



# Strengthening decentralization for regional development



# 2017

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## ANNUAL REPORT



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## PIDS 2017 Annual Report

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## About the Institute



The Philippine Institute for Development Studies (PIDS) was created on September 26, 1977 by virtue of Presidential Decree No. 1201. It is organized as a nonstock, nonprofit government corporation.

PIDS serves as the Philippine government's primary socioeconomic policy think tank. It is ranked as one of the best think tanks in the world in the *Global Go To Think Tank Index Report* annually published by the Think Tanks and Civil Societies Program of the University of Pennsylvania.

Since its establishment, PIDS has been engaged in the conduct of policy-oriented studies to assist policymakers in crafting development policies, plans, and programs that are based on sound research evidence.

To carry out its mandate, the Institute maintains three basic programs: Research, Dissemination and Research Utilization, and Outreach.

### Research Program

The Research Program is concerned with the identification of studies based on the research agenda, development of research topics and projects, and conduct of the studies. The PIDS research agenda is reviewed and updated

every five years to reflect new and emerging development issues.

### Dissemination and Research Utilization Program

PIDS ensures that its research outputs are well disseminated to its stakeholders to promote their utilization in planning and policymaking. It fulfills this function by producing different types of publications; organizing appropriate fora to provide the proper venue for its researchers to present, discuss, and disseminate their research findings to various agencies and institutions, especially to policymakers; and using social media and online tools, including knowledge databases.

### Outreach Program

PIDS senior researchers provide direct advice to decisionmakers in the crafting or evaluation of policies or in the review and refinement of proposed legislations in Congress. Whether it is to assist in formulating the country's strategic position on APEC-related issues, in drafting a nationwide tax and tariff reform program, or in putting together a set of policy issues in food and agriculture in the Asia-Pacific region, they provide the necessary analysis by serving as resource speakers or technical advisers.

2015–2019

# Research Agenda



**The PIDS research agenda centers on resilience capacity building. By resilience, the Institute recognizes the following characteristics: (1) capacity to reduce the vulnerability of society or communities to expected adverse shocks and mitigate the adverse effects if and when these occur; (2) capacity to rebuild after shocks and build back better; and (3) capacity to take advantage of expected positive shocks, such as trade agreements.**

To pursue this research agenda, the Institute upholds the importance of studying development issues using a multidisciplinary lens. Engaging different professions—social workers, psychologists, sociologists, educators, economists, and many others—is necessary to better understand what makes up resilient systems as well as the interaction of their various components in order to come up with more effective and precise policy recommendations.

This involves taking a systems perspective in coping with adversity or in taking advantage of growth opportunities for the country. Understanding one side of the system is useful, but it is more useful if such knowledge is combined with others that are looking at the

other components of the system. The systems perspective makes research become more useful to policymakers.

This agenda likewise underscores that a good understanding of a system, its components, and how it works requires determining the trade-offs that policymakers need to consider in deciding among several policy options. Looking for the unintended consequences of proposed policies and programs is helpful in strengthening a policy recommendation and ensuring that it is consistent with the development objective it is supposed to attain.

You may download the full version of the PIDS research agenda at <http://bit.ly/pidsagenda>.

# President's Message

**“2017 is a year of celebration for the Philippine Institute for Development Studies (PIDS) not only because of its notable successes but also, more importantly, because it marks the state think tank's 40th anniversary.”**



Founding father, Dr. Gerardo P. Sicat, established the PIDS four decades ago, guided by the firm belief that better governance results from policies drawn from evidence-based research, rigorous thinking, rational debate, and civil discourse.

Looking back, I am proud to note how the Institute has grown into a reputable think tank that it is today. Policymakers and international organizations alike continue to benefit from our research outputs. We bring unparalleled breadth and depth of analysis to the most pressing challenges in the areas of economics and governance—whether these are current issues, emerging ones, or long-term concerns that demand deeper probing and radical solutions.

This year, the PIDS was able to complete 57 research studies and produce 60 discussion papers, 30 policy notes, 2 issues under the *Research Paper Series*, 4 *Development Research News*, and 5 *Economic Issue of the Day*. At the same

time, we were able to release 4 books such as the *Unintended Consequences: The Folly of Uncritical Thinking*; *Building Inclusive Economies, Building a Better World: A Look at the APEC 2015 Priority Areas, Vol. 2*; *Birth of a Think Tank (The Founding of PIDS)*; and the *Proceedings of the 2016 Annual Public Policy Conference on “Risks, Shocks, Building Resilience”*. We also released a volume of the *Philippine Journal of Development*.

As we strive to sustain our commitment of providing high-quality research, we explored new ways to disseminate our outputs by utilizing both traditional and new media. Our numerous publications are all in digital format and freely available online. However, recognizing the merits of old-style printing and the fact that internet connectivity remains a problem in many parts of the country, we continued to publish printed copies in limited quantities. This year, we also enhanced the use of our social media platforms, such as Twitter and Facebook, to capture and stay connected to a wide range of audience.



Another strategy through which we promote our research studies and deepen our public engagement is by holding forums, symposiums, and seminars. During the year, we have organized 28 events which include our ongoing knowledge-sharing activities with the Senate Economic Planning Office and the Congressional Planning and Budget Research Department. Also, the country's chairmanship of the 30th and 31st Association of Southeast Asian Nations (ASEAN) Summits and the 50th founding anniversary of ASEAN have given us the opportunity to express our support to the regional bloc through numerous studies on development issues in the region that we have conducted in the past. PIDS was able to coorganize symposiums with the Economic Research Institute for ASEAN and East Asia (ERIA), Australian National University (ANU), and the Japan Economic Foundation (JEF). The two symposiums with ERIA were aimed at enhancing the understanding and appreciation of the Filipino people about two of ASEAN's three pillars, namely, the ASEAN Socio-Cultural Community and the ASEAN Economic Community, and how to strengthen and move these toward 2025. The conference with ANU, on the other hand, focused on existing regulatory barriers and burdens affecting the growth of major industries in the Philippines and how to address these issues while the Asia-Pacific Forum with the JEF tackled challenges that ASEAN member-states face in this fast-paced digital era. These events were well attended by experts from various ASEAN countries, government officials, researchers and educators, and representatives from civil society organizations and other sectors in the country.

While we actively contribute to tackle and respond to emerging issues in the international realm, we have done the same to assess and help resolve local concerns. In the height of public debate and opposing views about the proposed shift to a federal form of government in the country, the Institute provided research-based policy recommendations and insights to legislators. Considering that it is a major political issue that needs the attention of people and policymakers, we made it the central theme of our 15th Development Policy Research Month (DPRM), which carried the slogan "Strengthening Decentralization for Regional Development (*Pagpapatibay ng Desentralisasyon Tungo sa Kaunlarang Panrehiyon*)". This is to emphasize the importance of policy research in the formulation of appropriate policy interventions to advance the development of our regions. We also brought down our findings and policy recommendations to the grassroots by conducting regional press conferences in Zamboanga, Cebu, and Baguio. Moreover, our Third Annual Public Policy Conference (APPC), which served as the highlight and culminating activity of our DPRM also bore the theme "Critical Perspectives on Federalism for Regional Development". The APPC is our way of bringing crucial issues that require immediate action

to the attention of policymakers. As we strive hard to make sure that our policy recommendations influence the thinking and actions of legislators and implementers, we continue to maintain our independence from outside pressures. I delight in the fact that policymakers take our opinions seriously and value our analyses. Our insights are continuously sought by technical committees in the Senate and House of Representatives as well as by senators and House members for the review and refinement of proposed bills.

All these efforts have paid off as the PIDS maintained its standing in the *Global Go To Think Tank Index Report* as one of the best think tanks in the world. This year, we advanced from 38th to 37th in the list of top 100 think tanks in Southeast Asia and the Pacific. The Institute has been making strides in various categories since 2012. For 2017, it was recognized in the areas of education policy (33rd), social policy (38th), and international development (72nd). Moreover, it landed 70th in the list of best government-affiliated think tanks and 77th among think tanks with the best external relations/public engagement program. The East Asian Development Network (EADN) Secretariat, which is being managed by the Institute, ranked 78th in the list of best think tank networks. The EADN is a network of institutes and centers in developing countries of East Asia. It sponsors research and capacity-building activities. Over 6,500 think tanks worldwide were assessed in this round.

But we will not rest on our laurels. We will stay focused and faithful to the mission, vision, and values of the Institute—that is, to adhere to the highest intellectual standards in what we do while perpetually striving to remain objective and accountable, and make our work responsive to the major policy issues of the day and those of the future.

As I retire from public service, I must say that my best and most fulfilling years are those spent at PIDS. I would like to take this opportunity to thank everyone—fellows and PIDS staff—including our partners from all sectors for their unceasing support to the organization, as well as those who have been with me in this journey. It has been my pleasure working with you all!

It is my hope and fervent prayer that my successor and all the hardworking men and women of the Institute will remain committed to their mission of helping government craft better policies for the benefit of every Filipino.

Thank you.

**GILBERTO M. LLANTO**

# Research Activities

With resilience capacity building as the theme of its Research Agenda for 2015–2019, PIDS continued the conduct of policy-oriented studies in 2017 that focused on reducing the vulnerability of society to adverse shocks and stresses.

In 2017, the Institute completed a total of **57 research projects/studies** in the areas of agriculture (7), competition/trade and industry/regional integration (6), disaster risk reduction and management (3), finance/credit (1), fiscal policy and budget management (2), gender and development (1), governance/regulations/institutions (6), health (2), infrastructure/transportation/communication (3), labor/livelihood/employment (1), poverty and social protection (16), services policy/innovation/research and development (4), and policy tools/statistics/others (5).



## COMPLETED STUDIES

### AGRICULTURE

#### **Outlook for the Philippine Economy and Agroindustry to 2030: The Role of Productivity Growth**

This study provides growth projections for the Philippines' agriculture sector based on growth in productivity differentiated by basic sectors using a computable general equilibrium model. Scenario analysis finds that the current policy thrust of subsidizing capital cost slightly accelerates the growth of agriculture, but slows down overall growth by reducing capital formation. Meanwhile, maintaining the productivity growth of the industry and services sectors, despite the weak growth of agriculture, is sufficient to reach government targets. The productivity growth of agriculture impacts strongly on agriculture itself, but not on the industry and services sectors. Conversely, the productivity growth of the latter strongly impacts on themselves and on the gross domestic product (GDP), but not on agriculture. The study suggests that policies should emphasize the acceleration of productivity growth across all sectors, especially in agriculture in the long run. Currently, forward and backward linkages of agriculture matter little to economic growth but they increase growth interactions across the basic sectors.

#### **Characterization of Agricultural Workers in the Philippines**

Inclusive growth requires boosting the incomes of agricultural workers either by shifting them to better-paying jobs outside of agriculture or by raising agricultural wages. A comprehensive socioeconomic profile of agricultural workers will facilitate the identification and prioritization of their problems, constraints, and opportunities. This study undertakes a review of secondary data to develop a profile of agricultural workers. It finds that the agriculture sector has been in a long-term decline in terms of output share and employment share, which may be caused by pull factors, such as the rising demand for workers in other sectors. From 2011 onwards, the output per worker in industry and services began to outpace that of agriculture. Over the same period, the daily pay of workers began to increase in real terms. The study recommends

the conduct of further research to elucidate the reasons behind these trends such as what really drives the increase in agricultural wages or the decline in the number of agricultural workers. However, available secondary sources have significant knowledge gaps, such as timing of data collection vis-à-vis the seasonality of agricultural work and the lack of breakdown of activities for which wages are paid, that constrain the development of a comprehensive socioeconomic profile of agricultural workers. To address these gaps, the study proposes a socioeconomic survey of agricultural households to be conducted in 2018. The more detailed data from the survey will facilitate the identification of their problems and the design of appropriate programs for rural households and their employment.

#### **The Comprehensive Agrarian Reform Program After 30 Years: Accomplishments and Forward Options**

This study evaluates the performance of the Comprehensive Agrarian Reform Program (CARP) in the last 30 years. A results chain framework was constructed and the program processes were examined based on past studies that dealt with the implementation and impact of CARP. The study notes that the accomplishments of CARP in terms of area covered and number of beneficiaries have been substantial, but both have been poorly targeted. The study also finds that the Department of Agrarian Reform (DAR) has experienced difficulties in constructing the land inventory and master list of beneficiaries due to the absence of parcel-based information on land use and ownership and the poor recording system in the country. There is also no inventory of farmers or tenants, hence, targeting has been largely influenced by landowners and local officials, including DAR officials at the local level.

#### **Assessment of Agribusiness Venture Arrangements and Sugarcane Block Farming for the Modernization of Agriculture**

In the Philippines, land consolidation to improve farm productivity and income is being pursued through agribusiness venture arrangements (AVAs) and sugarcane block farming (SBF). The study assesses the performance of AVAs and SBF in increasing farm productivity and income in the agrarian sector. It focuses on banana, pineapple, and



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**Many of the farmers and traders interviewed clamor for a more localized climate forecast... The timing, accuracy, and local applicability of climate information matter to farmers and other decisionmakers especially in their day-to-day activities.**

sugarcane given their significant contributions to the Philippines' export earnings as well as to the gross value added of agriculture. The study notes several issues in production and capital investments, marketing and pricing, institutional support, and contract terms affecting the implementation of AVAs and SBF. It recommends that AVAs and SBF arrangements be encouraged, but government has to provide a policy environment for Philippine export crops to be competitive. Agrarian reform beneficiaries and their associations should also be supported through capacity-building activities and access to legal advice.

#### **AMPLE CGE Model: User Guide**

This user guide aims to help prospective users learn how to navigate and run the Agricultural Model for Policy Evaluation—computable general equilibrium model. It teaches them to run the finished model and display results in a software called Generalized Algebraic Modeling System. It also discusses how to construct and update the Philippine social accounting matrix.

#### **Climate-Sensitive Decisions and Use of Climate Information: Insights from Selected La Trinidad and Atok, Benguet Agricultural Producers**

This paper aims to better understand the use and value of climate information and climate-

sensitive decisions among smallholder farmers in Atok and La Trinidad, Benguet. It describes the measures implemented by cut flower and vegetable producers to mitigate the effects of La Niña and El Niño. Agriculture producers practice crop rotation for three cropping seasons in a year. Vegetable growers, in particular, change cropping sequences and plant certain varieties depending on expected seasonal climate. This reflects varietal reference depending on the season. The general commodity supply and demand situation in the province's vegetable trading post is affected by the occurrence of disasters in the area. Many of the farmers and traders interviewed clamor for a more localized climate forecast. More efforts to provide and enhance the delivery of relevant climate information will benefit a wide array of agricultural stakeholders. The roles of the Philippine Atmospheric, Geophysical and Atmospheric Services Administration, local governments, and the academe, among others, are relevant in identifying existing information networks, and in generating, sharing, and enhancing climate information at different stages of information dissemination. The timing, accuracy, and local applicability of climate information matter to farmers and other decisionmakers especially in their day-to-day activities.

### **Review of High-Value Agriculture in the Philippines with Comprehensive Subsectoral Focus: Livestock Industries**

The focus of development interventions in recent years has been on crops, particularly major grain staples. Shifting the attention to more competitive and higher-value commodities like livestock would enhance the livelihood of smallholder farmers, as well as micro, small, and medium enterprises (MSMEs) within the sector. The paper discusses the livestock subsector's performance over the years and looks into ways of improving outputs and competitive advantages both within domestic commodity systems and beyond. The contribution of the livestock and poultry industries to the country's output is bigger than other agricultural commodities, although the sector is mainly driven by the private sector with no or little support from the government. The lack of strong link between the government and the private sector makes it difficult to comprehensively assess the livestock industry. The growth of the sector is also threatened by the land use policy that encroaches on production areas and disallows the production of poultry and swine. The study provides some recommendations on how to improve the sector's performance, such as: (1) to increase its budget, which is small compared to the budget of other agricultural sectors; (2) to highlight biosecurity in the sector's policy given that one of the country's competitive edge over its counterparts in the Association of Southeast Asian Nations (ASEAN) is its avian flu and foot and mouth disease-free status; (3) to pursue food security as the country's agricultural policy; and (4) to start introducing standardization of livestock products in relation to safety then gradually increase quality standards.

