMEs operating both within and outside production networks.

Micro Data Study: Impact of Trade and Investment Liberalization on Productivity / Does Trade Protection Improve Firm Productivity: Evidence from Micro Data Study

Rafaelita Aldaba

The recent trade and productivity literature shows that trade liberalization can lead to productivity gains through increased competition and exit of inefficient firms and reallocation of market shares in favor of more efficient firms.

Community-based Monitoring Systems for Poverty

Celia M. Reyes

The Community-Based Monitoring System (CBMS) is an organized way of collecting information at the local level for use of local government units, national government agencies, non-government organizations, and civil society for planning, program implementation and monitoring.

Determinants of R&D Investments in the Philippines: Implications for Policy

Josef T. Yap, Kathrina Gonzales

Research and development (R&D) is an important resource for sustained economic growth. New knowledge created by a firm has spillover effects that improve the productivity of other firms and even other sectors.



Outlook for Philippine Agriculture: Scenarios and Options for Productivity Growth: Consumer Core
Asia-Pacific Policy Center (APPC)

Outlook for Philippine Agriculture: Scenarios and Options for Productivity Growth: Producer Core
Jesus Dumagan

Sustaining and accelerating agricultural growth remains a development imperative in view of persistent rural poverty and emerging threats to food security. While growth can be achieved by expansion of agricultural area and input intensification, growth through improvement in productivity is a promising option.

Why Cement Prices Remain High Despite Zero Tariffs
Rafaelita Aldaba

Looking at the different economic characteristics of cement firms, this study argues that the firms can collectively exert market power. This has resulted in weak competition to the detriment of consumers, particularly small users. Hence, even with the government's recent zero tariff policy on cement imports, cement prices have gone up unabatedly.

Cooperation Between Latin America and Caribbean and Asia Pacific: Perspective from East Asia
Erlinda M. Medalla

The Asia and Pacific region and Latin American and Caribbean region are two regions divided not only by vast geographic distance, but also by disparities in economics, politics, culture, and history. Most recently, a number of forums explored the possibility of closing such gaps and linking the two regions through various trade and investment initiatives.

Trends in Vulnerability and Inequality
Jose Ramon Albert

This paper presents a few of the latest statistics on income poverty, growth, and inequality, and makes a case about the need not only to monitor current poverty, but also to reduce future poverty. An assessment of the trends in household vulnerability to income poverty is made for the years 2000, 2003, and 2006.

ERIA Study to Further Improve the ASEAN Economic Community (AEC) Scorecard
Josef T. Yap, Gilberto M. Llanto, Erlinda M. Medalla, Rafaelita M. Aldaba

Within the context of the ASEAN Economic Community (AEC) Scorecard mechanism developed by the ASEAN Secretariat to monitor the implementation of the AEC Blueprint, the study focuses on the current state, performance and impact of investment liberalization and facilitation, trade facilitation, and transport and logistics services regulatory regime.

Toward a Japan-Philippine Economic Partnership Agreement
Erlinda M. Medalla, Catherine Vidar

With less than two years after its ratification, many of the economic gains expected under JPEPA have yet to be realized. But while critics may be quick to judge its failure due to this seeming lack of progress, neither have there been costs and dislocations that should have been more immediately evident.

The Impact of the Global Financial Crisis on the Labor Market: The Case of the Philippines
Jenny Balboa, Melalyn Mantaring

The study which looked into the impacts on employment of the global financial crisis in the labor market of the Philippines, provides figures on displaced workers and affected OFWs

Regional Economic Integration in East Asia: Progress and Pathways
Erlinda M. Medalla, Jenny Balboa

The East Asian region is a major global economic player, given its economic size and potential. As such, Regional Economic Integration in East Asia could be considered as an important building bloc toward integration of the Asia Pacific region.

Special Study on Financing Land Reform in the Philippines

Marife B. Ballesteros

This paper examines the cost of implementing redistributive land reform in the Philippines. Land redistribution has become the core feature of land reform in the country since 1972 with the approval of PD 27. The coverage of the program was expanded to all agricultural lands under RA 6657 or CARL of 1988. Consequently, funding for land reform increased significantly as government chose to fully subsidize land acquisition, distribution, and transfers.

Research on Policy Directions in Providing Government Subsidies for Urban Rail Systems

Ruzette Mariano

Because of social benefits they provide, railway systems are operating in urban areas, despite incurring negative cash flows for a considerable number of years. The latter requires subsidies financed by public funds. As such, it is important to minimize the level of subsidies provided to these systems to the extent at which the social benefits they provide are not compromised.

Anti-Corruption and Good Governance: The Philippine Experience

Jenny Balboa, Erlinda M. Medalla

Corruption is a problem which all governments, at any level of development, have to deal with. The literature abounds with efforts to understand and measure its magnitude and impacts. This short paper is a modest attempt to revisit the issue, keeping in mind the importance it holds in the APEC agenda of issues.

Transport and Logistics

Gilberto Llanto

This study examines the status of liberalization and the regulatory environment in transport and logistics with focus on the ports and road transport sectors.

Employment Choices of Persons with Disability (PWD)

Christian Mina

This paper examines how PWDs in the Philippines make a living and determines the factors that influenced them to select a particular labor market status and/or a source of personal income. It also analyzes the different types of work these PWDs engage in and their association with levels of education.

Poverty Assessment – Child Poverty (using the under 18 definition)

Celia Reyes

Aside from the rising income poverty, it is a disturbing situation when about half (44%) of all Filipino children are living in poverty. The lack of income can have more adverse impacts on them because unlike adults, children are still in certain developmental stages where proper nourishment is necessary and are most vulnerable to diseases.

Tax Reform under PGMA Administration- Assessment of Efficiency and Equality Concerns

Rosario Manasan



Tax Reform under PGMA Administration – Impact on Revenue Generation

Rosario Manasan

Fiscal Policy Issues Before, During and After the Global Crisis- Pro/anti Cyclicity of Fiscal Policy-Fiscal Stimulus

Rosario Manasan

Fiscal Policy Issues Before, During and After the Global Crisis-Debt Sustainability

Rosario Manasan

Fiscal Policy Issues Before, During and After the Global Crisis-Impact on Mitigating Social Vulnerability

Rosario Manasan

These studies comprise the Discussion Paper Financing the MDGs and Inclusive Growth in the time of Fiscal Consolidation.

The progress made by the national government in consolidating its fiscal position between 2002 and 2006 proved unsustainable as its revenue effort started to go down once again in 2007 after a brief improvement in 2005-2007.

Factors motivating participation in social programs: The case of persons with disability in the Philippines

Aubrey Tabuga

In urban Philippines, the percentage of persons with disability (PWDs) participating in various government and nongovernment

programs is low. In fact, the level of awareness among PWDs on the policies that intend to uplift their well-being is also low. These were some of the findings of a 2008 survey on persons with disability in selected cities in Metro Manila. This paper therefore aims to examine this problem by looking at the various factors that influence the PWD's participation specifically in the government-mandated discount on fare on bus and other land transportation vehicles and medical services.

Environment and Poverty: Assessment of the link between Environment and Poverty

Marife Ballesteros

Rapid urbanization and the inadequate infrastructure and basic services in large towns and cities have led to the proliferation of slums and informal settlements in the country. While poverty incidence of the population in key metropolitan centers is on average 17 percent compared to the national average of 32 percent, slum population has been exponentially rising at an average rate of 3.4 percent.

Benefit Incidence of Public Spending on Health in the Philippines

Rosario Manasan, Janet Cuenca

Directing government subsidies to social services such as health care is expected to bring about positive external/social benefits and improve equity in access to health services. In general, government spending on health is envisioned to improve the well-being of beneficiaries and enhance their capability to earn income in the future.

Review of Philippine Mining Sector

Danilo Israel

The paper reviews national industrialization as a long-term strategy of mining development in the Philippines. The end purpose is to suggest immediate actions that can be undertaken for the promotion of national industrialization.

Economic Impacts of National Meteorological and Hydrological System

Danilo Israel

This project measures the qualitative economic and other impacts of improving the National Meteorological and Hydrological Systems (NMHS) in the Philippines, particularly related to weather and climate-associated natural disasters.

Benchmarking of LGU Health Expenditures

Rouselle F. Lavado

This paper examines the usefulness of Data Envelopment Analysis (DEA) in determining the efficiency of public health units in the Philippines. Public health units serve as the backbone of the Philippine health system by making health care universally accessible to individuals and families in their respective communities.





Documentation and Analysis of the Official Poverty Methodology

Celia Reyes

It is a standard practice among official statisticians in national statistics systems all over the world to refine and update methodology to better reflect current phenomena. Refinements in the official poverty estimation methodology in the country were undertaken to ensure comparability over space and time. This study documents the refinements in the estimation of food threshold and poverty threshold, incidence and other measures of poverty and notes improvements on the relevance of official poverty statistics.

How are Government Hospitals Performing?

Rouselle F. Lavado

The paper attempts to provide an overview of the hospital sector in the Philippines with particular emphasis on hospitals being managed by the DOH. It also provides a critique of recent policies concerning hospitals as outlined in the Health Sector Reform Strategy. The last section concludes and provides some policy recommendations.