#### **COMPETITION/TRADE AND INDUSTRY/ REGIONAL INTEGRATION**

##### **Review of Intra-ASEAN Nontariff Measures on Trade in Goods**

This paper reviews existing studies on nontariff measures (NTMs) to better understand its implications to international trade and local business, and to propose some ways forward. It presents the result of a perception survey among exporters on the



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**Shifting the attention to more competitive and higher-value commodities like livestock would enhance the livelihood of smallholder farmers.**

types of NTMs encountered within and outside the ASEAN, and the perceived operating cost impacts of NTMs. The survey identifies three main nontariff barriers (NTBs) affecting business operations within or outside ASEAN: (1) custom formalities, (2) rules of origin, and (3) technical barriers to trade (TBTs). Some of the policy recommendations of the paper include creating a comprehensive and updated database of NTMs, pursuing intensive reforms to streamline NTM procedures, improving testing laboratories and facilities as well as the accreditation and certification processes, and conducting capacity building on how to comply with the applicable sanitary and phytosanitary measures, and TBTs.

##### **Understanding the New Philippine Competition Act**

After numerous attempts for more than a decade, the Philippine government finally



enacted a comprehensive competition law—the Philippine Competition Act (Republic Act [RA] 10667)—in July 2015. This paper examines the law. It highlights some of its notable provisions, namely, (1) it has a good declaration of policy, which is important, especially in the early stages when certain provisions become unclear and subject to interpretation during deliberations; (2) it replaces outdated provisions on what constitutes anticompetitive behavior and the provisions on penalties, remedies, and enforcement mechanisms; (3) it creates a central body to carry out the mandate for competition; (4) it includes provisions on mergers and acquisition and on the review of government policy and regulation as they impact on competition; (5) it includes effective enforcement mechanism as it gives the commission the sole authority to initiate and conduct preliminary inquiry; (6) it contains other provisions that could help in the process of investigation and efficient resolution of outcomes; and (7) it includes a transitory provision wherein the affected parties are given a period of two years to ‘cure’ its violation of the act.

The paper also looks at the case of PLDT/Globe acquisition of San Miguel Corporation’s telecommunications assets. It notes that having at least three major players, instead of two, is important to promote competition. However, structural barriers can make this extremely difficult in the future. It adds that difficult reforms are needed to open up the market to potential rivals in order to make the market at least more contestable. The paper emphasizes the need for a combination of liberalization, competition, and regulatory reforms.

#### **Value Chain Analysis of the Wood Processing Industry in the Philippines**

Wood processing is an important downstream activity of the Philippine forestry sector because it adds economic value to logs, promotes product diversification, and increases the incomes and employment of involved communities. Despite its many economic contributions, the wood processing industry has been on the decline for many years. This study analyzes the industry’s value chain and the various technical, financial, economic, marketing, environmental, institutional, and research-

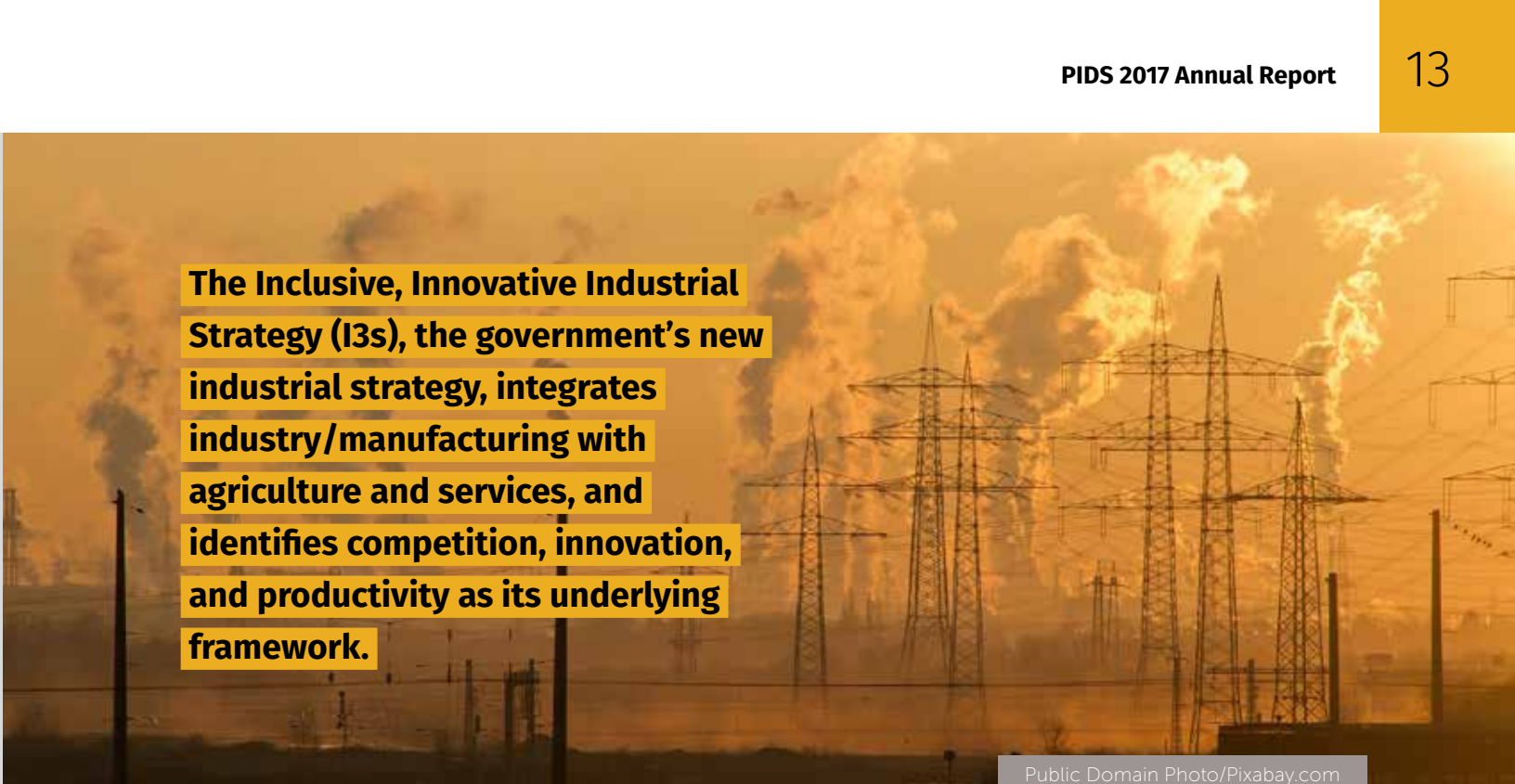
related problems and issues the industry is facing. It recommends, among others, relevant government agencies to gather more detailed and complete data and information on the industry. It also suggests conducting studies not just on the whole processing sector but also on specific wood-processing activities.

#### **Survey and Focus Group Discussions to Support AANZFTA Review Study**

The ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) agreement, which entered into force in 2010, is deemed to be ASEAN’s most comprehensive and highest-quality free trade agreement (FTA) so far. Among its provisions is a periodic review mechanism to ensure that it remains a high-quality agreement with commercial relevance. In this regard, the Economic Research Institute for ASEAN and East Asia (ERIA) and the PIDS collaborated to review certain components of the agreement, such as rules of origin, NTMs, investments, and impacts of the AANZFTA on trade and investment. The results indicate that the ANZFTA is one of the most utilized FTAs and its utilization rates have increased. It is also one of the FTAs that has the largest percentage of tariff reduction. There is also an awareness of the AANZFTA among the study participants but most of them are uncertain whether it has led to more businesses in Australia and New Zealand.

#### **Macroeconomic Overview of the Philippines and the New Industrial Policy**

The Philippines is one of the fastest growing economies in Asia with its GDP growing at 6–7 percent annually. The paper presents a detailed picture and overview of the macroeconomic performance of the Philippines behind its remarkable growth. It also discusses the industrial policies implemented by the government—from the Manufacturing Resurgence Program to the Comprehensive National Industrial Policy, and now the Inclusive, Innovative Industrial Strategy (I3s). The I3s, the government’s new industrial strategy, integrates industry/manufacturing with agriculture and services, and identifies competition, innovation, and productivity as its underlying framework. In particular, innovation is placed at the heart of the industrial strategy, as the government recognizes the crucial role of innovation.



**The Inclusive, Innovative Industrial Strategy (I3s), the government's new industrial strategy, integrates industry/manufacturing with agriculture and services, and identifies competition, innovation, and productivity as its underlying framework.**

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The overall objective of the Philippine industrial strategy is to build globally competitive industries and strong domestic and global linkages. It has 12 priority industries. To boost growth and make these industries competitive and productive, several strategic actions/measures have also been identified, such as addressing supply chain gaps, human resource development (HRD) and skills training, development of small and medium enterprises (SMEs), innovation and upgrading, intensive investment promotion, and addressing issues in infrastructure, logistics, and regulatory processes.

#### **Mainstreaming SMEs: Promoting Inclusive Growth in APEC**

This paper provides a background of the local SME development policy environment and the existing APEC SME activities in the region. It also offers recommendations on how the Asia-Pacific Economic Cooperation (APEC) can further mainstream SMEs in the regional and global markets. SMEs, especially in developing economies, find it difficult to participate in the international market. APEC has identified various priorities to address the barriers facing SMEs. It has crafted a Strategic Plan for 2013–2016 to provide a road map to address critical issues and concerns pertaining to the growth of SMEs and microenterprises in the APEC region. A promising practical initiative from

the Philippines is promoting trade facilitation for SMEs, such as by raising the threshold value of imports that would be exempted from customs duties, taxes, and other documentary fees. Other possible areas for cooperation suggested by the study include: (1) creating an APEC Trade Repository, which could be an expansion of the ASEAN Trade Repository initiative to cover all APEC member-economies; (2) seeking concrete measures to align the International Financial Reporting Standards with the interest of SMEs; (3) exploring APEC cooperation in facilitating franchising activities considering that cross-border franchising directly internationalizes SMEs; and (4) coming up with effective monitoring and evaluation of SME programs and policies.

### **DISASTER RISK REDUCTION AND MANAGEMENT**

#### **A Review of Philippine Government Disaster Financing for Recovery and Reconstruction**

The study provides an assessment of the disaster risk financing mechanisms in the Philippines. It looks at the sources and levels of disaster financing specifically for recovery and reconstruction as well as the adequacy and execution of the current disaster risk financing and insurance (DRFI) mechanisms. Case studies presented showcase detailed analyses at the sectoral level. The study



notes that the government has been mainly relying on budget allocations to fund recovery and reconstruction. The uncertainties in terms of annual budget allocations and the protracted funds flow processes slow down reconstruction/rebuilding, adversely affecting economic recovery of disaster areas. To mitigate the impact of disasters, the government has to improve its overall DRFI program. DRFI has to be anchored on an adequate, effective, cost-efficient, and timely strategy. It requires government to combine various financing and insurance instruments, taking into consideration risk profile, fiscal position, and market conditions.

### **Institutional Issues in Disaster Risk Reduction and Management**

This study aims to contribute to the current policy debate on the appropriate legislative vehicle toward institutional augmentation and reform of the disaster risk reduction and management (DRRM) policy in the country. To realize the policy's full potential requires appropriate sectoral and institutional translation of its espoused principles, reflecting more refined institutional arrangements and policy and resource support. Moreover, strengthening institutional structures and crafting the appropriate platform for DRRM entail important decisions, particularly on the issues of mandate, jurisdiction, and response capability. A functionally superior platform would help address issues on institutional capacity and leadership, expediency of disaster response, stakeholder participation, and

community preparedness and protection. More importantly, the DRRM tenets have to be internalized, embedded, and exactly practiced within institutions inside and outside of the bureaucracy.

### **Welfare Issues in Price Control on Occasions of Calamities, Emergencies, and Like Occurrences**

The Price Act (RA 7581) establishes a mechanism that supposedly protects consumers from inadequate supply of goods and unreasonable price increases during disasters and emergencies. It is an example of a double-edged policy that protects consumers but holds back local enterprises. This study focuses on the implications of RA 7581 during disasters and answers issues in the effects of price control on consumer protection and local economic recovery. It describes the effects of price control during calamities, emergencies, and related events. A case study and survey focusing on the Zamboanga City siege were conducted to fulfill the research objectives. The study finds that while the imposition of price control during the siege was automatic as stated under the law in order to ensure that commodities are available at any time, some of the agencies were unsure of implementing it due to the lack of clarity in the commodities covered by the law. Moreover, although the Local Price Coordinating Council (LPCC) was already in place, it was not properly structured to monitor prices. It was also impossible to monitor prices during the siege because market forces automatically act. Among the study's recommendations are to strengthen

**To realize the full potential of the current DRRM policy requires appropriate sectoral and institutional translation of its espoused principles, reflecting more refined institutional arrangements and policy and resource support.**

the LPCCs, include all food items in the price control implementation, and establish a national agency that will handle disasters.

## FINANCE/CREDIT

### What Determines Financial Inclusion in the Philippines? Evidence from a National Baseline Survey

This paper contributes to the literature on financial inclusion in the Philippines by examining three key financial services—savings, credit, and insurance—and identifying individual socioeconomic characteristics that are associated with access to these financial services. Financial inclusion is analyzed in the four geographical areas, namely, National Capital Region, Balance Luzon, Visayas, and Mindanao. Results indicate that age, sex, civil status, education, employment, and income are associated significantly with access to various financial products and services. Findings also suggest similarities in the socioeconomic profiles of users and nonusers of financial services in the four geographic areas, while differences appear to be related to the presence of banks and other formal financial institutions.

## FISCAL POLICY AND BUDGET MANAGEMENT

### Evaluation of Fiscal Incentives in the Philippines

This paper assesses how the Philippines fares in attracting investments compared to its neighboring countries and evaluates pending incentive reforms in the country. The Philippines can be said to have a high effective tax rate (ETR) relative to its level of economic development, making it less attractive to investors. In terms of tax holidays, the Philippines provides a maximum of six years, which is below the average of eight years in the ASEAN. In terms of depreciation allowance, the flexibility given to firms to choose the depreciation method and rate could be used by firms to their advantage, further reducing the ETR in the Philippines and making it more comparable with its neighbors. The paper also provides an assessment of certain aspects of pending bills on fiscal incentives such as the impact of ETRs during the income tax holidays and the reductions in the corporate income

tax (CIT) rate. It recommends further research to develop a model that would reflect all the incentives provided by the bills, including time-bound reductions in the CIT rate and tax rate on gross income earned.

### Assessment of the 2017 Tax Reform for Acceleration and Inclusion

This paper aims to assess the implications of the Comprehensive Tax Reform Program which was filed as House Bill (HB) 4774 and Senate Bill 1408. These bills represent the first of several reform packages that focus on different areas of tax policy. The House of Representatives approved a compromise bill, HB 5636, titled “Tax Reform for Acceleration and Inclusion”, or TRAIN, in May 2017. Overall, the proposed reforms are expected to generate additional revenues from 2018 to 2020. The estimates of the incremental revenues from the TRAIN are just about half of the official estimates initially. The high estimates are unlikely to be achieved due to poor incentives for self-employed individuals and professionals to improve tax compliance, thus providing a more conservative view on the ability of the TRAIN to fund the present administration’s “build, build, build” program. On the other hand, the overall distributional impact of the TRAIN is regressive when one abstracts from the proposed targeted subsidies under the program. These findings highlight the need for compensatory transfers to protect those who are most negatively affected by the TRAIN, such as the poorest two or poorest four deciles, through targeted subsidies for three to four years. It is also equally important to guard against the dissipation of the revenue gains from tax reform in favor of specific programs that will cater to specific collectives at the expense of more strategic public investment programs/projects.

## GENDER AND DEVELOPMENT

### Sustainable Development Goal 5: How Does the Philippines Fare on Gender Equality?

The global goal to attain gender equality, including ending all forms of discrimination against women and girls, and ensuring their safety, is central to the achievement of the Sustainable Development Goals (SDGs). This study discusses how the country fares in several gender-related indicators that can

be used to monitor progress toward gender equality and women empowerment. It indicates that the Philippines fares well on some of the broad indicators of well-being of females and girls. In particular, it has attained near gender parity in education (with school participation even more favorable to girls). However, labor force participation of women is lower than that of men. Furthermore, women's participation in the labor market is influenced by their home responsibilities as well as their educational attainment and residence. Sex-disaggregated data on employment across sectors and occupations suggest some gaps in economic opportunities between women and men. The study recommends the development and monitoring of legislation to provide an enabling environment for women to reach their full potential. It also finds that women leadership in both the public and private sectors falls behind that of men. Moreover, while legal frameworks exist to ensure the safety of women and girls, implementation deficits in the law persist. The study also notes the need to address data gaps if the government will pursue SDG5 targets effectively. It also recommends the conduct of specific studies on mainstreaming gender in governance and better monitoring of violence against women and girls.

## GOVERNANCE/REGULATIONS/INSTITUTIONS

### The Promises and Pains in Procurement Reforms in the Philippines

This study examines procurement policy issues in light of recent concerns on delays in project implementation and underspending of government agencies. In the 2014 and 2015 reports of the Department of Budget and Management (DBM), procurement is cited as a reason for underspending. Likewise, government agencies with major underspending concerns noted public procurement issues as a recurring reason for the low disbursement outturn. In an attempt to make procurement less of a hurdle, Congress is proposing to grant emergency powers to the president and do away with competitive bidding as the default mode in implementing transportation projects. However, procurement data analysis shows that in civil works procurement, the bid failure rate tends to be higher under the

alternative mode of procurement than under the competitive mode, a result which does not support Congress' proposal. Key lessons from experience are also investigated through interviews with various government agencies in the implementation and execution of the Philippine procurement process. They reveal the difficulties encountered and the good practices implemented under the current legislative framework. To address procurement issues, the study recommends pursuing deliberate investments in and having political will for systems change and organizational culture change, greater investment in planning and other preparatory activities before the actual procurement, innovation orientation in public procurement, and adoption of value-for-money procurement.

### Reducing Unnecessary Regulatory Burden: The Philippine Tuna Industry

The Philippine fishing industry is one of the major industries in the agriculture and fisheries sector. Focusing on the tuna industry, the study conducts a regulatory mapping of the industry and identifies unnecessary or burdensome regulations. An important inclusion in this project is the informed regulatory conversation, which allows the regulators and the private sector to discuss the identified issues and come up with unified recommendations to ease the regulatory burden on different tuna industry stakeholders. The results indicate that the regulations imposed on the industry, especially those pertaining to food safety standards, make sense and are necessary. However, there is a need to improve procedures for registration, licensing, and inspection, particularly those that relate to the following regulatory issues: (1) acquiring of business permit; (2) acquiring of registration and licenses for all types of fishing vessels from the Maritime Industry Authority, Bureau of Fisheries and Aquatic Resources (BFAR), and the local government unit (LGU); (3) acquiring of License to Operate from the Food and Drug Administration (FDA) and the possible case of duplication of the inspection process by BFAR and FDA; (4) acquiring of the Certificate of Product Registration from the FDA; (5) the Qualified Person in Industry Regulatory Affairs of FDA; and (6) presence of BFAR signatories in the regulatory instruments.



### Scoping Study on Reducing Unnecessary Regulatory Burdens in the Philippine Food Manufacturing Industry

The food manufacturing industry is a major contributor to the country's total manufacturing output. However, despite its contribution to job creation and income generation, it is constrained by existing regulatory procedures and processes. This study aims to map out the existing regulatory procedures and processes in the sector, determine key bottlenecks in the regulatory process chain, and prepare an estimation of the regulatory burden of the bottlenecks. Literature review and consultations were conducted with various food manufacturing subsectors and concerned government agencies. The results show that the regulatory bottlenecks are related to four major concerns: (1) organizational matters, which are related to both administrative and human resource requirements of food safety regulatory agencies; (2) regulation, which refers to compliance requirements and regulatory-associated fees; (3) trade and market access; and (4) consumer-related concerns especially low awareness of consumer rights. Industry-wide plans covering both development tracks and the needed regulatory enhancements would be beneficial to food manufacturing subsectors. An in-depth study, particularly of other food products, the dairy sector, and grain mill and starch products, should also be given due consideration.

### Assessment of the BUB Program: Improving Access of Local Communities to Basic Services and Strengthening Social Capital

The Aquino administration, through the Human Development and Poverty Reduction Cluster and Good Governance and Anti-Corruption Cluster, launched the bottom-up budgeting (BUB) project in 2012 in time for the preparation of the 2013 National Expenditure Program. Previous studies on the BUB program focused on the process rather than on the results/outcomes of the BUB. This study, however, assesses the results/outcomes of the program in terms of how well the poverty alleviation objective of the BUB has been addressed and how well the BUB contributed to strengthening the social capital. The results indicate that the BUB is not associated with greater increase in per capita household



Photo by Cherry Madriaga/PIDS

**The regulations imposed on the tuna industry, especially those pertaining to food safety standards, make sense and are necessary. However, there is a need to improve procedures for registration, licensing, and inspection.**

income at the provincial level. However, the program has been positively perceived by the respondents in terms of having directly benefited from the BUB projects implemented in their communities. In particular, they reported an improvement in their access to transport services and water and sanitation. Moreover, the overall sentiment of the civil society organizations (CSOs) toward the BUB is one of enthusiasm and optimism. For them, the BUB has helped ensure broader and more inclusive CSO participation, particularly in LGU planning and budgeting. BUB is also seen as an avenue for CSOs to identify government projects that will improve their lives and to be more active in LGU affairs, thus becoming more empowered.

### Federalism: Prospects for the Philippines

This paper considers the potential benefits of federalism to the Philippines within the context of two major development constraints: weak economic growth and poverty. The governance and institutional aspects of these development constraints point to how

continued centralization of fiscal powers and the resulting common resource pool problem have weakened government capacity to bring about inclusive development. Critical to the success of decentralization and fiscal federalism efforts is a strong middle-level government, which is absent in the current setup. The establishment of regional governments, its powers and functions, and its relation to the national government and local governments, is the most crucial element in the shift from a unitary to a federal form of government. The paper recommends that the proposed shift be carried out in two stages. The first stage will deal with the assignment of competencies and relationship between the national government and the regional government, with the power to organize local governments being one of the competencies exclusively assigned to the latter. The second stage will tackle the regional government and its local governments. The study recommends that each regional government should come up with its own regional constitution or organic act that could be drafted through a regional constitutional convention.

### **Designing the Fiscal Features of a Federal Form of Government: Autonomy and Equity**

The federalism discourse in the public arena is oftentimes framed along two strands. First, the adoption of a federal form of government is seen as a means to reverse the unequal allocation of resources between what critics call 'imperial Manila' and the rest of the country. Second, advocates view the shift as a key to attaining sustainable peace in Mindanao given its potential to secure national unity while protecting regional diversity. The discussion arising from both strands highlights the fact that there is no single federal model, and that the federal model may or may not work in the Philippine context depending on the specific design features of the model being proposed.

Given this perspective, this paper focuses on the design options of the fiscal elements of a federal model that will help ensure the realization of potential benefits from adopting a federal system of government. It discusses possible design options along the four pillars of intergovernmental relations: (1) functional or expenditure assignment, (2) tax/revenue assignment, (3) intergovernmental transfers, and (4) subnational government borrowing.

These principles aim to ensure that the federal government and the subnational governments face the right incentives for efficient and equitable delivery of public services and enhanced accountability of subnational governments to their constituents. The discussion of the same is contextualized by lessons from the country's decentralization experience under the Local Government Code of 1991. The paper also provides estimates of the cost of shifting to a federal form of government under different scenarios in terms of the number of regions. Finally, it concludes with a discussion of why adopting a federal form of government should take into account not only the net benefits of the reform but also the preconditions for its success.

## **HEALTH**

### **Social Protection and Access to Health Care among Children in the Philippines**

The Philippines recently introduced two distinct but related large-scale social protection programs that, first, provide conditional cash transfers (CCT) to poor households, and, second, automatically enroll them into the government's social health insurance program. These have resulted in a dramatic increase in health insurance coverage, especially among the poor. This paper empirically assesses the joint impact of the two programs on the health-care demands for children. It finds encouraging impacts of social protection on the demand for health-care services but no direct impact on morbidity. These results imply that the social health insurance and the CCT program have jointly induced greater hospital visits for both preventive and curative care, and lower out-of-pocket expenditures. However, possible leakages in the programs have also been documented, as well as potential indication of health-care service differentiation in terms of quality. These concerns may undermine the expected outcomes of the country's social protection programs.

### **Decentralization and Health in the Philippines: A Systematic Review of Empirical Evidences**

This study provides a systematic review and summary of the existing knowledge on the impacts of decentralization on health in the



Philippines. Despite the country's 25 years of experience in decentralization, little is known about the topic. Overall, the survey shows that the existing scholarship is characteristically thin and with varying degrees of methodological rigor. Nevertheless, the limited available evidences point to some indication of positive impacts of decentralization on increasing government health expenditures and improving health outcomes.

## INFRASTRUCTURE/TRANSPORTATION/ COMMUNICATION

### The Renewable Energy Policy Debate in the Philippines

The Philippines enacted two legislations to promote renewable energy (RE) deployment (i.e., the Renewable Energy Act of 2008 and the Biofuels Act of 2006) in recognition of the advantages of the use of RE as energy source. However, there remain issues and criticisms on the promotion of RE technologies and the

implementation of RE laws. Both sides of the debate have their justifications for supporting or not supporting the use of RE resources and technologies. The implementation of RE laws, rules, and regulations has been criticized. Those who endorse RE technologies speak of how RE resources are replenishable and have minimum negative impact on the environment. On the other hand, criticisms on RE resources include the variability of supply and the high cost of developing RE technologies. The study suggests improvements in the implementation of RE laws as a way of responding to and addressing people's concerns and criticisms. The study recommends conducting a review of the incentive schemes offered to RE players, the doing business procedures, the feed-in-tariff eligibility requirements, and the implementation of the biofuels programs. It also suggests continued monitoring of priority dispatch policies.

### Assessment of Planning and Programming for Capital Projects at the National and Agency Levels

This study assesses the existing planning and programming systems for capital projects at the national and agency levels. It employs a combination of document review of public investment planning and programming process, comparative analysis of international experiences, and key informant interviews. Based on the findings, the strengths of the current systems include the recent reform orientation of the oversight agencies and their policy coordination. Weak spots include the inconsistency in the oversight program and output indicators, and the institutional weakness of the project approval process. The study suggests the adoption of international best practices. It also recommends institutional reforms, such as the establishment of an online public investment project database and a multiyear planning and budgeting system fully costed and coordinated with the budget process and consistent with the long-term fiscal projections that are regularly updated and reviewed.

### Rebooting Philippine Telecommunications Through Structural Reform

The quality of the Philippine telecommunication and information and communication technology (ICT) regulatory

Photo by CHMI Project/PIDS



**Social health insurance and the CCT program have jointly induced greater hospital visits for both preventive and curative care, and lower out-of-pocket expenditures.**

environment is significantly below the international best practice. Using a scoring system developed by the International Telecommunication Union where 100 points represent the best possible scenario, the Philippines is only midway, with a score of 52.50, which is the second lowest among seven ASEAN member-states. The study emphasizes the urgent need to implement structural reforms in order to improve regulatory quality and support the efficient functioning of ICT markets. It notes that while the regulatory regime and the competition framework are essential elements, they will only work if an effective regulatory authority with the right mandate is in place, thus, this should be prioritized in the reform agenda. It also underscores that universal access/service is an important goal that needs to be pursued.

## LABOR/LIVELIHOOD/EMPLOYMENT

### Countering the Discriminatory Impact of Minimum Wages against Disadvantaged Workers: Literature Review and Experimental Design Development

While it is a common belief that government should set a legal minimum wage (LMW) to enable workers and their families to live decent lives, evidence has shown that a higher and more rapid pace of LMW increase leads to a lower demand for labor overall. It leads to reduced hours, lower employment rate, reduced household income, and higher poverty incidence. These adverse effects impact particularly the disadvantaged population, including the young, inexperienced, and low educated, as well as women—in general, people with little human capital and poor job credentials.

This research reviews the global experience on initiatives to counter the discriminatory impact of LMW and related labor regulations. It also summarizes the analyses done so far on active labor market programs (ALMPs) and similar programs in the country. The review reveals that while there are many employment-generation programs implemented in the Philippines, only a few had been rigorously evaluated. The study cites three rigorous evaluations using experimental designs done recently on selected ALMPs in the country. The results reflect the lack of strong positive impact of these ALMPs on

employment, which was also seen in other countries. The programs do not seem to provide good prospects of increasing the employment nor the income of targeted beneficiaries. The study thus underscores the need to reexamine the design of major employment-generation interventions, such as wage subsidies, employment facilitation, and public employment programs, given the lack of evidence of their effectiveness.

## POVERTY AND SOCIAL PROTECTION

### Social Enterprises and Community Development

Social enterprises are gaining popularity in many parts of the world due to their potential to advance the agenda of inclusive and sustainable growth. The uniqueness of social enterprises lies on their core advocacies, i.e., the attainment of community well-being and human development. Their main difference to traditional MSMEs is that they have a hybrid nature wherein they adopt business solutions to social problems. This study examines recent activities related to social enterprises in the country. The Philippines, in particular, has a social and cultural environment that is conducive to the framework of social entrepreneurship given that it has had a widespread focus on bottom-of-the-pyramid issues and on the movement toward stronger participation of the civil society and the private sector in social issues. However, the current policy environment is still unresponsive to the growth of social enterprises, which are still viewed as traditional MSMEs despite the differences. The government can support social enterprises by providing incentives for mixed financing; improving the suitability of the environment for grants, international aid, and venture capitalists; and recognizing social enterprises' longer incubation period.

### Chronic Food Poverty in the Philippines

Few studies in the Philippines analyze poverty dynamics. Studies that analyze the effects of weather variability on food poverty dynamics are even fewer. Given that there are some sectors that are more adversely affected by the changing weather patterns, a study analyzing the effects of weather variability on poverty is essential. This study aims to contribute



Photo by Phidel Vineles/PIDS

**The government can support social enterprises by providing incentives for mixed financing; improving the suitability of the environment for grants, international aid, and venture capitalists; and recognizing social enterprises' longer incubation period.**

to poverty studies in the Philippines by analyzing the effects of geographic attributes like weather variability on food poverty. Using a simple spells approach, it finds that deviation of rainfall from its normal values and other key variables such as education, employment, assets, and armed conflict affect chronic food poverty. It recommends the institutionalization of the *Pantawid Pamilyang Pilipino* Program (4Ps), supporting the growth of social enterprises to ensure the stability of livelihoods and accumulation of assets, adoption of a holistic approach to conflict resolution, development of climate-smart agriculture to address the adverse effects of sustained weather fluctuations, review of financing alternatives for climate change adaptation, and exploration of adaptive social protection initiatives that support propoor climate change adaptation and disaster risk reduction by strengthening the resilience of vulnerable populations to shocks.