PROJECTS IN THE PIPELINE

Toward the end of 2010, the Institute was in the thick of finalizing technical and financial proposals for a number of major research projects. One of these is the Philippine Study

on Out-of-School Children (OOSC) which aims to generate an in-depth understanding of the phenomenon of OOSC and the origins of gender disparities in basic education through a mix of quantitative and qualitative approaches. The study is part of a global initiative funded by the UNICEF and is expected to commence at the start of 2011. Another project entitled, Policy-Based Budgeting in a Medium-Term Framework was in the pipeline as of year-end. The study, funded by the DBM through World Bank-IDF, aims to enhance the government's capacity to develop sound policy analysis for improved quality of advice to the Development Budget Coordination Committee (DBCC) and to the President and his Cabinet. The MOA between PIDS and DBM is expected to be signed by January 2011.

Another project, entitled Research Study on Unfair Trade Practices in the ASEAN Region, funded by CUTS-Hanoi, aims to develop a body of legal and applied research on unfair trade practices within and across all countries in the ASEAN region, for the purpose of advocacy and capacity building of relevant stakeholder groups therein. This project is expected to commence in 2011.

Meanwhile, the project on Philippine National Transfer Accounts – Phase III which refers to the third round of National Transfer Accounts (NTA) study in the Philippines, is also scheduled to commence by end of 2010 or early 2011. PIDS hosted Phases 1 and 2 of the Philippine NTA study back in 2005-2007 while this new study will be conducted over a two-year period.

The rest of the projects in the pipeline are still in the conceptualization and development stage.

Philippine APEC Study Center Network (PASCN)



The Philippine APEC Study Center Network (PASCN) is a regular component project of the PIDS. It was established by virtue of Administrative Order No. 303 issued by President Fidel V. Ramos on 23 November 1996 as the Philippines' response to the APEC Leaders Education Initiative (ALEI). The PASCN's establishment is particularly relevant to one of ALEI's components which calls for the promotion of APEC-related studies and greater exchange of scholars and students among institutions of higher learning in the region.

The year 2010 marks the Asia-Pacific Economic Cooperation (APEC) milestone of assessing the progress of industrialized economies toward the achievement of free and open trade and investment under the Bogor Goals launched in 1994 in Bogor, Indonesia. In assessing such progress, experts consider regional economic integration to proceed as the emerging regional architecture that poses the challenge of being mutually beneficial and sustainable for the Asia-Pacific region.

APEC at 20: Lessons for Regional Integration and Way Forward was the focus of the symposium during the Philippine APEC Study Center Network's (PASCN) 14th General Assembly held on April 14, 2010 at the Philippine Institute for Development Studies (PIDS) Romulo Hall in Makati City. PASCN members, representatives from the academe, government institutions, and nongovernment organizations attended the annual event wherein the Network continues its role in deepening the government's perspective on various issues that are currently part of the APEC agenda through the conduct and support of APEC-related studies.

RESEARCH PROGRAM

■ Completed Projects

- Regional Economic Integration in East Asia: Progress and Pathways by Dr. Erlinda M. Medalla and Ms. Jenny Balboa, PIDS (paper presented at the 2010 APEC Study Centers Consortium (ASCC) Conference held in Tokyo, Japan on July 8-9, 2010)
- Anti-Corruption and Good Governance: The Philippine Experience by Ms. Jenny Balboa and Dr. Erlinda M. Medalla, PIDS (an updated version of the paper presented at the ASCC Conference 2005 in Ho Chi Minh City, Vietnam and the National Anti-Corruption Commission Journal of Thailand in May 2010)
- The Impact of the Global Financial Crisis on the Labor Market: The Case of the Philippines by Ms. Jenny Balboa and Ms. Melalyn Mantaring, PIDS (part of the Human Resource Impacts of the Global Economic Crisis Project, an APEC funded project under the APEC Human Resource Development Working Group (HRDWG) submitted in August 2010)

■ Ongoing Project

- The Role of Technology in the Development of Small and Medium Size Enterprises in the Philippines by Maria Teresa S. Dueñas (the research aims to provide a framework for analyzing the role of technology in SME development in the Philippines)

THESIS & DISSERTATION ASSISTANCE PROGRAM

- Trade Liberalization, Trade Balance, and Growth in Asia: 1974-2007 by Ms. Marissa Paderon, ADMU (dissertation ongoing)

DISSEMINATION & PUBLICATIONS PROGRAM

Meeting/Symposium

- 14th PASCN General Assembly, Symposium on APEC at 20: Lessons for Regional Integration and Way Forward (14 April 2010, CPR Hall, NEDA Makati Bldg., Makati City)

Circulation of Research Outputs

- Prospects for Regional Cooperation between Latin America and the Caribbean Region and the Asia and Pacific Region: Perspective from East Asia (DP 2010-12)

- Corruption and Development, Revisited (DP 2010-13)
- APEC's Human Security Agenda: Way Forward (submitted for DRN article publication)
- Japan-Philippines Economic Partnership Agreement (JPEPA): Toward a Framework for Regional Economic Integration (DP 2010-19)
- Globalization and Glocalization: Experiences in the Local Philippine Context (DP 2010-21)
- e-Government Initiatives of Four Philippine Cities (DP 2010-22)

■ Upcoming Books

- Japan-Philippines Economic Partnership Research Project: compilation and integration of the 18 studies under the JPEPA Research Project (Integrative report published as DP 2010-19)
- Globalization, Governance and the Philippine State Research Project: compilation of 4 papers plus 2 other related papers on Governance

NETWORKING AND ORGANIZATION MEETING

- 32nd Steering Committee Meeting (May 5, 2010)
- APEC Study Centers Consortium Conference (July 8-9, 2010 in Tokyo, Japan)

TECHNICAL ASSISTANCE PROGRAM

- PASCN is an active member of the Technical Board on APEC Matters (TBAM) and provides technical advice on issues pertaining to APEC:
 - Attendance in TBAM Meetings: (19 January 2010; 15 February 2010; 29 March 2010; 27 July 2010; September 8, 2010 in Bulwagang Blas Ople, DFA Manila)
 - Provides technical assistance to network members and other government agencies on APEC matters and Trade related topics:
 - Resource person on the topic "Multilateral vs. Preferential Trade Agreements" during the UP-ILS Forum on the Necessity & Benefits of Preferential Trade Agreements (September 17, 2010 held at the 2nd Floor., Conference Room, UP Law Center, Diliman, QC)
 - Resource person in various consultation meetings with FSI, AIM, BITR .

Research Dissemination and Utilization Activities



With its accompanying mandate to disseminate and communicate the results of its research outputs, the Institute, through its Research Information Staff (RIS), continued to expand the PIDS exposure to different stakeholders through various fora and media channels. Realizing that development is a multifaceted and multisectoral process, the Institute partnered with various local and international institutions in the conduct of many of its dissemination undertakings. Out of the 23 fora organized by the Institute in 2010, for instance, eight were co-sponsored with organizations like the Foreign Service Institute of the Department of Foreign Affairs, World Health Organization (WHO), National Economic and Development Authority (NEDA), Network of East Asian Think-tanks (NEAT), Australian Agency for International Development (AusAID), National Statistical Coordination Board (NSCB), Philippine APEC Study Center Network (PASCN), and the United Nations Children's Fund (UNICEF). In particular, with the latter, the Institute was an active partner not only in organizing a national forum but also in crafting the Philippines' country report on child poverty.

The Institute, however, does not only confine its activities to research dissemination and communication. It likewise plays a major role in knowledge intermediation and advocacy through its leadership in the annual observance of the Development Policy Research Month (DPRM).

PUBLICATIONS AND CIRCULATION

■ Books

As mentioned, the Institute closely collaborated with UNICEF as well as with the NSCB in writing and launching the Global Study on Child Poverty and Disparities: The Philippines Country Report, a two-volume book that leverages evidence, analysis, policy and partnerships in support of child poverty reduction and children's rights promotion in general. This is part of a multi-country research initiative by the UNICEF that covers forty-six countries. It aims to stimulate discussion and provide evidence on how best to realize child rights in each of the participating country. The launching of the Philippine country report coincided with this year's celebration of the DPRM whose theme is on poverty alleviation/reduction.

The Institute also published the book *A Review of Build-Operate-Transfer for Infrastructure Development* authored by PIDS Senior Research Fellow Dr. Gilbert Llanto. The book discusses various issues that policymakers and stakeholders have to address in order to improve the build-operate-transfer (BOT) mode of infrastructure provision. Moreover, it provides some recommendations at the policy, legal, and institutional levels that may renew private sector interest in collaborating with government.



■ Philippine Journal of Development

Two issues of the Philippine Journal of Development (PJD) came off the press this year. The first issue tackled the following topics: avoiding anomalies of gross domestic product in constant prices; setting a rational regime of rules of origin in facilitating trade and achieving the East Asian community; looking at variations in access to maternal and child care services across income groups; examining policy issues and development constraints in agricultural diversification; and

Development Policy Research Month (DPRM)

Apart from its research dissemination and communication initiatives, the Institute also plays a lead role in advocating the use of research in planning and policymaking in the Philippines. It likewise endeavors to take a major role in helping to improve the public's understanding of various socioeconomic policy issues and concepts through broad-based discussions and interactions with different stakeholders and sectors in events during the month-long observance of the annual Development Policy Research Month (DPRM). Since 2003 (after the issuance of a Presidential Memorandum in late 2002 proclaiming the month of September of every year as the DPRM and designating the Institute as the lead coordinator of all activities and undertakings necessary for the observance of the Month), the Institute has collaborated with major government agencies, local government units, the academe, private business sector, nongovernment organizations, and media in planning activities that would help achieve the objective of the DPRM. The DPRM aims to increase the public's awareness and appreciation of the importance of research and evidence-based studies in decisionmaking.