### **Toward Adaptive Social Protection in the Philippines**

Due to its geographic location, the Philippines is vulnerable to disasters, such as tropical cyclones and storm surges. As such, the adoption of an adaptive social protection (ASP), which intersects with social protection, climate change adaptation, and disaster risk reduction, is necessary to ensure the success of social protection and poverty reduction

efforts in the country. This paper investigates the concept of ASP and recommends applicable measures to make the existing social protection programs in the Philippines become more adaptive. It finds that some programs, such as the 4Ps, can already serve as good starting points to promote ASP. Given that ASP is a relatively new concept and few studies have documented its effectiveness, the study also recommends documenting the good practices in other countries to strengthen the knowledge base concerning ASP.

### **Chronic and Transient Poverty and Weather Variability in the Philippines: Evidence Using Components Approach**

Weather is an integral part of life and weather shocks can have severe implications on income and household consumption. Given evidence that points to altered patterns of weather parameters resulting from climate change, this paper analyzes the effects of geographic attributes, such as weather variability, on chronic and transient poverty. Based on estimates of the generalized linear model, higher-than-normal rainfall contributes to a modest increase in chronic total and chronic food poverty in both urban and rural areas. Asset ownership and college education have the most impacts on the reduction of both types of poverty. The study discusses existing or possible policies related to education, asset ownership, dependency



burden, and weather shocks since these affect both types of poverty and suggests some policies for government action such as provision of additional assistance to address daily expenditures in going to school to ensure that students from poor households will finish college. The use of social enterprises is also suggested. The study also recommends that LGUs explore other financing strategies to address the adverse effects of climatic shifts such as the use of the Adaptation Fund and the People's Survival Fund.

### **Crop Insurance Program of the Philippine Crop Insurance Corporation (PCIC): Integrative Report from Five Case Regions in the Philippines**

This paper sheds light on the possible factors affecting insurance availment among farmers in five regions of the Philippines. The results indicate that the farmers availed of the crop insurance provided by the PCIC because they were encouraged by their neighbors, friends, relatives, and agricultural technicians in their LGU and because it is a requirement for getting a loan. Level of education, farming experience, and membership in farmers' organizations are among the factors that can affect the decision of farmers to avail of crop insurance. The paper also notes that increasing the program's coverage rate remains to be a big challenge in light of its highly subsidized nature.

### **Evaluation of the Impact of the Agricultural Insurance Program of the Philippine Crop Insurance Corporation on Agricultural Producers in Region IVA (CALABARZON)**

This study evaluates the impact of agricultural insurance on coconut farmers in the CALABARZON region. The study notes the farmers' lack of awareness on the availability of insurance products. Some of the farmers who have been granted free insurance were not aware that they were insured. Among the most common and important reasons for nonavailment of crop insurance were the lack of awareness on the availability of crop insurance products, lack of information on how to process insurance claims, and the belief that there is no need for insurance.

### **Evaluation of the Impact of the Agricultural Insurance Program of the Philippine Crop Insurance Corporation on Agricultural Producers in Region II – Cagayan Valley**

This study reveals the factors affecting agricultural insurance uptake by corn farmers in Cagayan Valley. Said factors include farm size, government transfer income, adoption of hybrid corn variety, land tenure, and distance of farmers to the PCIC office. Results indicate that farmers with crop insurance tend to have a significantly higher adoption rate of hybrid variety than farmers without crop insurance.

**Higher-than-normal rainfall contributes to a modest increase in chronic total and chronic food poverty in both urban and rural areas. Asset ownership and college education have the most impacts on the reduction of both types of poverty.**



Those with bigger farms also have a higher probability of getting insurance. Those who do not own the land they farm and those who receive higher government transfers are also more likely to avail of insurance. Insured farmers with claims have significantly higher net incomes per hectare than those without insurance. Farmers with insurance claims have higher net incomes than those with insurance but without indemnity claims—a result that was also found among farmers with farms bigger than one hectare. Therefore, there is a significant impact of receiving indemnity claims on the net farm income of farmers in corn production. The study recommends that policies, programs, and efforts of the government and the PCIC be directed toward enhancing the factors that increase the availment of crop insurance and reviewing the indemnity coverage.

#### **Opportunities for Strengthening Agriculture Insurance Programs: Philippine Crop Insurance Corporation and LGU Partnerships**

This paper reviews available information about partnerships between LGUs and the PCIC. It looks at innovations that may promote and enhance agricultural insurance in the Philippines. In particular, it reviews the implementation of LGUs in providing full premium subsidies and loans to farmers. The paper recommends (1) that PCIC should continue its partnership with LGUs with the latter providing partial or full subsidy for insurance premium as this will ensure greater coverage/penetration rate with adequate insurance cover; (2) to encourage LGUs to require farmers to get agricultural insurance as their counterpart for agriculture assistance programs; (3) to clarify targeting mechanisms as to who shall be given full or partial subsidy by the LGU and national government; and 4) if funds from the national government are not enough, to identify which groups will be covered but still provide adequate insurance cover.

#### **Agricultural Insurance Program: Lessons from Different Country Experiences**

This paper provides insights on how agricultural insurance programs from selected developed and developing economies were implemented. Based on learnings from different country experiences, agricultural

insurance is important yet costly to implement. Also, the study notes that private insurance companies may complement government-run insurance companies to improve coverage rates. It also suggests that targeting eligible beneficiaries is crucial to the success of a highly subsidized agricultural insurance program, especially in developing economies.

#### **Evaluation of the Registry System for Basic Sectors in Agriculture**

There are many and varied government programs that target the agriculture and fisheries sector, especially the poor. For more efficient and streamlined program targeting, the Aquino administration has initiated the creation of the Registry System for Basic Sectors in Agriculture (RSBSA)—a list of farmers, farm workers, and fisherfolk in the 75 provinces of the country excluding the Autonomous Region in Muslim Mindanao and the National Capital Region. The RSBSA is currently used by the DBM to target beneficiaries of various government agencies that implement agricultural support programs, and as basis for issuing allocated budgets for these programs. This study finds that: (1) there are legitimate agricultural producers who are excluded from the list; (2) leakages are present; (3) it is difficult to link the registry with other government databases; and (4) the operational definition of ‘farmer’ is unclear. Despite its shortcomings, the study notes that the RSBSA is a useful targeting tool but it needs to be validated and updated regularly.

#### **Inequality of Opportunities among Ethnic Groups in the Philippines**

This paper contributes to the scant body of literature on inequalities among and within ethnic groups in the Philippines. It also provides a glimpse of the patterns of inequality in Mindanao. The results show significant inequalities in opportunities in accessing basic services within and among ethnic groups. Muslims (particularly the indigenous people) are the worst-off ethnic groups while the nonindigenous/non-Muslim groups are the better-off groups. Disparities in terms of literacy rate and access to electricity and sanitation between ethnic groups, however, appear to be narrowing between 2000 and 2010. The findings of this study can serve as useful inputs for policymakers



in reducing the level of inequality in opportunities among different ethnic groups in the country. In addition to efforts that would help minimize the occurrence of conflicts, there is a need to increase access to decent housing and other infrastructure services, particularly safe drinking water and basic sanitation, among ethnic groups who have been displaced by conflicts, especially in Mindanao. Furthermore, the study suggests the evaluation of programs that aim to improve access of ethnic groups to education, such as the Indigenous Peoples Education Program, to see if they have been effective and can be scaled up.

**Evaluation and Assessment on the Effectiveness of DSWD Internal and External Convergence as Operationalized by the Regional, Provincial, and City/Municipal Action Teams**

This study describes and examines the organizational structures, business processes, and capacity development of the Department of Social Welfare and Development (DSWD) in relation to the design of its Convergence Strategy. Key findings underscore the need to take stock of DSWD's documentation and to clarify institutional arrangements and responsibilities to ensure good governance, improve monitoring and evaluation system and

financial management, and strengthen feedback channels within the organization and of data-sharing arrangements with stakeholders to enhance strategic external partnerships.

**Assessment of Livelihood Success and Implementation Issues of the Sustainable Livelihood Program (SLP) of the DSWD**

The study assesses the SLP implementation processes based on recent policy enhancements and determines additional dimensions or indicators of program success. Majority of those served by the program have expressed positive results from the SLP intervention particularly when it comes to skills training. There is a felt improvement in the standard of living experienced from additional household income, business expansion, and stable source of employment. However, beneficiary targeting is poor, with parent leaders, their friends, and relatives capturing most of the benefits. Delays in project review and approval caused potential beneficiaries to drop out, back out, or find other opportunities. Moreover, the establishment of SLP associations is viewed as a deterrent instead of a mechanism for success. Overall, additional reforms in the delivery of program services are still needed, primarily on beneficiary targeting

**Majority of those served by the SLP have expressed positive results from the SLP intervention particularly when it comes to skills training...However, beneficiary targeting is poor, with parent leaders, their friends, and relatives capturing most of the benefits.**

Photo by DSWD





Photo by NCDA

and development of characteristic-based assessment tool on beneficiary readiness and capacities. The DSWD also needs to examine the program's project review and approval process, the caseload of project development officers, and issues with regard to social preparation and development of associations. Lastly, an impact evaluation has to be undertaken to provide better evidence of program success.

#### **Employment of Adult Women with Disabilities**

This study looks at the employment profiles of adult women with disabilities in San Remigio and Mandaue City in Cebu, Philippines. The study finds both the rate and the quality of employment of women with disabilities in the study sites to be low. These poor employment outcomes could be attributed to low level of education, lack of training experiences, lack of employment opportunities in the community, functioning limitations and low access to assistive devices and/or services, physical barriers and lack of persons with disabilities (PWD)-friendly facilities, and low awareness of relevant policies and programs. Some of the study's recommendations include exploring ways on how to intensify human capital investment among PWDs, entice employers

to provide opportunities to PWDs, provide the necessary assistive devices/services to PWDs, and make public infrastructures more PWD friendly.

#### **School Participation of Children with Disabilities**

In the Philippines, women and children with disabilities have lower literacy and school participation rates, and lower educational attainment, than males with disabilities and nondisabled children. This paper looks into the school participation of children with disabilities in Mandaue City and San Remigio in Cebu, Philippines. The study reveals that school participation among children with disabilities in both sites is generally low. Possible reasons refer to factors like type and severity of impairment, distance of school (especially in rural areas like San Remigio), household size, and income. Some recommendations include provision of assistive devices to children with disabilities, conduct of livelihood and basic health care modules/trainings for parents, training of more teachers in alternative learning system (ALS) to handle children with disabilities, and forging of partnerships with LGUs to provide venues for ALS. The study also recommends



pushing for greater awareness to make schools not just 'child friendly' but also 'PWD friendly'.

### **Health Practices of Children and Women with Disabilities**

PWDs in the Philippines generally face difficulties in accessing medical and transportation services, and are also confronted with financial issues. This study focuses on the health conditions of adult women and children with disabilities in Mandaue City and San Remigio in Cebu, Philippines. The findings reveal that they lack access to appropriate services and that a substantial portion of their income goes to out-of-pocket health expenditures. The study recommends provision for early detection and intervention, routine monitoring of programs, expanded utilization of medical and nursing students in the communities to provide preventive care services, expanded coverage for medications and nursing/caregiver support, and increased training of health-care providers and personnel in the communities on dealing with PWDs.

## **SERVICES POLICY/INNOVATION/RESEARCH AND DEVELOPMENT**

### **Innovation Activity of Firms in the Philippines**

This is a survey of innovation activities of firms in food manufacturing, other manufacturing, ICT, and business process outsourcing (BPO) sectors. It finds that in 2015, only 43 percent of Philippine establishments have been innovation active. Among them, the BPO sector spends the most for innovation activities despite being the least innovation active at a rate of just 30 percent. Intellectual property applications have been very low across all industries because of the tendency of firms to view their product innovations as trade secrets in order to maintain their competitive edge. The study also finds that the conduct of knowledge management activities is positively correlated with firm size. Moreover, large firms, particularly in the food processing and automotive sectors, tend to rely on internal sources for their information and innovation activities. Econometric analysis of firms that participated in both the 2015 survey and the pilot survey in 2009 reveals that knowledge management activities and firm size are

adequate determinants of innovation behavior. The study recommends the crafting of a national innovation strategy in consultation with all stakeholders in the innovation ecosystem. Enabling the business environment through stronger intellectual property rights can also encourage more firms to innovate especially reluctant multinational companies.

### **Regulatory Measures Affecting Services Trade and Investment**

Barriers to trade and investment stifle economic expansion. The impacts are most profound when they are applied to the services sector given its role as 'the glue that binds all sectors together'. This report examines the various regulatory requirements and legal obstacles that limit or discourage trade and investment in the services sector. It also assesses consistency with core obligations in new-generation FTAs. Findings show that in distribution, multimodal transport, and logistics (DML) services, restrictions in the form of foreign ownership limitations and other discriminatory measures are prevalent. In addition to formal restrictions, burdensome requirements and inconsistent application of regulations lead to higher transaction costs. In other cases, the lack of regulation or weak enforcement adds to the risks of doing business in the Philippines. To foster the development of DML services in the country, barriers to trade and investment must be reduced. Improving regulatory governance, ensuring policy coherence, and strengthening policy coordination are also necessary to facilitate integration and the seamless supply of DML services that are vital to the continued growth of the goods sector of the economy.

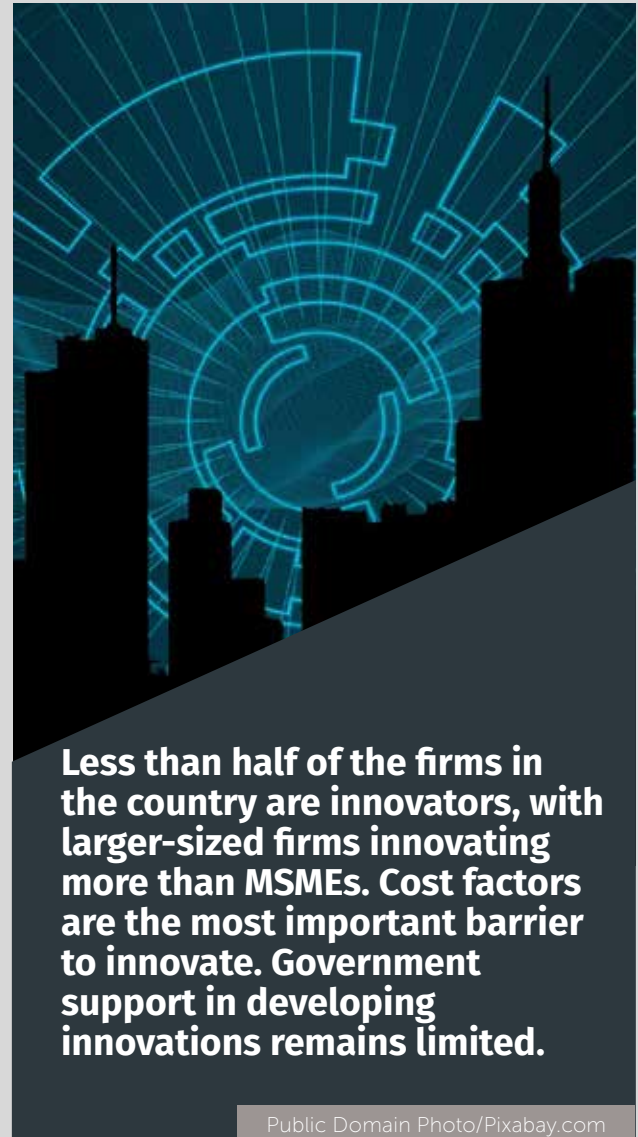
### **Impact of Foreign Linkages on Innovation Activity of Manufacturing Firms in CALABARZON**

Despite studies exploring innovation activities in the Philippines, no clear answer has been provided to the question of whether foreign linkages can induce knowledge transfer and innovation. This study probes deeper into the role of foreign linkages in the innovation activities of manufacturing firms in the CALABARZON region. The results indicate that foreign linkages can positively affect a firm's likelihood to undertake product innovation, which involves the development of a new product using a technology new to the firm.