With a different theme every year, this year's 8th annual celebration focuses on Pananaliksik at Talakayan Tungo sa Pag-ahon mula sa Kahirapan (research and discussion toward the upliftment from poverty), and involves the participation of over 60 institutions among national agencies and local government units as well as from the nongovernment, private, and academic sectors. As indicated in its theme, this year's DPRM highlighted the importance of policy research in poverty alleviation. With the Institute as Chair, the 2010 DPRM Steering Committee had the following institutions as members: the National Economic and Development Authority (NEDA), National Anti-Poverty Commission (NAPC), Department of Social Welfare and Development (DSWD), Philippine Information Agency (PIA), UNICEF-Philippines, Civil Service Commission, and Ateneo de Manila University. Among the activities organized were seminars and lectures, round table discussions, media guestings in radio-television talk shows, and magazine features.

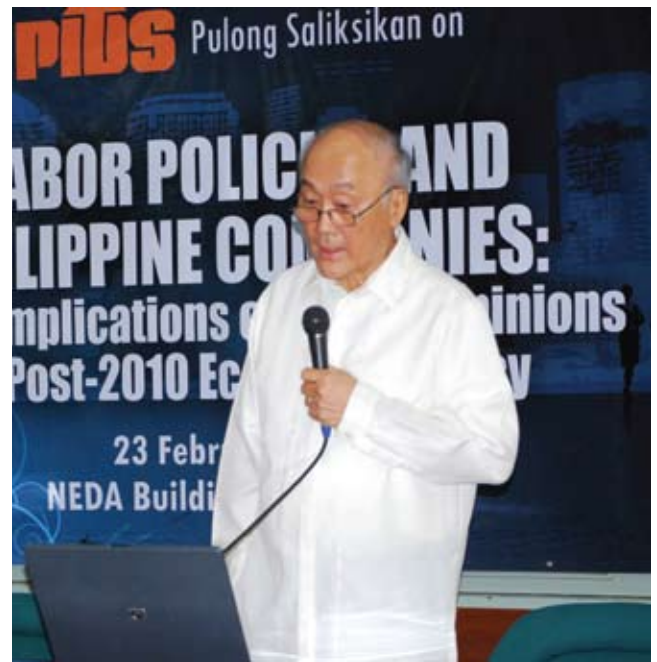
Annex D enumerates the different activities conducted by various entities in celebration of the 2010 DPRM.

analyzing the influence of overseas remittances on the expenditure patterns of families in the Philippines.

Meanwhile, recognizing the country's vulnerability to climate-related disasters, the other PJD issue released by the Institute highlighted seasonal climate forecasts and their impact on the country's development. The papers included in this special issue are selected outputs from a recently concluded PIDS project undertaken with the country's weather bureau, PAGASA (Philippine Atmospheric, Geophysical and Astronomical Services Administration); Visayas State University (VSU); Philippine Rice Research Institute (PhilRice); South Australian Research and Development Institute (SARDI); New South Wales Department of Primary Industries; and Charles Sturt University. The project was funded by the Australian Centre for International Agricultural Research (ACIAR) and implemented in the Philippines through the Philippine Council for Agriculture, Forestry and Natural Resources Research and Development (PCARRD).

■ Development Research News

For this year, the Institute produced five issues of the Development Research News (DRN) featuring a number of development issues and challenges. In keeping with tradition, PIDS President Dr. Josef Yap, this year joined by Senior Research Fellow Dr. Ruperto Majuca, authored the first issue on The Philippine Economy in 2009 and Prospects for 2010 which examines the outcomes of the 2008 financial crisis on the Philippine economy and evaluates the government's economic resiliency plan.



Two DRN issues featured the celebration of the Development Policy Research Month (DPRM) while another issue highlighted respected economist Dr. Gerardo Sicat's study on how some firms in the country view certain labor and employment policies of the Philippine government. In addition, an issue was released focusing on the Millennium Development Goals (MDGs) related to social services delivery such as education, health, and water in the context of decentralization. This was based on a joint study by the PIDS and UNICEF.

Titles Under the Policy Notes Series

PN 2010-01 How do Philippine Provinces Fare in Terms of Human Development?	PN 2010-10 (Policy Brief) Localizing Child Protection: Does the Local Council for the Protection of Children Matter?
PN 2010-02 Why Cement Prices Remain High Despite Zero Tariffs	PN 2010-11 Addressing Constraints to Agricultural Finance to Boost Food Production
PN 2010-03 Examining Recent Trends in Poverty, Inequality, and Vulnerability	PN 2010-12 Weather and Climate-related Disasters: the Cost of Inaction
PN 2010-04 (Policy Brief) Hilots Getting on Board Facility-based Deliveries	PN 2010-13 Investing in Local Roads for Better Mobility of People, Goods, and Services
PN 2010-05 (Policy Brief) Is PhilHealth's Sponsored Program Reaching the Poorest of the Poor?	PN 2010-14 Supporting Innovative Small and Medium Enterprises: New Ideas from Taiwan and Korea
PN 2010-06 (Policy Brief) Children Suffer from Multiple Dimensions of Poverty	PN 2010-15 How Are DOH Hospitals Being Funded?
PN 2010-07 (Policy Brief) A Glimpse at the School Dropout Problem	PN 2010-16 Understanding the Recent Rise in Poverty Incidence: A Look at the Growth and Income Distribution Developments
PN 2010-08 (Policy Brief) Proliferation of Street Children: a Threat to the MDGs	
PN 2010-09 (Policy Brief) Schooling Disparities: an Early Life Lever for Better (or Worse) Equity in the Future	

■ Policy Notes

For 2010, the Institute released 16 issues of the Policy Notes Series that discuss various development concerns affecting the country. Among others, these included topics on: health policy, particularly health administration, finance, and provision; innovations in the small and medium enterprises; agricultural finance and food security; and environment and climate change. Seven of the 16 issues were Policy Briefs that looked at specific issues on child poverty in the Philippines and drew out their implications for policy.

■ Economic Issue of the Day

To enlighten the public and other interested parties on the concepts behind certain economic issues, the Institute regularly publishes the Economic Issue of the Day (EID) series that defines and explains basic economic concepts as they relate to current and everyday matters. Two issues of the EID were released this year. The first issue, The Flying Geese Model of Regional Development, explains the so-called flying geese pattern of development which was originally developed in the early 1930s and recast in later years. In recent times, the concept has been revived to boost Asian economies after the 2008 financial crisis. The second issue, The Janus Face of Price Control, explores the question of whether or not price controls are the best answer to alleviating consumer pains in the face of rising prices of basic commodities and services.

■ Discussion Paper Series

By the end of the year, the Institute has come out with 36 titles under this series featuring the initial results of a number of the Institute's projects, which were circulated to elicit comments and suggestions that could further refine the studies.

■ Others

In the production stage of publication is the study by PIDS Senior Research Fellow Dr. Rosario Manasan titled Reforming Social Protection Policy: Responding to the Global Financial Crisis and Beyond which is targeted for release under the Research Paper Series (RPS) in March 2011. In addition, the Institute has continued to disseminate its studies and other activities through news releases. Write-ups on inclusive growth, international labor migration, subsidy vs. fare hike for MRT-3, and the conditional cash transfer program, among others, were posted in the PIDS website and have been picked up by various media outlets.

■ Distribution, Promotion, and Circulation

To help ensure that its outputs reach its various intended publics, the Institute maintained its usual distribution and circulation program as it sent publications to regular recipients and paying subscribers, and attended to walk-in customers. It also regularly posted digital copies of its publications on its website to provide clients immediate and convenient access, and to reach a broader audience. Moreover, online publications had significantly reduced production costs and notably supported the Institute's advocacy for environmental sustainability. The Institute also regularly updated its website and issued email alerts on new publications, as part of its promotional efforts.

The Institute further strengthened its partnerships and linkages with local and international institutions through its PIDS Corner and Library Development Programs (please refer to the corresponding sections below). To broaden research promotion, the Institute maintained its licensing agreements with the following: Internet Securities, Inc; EBSCO Publishing, Inc.; ISI Emerging Markets; ProQuest Information and Learning Company; and ZBW German National Library of Economics.



With the continuous increase in the number of publications and recipients, the Institute employed a hybrid Inventory and Mailing List System that effectively catalogs in a database all recipients of PIDS publications and, at the same time, monitors movement of stocks, stock withdrawals, issuance of acknowledgement receipts, and generation of reports. As of December 2010, the database contained 1700 entries.

■ Socio-Economic Research Portal for the Philippines (SERP-P)

An enhanced version of the Socioeconomic Research Portal for the Philippines (SERP-P) was launched this year. The new SERP-P has improved functionalities and features that are subdivided into four modules: (1) Database Redesign and Database Upgrade; (2) Development of the New SERP-P Public Website; (3) Development of the SERP-P Content Management System; and, (4) Development of SERP-P Community Website (Members Website for SERP-P, Web 2.0 Features).

In terms of membership and publications volume, the SERP-P has progressively improved through the years since its inception in 2002. Today, there are 44 member-institutions in the network. These include 36 members which have submitted contributions, 3 institutions which are not officially included in the Network but whose selected studies are included in the SERP-P database, and 5 members which have not yet submitted contributions to the database. There are currently 4,835 titles of publications included in the SERP-P database.