Meanwhile, process innovation is positively influenced by foreign linkages. Given these results, it can be inferred that having foreign linkages and participating in the global value chain impact both process and product innovations positively. Thus, it is important to promote stronger regional and global linkages to sustain the manufacturing growth in CALABARZON. Moreover, trainings on the 5S system through government channels like the Technical Education and Skills Development Authority and various state universities and colleges are as important. The study also highlights the role of industrial parks and recognizes the value of establishment-level data in the innovation activities of firms, as these provide detailed information for further studies.

### **Measuring and Examining Innovation in Philippine Business and Industry**

Innovation, which involves developing new or significantly improved goods and services, production processes, marketing, or organizational methods for adding value, is generally viewed to enhance productivity and sustain economic activity. The measurement of innovation provides a mechanism for benchmarking national performance and for examining innovation and its relation to economic growth. Examining determinants and bottlenecks to innovation among firms also provides inputs to the mainstreaming of policies on innovation. This study discusses the results of the 2015 Survey of Innovation Activities. Less than half of the firms in the country are innovators, with larger-sized firms innovating more than MSMEs. Cost factors are the most important barrier to innovate. Government support in developing innovations remains limited. The cooperation between firms and academe and research institutions on innovation activities is also limited. Based on these results, the study notes that while the government needs to improve its investments in research and development and in supporting innovation, it needs to recognize that the absence of complementarities, such as physical and human capital, can put innovation investments at the risk of not yielding positive returns. Moreover, the government needs to have a champion in developing stronger policies and interventions to support and encourage



**Less than half of the firms in the country are innovators, with larger-sized firms innovating more than MSMEs. Cost factors are the most important barrier to innovate. Government support in developing innovations remains limited.**

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innovation. It is also important to improve information dissemination on available public programs that assist firms to innovate. Networking, linkages, and collaboration among government, industry associations, and universities and research institutions also require further enhancements, as well as investments in human capital to improve the innovation landscape.

### **POLICY TOOLS/STATISTICS/OTHERS**

#### **National Accounts and Household Survey Estimates of Household Expenditures: Why Do They Differ and Why Should We Be Concerned?**

Estimates of household expenditures directly obtained from the Family Income and

Expenditure Survey (FIES) and household final consumption expenditures from national accounts have discrepancies, with their divergence generally growing across time. Such discrepancies have consequences to policy. For instance, poverty can be overestimated and income inequality can be underestimated if survey-based estimates are biased downward. There is no assurance that national accounts estimates, which also have measurement errors (just like survey-based estimates), are more accurate. This study considers how estimates are derived from both surveys and national accounts, as well as other related measurement issues, i.e., undercoverage of wealthy households and the underestimation of their expenditures. The study recommends the use of an acceptable protocol for triangulating estimates of national accounts and survey-based estimates of household expenditure. Further, it also encourages the conduct of other data collection protocols such as: (1) administering special surveys on tracking and monitoring income and expenditure patterns of the missing wealthy; (2) splitting the FIES into a family income survey and a household expenditure survey; and (3) asking field enumerators of the Philippine Statistics Authority to directly observe electricity meter readings of households targeted for interview to help researchers adequately measure the expenditures (or incomes) of all households.

#### **Training Course on Building Competencies and Skills on Report Writing and Data Analysis using Stata**

PIDS conducted a six-day training workshop for selected technical staff of the National Statistics Bureau (NSB) Bhutan to develop basic competencies on using Stata and microdata from sample surveys conducted by NSB, such as the Bhutan Living Standard Survey. The training workshop included lectures on report writing, basic statistical concepts, and data visualization. It also employed question-and-answer sessions and hands-on computer exercises. Other Stata add-ons to generate maps were also illustrated during the workshop, among other software features.

#### **A Review of Philippine Macroeconometric Models**

This scoping paper presents the current landscape of the Philippine macroeconometric models by reviewing earlier studies. It recommends that there is a need to devise a new model for the Philippines considering that only two models are actively being used in policy simulations.

#### **Capacity Building on Impact Evaluation**

As part of the activities under the capacity-building component of the project “Impact Evaluation of Key Government Programs and Projects and Capacity Building of Oversight Agencies on Impact Evaluation” implemented by PIDS, 16 National Economic and Development Authority (NEDA) staff and 5 PIDS staff were sent to four international training courses focusing on theoretical and empirical concepts on impact evaluation methodologies including monitoring and evaluation framework and regulatory impact analysis.

#### **Strengthening Capacity Building for RTA/ FTA Negotiations in APEC (Under the Project “Management and Expansion of the APEC Policy Tools Phase 1”)**

Capacity building is crucial and necessary in cooperation and integration efforts between two or among several country partners. This paper discusses capacity-building efforts related to regional trade agreements (RTAs) and FTAs among APEC economies. It identifies consensus building, domestic, institutional, and structural reforms, and outreach of FTA and RTA benefits as key areas for capacity building. The study urges APEC to extend the coverage of its capacity-building efforts to strengthen the foundation in negotiating FTAs and RTAs. It also recommends the inclusion of issues-based approach, such as liberalizing traditionally closed sectors or formulating appropriate HRD policies that would lead to enhanced benefits.



## Philippine APEC Study Center Network

The Philippine APEC Study Center Network (PASCN) is one of the Asia-Pacific Economic Cooperation (APEC) Study Centers (ASCs) in APEC member-economies and is part of the APEC Study Centers Consortium (ASCC). Established in 1996 through Administrative Order 303, the PASCN aims to promote, coordinate, and serve as focal point of APEC-related research and studies in the country. It is the Philippine government's response to the APEC Leaders' Education Initiative that called on member-economies to foster regional cooperation among higher education and research institutes on key regional economic challenges. Since then, the PASCN has provided opportunities for collaborative research among its member-institutions and has contributed not only in terms of spearheading discussions on APEC issues but also in advocating domestic reforms. The network is composed of the Asian Institute of Management (AIM), Ateneo de Manila University (ADMU), Central Luzon State University (CLSU), De La Salle University (DLSU), Mindanao State University (MSU), Siliman University, University of Asia and the Pacific (UA&P), University of San Carlos (USC), University of the Philippines (UP), Xavier University, Department of Foreign Affairs – Foreign Service Institute, (DFA-FSI), and PIDS as lead institution and secretariat.



The PASCN has four major programs: (1) Research Program; (2) Thesis and Dissertation Assistance Program (TDAP); (3) Information Dissemination and Publication Program; and (4) Technical Assistance Program.

In 2017, three studies were completed. These are: (1) “Strengthening Capacity Building for RTA/FTA Negotiations in APEC”, an output of the ongoing APEC Policy Tools project; (2) “The Value of Labor Market Information Systems on International Labor Mobility”, an outcome of the PASCN’s endorsement of ADMU to participate in the Workshop on the Development of an APEC Labor Mobility

Framework implemented under the APEC HRD Working Group; and (3) “Mainstreaming SMEs: Promoting Inclusive Growth in APEC”, a subcomponent study under the APEC 2015 Project with the APEC National Secretariat–Department of Foreign Affairs. In addition to the aforementioned study that was completed under the APEC Policy Tools project, the project website (<http://pascn.pids.gov.ph/files/apecph/index.php>), through which the database can be accessed, was completed during the year.

Under TDAP, two grantees—Mr. Robert Roque of UP Diliman C. Virata School of Business and

Mr. Christopher C. Mantillas of UP Los Baños College of Public Affairs and Development—were able to complete their respective dissertation papers titled “Forecasting Market Risk Through Turbulent Times” and “Community in Transition: The Emergence of Calamba City as a Growth Corridor in CALABARZON, Philippines”, respectively. Prior to their completion, technical workshops were organized by the secretariat on November 9 and December 20 to provide an opportunity for the grantees to present their studies and get the comments and suggestions of stakeholders.

In terms of publication outputs, the book *Building Inclusive Economies, Building A Better World (Volume 2)* and a discussion paper titled “Mainstreaming SMEs: Promoting Inclusive Growth in APEC” (DP 2017-49) were released.

There were also three policy notes that were completed during the year, namely, “Australian SME Micro-Offshoring in the Philippines: Opportunities and Challenges” (PN 2017-02), “Strengthening Capacity Building for RTA/FTA Negotiations in APEC” (PN 2017-20), and “The Value of Labor Market Information Systems on International Labor Mobility” (PN 2017-24).

The annual General Assembly and Symposium was held on July 25 with the theme “Beyond ASEAN@50: Opportunities and Challenges for Regional Integration” in support of the Philippines’ chairmanship of the ASEAN 2017 Summit and in celebration of the regional bloc’s golden anniversary. This event was held at DLSU-Manila in partnership with the Angelo King Institute for Economic and Business Studies.

To reach stakeholders outside Metro Manila, the symposium was replicated on November 20 in Dumaguete City in partnership with the Silliman University-College of Business Administration.

As part of its international networking with other ASCs, the PASCN Secretariat—together with representatives of DLSU, FSI, UP Diliman, and PIDS—took part in the ASCC Conference 2017 held in Hanoi, Viet Nam on May 12–13. The

annual conference provided an opportunity for academics and scholars from around the region to discuss their research and identify areas for collaboration.

Through its Technical Assistance Program, the PASCN has continued to provide support to government agencies (i.e., Department of Foreign Affairs, Department of Trade and Industry [DTI], NEDA, etc.) as part of the Technical Board on APEC Matters (TBAM). In 2017, PASCN also facilitated and endorsed the attendance of Dr. Leonardo Lanzona of ADMU to be one of the presenters in the Workshop on the Development of an APEC Labor Mobility Framework, one of the APEC 2017 SOM1 meetings in Nha Trang, Viet Nam.

PIDS research fellows and network members also provided significant technical assistance to various studies and activities. For example, the secretariat facilitated the participation of Dr. Aniceto Orbeta and Dr. Brenda Quismorio to be part of an advisory group that will develop an APEC Data Analytics Competencies Checklist for a new APEC initiative on the youth workforce titled “Project DARE” (Data Analytics Raising Employment), an initiative led by the United States. Both have been nominated to receive APEC funding to participate in the meeting on May 4–5, 2017, held in Singapore.

Other important technical assistance activities conducted in 2017 include mentoring of three FSI cadets with their foreign policy papers, attendance to consultation meeting with the BTR (DTI)-APEC team regarding the APEC Policy Tools project, attendance to the Joint TBAM-REITI and DTI-AIC Meeting, and attendance to the World Economic Forum on Transformation Map for the Philippines.

The network capped the year with a planning workshop on December 19 in Tagaytay City. One of the outputs of this activity was a list of research topics for 2018–2019, which include SMEs, digital economy, cybersecurity, terrorism/extremism, climate change, supply chain disruptions, environmental issues, governance, and federalism models in APEC economies, among others.

# Knowledge Dissemination

The Institute's knowledge dissemination strategy has been adaptive to the changing needs of the time while still staying true to its mandate. It strives to look for other effective means to reach and engage its target audience in the government especially policymakers, as well as the academe, civil society, private sector, media, and the general public.



This year saw the Institute's prioritization of online platforms in disseminating its research outputs to reach a wider and more diverse audience. A redesigned website and more visibility on Facebook and Twitter through infographics and online streaming were among the tools utilized.

While most of the publications and events for this year focused on burning issues such as decentralization and federalism, ASEAN integration and the Philippines' ASEAN chairmanship, and digital technology and innovation, PIDS has touched on other equally important issues.

## Books

PIDS published four books in 2017. The first book titled *Unintended Consequences: The Folly of Uncritical Thinking* intended for students and researchers highlights the importance of data-driven and evidence-based policymaking and how policies tend to result in unintended consequences if not carefully planned. The topics covered in this book range from daily concerns like traffic, food, salary, and rent, to environmental concerns like overfishing and logging, and controversial issues like sex education, conditional cash transfer, minimum wage, and unemployment.





The second book, *Building Inclusive Economies, Building a Better World: A Look at the APEC 2015 Priority Areas (Volume II)*, consists of policy papers written under the Research Project APEC 2015. The papers featured in this volume tackle social enterprises, women's participation in the economy, food security, social protection, and SMEs' participation in the domestic and global economies, and their resilience to natural disasters.

The third book, *Birth of a Think Tank (The Founding of PIDS)*, is a memoir written by Dr. Gerardo Sicat, the founding father of PIDS, for the 40th anniversary celebration of PIDS' birth. In this book, Dr. Sicat recounts the unique circumstances, philosophy, and other factors that led to the establishment of PIDS.

The fourth book contains the proceedings of the Second Annual Public Policy Conference (APPC) held in 2016. With the theme *Risks, Shocks, Building Resilience*, the book presents the evidence-based studies presented during the APPC that highlighted the interrelated issues affecting the macroeconomy, agriculture, urban environment, and health sectors.

#### Research Paper Series

Two issues under the peer-reviewed Research Paper Series were published in 2017. An *Assessment of the Community Mortgage*

*Program (CMP) Implementation Strategy* reviews the processes and overall performance of the CMP, especially in terms of program targeting, service delivery, and organization.

Meanwhile, *Review and Assessment of Students Grants-in-Aid Program for Poverty Alleviation (SGP-PA) and Expanded SGP-PA: Evidence of Performance in the First Two Years* looks into the program's implementation issues and challenges. The SGP-PA aims to make higher education more accessible to the poor by providing a grant to cover normal education expenses including living allowance. It is targeted for selected household-beneficiaries of the 4Ps.

#### Philippine Journal of Development

The 2016 volume of the journal released during the year contains articles on various topics including Philippine telecommunication laws



**This book highlights the importance of data-driven and evidence-based policymaking and how policies tend to result in unintended consequences if not carefully planned.**



and regulations; cheap oil and its impact to net importers in the Philippines; policies, problems, and priorities of the Philippines' fertilizer industry and agriculture sector; and the potential employment generation of the rice value chain.

### Policy Notes Series

There were 30 policy notes published during the year. Topics covered include agriculture, trade and industry, climate change and disasters, the role of women in governance, poverty, budget reform, health, and infrastructure.

### Development Research News

The four issues of this newsletter had banner stories featuring topics on digital economy, federalism, disaster risk reduction, and women and children with disabilities. The other articles contain the highlights of the Institute's major events, such as the Development Policy Research Month (DPRM), APPC, Public Symposia on ASEAN Sociocultural Community and Economic Integration coorganized with the ERIA, Third Mindanao Policy Research Forum held in Zamboanga City and coorganized with Mindanao Development Authority and Ateneo de Zamboanga University, Manila Conference 2017 coorganized with the Australian National University, and Asia Pacific Forum 2017 coorganized with Japan Economic Foundation.

### Economic Issue of the Day

A total of five issues were released in 2017. *The Rise of Collaborative Economy in the Philippines* focuses on the emerging trend of consumption and business model called 'collaborative economy'. *The Triple Burden of Disease* shows how the increase in diseases caused by rapid urbanization and industrialization contributes to the emergence of a triple burden of disease and what this means for public health policy.

As part of the ASEAN's 50th anniversary, the issue on *The ASEAN Connectivity: The Hows and Whys* was released. It explains the concept of ASEAN connectivity and the plans to help realize this goal. Meanwhile, *Social Protection in the Philippines* looks at the Philippine social protection and the framework being used to guide its implementation. The last issue, *Demographic Dividend*, explains the concept



and its relevance in the fulfillment of the Philippines' economic potential.

### Discussion Paper Series

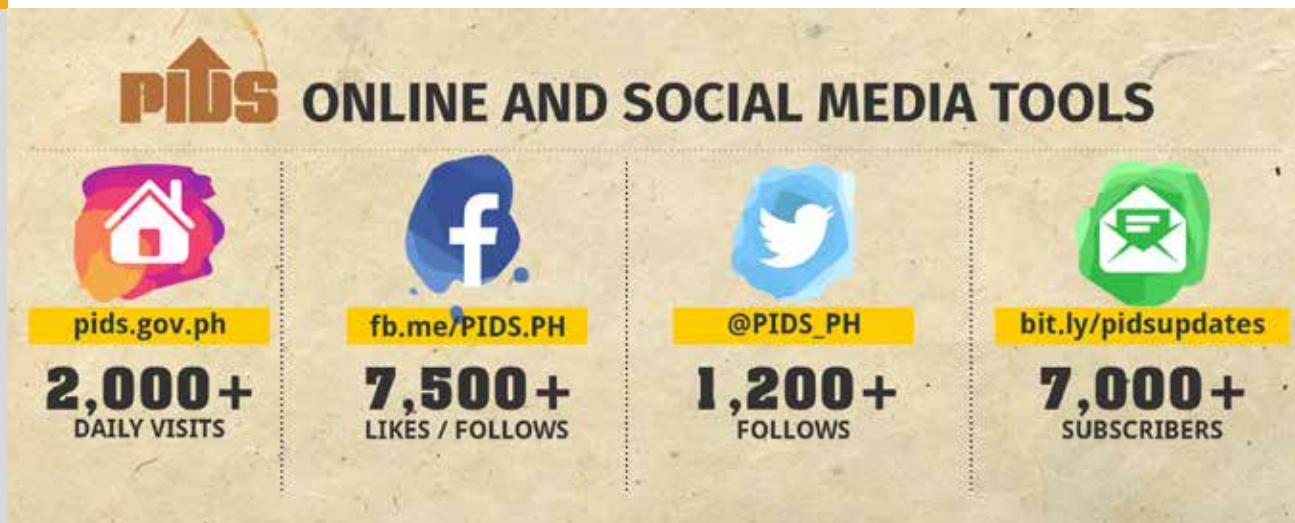
Sixty discussion papers were released in 2017. They cover topics ranging from agriculture, climate change and disasters, trade and industry, poverty, budget reform, and federalism, to transportation and infrastructure, health, gender, innovation, and labor and wages.

Go to Annex C for a complete list of all publications.

### Circulation and Distribution

Printed copies were sent to key networks of the Institute from the national and local governments, Congress, academe, nongovernment organizations, private sector, and international organizations.

The Institute was also able to maximize its social media platforms on Facebook (@PIDS.PH) and Twitter (@PIDS\_PH) to disseminate e-copies of its publications and announce events and seminars (see Online and Social Media Tools). These publications and events are also accessible on the PIDS website ([www.pids.gov.ph](http://www.pids.gov.ph)) free of charge.



The Institute's publications were also showcased in various events, such as the National Economics Summit on September 8–10 organized by the UP Economics Society and the Big Data Revolution: A Look on the Economic Magnitude of Analytics in the Philippine Perspective organized by the UST Artlets Economics Society and held on October 26.

#### Seminars and Events

PIDS organized a total of 28 seminars and events in 2017. These include 7 PIDS seminar series, 1 Legislators' Forum, 1 Senate Staff Forum, 1 Annual Public Policy Conference, 12 network and project-related fora, 5 press conferences (Davao City, Quezon City, Zamboanga City, Cebu City, and Baguio City) and 1 PIDS Corner Inauguration. The network and project-related fora included international events coorganized with ERIA, Australian National University, and Japan Economic Foundation.

See Annex D for a complete list of PIDS seminars and events.

#### Press Releases and Media Exposure

A total of 75 press releases highlighting the Institute's publications, studies, and events were produced, circulated to the media and partner institutions, and featured on the PIDS website and social media pages in 2017. Based on media monitoring, 489 articles published in both print and online media mentioned PIDS studies, activities, and/or researchers.

Nine media guestings were also conducted to promote the PIDS book *Unintended*

*Consequences: The Folly of Uncritical Thinking*, as well as discuss topics on rice policy, improving the bus operation along EDSA, and tax collection reforms. In addition, three media briefings were arranged in partnership with the Philippine Information Agency to promote the DPRM celebration in September including a radio guesting in *Radyo ng Bayan* and a phone patch interview with *Radyo Pilipinas*.

#### Online and Social Media Tools

The Institute was able to keep up with the demands of the digital era. In the first quarter, the redesigned PIDS website (www.pids.gov.ph) was launched. Publications, press releases, PIDS researchers' inputs to pending bills in Congress, event announcements, speakers' presentations, event photos, and the Institute's background information are all featured on the new website.

The Institute's monthly electronic newsletter *PIDS Updates* was regularly produced and featured topics and related PIDS studies on nongovernment reforestation in the Philippines, improving economic productivity through innovation, gender and development, unintended consequences of policies and programs, agricultural production support, information and communications technology development in the Philippines, decentralization reforms, and human capital development. The newsletter also provided regular updates on new publications, past and forthcoming seminars, press releases, and database updates.

PIDS has also been active on social media. In 2017, its Facebook account (@PIDS.PH) had a

total of 511 posts featuring new publications, event announcements, selected quotes from resource speakers during seminars and fora, articles about PIDS studies published online and in the print media, and a series called “Forty Things You Just Might Not Know about PIDS” in celebration of the 40th founding anniversary of the Institute. The said series started on August 18 and culminated on September 26, the founding date of PIDS. Each post contains basic facts about PIDS such as its creation, leaders, research projects, and knowledge products, among others. By the end of 2017, PIDS Facebook garnered 7,543 followers from only a little more than 4,500 at the start of the year.

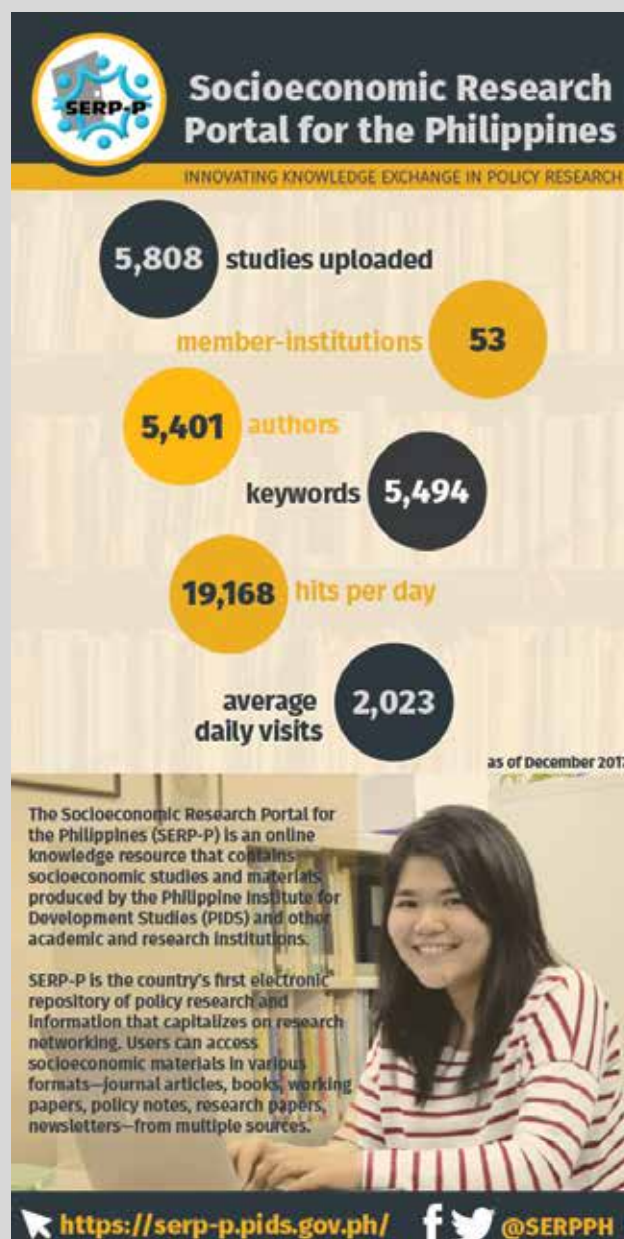
On Twitter (@PIDS\_PH), 1,075 tweets informing the public about the recent publications and upcoming events and activities of the Institute were posted. By the end of the year, the PIDS Twitter account had 1,216 followers.

### Socioeconomic Research Portal for the Philippines (SERP-P)

The SERP-P is an online database of socioeconomic studies produced by PIDS and over 50 member-institutions that are part of the SERP-P Network.

Since its launch in 2000, it now contains 5,808 materials contributed by more than 3,000 authors. A total of 153 publications from PIDS, *Bangko Sentral ng Pilipinas*, Southeast Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA), UP Los Baños Center for Strategic Planning and Policy Studies, Mindanao Development Authority, and Central Philippine University were added in 2017.

Three *SERP-P News*, the project’s newsletter, were produced in 2017. These issues had gross domestic product, poverty, and transportation as Socioeconomic Issue on Spotlight (SIS), and St. Paul University, UP Center for Integrative and Development Studies, and SEARCA as featured SERP-P member-institutions. The SIS tackles a development topic/concern and related studies about it that can be found in the SERP-P database. Issues of the *SERP-P Monthly* were also produced containing updates on the latest publications in the database and announcements from SERP-P members such as their forthcoming events.



### Library Services

The PIDS Library has given its usual support by catering to the research needs of the staff and those of students and researchers from other offices and organizations. As part of the Institute’s continuing library development program, 112 books (purchased or donated), 22 journals, and 61 CDs were added to the library collection in 2017.

During the year, the Library has also completed the migration, updating, and installation of the KOHA database. It has also maintained its relationship with both local and foreign institutions through exchange of publications.



## PIDS Corners

The Institute launched the “PIDS Corners” in 2007 as a dissemination strategy to make the results and findings of its research studies more accessible at the local and community levels. Aside from making PIDS knowledge products available in localities and communities outside of Metro Manila, the Corners aim to contribute to the socioeconomic education of people in localities with limited access to development and policy-oriented materials. In December 2017, PIDS opened its newest PIDS Corner at the Sorsogon State College Library in Sorsogon City.



1. Mariano Marcos State University, Batac City, Ilocos Norte
2. Cagayan State University Library, Carig, Tuguegarao City
3. University of the Philippines, Baguio City
4. Central Luzon State University Library Science City of Muñoz, Nueva Ecija
5. Knowledge for Development Center House of Representatives, Quezon City
6. University of Rizal System Antipolo City Campus Library, Rizal Province
7. De La Salle University, Dasmariñas City
8. Dasmariñas Public Library
9. Southern Luzon State University Library Lucban, Quezon Province
10. City College of Calapan Library, Oriental Mindoro
11. Bicol University Library, Legazpi City, Albay
12. Sorsogon State College, Sorsogon City
13. Central Philippines University Library Iloilo City, Iloilo
14. Bacolod City Public Library
15. Eastern Visayas State University Library Tacloban City, Leyte
16. University of San Carlos — Talamban Campus, Cebu City
17. Bohol Provincial Library and Information Center, Tagbilaran City, Bohol
18. Silliman University Library, Dumaguete City
19. Butuan City Public Library
20. NEDA 10 Knowledge Center Cagayan De Oro City
21. Bukidnon State University Library, Malaybalay, Bukidnon
22. Mindanao State University Library Marawi City
23. University of Southeastern Philippines, Davao City
24. Western Mindanao State University, Zamboanga City
25. Palawan State University, Puerto Princesa City, Palawan





## Development Policy Research Month



The 15th Development Policy Research Month (DPRM) celebration centered on the importance of inclusive and evidence-based discourse in the adoption of federalism in the country.

With the theme “Strengthening Decentralization for Regional Development” or “*Pagpapatibay ng Desentralisasyon Tungo sa Kaunlarang Panrehiyon*”, PIDS partnered with local and international agencies to organize events that emphasize the need for critical debates and evidence-based analyses to ensure that the proposed shift to a federal form of government as well as the current decentralization efforts in the country will benefit the Philippine economy.

To commence the month-long celebration, the Institute, together with the Mindanao Development Authority and Ateneo De Zamboanga University, conducted the 3rd Mindanao Policy Research Forum in Zamboanga City. The policy forum, anchored on the theme “Federalism as Policy Option for a Decentralized Inclusive Development: A Critical Inquiry”, featured the views of local stakeholders (members of the academe, government, and civil society) on the possible effects of federalism in Mindanao. Discussions on the gains and pitfalls of Philippine decentralization, fiscal federalism, and the proposed Philippine Federal Constitution were also tackled in the forum.

A series of press conferences were also held in major cities across the country to reach more stakeholders. PIDS partnered with the Philippine Information Agency for the conduct of these press conferences in Metro Manila and in the cities of Baguio, Cebu, and Zamboanga.

For this year’s main event, PIDS convened policy experts, researchers, decisionmakers, and other stakeholders for the third installment of the Annual Public Policy Conference. With the theme “Critical Perspectives on Federalism for Regional Development”, this year’s conference featured public finance, governance, political science, and public administration experts who talked about key issues in federalism, such as its feasibility, form, and fiscal design, and its implications given the country’s political, economic, social, and cultural conditions.

PIDS also held a public symposium on economic integration and nation building with ERIA. The symposium held in Manila aimed to increase Filipinos’ understanding and appreciation of the benefits of the ASEAN Economic Community and East Asia’s economic integration. The discussions also highlighted the importance of good governance and eased regulations in stirring the region’s economic activity.

The month of September is celebrated all over the country as Development Policy Research Month pursuant to Malacañang Proclamation No. 247 issued in 2002. PIDS, as the Philippine government’s foremost socioeconomic think tank, leads the country in celebrating the DPRM.

Many agencies and offices from different sectors of society as well as local government units joined the 2017 DPRM celebration by promoting the DPRM and conducting seminars, exhibits, and other activities related to this year’s theme (see Annex E).

## Third Annual Public Policy Conference

The Annual Public Policy Conference (APPC), which started in 2015, aims to convene experts and researchers in the social sciences to flag to policymakers critical issues that must be addressed in the immediate term. It is envisioned to serve as a platform to further bridge research and policymaking and enhance evidence-informed planning and policy formulation in the country.



The Duterte administration's proposal to shift to a federal system demands a bold response and clear action from organizations and individuals. On its part, PIDS dedicated the third APPC to initiate an informed and participatory discourse on the major issues surrounding federalism. Specifically, the APPC convened policy experts to discuss the political feasibility of federalism in the Philippines, the form and fiscal design of a federal government, as well as the implications of federalism given the country's political, economic, social, and historical contexts.

According to Dr. Gilberto Llanto, PIDS president, behind the current calls for a shift to a federal form is the frustration of Filipinos living in the Visayas and Mindanao on the concentration of both political and economic powers in Manila. Several PIDS studies have pointed to this fact, arguing that local governments continue to face various challenges in their exercise of functions primarily because of the imbalance in resource-

generation capacities between them and the national government. However, Llanto urged federalist supporters to clarify the policy discourse on federalism given the presence of multiple models that countries have adopted in pursuing a federal government.