PUBLIC AFFAIRS PROGRAM

■ Events Management

A total of 23 events were arranged and sponsored by the Institute in 2010. These events are classified into the following categories: 10 network and project-related fora; 2 Pulong Saliksikan; 2 Roundtable Discussions; 1 Institutional Symposium; 1 Press Conference; 2 Book Launches; 1 PIDS Corner Inauguration; 3 Regional Consultation Meetings; and 1 House of Representatives Forum Series.

The various events provided opportunities and venues to discuss issues related to the country's as well as the region's (both at the East Asian regional and Philippine sub-national levels) development such as in health, finance, and trade, among others. To help in directly influencing policy, the Institute held joint fora and lectures with the Congressional Planning, Budget, and Research Department (CPBRD) of the House of Representatives on health matters and on the monitoring and evaluation of the country's agricultural policy indicators.

■ PIDS Corner

For this year, the Institute established and inaugurated the 15th PIDS Corner in the country—and the 4th in the Mindanao region—at the Butuan City Library. Launched in 2006, the PIDS Corner is a dissemination strategy that makes the Institute's



research outputs available to researchers and stakeholders in localities and communities outside of the Metro Manila area. With the Public Affairs division of the Institute taking the lead in the setting up of the Corners, said Corners, however, are being maintained by the Institute's Publications and Circulation Division, and the Library.

■ Media Exposure Monitor

There were 143 media exposures related to the Institute as monitored from January to December 2010. As in the previous years, the print media, notably national dailies such as the Business World, Business Mirror, Philippine Daily Inquirer, Philippine Star, and their online counterparts, remain as the Institute's most vigorous partners in research communication. Major broadcast stations, TV and radio, likewise carried news and feature stories on the Institute's activities and research outputs. Annex E shows the various exposures in different media outlets that the Institute had in 2010.

LIBRARY DEVELOPMENT PROGRAM

The PIDS Library continued supporting the Institute's various activities and serving the needs of both in-house and outside researchers. For 2010, the entries in the WEBLIS total 11,983 which include books and journal articles. The Library also has 8,010 books, 83 serial titles and 3,973 journal articles in possession. During the year, the Institute continued with its exchange of publications with 20 local and 28 foreign institutions, through its Library.

In keeping with the growing demands of the Institute's clientele for timely and relevant information and research materials, the Library has started the process of strengthening and streamlining its collection, facilities, resources and services. The Institute's thrust is for the library to truly serve as the repository and sourcing base for information, materials and documents that are crucial and needed in the conduct of various PIDS research.

Locations of PIDS Corners

LUZON

- Cagayan State University Library, Carig, Tuguegarao City Cagayan Valley
- University of the Philippines-Baguio, Baguio City
- University of Rizal System Antipolo Campus Library Antipolo City, Rizal
- De La Salle University-Dasmariñas, Dasmariñas, Cavite
- Dasmariñas Public Library, Dasmariñas, Cavite
- Bicol University Library, Legazpi City, Albay

VISAYAS

- Central Philippines University Library, Iloilo City, Iloilo
- Bacolod City Public Library, Bacolod City, Negros Occidental
- Eastern Visayas State University Library, Tacloban City, Leyte
- Bohol Provincial Library and Information Center Tagbilaran City, Bohol
- Silliman University Library, Dumaguete City, Negros Oriental

MINDANAO

- Butuan City Public Library, Butuan City, Agusan Del Norte
- NEDA-10 Knowledge Center, Cagayan de Oro City, Misamis Oriental
- Bukidnon State University Library, Malaybalay City, Bukidnon
- University of Southeastern Philippines Library, Davao City



Provident Fund

The PIDS Provident Fund was established on April 29, 1999. It was registered with the Securities and Exchange Commission (SEC) on January 25, 2000. The PIDS Provident Fund was organized to establish and maintain a fund, the sources of which are derived from contributions of the members and counterpart contributions of PIDS. All earnings from its investment operations are distributed to the members as benefits. The PIDS provided P2.000 million seed money to the Fund as authorized by the PIDS Board Resolution No. 97-05, s. 1997 dated July 24, 1997. The PIDS Provident Fund, Inc. was conceived to complement the GSIS and Pag-Ibig Fund benefits of PIDS employees. Its primary objective is to provide additional retirement benefits to PIDS employees.

As of December 31, 2010, the Fund has a total membership of 74 permanent PIDS member-employees and three (3) co-terminous PASCN employees.

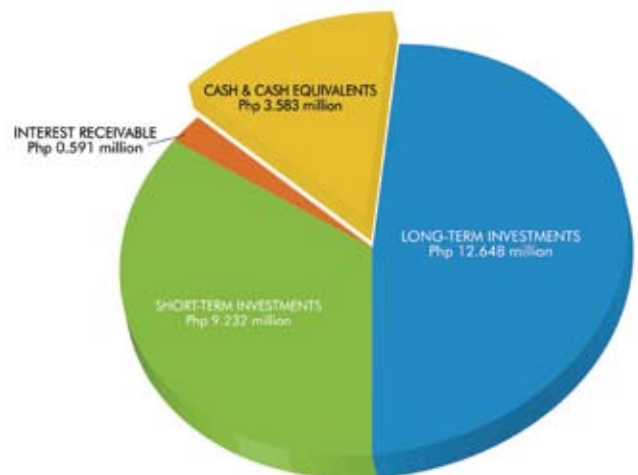
The 10th Annual Members' Meeting of the PIDS Provident Fund which was held on May 4, 2010 at the Romulo Hall of the NEDA sa Makati Building was highlighted by the following activities: 1) presentation of the annual report and audited financial statements by the Fund President; 2) proposed declaration of dividends; and 3) election of level representatives to the Board of Trustees.

The PIDS Provident Fund maintains an intranet website and online information system which allows each member to check on real time the accumulated balance of his/her contributions to the Fund including its earnings. The system also has the following accounting functional capabilities which were made operational in CY 2010: 1) processing of journal vouchers; 2) maintenance of general ledger balances, general journal, and subsidiary records; and 3) generation of various reports (general journal, general ledger, subsidiary ledger, trial balance; and financial statements).

During the same year, the Fund paid provident fund benefits in the total amount of P0.640 million to three (3) employees who transferred to other government agencies. The Fund also distributed dividends in the total amount of P0.267 million to qualified members of the Fund pursuant to Section 7, Amendment No. 4 of the By-Laws of the Fund.

In terms of financial performance, the Fund's assets increased by 14.15 percent from P22.825 million in 2009 to P26.054 million in 2010. Figure 1 shows how the Fund's assets were distributed among cash and cash equivalent, accrued interest receivable, short-term investments, and long-term investments.

FIGURE 1
Asset Distribution by Class of Asset
as of December 31 2010



In terms of revenue generation for CY 2010, the Fund earned revenues of P1.392 million and spent P0.122 million in operating expenses, resulting in a net income of P1.270 million in 2010 which is 5.31 percent higher than the P1.206 million on earnings in 2009. The increase in net income during the year can be attributed to the increase in investible funds.

As to the members' equity account, the members' equity increased in 2010 by 14.37 percent, from P19.487 million in 2009 to P22.288 million. The members' equity consists of members' contributions, that of PIDS, and the dividends.

ANNEX A

Board of Trustees



HON. CAYETANO W. PADERANGA
Chairperson

Secretary, Socioeconomic Planning
and Director-General, National Economic
and Development Authority



DR. MA. CYNTHIA ROSE BAUTISTA
Member

Professor
University of the Philippines



DR. WILLIAM G. PADOLINA
Member

Deputy Director-General
International Rice Research Institute



MR. ROMEO L. BERNARDO
Member

President
Lazaro Bernardo Tiu and Associates, Inc.



DR. JOSEF T. YAP
Member

President, PIDS

ANNEX B

Management Committee



JOSEF T. YAP
President

Ph.D. Economics, UP School of Economics
Postdoctoral, University of Pennsylvania
(econometric modeling, macroeconomic policy)



MARIO C. FERANIL
Acting Vice-President
Director, Project Services and Development
M.A. Economics (candidate)
University of the Philippines, Diliman



ANDREA S. AGCAOILI
Director, Operations and Finance
M.A. Business Administration
Philippine Christian University



JENNIFER P.T. LIGUTON
Director, Research Information
M.A. Mass Communication
University of the Philippines, Diliman



ROQUE A. SORIOSO
Legal Consultant
Bachelor of Laws
University of the Philippines, Diliman

ANNEX C

Research Fellows

**JOSE RAMON G. ALBERT**

Ph.D. Statistics
State University of New York
at Stony Brook
(statistical analysis especially on poverty
measurement and diagnostics, agricultural
statistics, survey design, data mining,
statistical analysis of missing data)

**GILBERTO M. LLANTO**

Ph.D. Economics
UP School of Economics
(money and banking, public finance, international
trade)

**RAFAELITA M. ALDABA**

Ph.D. Economics
UP School of Economics
(trade and industrial policy, competition
policy)

**RUPERTO P. MAJUCA**

Ph.D. Economics, University of Illinois at Urbana-
Champaign
(macroeconomics/monetary economics, applied time
series econometrics, international macroeconomics)

**MARIFE M. BALLESTEROS**

Ph.D. Social Sciences
University of Nijmegen
(economic anthropology, housing and
urban development issues)

**ROSARIO G. MANASAN**

Ph.D. Economics
UP School of Economics
Postdoctoral, Massachusetts Institute
of Technology
(public finance, decentralization, education)

**ROEHLANO M. BRIONES**

Ph.D. Economics
University of the Philippines
(agriculture, CGE modelling, rural
development)

**ERLINDA M. MEDALLA**

Ph.D. Economics
UP School of Economics
Postdoctoral, Yale University
(trade and industrial policy)

**DANILO C. ISRAEL**

Ph.D. Applied Economics
Clemson University
Postdoctoral, University of British Columbia
(resource and environmental economics,
fisheries economics)

**ANICETO C. ORBETA, JR.**

Ph.D. Economics
UP School of Economics
Postdoctoral, Harvard University
(demographic economics, social sector,
applied economic modeling, information
and communication technologies)

**ROUELLE F. LAVADO**

Ph.D. Public Policy
Hitotsubashi University
(public policy, health)

**CELIA M. REYES**

Ph.D. Economics
University of Pennsylvania
(econometric modeling, poverty analysis)

**JESUS C. DUMAGAN**

Visiting Senior Research Fellow
Ph.D. Applied Economics
Cornell University
(demand and supply systems modeling, welfare change measurement,
index number applications to price, quantity, and productivity changes
and aggregation issues in the national income accounts.)