During his presentation, Dr. Paul Hutchcroft, a professor of Southeast Asian politics at the Australian National University, supported Llanto's argument and reminded Filipinos that federalism is not a panacea that will resolve things automatically. But whether or not federalism pushes through, Hutchcroft said the government needs to strengthen the regions, which can bring development not only at the local level but in the whole country as well.

Meanwhile, Dr. Rosario Manasan, resident fiscal expert of PIDS, cautioned against adopting a federal form of government without a clear fiscal equalization formula as this could worsen

regional inequality. Manasan underscored the concentration of local government revenues in the National Capital Region, Central Luzon, and CALABARZON. This situation, she said, requires equalization transfers to other states or regions under a federal system to offset differences in revenue-raising capacity or public service cost. She likewise encouraged the government to strengthen the regional development councils, which can help in addressing coordination lapses and ensuring integrated planning and budgeting at the provincial levels.

For her part, NEDA Undersecretary Rosemarie Edillon stressed that the proponents of federalism still have to address a lot of questions on the structure of a federal form of government in the country. In terms of public management, for instance, Edillon cited her own experience navigating Metro Manila everyday, where each political unit is implementing a totally different approach to manage traffic in its locality. Apparently, such devolved setup seems ineffective as “it takes more than two hours to traverse this 14-km distance.” Aside from this, the NEDA official also urged the policymakers to examine whether the country has enough human capital at the highly technical level of governance that can be deployed to the different states.

Meanwhile, Dr. Alfredo Pascual, a member of the PIDS Board of Trustees, questioned the capability of a federal form of government to usher regional development given the country’s experience in developing state-like political units. He specifically cited the case of the two existing autonomous regions—the Autonomous Region in Muslim Mindanao and the Cordillera Administrative Region—which can be considered as states within the Philippines. Unfortunately, he claimed these are also the least developed among all the regions in the country.

Still, Mr. Edmund Tayao, executive director of the Local Government Development Foundation, encouraged the country to be open to major reforms given that the Local Government Code may no longer be producing its intended results. He likewise urged the conduct of a more in-depth study on federalism to completely capture the significance of changing the country’s form of government. He added that while the basic features of a federal form of government make it considerably better than the current one, the question lies on how it could be properly adopted given the country’s unique context.

At the end of the conference, more than 7 in every 10 participants disagreed that federalism is a necessary condition to ensure the growth of the country, according to a survey initiated by former NEDA Director-General Solita Monsod who was present at the event. In his closing remarks, Pascual said that the participants were asked to join an earlier poll on the question, “Given

what you know about the Philippine condition and what you have learned about federalism, is federalism a necessary condition for Philippine sustainable growth and development?” The survey revealed that only 28 out of the 101 participants gave a thumbs up on federalism. Meanwhile, two participants chose to abstain.

The APPC serves as the culminating activity of the DPRM, an annual nationwide celebration led by PIDS every September pursuant to Presidential Proclamation No. 247. PIDS envisions it to serve as a platform to cultivate a strong culture of research and use of data and evidence among the country’s national and local decisionmakers in policymaking and program planning. Through the different topics highlighted in every DPRM celebration, this event also aims to raise the public’s literacy of important socioeconomic issues.



**3<sup>rd</sup> ANNUAL PUBLIC POLICY CONFERENCE**

**At the end of the conference, more than 7 in every 10 participants disagreed that federalism is a necessary condition to ensure the growth of the country.**



## Legislative Inputs

PIDS—through its researchers—assists legislators in the analysis and refinement of proposed bills by submitting their comments to relevant Senate and House Committees or specific senators or House members.



In 2017, comments/inputs were provided for the following legislations:

- House Bill No. 3534, “An Act Amending Presidential Decree No. 1467, as Amended by Republic Act No. 8175, Otherwise Known as the Revised Charter of the Philippine Crop Insurance Corporation Act”
- House Bill No. 567, “An Act Amending Republic Act No. 8178 to Provide for a Subsidy for the Philippine Crop Insurance Corporation”
- House Resolution No. 796, “Resolution Directing the Special Committee on Globalization and WTO to Conduct an Inquiry, in Aid of Legislation, on the Effects into the Local Livestock and Poultry Industry of the Implementation of the General Agreement on Tariffs and Trade-World Trade Organization’s Policies and Programs in the Country”
- House Bill No. 3160, “An Act Establishing a Credit Assistance Program for Persons with Disabilities”
- House Bill No. 1916, “An Act Amending Republic Act No. 7277, Otherwise Known as the Magna Carta for Disabled Persons”
- House Bill No. 2396, “An Act Amending Republic Act No. 7277, Otherwise Known as the Magna Carta for Disabled Persons”
- Senate Bill No. 1298, “Individuals with Disabilities Education Act of 2016”
- Substitute Bill, “An Act Granting Additional Privileges to Persons with Disability, Amending for the Purpose Republic Act No. 7277, as Amended, Otherwise Known as the Magna Carta for Persons with Disability, and Appropriating Funds Therefor”
- Senate Bill No. 78, “Children with Special Needs Education Fund Act of 2016”
- Senate Bill No. 996, “Inclusive Education for Children and Youth with Special Needs Act of 2016”
- Senate Bill No. 468, “Special Education Act”
- Senate Bill No. 1331, “Inclusive Education Learning Resource Center Act”
- Senate Bill No. 705, “Scholarship for the Poor Act”
- Senate Bill No. 819, “*Libreng Kolehiyo para sa Batang Siyentipiko* Act of 2016”
- Senate Bill No. 158, “Tuition-Free Higher Education Act of 2016”
- Senate Bill No. 177, “Free Higher Education for All Act”
- Senate Bill No. 198, “Free Higher Education Act”
- Senate Bill No. 962, “Tuition-Free Higher Education Act of 2016”
- Senate Bill No. 1450, “Budget Reform Bill”
- Senate Bill Nos. 331, 936, and 1216, “On-Site, In-City, or Near-City Resettlement Act”
- House Bill Nos. 3781, 3838, 3871, and 3913, “An Act Rightsizing the National Government to Improve Public Service Delivery”
- Bills prohibiting/restricting all forms of temporary employment: Why they are problematic?

PIDS researchers also served as resource persons in various seminars and workshops organized by the Senate and the House of Representatives.



## PIDS Employees Association



Photo by PIDS

2017 was a remarkable year for the Philippine Institute for Development Studies Employees Association (PIDSEA), the sole and existing legitimate labor organization of PIDS. During the year, PIDSEA manifested its commitment to promote the welfare and interest of its members by entering into another collective negotiation agreement (CNA). After several months of negotiation on the terms pertaining to employees' privileges and benefits, the CNA was finally signed by the members of the PIDSEA Executive Committee (ExeCom) and the PIDS Management Committee (ManCom) on September 28, 2017. Both parties believe the CNA is important to foster a harmonious working relationship between the employees and management. The CNA was also formally registered with the Civil Service Commission on December 1, 2017.

To provide opportunities for social interaction and to celebrate the Institute's 40th founding anniversary, PIDSEA organized an Employees Day on September 28, 2017, with the help of the new members of the PIDS family who led the Sports Fest. The oath-taking of the new set of PIDSEA officers who were elected in 2016 and the awarding of Certificate of Membership for the new members were held during the Employees Day. The one-day festivity also

featured a mini-bazaar, which provided an opportunity to enterprising members to sell their products and earn.

PIDSEA members were nominated to represent the organization in various existing and ad hoc committees of the Institute, which is a testament to the collaboration between the PIDS ManCom and staff. Most important is the representation of PIDSEA in the regular meetings of the ManCom, wherein the concerns of the employees are conveyed to the Institute's officials.

Meetings are also convened by the PIDSEA ExeCom to discuss with its members urgent matters regarding the association. During these meetings, the ExeCom engages in dialogue with the members on important reminders, such as support to the Institute's policy measures. These meetings serve as a venue for the ExeCom to hear and address issues and concerns of the members.

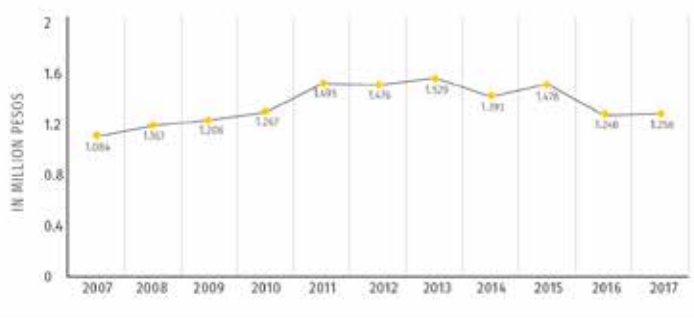
All these activities would not have been possible without the support of the PIDS ManCom and staff. PIDSEA is always grateful for everybody's continued cooperation and it remains deeply committed to foster camaraderie within the Institute.

## PIDS Provident Fund

FIGURE 1: Asset distribution by class of asset (As of December 31, 2017)



FIGURE 2: Net Income for Years 2007–2017



The PIDS Provident Fund was established on April 29, 1999. It was registered with the Securities and Exchange Commission on January 25, 2000. It was organized to establish and maintain a fund, the sources of which are derived from the contributions of its members and counterpart contributions of PIDS. All earnings from its investment operations are distributed to the members as benefits. The PIDS provided PHP 2.000 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 benefits to retired/resigned/separated PIDS employees.

As of December 31, 2017, the Fund has a total membership of 70 permanent PIDS member-employees and 3 coterminous PASCN employees.

The 17h Annual Members' Meeting of the PIDS Provident Fund which was held on April 17, 2017 at the PIDS Conference Hall 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.

For calendar year (CY) 2017, the Fund paid provident fund benefits in the total amount

of PHP 4.573 million to eight employees who resigned/retired from PIDS.

The Fund also distributed dividends in the total amount of PHP 0.184 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 position, the Fund's assets increased by 5.4 percent from PHP 44.972 million in 2016 to PHP 47.402 million in 2017. 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.

As to the members' equity account, the members' equity increased in 2017 by 5.27 percent, from PHP 41.814 million in 2016 to PHP 44.016 million in 2017. The members' equity consists of members' contributions, that of PIDS, and the dividends.

In terms of revenue generation for CY 2017, the Fund earned revenues of PHP 1.461 million which is slightly lower by PHP 0.007 million compared to the total revenues of PHP 1.468 million in CY 2016. The Fund spent PHP 0.164 million in operating expenses and paid share in net income to resigned members in the amount of PHP 0.041 million during the year, thus, a net income of PHP 1.256 million in 2017. This is slightly higher than the PHP 1.245 million net income in 2016.

## Board of Trustees



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Chairperson

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



**DR. WILLIAM G. PADOLINA**  
Member

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Project Manager, CHED-PCARI Office  
Higher Education Development Center



**ATTY. RAPHAEL PERPETUO M. LOTILLA**  
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Fellow, Philippine Center for Economic  
Development, UP School of Economics



**DR. ALFREDO E. PASCUAL**  
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Institute of Corporate Directors



**DR. GILBERTO M. LLANTO**  
Member

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for Development Studies



## Management Committee



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PhD Economics  
UP School of Economics



**DR. MARIFE M. BALLESTEROS**  
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PhD Social Sciences  
University of Nijmegen (The Netherlands)



**MS. ANDREA S. AGCAOILI**  
Department Manager III  
Administrative and Finance Department

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MA Business Administration  
Philippine Christian University



**DR. SHEILA V. SIAR**  
Department Manager III  
Research Information Department

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PhD Development Studies  
University of Auckland (New Zealand)



**MS. RENEE ANN JOLINA C. AJAYI**  
Department Manager III  
Project Service Department

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MA Development Management,  
Development Academy of the Philippines

## Research Fellows



**DR. MICHAEL R.M. ABRIGO**  
Research Fellow

PhD Economics  
University of Hawaii at Manoa

(population and health economics, applied economic modelling, impact evaluation)



**DR. JOSE RAMON G. ALBERT**  
Senior Research Fellow

PhD 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)



**DR. ROEHLANO M. BRIONES**  
Senior Research Fellow

PhD Economics  
UP School of Economics

(agriculture, CGE modeling, rural development)



**DR. CONNIE B. DACUYCUI**  
Senior Research Fellow

PhD Economics  
Kyoto University (Japan)

(household, family and gender issues, poverty analysis, applied economic modeling)



**DR. SONNY N. DOMINGO**  
Senior Research Fellow

PhD Applied Economics  
Charles Sturt University  
(Australia)

(agricultural science and resource economics, mathematical programming, disaster risk reduction and management)



**DR. ROSARIO G. MANASAN**  
Senior Research Fellow

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UP School of Economics  
Postdoctoral, Massachusetts  
Institute of Technology

(public finance, decentralization, education)



**DR. ERLINDA M. MEDALLA**  
Senior Research Fellow

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Postdoctoral, Yale University  
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**DR. ANICETO C. ORBETA JR.**  
Senior Research Fellow

PhD Economics  
UP School of Economics  
Postdoctoral, Harvard University  
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**DR. FRANCIS MARK A. QUIMBA**  
Research Fellow

PhD Development Economics,  
National Graduate Institute  
for Policy Studies (Japan)  
(rural development, international development)



**DR. CELIA M. REYES**  
Senior Research Fellow

PhD Economics  
University of Pennsylvania  
(econometric modeling, poverty analysis)



**DR. RAMONETTE B. SERAFICA**  
Senior Research Fellow

PhD Economics  
University of Hawaii  
(services and trade in services)



**DR. VICENTE B. PAQUEO**  
Visiting Senior Research Fellow

UP School of Economics  
Postdoctoral, Princeton University  
(education, social protection, and health economics)



## ANNEX A

# Completed Studies

STUDY TITLE	RESEARCHERS
<b>AGRICULTURE</b>	
Outlook for the Philippine Economy and Agroindustry to 2030: The Role of Productivity Growth	Roehlano Briones
Characterization of Agricultural Workers in the Philippines	Roehlano Briones
The Comprehensive Agrarian Reform Program after 30 Years: Accomplishments and Forward Options	Marife Ballesteros, Jenica Ancheta, and Tatum Ramos
Assessment of Agribusiness Venture Arrangements and Sugarcane Block Farming for the Modernization of Agriculture	Blanquita Pantoja, Joanne Alvarez, and Flordeliza Sanchez
AMPLE CGE Model: User Guide	Ivory Myka Galang
Climate-Sensitive Decisions and Use of Climate Information: Insights from Selected La Trinidad and Atok, Benguet Agricultural Producers	Celia Reyes, Sonny Domingo, Adrian Boyett Agbon, and Ma. Divina Olaguera
Review of High-Value Agriculture in the Philippines with Comprehensive Subsectoral Focus: Livestock Industries	Sonny Domingo and Ma. Divina Olaguera
<b>COMPETITION / TRADE AND INDUSTRY / REGIONAL INTEGRATION</b>	
Review of Intra-ASEAN Nontariff Measures on Trade in Goods	Erlinda Medalla and Melalyn Mantaring
Understanding the New Philippine Competition Act	Erlinda Medalla
Value Chain Analysis of the Wood Processing Industry in the Philippines	Danilo Israel and David Feliks Bunao
Survey and Focus Group Discussions to Support AANZFTA Review Study	Francis Mark Quimba and Erlinda Medalla
Macroeconomic Overview of the Philippines and the New Industrial Policy	Maureen Ane Rosellon and Erlinda Medalla
Mainstreaming SMEs: Promoting Inclusive Growth in APEC	Erlinda Medalla and Melalyn Mantaring
<b>DISASTER RISK REDUCTION AND MANAGEMENT</b>	
A Review of Philippine Government Disaster Financing for Recovery and Reconstruction	Deanna Villacin
Institutional Issues in Disaster Risk Reduction and Management	Sonny Domingo
Welfare Issues in Price Control on Occasions of Calamities, Emergencies, and Like Occurrences	Sonny Domingo and Ma. Divina Olaguera
<b>FINANCE / CREDIT</b>	
What Determines Financial Inclusion in the Philippines? Evidence from a National Baseline Survey	Gilberto Llanto and Maureen Ane Rosellon