ANNEX D

Summary of Activities for the 2010 Development Policy Research Month

<p>Date: 01 September Title: Press Conference on the launch of the 8th Development Policy Research Month Venue: C.P. Romulo Hall, NEDA Bldg., Makati City Sponsor/s: PIDS/DPRM Steering Committee</p>	<p>Date: 13-16 September Title: Institutionalization of Multi-stakeholder Professional Learning and Universal Skills For Trade Policy and Negotiations Venue: AIM Conference Center, Makati City Sponsor/s: International Trade Center, Bristish Embassy Manila, PCCI, Competitiveness and Trade, Inc.</p>	<p>Date: 26 September - 2 October Title: Training on Policy Development Venue: Puerto Prinsesa City, Palawan Sponsor/s: ATI-DA</p>
<p>Date: 6-8 September Title: 2nd Strategic Conversations Focusing On Migration and Development, Trade and Employment, Labor Relations, Decent Work and Labor Governance Venue: DOLE Sponsor/s: ILS-DOLE</p>	<p>Date: 13-17 September Title: Training Cum Workshop on Geo-Spatial Map Conformation Venue: NEDA RDC Building, Carig Sur, Tuguegarao City Sponsor/s: NEDA Region 2 Office</p>	<p>Date: 27 September Title: Country Partnership Strategy Consultation in Luzon Venue: Asian Development Bank, Mandaluyong City Sponsor/s: ADB</p>
<p>Date: 6-10 September Title: Training Course on Statistics for Policy Analysis Venue: SRTC, Diliman Quezon City Sponsor/s: SRTC</p>	<p>Date: 15 September Title: TWG on the Regional Development Research Agenda Venue: NEDA 7 Conference Room Sponsor/s: NEDA 7</p>	<p>Date: 27-29 September Title: Palay and Vegetable Production Training Venue: Municipal Hall of Pagsanghan, Samar Sponsor/s: LGU-Pagsanghan, Samar</p>
<p>Date: 9 September Title: Poster Exhibit of Action Researches and Other Researches with Policy Implications Venue: University of Baguio Compound, General Luna Rd., Baguio City Sponsor/s: University of Baguio</p>	<p>Date: 16 September Title: Pool of Speakers Training Venue: Bayanihan Conference Room, Unilab Compound, Mandaluyong City Sponsor/s: Fair Trade Alliance (FairTrade)</p>	<p>Date: 28 September Title: Forum on the PIDS Economic Policy Monitor Venue: C.P. Romulo Hall, NEDA Bldg., Makati City Sponsor/s: PIDS/DPRM Steering Committee</p>
<p>Date: 11-13 September Title: Three-day Intensive Training Workshop on the Application of GIS in Ecological/ Environmental Studies Venue: GIS Laboratory, Caraga State University, Ampayon, Butuan City Sponsor/s: NEDA Region XIII</p>	<p>Date: 16 September Title: Book Launch and Seminar on the Global Study on Child Poverty and Disparities: The Case of the Philippines Venue: C.P. Romulo Hall, NEDA Bldg., Makati City Sponsor/s: PIDS, UNICEF and NSCB</p>	<p>Date: 29 September Title: A lecture Forum by Dr. Arsenio Balisacan, Dean, UP School of Economics Sponsor/s: SEARCA</p>
<p>Date: 13 September Title: RRCG Meeting on poverty program commitments for government agencies Venue: NEDA VII, Cebu City Sponsor/s: NEDA VII</p>	<p>Date: 20 September Title: Seminar on Local Climate Change Adaptation for Poverty Reduction Venue: Conference Hall, City Hall Building, Tuguegarao City Sponsor/s: LGU Tuguegarao City</p>	<p>Date: September 2010 Title: Radio Guestings and Staff Training on Basic Research Venue: Bohol Province Sponsor/s: LGU-Province of Bohol</p>
<p>Date: 13 September Title: In-house Group Discussion on Soil and Water Research Policy: Identification of Gaps and Actions Required Venue: Lecture Room 2, Bureau of Soils and Water management, Elliptical Road, Diliman, Quezon City Sponsor/s: BSWM</p>	<p>Date: 24 September Title: Basic Orientation on Social Protection Concepts and Strategies Venue: Crowne Plaza Galleria, Quezon City Sponsor/s: DSWD</p>	<p>Date: September 2010 Title: Poverty Awareness Seminar Venue: MMDA Bldg., Makati City Sponsor/s: MMDA</p>
	<p>Date: 24 September Title: Presentation of NSO Annual Poverty Indicator for the Visayas Region, 1998-2008 to RDC-EDC Meeting Venue: Cebu City Sponsor/s: NEDA VII</p>	<p>Date: October 2010 Title: Annual Learning Forum Sponsor/s: LLDA</p>
		<p>Date: December 2010 Title: Awareness And Livelihood Programs On PTRI Technologies For PTRI Employees Venue: PTRI, DOST, Bicutan Taguig City Sponsor/s: PTRI-DOST</p>

ANNEX E

Media Exposures

1. Green shoots or brown weeds?
Business World, Jan 12, 2010
2. ADB warns of risks in econ recovery
Malaya, Jan. 15, 2010
3. Playing cheapskate
Philippine Daily Inquirer, Jan. 26
4. Making agrarian reform work
Philippine Daily Inquirer, Feb. 4
5. Rationalize DAR to boost effective
agrarian-reform program, says UP prof
Business Mirror, Feb. 9
6. Implications for Philippine Industries
Philippine Daily Inquirer, Feb. 27
7. Economic policies don't make local firms
competitive or attractive to more
FDI flows
BusinessMirror, Feb. 23
8. Better resource allocation, use of LGU
resources needed to attain MDGs-PIDS
Business Mirror, March 9
9. Calamities lead to more poor children
BusinessMirror, March 8
10. PIDS sees 4% GDP growth
Malaya, March 16
11. PIDS sees 4% GDP growth in 2010
BusinessMirror, March 16
12. PIDS sees 4% GDP growth in 2010
ABS-CBN News Online, March 16
13. World Bank says El Niño to
intensify hunger
Manila Times, March 17
14. RP 4th most corrupt on Asia-Pacific list
The Daily Tribune, March 10
15. Get Real – Is MDG 1 within our reach?
Philippine Daily Inquirer, March 14
16. Wielding the budget
BusinessWorld, March 15
17. Prophet of boom' forecasts growth of
as much as 6-7%
Business World, March 23
18. 'Prophet of boom' eyes growth of 6-7%
this year
GMANEWS.TV, March 23
19. UA&P gives most optimistic growth
forecast Business Insight
Malaya Online, March 24
20. World Bank, PIDS expect RP economy to
grow 4% this year
Asian Journal, March 18
21. Stats experts caution public on
election surveys
BusinessMirror, March 26
22. With polls, UA&P sees 4.2% growth
in 2010
BusinessMirror, March 26
23. Subsidies to state firms continue slide
GMAnews.tv, March 30
24. Government posts lower subsidies
in Jan-Feb
Malaya, March 30
25. Barangays' role in economic
development
BusinessWorld, March 26
26. Barangay role in devt cited by PIDS
BusinessMirror, April 5
27. Improve productivity to spur
farm growth
BusinessMirror, April 6
28. Getting Positive About Climate Change
Agribusiness Week Online, April 9
29. Full employment key to economic
stability, says expert
PIA News Reader Online, April 19
30. 52M unemployed Filipinos by 2030,
study estimates
BusinessMirror, April 21
31. Ending pinoy poverty
BusinessMirror, April 25
32. RP open to forging new bilateral deal
with Taiwan in light of ECFA, says Neda
BusinessMirror, May 1
33. PIDS study reveals trends and prospects
in Philippine international migration
PIA News Reader, May 5
34. OFWs younger, better educated than
local workers
Phil. Daily Inquirer, May 6
35. Migrant workers' profile changing: PIDS
Manila Bulletin, May 5
36. Filipino Expat Workers Younger, Better
Educated than Homeland's Workers
New America Media, May 5
37. Agenda folder for the next president
BusinessMirror, May 8
38. 'Deficit per se not a problem'
BusinessMirror, May 9
39. Pinoy seafarer deployment, remittance
flow unaffected by global trade decline,
says PIDS study
United Filipino Seafarers, May 5
40. Tired of being poor? Lower your
standards!
The Philippine Star, April 21
41. Higher infra spending, cash-transfer
expansion eyed
Malaya Business Insight, May 7
42. H2 growth slow
BusinessMirror, May 11
43. High Hopes with New Admin-UN
PCIJ, May 15
44. Filipino migration to continue, according
to PIDS study
The Philippine Star, May 17
45. Another VAT hike?
Phil. Daily Inquirer, May 23
46. Neda: 7% growth in 2010 sustainable
Business Mirror, May 28
47. PIDS hosts forum on "Improving Local
Services Delivery of MDGs in the
Philippines
PIA News Reader, June 14
48. Who revised their forecast, and why
BusinessMirror, June 15
49. LGUs reminded: Education fund is for
schools, not politics
ABS-CBN News, June 15
50. Dropouts 'our immense and
invisible failure'
Manila Times, June 6
51. Kadamay blasts extension of cash
transfer program
ABS-CBN News Online, July 19
52. Government to end rice subsidies in
schools, chain of stores
Philippine Star, July 13
53. Slow progress towards MDG noted
Business World, June 28
54. Branchless banking: convenience
and concerns
BusinessWorld, July 7
55. MCC conducts economic impact of
KALAH-I-CIDSS Project in Iloilo
The News Today, June 22
56. Philippines slipping into hunger
trap – SWS
ABS-CBN News Online, July 22
57. RP lags in investments says UNCTAD
Manila Times, July 23
58. FDI flows seen rising; 'green'
ventures urged
BusinessWorld, July 22
59. What hampers the Philippines' growth
BusinessWorld, June 19
60. PIDS counts economic cost
of corruption
Manila Times, July 27
61. Price controls: two sides of the coin
BusinessWorld, June 7
62. Government to end rice subsidies
in schools, 'Tindahan Natin'
BusinessWorld, July 13
63. Foreign investments continue
to leave RP
BusinessMirror, July 22
64. Government bids to sustain
7-8% growth
BusinessMirror, July 28
65. Think tank tells businesses to put their
money where their mouth is
Business Insights -Malaya, July 23
66. Pinoy Kasi: Educating boys
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Manila Times, August 18
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Manila Times, September 9
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NBN4, RPN 9, IBC 13, September 14
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Manila Standard Today, September 13
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Capacity.org, September 16
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BusinessWorld, September 16
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ABS-CBN News Online, September 16
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Philippine Star, September 17
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Manila Times, September 18
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Phil. Daily Inquirer, September 26
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Manila Bulletin, September 26
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104. Children's Month Arts Happenings
Manila Bulletin, October 3
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The Brunei Times, October 7
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SOS Children's Village (sos-usa.org), October 8
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Phil. Daily Inquirer, October 13, 2010
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Manila Standard Today, October 14
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PIA Daily News Reader, October 13
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Phil. Daily Inquirer, October 16
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Phil. Daily Inquirer, October 17
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Phil. Daily Inquirer, October 18
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Phil. Daily Inquirer, October 19
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Manila Times, October 23
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Philippine Daily Inquirer, October 31
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Cebu Daily News, Nov. 3
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Malaya (Business Insight), Nov. 4
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Manila Times, Nov. 17
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Philippine Daily Inquirer, Nov. 17
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The Negros Chronicle, Nov. 15
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BusinessMirror, Nov. 16
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BusinessMirror, Nov. 16
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Manila Times, Nov. 17
129. South Korea pledges to increase ODA to PH
Manila Bulletin, Nov. 21
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PIA Daily News Reader, Nov. 22
131. Korea to increase grant aid cooperation programs in RP
PIA Daily News Reader, Nov. 22
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BusinessWorld, Nov. 24
133. Gov't asked to end protectionism
Phil. Daily Inquirer, Nov. 26
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BusinessWorld, Nov. 25
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Manila Bulletin Nov. 28
136. The Main Event: Big minds probe the big issues confronting the Philippine automotive industry
Phil. Daily Inquirer, Nov. 29
137. More development cooperation with partner countries urged
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138. On the country's wanting competitiveness
Philippine Star, December 4
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IPS News, December 6
140. PIDS ranked as one of top Asian think tanks
Manila Bulletin, December 7
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Phil. Daily Inquirer, December 11
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Phil. Daily Inquirer, December 18
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Manila Times, December 31

ANNEX F

Audit Certificate



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City, Philippines

INDEPENDENT AUDITOR'S REPORT

THE BOARD OF TRUSTEES

Philippine Institute for Development Studies
 NEDA sa Makati Building
 Amorsolo Street, Makati City

We have audited the accompanying financial statements of the Philippine Institute for Development Studies, which comprise the balance sheet as of December 31, 2010 and the statement of income and expenses, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with state accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Philippine Institute for Development Studies as of December 31, 2010, and its financial performance and its cash flows for the year then ended in accordance with State accounting principles.

COMMISSION ON AUDIT

(SGD.) **SHIRLEY S. CADIANG**
 Supervising Auditor – Group G
 Cluster C – Corporate Government Sector

June 13, 2011

ANNEX G

Balance Sheet

PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES				
BALANCE SHEET				
As of December 31, 2010				
(With corresponding figures for 2009)				
(In Philippine Peso)				
	Notes	2010	2009	
ASSETS				
Current Assets				
Cash and cash equivalents	2.7 & 3	80,502,353	79,451,253	
Receivables	4	7,309,608	8,344,491	
Financial assets	5	105,833,582	85,747,665	
Inventories	2.2	431,789	429,000	
Prepayments and other current assets	6	755,720	1,574,700	
Total Current Assets		194,833,052	175,547,109	
Non-Current Assets				
Financial assets	2.3 & 7	247,981,807	258,987,664	
Property, plant and equipment - net	2.4 & 8	11,962,861	14,455,106	
Other assets - net of accumulated depreciation of P 28,924.		11	11	
Total Non-Current Assets		259,944,679	273,442,781	
TOTAL ASSETS		454,777,731	448,989,890	
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable	2.5	1,318,073	1,548,677	
Inter-agency payables	9	2,318,117	2,034,978	
Performance/Bidders bond		472,999	476,670	
Other payables	10	17,197,844	6,955,212	
Total Current Liabilities		21,307,033	11,015,537	
Other Liabilities				
Deferred credits		7,870	28,303	
TOTAL LIABILITIES		21,314,903	11,043,840	
Equity				
Government equity	11	312,912,784	313,159,267	
Retained earnings		120,550,044	124,786,783	
TOTAL EQUITY		433,462,828	437,946,050	
TOTAL LIABILITIES AND EQUITY		454,777,731	448,989,890	

(The Notes to Financial Statements on pages 32-36 form part of these financial statements)

ANNEX H

Statement of Income and Expenses

PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES			
STATEMENT OF INCOME AND EXPENSES			
For the Year Ended December 31, 2010			
(With corresponding figures for 2009)			
(In Philippine Peso)			
	Notes	2010	2009
INCOME			
Interest on investments		21,493,112	21,400,155
Subsidy from National Government	12	15,000,000	15,500,000
Sale of publications-net of cost of publications	13	58,257	58,055
Miscellaneous income	14	13,363,520	10,299,896
Total Income		49,914,889	47,258,106
EXPENSES			
Personal services			
Salaries and wages		24,207,438	21,071,240
Other compensation		8,123,223	8,878,003
Personnel benefits contribution		3,364,665	2,977,375
Other personnel benefits		1,925,764	2,014,869
Total Personal Services		37,621,090	34,941,487
Maintenance and Other Operating Expenses			
Taxes, insurance premiums and other fees	15	5,006,601	4,725,511
Depreciation expense		2,940,307	3,562,676
Professional services	16	2,434,223	2,867,906
Utility expenses		1,257,951	1,387,941
Training and scholarship expenses		947,873	605,928
Communications expenses	17	871,567	882,122
Repairs and maintenance		724,306	527,908
Supplies and materials expense		690,087	634,609
Printing and binding	18	621,632	539,221
Loss from Foreign Exchange (FOREX)		418,549	-
Travelling expenses	19	126,715	206,782
Representation expense		124,379	131,695
Extraordinary and miscellaneous expenses		108,350	100,166
Subscription		84,216	90,430
Bank charges		82,866	550,487
Membership dues and contributions to organizations		10,000	9,000
Advertising		9,576	-
Grants and donations		-	21,217
Other maintenance and operating expenses	20	71,340	61,437
Total Maintenance and Other Operating Expenses		16,530,538	16,905,036
Total Expenses		54,151,628	51,846,523
NET LOSS		4,236,739	4,588,417

(The Notes to Financial Statements on pages 32-36 form part of these financial statements)

ANNEX I

Cash Flow Statement

PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES				
CASH FLOW STATEMENT				
For the Year Ended December 31, 2010				
(With corresponding figures for 2009)				
(In Philippine Peso)				
		Notes	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES				
	Receipts of project fund		46,060,261	32,952,092
	Receipt of subsidy for operations	12	15,000,000	13,500,000
	Collection of interest - PIDS proper		10,348,012	17,045,687
	Collection of receivables		9,410,192	10,608,042
	Collection of income/revenues		6,448,498	3,394,598
	Receipt of refunds of cash advances and overpayments			
	of expenses		3,461,592	2,003,485
	Collection of interest - PIDS projects		46,647	69,894
	Receipts of guaranty deposits		-	32,950
	Payment for operating expenses		(32,372,832)	(28,740,914)
	Payment for project expenses		(27,913,993)	(21,611,825)
	Remittance of withholding taxes/authorized deductions			
	(including government share on contributions)		(18,576,999)	(16,565,547)
	Advances to employees/projects		(7,174,788)	(6,630,585)
	Granting of cash advances/petty cash fund		(1,930,520)	(682,827)
	Payment for payables incurred in operations		(535,301)	(522,670)
	Purchases of inventories	2	(438,384)	(490,802)
	Refund of performance/bidders/bail bonds payable		(13,636)	(118,854)
NET CASH PROVIDED BY OPERATING ACTIVITIES			1,818,749	4,242,724
CASH FLOWS FROM INVESTING ACTIVITIES				
	Proceeds from maturing treasury bonds		16,551,971	80,288,530
	Proceeds from maturing treasury bills and other securities		64,205,077	78,152,475
	Subsidy for endowment fund	11	-	50,000,000
	Proceeds from sale of property and equipment		-	128,050
	Reinvestment in securities/roll-over of matured investments		(81,141,045)	(369,108,773)
	Purchase of property, plant and equipment	2	(383,652)	(1,816,191)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES			(767,649)	(162,355,909)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			1,051,100	(158,113,185)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR			79,451,253	237,564,438
CASH AND CASH EQUIVALENTS, END OF YEAR			80,502,353	79,451,253

(The Notes to Financial Statements on pages 32-36 form part of these financial statements)

ANNEX J

Statement of Changes in Equity

PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES STATEMENT OF CHANGES IN EQUITY For the Year Ended December 31, 2010 (In Philippine Peso)			
	Notes	2010	2009
ENDOWMENT FUND			
Balance beginning		311,640,725	261,640,725
Subsidy received		-	50,000,000
Balance end		311,640,725	311,640,725
INVESTMENT CAPITAL-HELD IN TRUST			
	2.4/11		
Balance beginning		1,518,542	1,453,642
Acquisition of equipment for externally funded projects		(246,483)	64,900
Balance end		1,272,059	1,518,542
RETAINED EARNINGS			
Balance beginning		124,786,783	129,375,200
Net loss		4,236,739	4,588,417
Balance end		120,550,044	124,786,783
EQUITY		433,462,828	437,946,050

(The Notes to Financial Statements on pages 32-36 form part of these financial statements)

ANNEX K

Notes to Financial Statements

PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES
NOTES TO FINANCIAL STATEMENTS**1. GENERAL INFORMATION**

The Philippine Institute for Development Studies (PIDS) is a non-stock, non-profit government research institution created under PD 1201 in September 1977. The Institute's nature of operation/principal program/activities include, among others, the following:

- 1.1 Provide analyses of socio-economic problems and issues to support the formulation of plans and policies for sustained social and economic development in the Philippines;
- 1.2 Establish a continuing channel of communication between policy makers and planners, on one hand, and researchers, on the other hand;
- 1.3 Establish a repository for economic research information and other related activities.

The Institute's principal place of business is at NEDA sa Makati Building, 106 Amorsolo Street, Legaspi Village, Makati City.

2. SIGNIFICANT ACCOUNTING POLICIES

The Institute's financial statements have been prepared in accordance with the generally accepted accounting principles in the Philippines.

The financial statements for the year 2010 were approved and officially authorized for issue by the Board of Trustees on June 7, 2011.

2.1 Errors of prior periods that are material in amount were corrected in accordance with paragraphs 41-50 of Philippine Accounting Standard (PAS) No. 8, Accounting Policies, Changes in Accounting Estimates and Errors.

2.2 Inventories were valued at cost using moving average method. These included costs of unused supplies and materials, books, journals and working papers for various research projects for sale.

2.3 Investments in bonds were amortized at cost using the straight-line method. Interest income pertaining thereto and that of the investments in treasury bills were recognized on accrual basis.

2.4 Property, plant and equipment (PPE) were recorded at cost less accumulated depreciation. The straight - line method of depreciation was used based on the estimated useful life ranging from five to 10 years. A residual value computed at 10 percent (10%) of the cost of the asset was set and depreciation started on the second month after purchase. Property, plant and equipment (PPE) acquired by externally-funded projects were recorded as Held-in-trust. PPE that were not used in operations were reclassified to other assets.

2.5 Liabilities were recognized at the time these were incurred.

2.6 Income and expenses were recorded using the accrual method of accounting.

2.7 Transactions in foreign currencies were recorded in Philippine Peso based on the BSP rate of exchange at the date of transactions. At the end of the year, these were revalued using the rate of exchange at balance sheet date.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in bank and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risks of changes in value.

This account consists of the following:

	2010	2009
Cash in bank	20,861,157	12,798,698
Foreign currency time deposit	2,526,780	4,692,059
Treasury bills	15,200,127	42,793,803
Special deposit account	41,914,289	19,166,693
	80,502,353	79,451,253

The special deposit account (SDA) is an investment facility of the Bangko Sentral ng Pilipinas through the trust departments of government banks that offer interest rates higher than the yields on government securities of the same tenor.

4. RECEIVABLES

This account is broken down as follows:

	2009	2008
Advances to officers and employees	91,483	102,483
Due from officers/employees	3,120	-
Interest receivables	6,854,224	8,041,810
Other receivables - miscellaneous	360,781	65,554
Due from National Government Agencies (NGAs)	-	4,168
Due from Government-Owned and Controlled Corporations (GOCCs)	-	130,476
	7,309,608	8,344,491

5. CURRENT FINANCIAL ASSETS

This account represents short-term placements in Treasury bills held until maturity with the Bureau of the Treasury and with government securities eligible dealers, particularly Land Bank of the Philippines and Development Bank of the Philippines. Also included in this account is the current portion of the investment in treasury bonds.

Below is the breakdown of the account:

	2010	2009
Treasury bills - funds for operations	3,637,117	5,762,231
Treasury bills - investible funds	102,196,465	63,372,935
Treasury bonds - investible funds	-	16,612,499
	105,833,582	85,747,665

6. PREPAYMENTS AND OTHER CURRENT ASSETS

This account includes the 20 percent withholding taxes from treasury bill placements, prepayments for insurance premiums with the GSIS, fidelity bond premiums with the Bureau of the Treasury, various subscriptions for the library and printing cost of PIDS publication, and input tax on purchases of goods and services.

7. NON-CURRENT FINANCIAL ASSETS

This account consists of the following:

	2010	2009
Investment in stocks	35,000	35,000
Investment in bonds - investible funds	247,946,807	258,952,664
	247,981,807	258,987,664

Investment in bonds - investible funds comprise mainly of government treasury bonds with coupon rates between 5.03 percent to 8.56 percent. These will mature from calendar years 2012 to 2017.

8. PROPERTY, PLANT AND EQUIPMENT - NET

This account is broken down as follows:

	Communi- cation/ IT equipment	Office equipment/ Furniture and fixtures, Others	Leasehold improve- ment	Motor vehicles and accessories	PPE-Held in trust	Total
Cost						
Balance January 1, 2010	19,704,275	5,118,917	4,987,306	5,083,678	1,518,542	36,412,718
Additions	380,810	133,371	180,363	-	91,750	786,294
Transfer to PPE accounts	-	-	-	-	(338,233)	(338,233)
Balance December 31, 2010	20,085,085	5,252,288	5,167,669	5,083,678	1,272,059	36,860,779
Accumulated Depreciation						
Balance January 1, 2010	12,846,216	3,827,829	1,815,753	3,467,814	-	21,957,612
Depreciation	1,965,850	238,192	442,969	293,295	-	2,940,306
Balance December 31, 2010	14,812,066	4,066,021	2,258,722	3,761,109	-	24,897,918
Net Book Value December 31, 2010	5,273,019	1,186,267	2,908,947	1,322,569	1,272,059	11,962,861
Net Book Value December 31, 2009	6,858,059	1,291,088	3,171,553	1,615,864	1,518,542	14,455,106

9. INTER-AGENCY PAYABLES

This account is broken down as follows:

	2010	2009
Due to Bureau of Internal Revenue (BIR)	1,113,768	778,432
Due to GSIS/HDMF/Philhealth	1,313	-
Due to NGAs Philippine Council for Agriculture, Forestry and Natural Resources Research and Development (PCARRD) " Policy Research on the State and Future Supply and Demand for AFNR Graduates in the Philippines"	753,409	785,481
Due to GOCCs Philippine Apec Study Center Network (PASCN)	449,627	471,065
	2,318,117	2,034,978

The account Due to BIR consists of the income tax on accrued interest income subject to final tax and taxes withheld from employees' compensation, contractors and suppliers. The same are regularly remitted by the Institute to the Bureau of Internal Revenue on due dates.

10. OTHER PAYABLES

This account is broken down as follows:

	2010	2009
PIDS/Rockefeller Project "Health Market Innovation in the Phils."	5,543,973	-
PIDS/International Development Research Center (IDRC) "Managing International"	5,093,225	3,530,208
PIDS/GDN-EADN Project	3,703,433	-
Special fund - National Economic and Development Authority (NEDA) Building maintenance	1,117,495	1,042,046
PIDS/UNDP/NEDA-Social Development Staff (SDS) "Assessing Development Strategies to"	578,526	892,129
PRUDENTIALIFE HEALTHCARE INC. (HMO resigned employees)	393,445	306,288
PIDS/University of Tokyo Project "Persons with Disabilities (PWDs) in Rural Areas	230,668	-
ERIA "SME's access to Finance..."	159,799	-
PIDS/IDRC Philippine Component	134,975	-
Philippine Academic Consortium for Latin American Studies (PACLAS) 1st International Conference	107,105	76,565
PIDS/ERIA "Network Management: How to Enhance Innovation..."	72,186	-
Food and Agriculture Organization (FAO) "Agripolicy Indicators"	29,211	33,021
Ernesto Obledo	18,976	18,976
ACIAR "Economic Impacts...Vegetable in the Philippines..."	8,788	55,112
Bids and Awards Committee	5,442	442
PIDS Cooperative	597	-
Human Development Network (HDN) "Policy Notes and Other Means of Disseminating....."	-	189,612
PIDS/ERIA "Survey for the Integrating SMEs into the More Integrated..."	-	190,246
PIDS/ERIA "Understanding Productivity Impact of Trade and Investment Liberalization..."	-	173,750
PIDS/Japan External Trade Organization (JETRO) "Survey on Production and Science & Technology..."	-	380,535
PIDS/Southeast Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA) Project	-	66,471
PIDS Provident Fund		(189)
	17,197,844	6,955,212

The Special fund - NEDA Building Maintenance account represents funds for the upkeep and maintenance of NEDA sa Makati Building. In September 2007, PIDS started leasing operations of some available office spaces at NEDA sa Makati Building. Rental and other charges collected from the lessees are recorded under this account. Likewise, expenses for the maintenance and management of the building is charged to the said account.

11. EQUITY

The details of the account are presented below:

	2010	2009
Government equity		
Endowment fund	311,640,725	311,640,725
Investment capital-held in trust	1,272,059	1,518,542
	312,912,784	313,159,267
Retained earnings		
Balance beginning	124,786,783	129,375,200
Income (Loss) for the period	(4,236,739)	(4,588,417)
	120,550,044	124,786,783
	433,462,828	437,946,050

The Endowment fund consists of funds released by the Bureau of the Treasury through the Department of Budget and Management in the amount of P311,052,700 and P588,025 from Policy, Training and Technical Assistance Facility (PTTAF) which was contributed to the equity of the Institute. The Endowment Fund which was established under the same law that created the agency, was purposely meant for investment, earnings of which shall be used in the Research Operation of the Institute.

The Investment capital-held in trust is credited for the acquisition cost of Property, plant and equipment (PPE) items for use in the implementation of externally-funded projects and debited to the PPE-held in trust account. Upon completion of the project, the Investment capital-held in trust account is debited with a credit to the Income from grants and donations account (Note 8).

12. SUBSIDY FROM NATIONAL GOVERNMENT

This represents the subsidy received from the National Government for operating expenses in support for the research operations of the Institute.

13. SALE OF PUBLICATIONS

This represents the proceeds from sales of various articles published by the Institute amounting to P69,873 net of cost of sales of P11,616.

14. MISCELLANEOUS INCOME

The main sources of this income are the externally-funded research projects, most of which were completed and closed during the year. As part of the Institute's cost recovery program, the projects were charged for management fee and for the actual time rendered by Research Fellows, Supervising Research Specialists and Research Assistants while working on the project. In addition, overhead project expenses of five to twenty percent of the total project cost were charged by the Institute as agreed upon with the funding entities.

15. TAXES, INSURANCE PREMIUMS AND OTHER FEES

Below is the breakdown of the account:

	2010	2009
Taxes, duties and licenses	4,514,825	4,258,804
Insurance expense	415,216	390,705
Fidelity bond premium	76,560	76,002
	5,006,601	4,725,511

Taxes, duties and licenses represent the 20 percent final tax on interest earned from investments, and other bank accounts maintained by the Institute.

16. PROFESSIONAL SERVICES

This account consists of the following:

	2010	2009
Auditing services	580,086	1,205,020
Consultancy services	842,201	705,817
Janitorial services	389,532	327,824
Security services	294,604	292,545
Legal services	288,000	288,000
Other professional services	39,800	48,700
	2,434,223	2,867,906

17. COMMUNICATION EXPENSES

This represents the cost for the monthly payment for the Philippine Long Distance Telephone (PLDT) telephone lines including charges for official long distance calls, mobile phones, service fee for the Institute's internet service provider and cost of postage/deliveries.

18. PRINTING AND BINDING

This account includes the cost of complimentary copies of publications issued to policy makers and planners, and cost of reproduction of various materials for research and operations.

19. TRAVELLING EXPENSES

The amount represents mainly the cost of travel incurred in the Regional Fora/Consultation Meetings conducted by the Research Information Staff in connection with the dissemination program of the Institute and minimal cost for travel abroad of Research Fellows to attend conference and other ministerial meetings.

20. OTHER MAINTENANCE AND OPERATING EXPENSES

This account includes the cost of repairs of property not classified as part of the Institute's fixed assets as well as other costs not falling under any of the expense classifications stated above.

ANNEX L

Directory of Key Officials

MANAGEMENT COMMITTEE

JOSEF T. YAP

President
Tel. No.: 893-9585 to 92 local 4031
Email: jyap@pids.gov.ph

MARIO C. FERANIL

Acting Vice-President and Director
Project Services and Development
Tel. No.: 893-9585 to 92 local 4041
Email: mferanil@pids.gov.ph

JENNIFER P.T. LIGUTON

Director, Research Information
Tel. No.: 893-9585 to 92 local 5041
Email: jliguton@pids.gov.ph

ANDREA S. AGCAOILI

Director, Operations and Finance
Tel. No.: 893-9585 to 92 local 4041
Email: aagcaoili@pids.gov.ph

ROQUE A. SORIOSO

Legal Consultant
Tel. No.: 893-9585 to 92 local 407
Email: rsoriosos@pids.gov.ph

RESEARCH FELLOWS

JOSE RAMON G. ALBERT

Research Fellow
Tel. No.: 893-9585 to 92 local 3081
Email: jalbert@pids.gov.ph

RAFAELITA M. ALDABA

Research Fellow
Tel. No.: 893-9585 to 92 local 3082
Email: raldaba@pids.gov.ph

MARIFE M. BALLESTEROS

Research Fellow
Tel. No.: 893-9585 to 92 local 3011
Email: mballesteros@pids.gov.ph

ROEHLANO M. BRIONES

Research Fellow
Tel. No.: 893-9585 to 92 local 307
Email: rbriones@pids.gov.ph

DANILO C. ISRAEL

Research Fellow
Tel. No.: 893-9585 to 92 local 3121
Email: disrael@pids.gov.ph

ROUSELLE F. LAVADO

Research Fellow
Tel. No.: 893-9585 to 92 local 3112
Email: rlavado@pids.gov.ph

GILBERTO M. LLANTO

Research Fellow
Tel. No.: 893-9585 to 92 local 3012
Email: gllanto@pids.gov.ph

RUPERTO P. MAJUJA

Research Fellow
Tel. No.: 893-9585 to 92 local 3012
Email: rmajuca@pids.gov.ph

ROSARIO G. MANASAN

Research Fellow
Tel. No.: 893-9585 to 92 local 3101
Email: rmanasan@pids.gov.ph

ERLINDA M. MEDALLA

Research Fellow
Tel. No.: 893-9585 to 92 local 3041
Email: emedalla@pids.gov.ph

ANICETO C. ORBETA, JR.

Research Fellow
Tel. No.: 893-9585 to 92 local 3122
Email: aorbeta@pids.gov.ph

CELIA M. REYES

Research Fellow
Tel. No.: 893-9585 to 92 local 3091
Email: creyes@pids.gov.ph

JESUS C. DUMAGAN

Visiting Research Fellow
Tel. No.: 893-9585 to 92 local 3072
Email: jdumagan@pids.gov.ph

SUPPORT OFFICES

JANE C. ALCANTARA

Information Officer IV, Publications and Circulation
Tel. No.: 893-9585 to 92 local 507
Email: jalcantara@pids.gov.ph

EDWIN S. MARTIN

Division Chief, Public Affairs
Tel. No.: 893-9585 to 92 local 5031
Email: emartin@pids.gov.ph

VALENTINA T. TABAYOYONG

Librarian IV
Tel. No.: 893-9585 to 92 local 505
Email: vtabayoyong@pids.gov.ph

HERMINIO F. ISIP

OIC, Administrative Division
Tel. No.: 893-9585 to 92 local 401
Email: hisip@pids.gov.ph

MINERVA C. LACHICA

Division Chief II, Finance
Tel. No.: 893-9585 to 92 local 409
Email: mlachica@pids.gov.ph

MARISA S. ABOGADO

Division Chief II, Accounting
Tel. No.: 893-9585 to 92 local 412
Email: mabogado@pids.gov.ph

RENEE ANN JOLINA C. AJAYI

Supervising Research Specialist
Tel. No.: 893-9585 to 92 local 406
Email: rajayi@pids.gov.ph

ANICETO C. ORBETA, JR.

OIC, Management Information Staff
Tel. No.: 893-9585 to 92 local 405
Email: aorbeta@pids.gov.ph

ANNUAL REPORT 2010 EDITORIAL STAFF

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COVER AND LAYOUT DESIGN/PHOTOGRAPHY

Maria Gizelle G. Manuel

PHOTO CREDITS

Page 12, Ronina Asis, PIDS
Page 13, Jose Ignacio Tenorio, PIDS



ADDRESS : NEDA sa Makati Building, 106 Amorsolo Street
Legaspi Village, 1229 Makati City, Philippines
Website : www.pids.gov.ph
Tel. Nos. : +63 2 8924059; 8935705