<b>FISCAL POLICY AND BUDGET MANAGEMENT</b>	
Evaluation of Fiscal Incentives in the Philippines	Danileen Kristel Parel
Assessment of the 2017 Tax Reform for Acceleration and Inclusion	Rosario Manasan
<b>GENDER AND DEVELOPMENT</b>	
Sustainable Development Goal 5: How Does the Philippines Fare on Gender Equality?	Clarissa David, Jose Ramon Albert, and Jana Flor Vizmanos
<b>GOVERNANCE / REGULATIONS/ INSTITUTIONS</b>	
The Promises and Pains in Procurement Reforms in the Philippines	Adoracion Navarro and Juan Alfonso Tanghal
Reducing Unnecessary Regulatory Burden: The Philippine Tuna Industry	Gilberto Llanto, Ma. Kristina Ortiz, and Cherry Ann Madriaga
Scoping Study on Reducing Unnecessary Regulatory Burdens in the Philippine Food Manufacturing Industry	Nerlita Manalili, Suzette Simondac, Imelda Valenton, and Mara Michelle Pangilinan
Assessment of the BUB Program: Improving Access of Local Communities to Basic Services and Strengthening Social Capital	Rosario Manasan, Catharine Adaro, and Lovely Ann Tolin
Federalism: Prospects for the Philippines	Romulo Emmanuel Miral Jr.
Designing the Fiscal Features of a Federal Form of Government: Autonomy and Equity	Rosario Manasan
<b>HEALTH</b>	
Social Protection and Access to Health Care among Children in the Philippines	Michael Ralph Abrigo and Vicente Paqueo
Decentralization and Health in the Philippines: A Systematic Review of Empirical Evidences	Michael Ralph Abrigo, Zhandra Tam, and Danica Aisa Ortiz
<b>INFRASTRUCTURE / TRANSPORTATION / COMMUNICATION</b>	
The Renewable Energy Policy Debate in the Philippines	Maureen Ane Rosellon
Assessment of Planning and Programming for Capital Projects at the National and Agency Levels	Epictetus Patalinghug
Rebooting Philippine Telecommunications Through Structural Reform	Ma. Kristina Ortiz, Ramonette Serafica, and Jose Carlos Alexis Bairan
<b>LABOR / LIVELIHOOD / EMPLOYMENT</b>	
Countering the Discriminatory Impact of Minimum Wages against Disadvantaged Workers: Literature Review and Experimental Design Development	Aniceto Orbeta Jr. and Vicente Paqueo
<b>POVERTY AND SOCIAL PROTECTION</b>	
Social Enterprises and Community Development	Marife Ballesteros and Gilberto Llanto
Chronic Food Poverty in the Philippines	Connie Dacuycuy and Lora Kryz Baje

Toward Adaptive Social Protection in the Philippines	Connie Dacuycuy and Lora Kryz Baje
Chronic and Transient Poverty and Weather Variability in the Philippines: Evidence Using Components Approach	Connie Dacuycuy and Lora Kryz Baje
Crop Insurance Program of the Philippine Crop Insurance Corporation: Integrative Report from the Five Case Regions in the Philippines	Celia Reyes, Adrian Boyett Agbon, Christian Mina, and Arkin Arboneda
Evaluation of the Impact of the Agricultural Insurance Program of the Philippine Crop Insurance Corporation on Agricultural Producers in Region IV-A (CALABARZON)	Felino Lansigan, Consorcia Reano, Liza Comia, Nancy Tandang, Roselle Collado, James Roldan Reyes, Rachelyn Arana, Ronald Roldan Jr., Rocky Marcelino, Jared Jorim Mendoza, Mara Sherlin Talento, Edrun Gayosa, and Leonard Alan Almero
Evaluation of the Impact of the Agricultural Insurance Program of the Philippine Crop Insurance Corporation on Agricultural Producers in Region II – Cagayan Valley	Vilma Conrado, Jocelyn Tuscano, Beatriz Oñate, Erwin Torio, Jane Umengan, and Nina Klare Paat
Opportunities for Strengthening Agriculture Insurance Programs: Philippine Crop Insurance Corporation and LGU Partnerships	Celia Reyes, Adrian Boyett Agbon, Christian Mina, and Reneli Gloria
Agricultural Insurance Program: Lessons from Different Country Experiences	Celia Reyes, Adrian Boyett Agbon, Christian Mina, Reneli Gloria
Evaluation of the Registry System for Basic Sectors in Agriculture	Celia Reyes and Reneli Gloria
Inequality of Opportunities among Ethnic Groups in the Philippines	Celia Reyes, Christian Mina, and Ronina Asis
Evaluation and Assessment on the Effectiveness of DSWD Internal and External Convergence as Operationalized by the Regional, Provincial, and City/Municipal Action Teams	Jose Ramon Albert and Connie Dacuycuy
Assessment of Livelihood Success and Implementation Issues of the Sustainable Livelihood Program of the DSWD	Marife Ballesteros, Aniceto Orbeta Jr., John Paul Corpus, and Jenica Ancheta
Employment of Adult Women with Disabilities	Christian Mina
School Participation of Children with Disabilities	Adrian Boyett Agbon and Christian Mina
Health Practices of Children and Women with Disabilities	Celia Reyes, Charina Cecille Reyes, and Arkin Arboneda
<b>SERVICES POLICY / INNOVATION / RESEARCH AND DEVELOPMENT</b>	
Innovation Activity of Firms in the Philippines	Francis Mark Quimba, Jose Ramon Albert, and Gilberto Llanto
Regulatory Measures Affecting Services Trade and Investment	Lai-Lynn Barcenas, Glenda Reyes, Jose Tongzon, and Ramonette Serafica
Impact of Foreign Linkages on Innovation Activity of Manufacturing Firms in CALABARZON	Francis Mark Quimba and Sylwyn Calizo Jr.



Measuring and Examining Innovation in Philippine Business and Industry	Jose Ramon Albert, Francis Mark Quimba, Ramonette Serafica, Gilberto Llanto, Jana Flor Vizmanos, and Jose Carlos Alexis Bairan
POLICY TOOLS / STATISTICS / OTHERS	
National Accounts and Household Survey Estimates of Household Expenditures: Why Do They Differ and Why Should We Be Concerned?	Jose Ramon Albert, Ronina Asis, and Jana Flor Vizmanos
Training Course on Building Competencies and Skills on Report Writing and Data Analysis Using Stata	Jose Ramon Albert
A Review of Philippine Macroeconometric Models	Celia Reyes, Connie Dacuycuy, Michael Ralph Abrigo, Francis Mark Quimba, Sylwyn Calizo Jr., Zhandra Tam, and Lora Kryz Baje
Capacity Building on Impact Evaluation	
Strengthening Capacity Building for RTA/FTA Negotiations in APEC (Under the Project, "Management and Expansion of the APEC Policy Tools [Phase 1]")	Erlinda Medalla and Francis Mark Quimba

## ANNEX B

# Ongoing Studies

STUDY TITLE	RESEARCHERS
<b>COMPETITION / TRADE AND INDUSTRY / REGIONAL INTEGRATION</b>	
Research and Data Collection to Support the ASEAN SME Policy Index 2018	Gilberto Llanto, Ma. Kristina Ortiz, and Jhon Robert Kho
Preparing the Philippines for the Fourth Industrial Revolution: A Scoping Study	Ramonette Serafica, Aniceto Orbeta Jr., Vicente Paqueo, Jose Ramon Albert, Jose Carlos Alexis Bairan, Elmer Dadios, and Alvin Culaba
Joint Feasibility Study on the Possible Economic Cooperation Agreement Between the Philippines and Taiwan	Erlinda Medalla, Francis Mark Quimba, Ramonette Serafica, Maureen Ane Rosellon, Jose Carlos Alexis Bairan, and Ritchelle Alburo
Feasibility Study of a Philippines–United States Free Trade Agreement	Erlinda Medalla, Maureen Ane Rosellon, Roehlano Briones, Ramonette Serafica, Francis Mark Quimba, and Arjan Paulo Salvanera
Competition Issues on Agricultural Credit Market, Land-Based Public Transportation, Grocery and Supermarket Retail Business, and Philippine Digital Commerce Market	Ramonette Serafica and Arjan Paulo Salvanera
<b>DISASTER RISK REDUCTION AND MANAGEMENT</b>	
Action-Ready Climate Knowledge to Improve Disaster Risk Management for Smallholder Farmers in the Philippines	Celia Reyes, Sonny Domingo, Adrian Boyett Agbon, and Ma. Divina Olaguera
<b>EDUCATION</b>	
Process Evaluation Study on the CHED K to 12 Adjustment Assistance Program	Aniceto Orbeta Jr., Vicente Paqueo, Alex Brillantes Jr., Karen Dominique Brillantes, and Justine Beatrice Jovellanos
Baseline Study on the CHED K to 12 Adjustment Assistance Program	Aniceto Orbeta Jr., Vicente Paqueo, Michael Cabalfin, Ruzzel Brian Mallari, Amel Nestor Docena
<b>GOVERNANCE / REGULATIONS / INSTITUTIONS</b>	
Baseline Study on Policy and Governance Gaps for the Local Government Support Fund Assistance to Municipalities	Charlotte Justine Diokno-Sicat, Miro Frances Capili, and Catharine Adaro
<b>HEALTH</b>	
What Works for Decentralized Health-Care Delivery? A Review of Evidences	Michael Ralph Abrigo, Danica Aisa Ortiz, and Zhandra Tam

### LABOR / LIVELIHOOD / EMPLOYMENT

Policy Analysis and Employment Projections for Green Jobs	Aniceto Orbeta Jr., Michael Ralph Abrigo, and Danica Aisa Ortiz
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### MACROECONOMIC POLICY

Estimation of the Philippine Macroeconometric Model	Celia Reyes, Connie Dacuycuy, Francis Mark Quimba, and Michael Ralph Abrigo
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### POVERTY AND SOCIAL PROTECTION

Improving the Chances of Success in Assisting the Poor Households Through Better Beneficiary Sorting and Employment Facilitation in the Philippines	Marife Ballesteros, Aniceto Orbeta Jr., Celia Reyes, Vicente Paqueo, John Paul Corpus, and Frances Mae Rivera
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### SERVICES POLICY / INNOVATION / RESEARCH AND DEVELOPMENT

Philippine Country Report for the Regional Inclusive Growth Project (Diginomics Project)	Gilberto Llanto, Francis Mark Quimba, Sylwyn Calizo Jr., and Madeline Cabauatan
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### POLICY TOOLS / STATISTICS

Management and Expansion of the APEC Policy Tools	Francis Mark Quimba, Erlinda Medalla, Maureen Ane Rosellon, and Mark Anthony Barral
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### PASCN RESEARCH GRANTS

The Effect of Supply Chain Integration on the Competitiveness of the Philippine Small Enterprises	Elaine Borazon
Export Survivability of Philippine SMEs	George Manzano
Obstacles and enablers of Philippine MSMEs Participation in Global Value Chains	Jamil Paolo Francisco

### PASCN THESIS AND DISSERTATION ASSISTANCE PROGRAM

Forecasting Market Risk Through Turbulent Times	Roberto Miguel Roque
Community in Transition: The Emergence of Calamba City as a Growth Corridor in CALABARZON, Philippines	Christopher Mantillas



## ANNEX C

# Publications

CODE	TITLE	AUTHORS
<b>BOOKS</b>		
Book 2017-01	Unintended Consequences: The Folly of Uncritical Thinking	Vicente Paqueo, Aniceto Orbeta Jr., and Gilberto Llanto
Book 2017-02	Building Inclusive Economies, Building a Better World: A Look at the APEC 2015 Priority Areas (Volume 2)	Philippine Institute for Development Studies and Philippine APEC Study Center Network
Book 2017-03	Birth of a Think Tank (The Founding of PIDS)	Gerardo Sicat
Book 2017-04	2016 Annual Public Policy Conference Proceedings	Philippine Institute for Development Studies and Bangko Sentral ng Pilipinas
<b>RESEARCH PAPER SERIES</b>		
RPS 2017-01	An Assessment of the Community Mortgage Program Implementation Strategy	Marife Ballesteros, Tatum Ramos, and Jasmine Magtibay
RPS 2017-02	Review and Assessment of the Students Grants-in-Aid Program for Poverty Alleviation (SGP-PA) and Expanded SGP-PA	Denise Valerie Silfverberg and Aniceto Orbeta Jr.
<b>PHILIPPINE JOURNAL OF DEVELOPMENT</b>		
PJD 2016 Vol. 43 No. 1a	Employment Generation Potential of the Rice Value Chain: The Case of Mlang, North Cotabato in Mindanao	Carol Balgos and Larry Diga
PJD 2016 Vol. 43 No. 1b	The Fertilizer Industry and Philippine Agriculture: Policies, Problems, and Priorities	Roehlano Briones
PJD 2016 Vol. 43 No. 1c	Can Cheap Oil Hurt Net Importers? Evidence from the Philippines	Arlan Brucal and Michael Ralph Abrigo
PJD 2016 Vol. 43 No. 1d	Philippine Telecommunications Laws and Regulations: A Trans-Pacific Partnership (TPP) Gap Analysis	Krystal Uy and Isabel Rosario Villamil
PJD 2016 Vol. 43 No. 2a	Economic Impact of Typhoon <i>Ondoy</i> in Pasig and Marikina Cities Using a Multiweek CGE Model Analysis	Philip Arnold Tuaño, Marjorie Muyrong, and Ramon Clarete
PJD 2016 Vol. 43 No. 2b	Legal and Policy Implications of the TPP Agreement: Focus on Intellectual Property	Ma. Gladys Vilchez

PJD 2016 Vol. 43 No. 2c	The Philippines' Readiness for the TPP: Focus on Investor-State Dispute Settlement	Manuel Teehankee
PJD 2016 Vol. 43 No. 2d	The TPP Agreement and Government Procurement: Opportunities and Issues for the Philippines	Ramon Clarete and Gerald Gracius Pascua
<b>DEVELOPMENT RESEARCH NEWS</b>		
DRN 2017 Vol. 35 No. 1	Women and Children with Disabilities Face Dire Conditions	PIDS Research Information Staff
DRN 2017 Vol. 35 No. 2	DRRM's Design and Implementation Need to Be Beefed Up	PIDS Research Information Staff
DRN 2017 Vol. 35 No. 3	PIDS Calls for Intelligent Discourse on Federalism	PIDS Research Information Staff
DRN 2017 Vol. 35 No. 4	PIDS Prods Government to Regulate Digital Economy	PIDS Research Information Staff
<b>ECONOMIC ISSUE OF THE DAY</b>		
EID 2017-01	The Rise of Collaborative Economy in the Philippines	Rejinel Valencia
EID 2017-02	The Triple Burden of Disease	Danica Aisa Ortiz and Michael Ralph Abrigo
EID 2017-03	ASEAN Connectivity: The Hows and Whys	Neille Gwen de la Cruz
EID 2017-04	Social Protection in the Philippines	Rejinel Valencia
EID 2017-05	Demographic Dividend	Michael Ralph Abrigo and Carla San Diego
<b>POLICY NOTES</b>		
PN 2017-01	Is the Agricultural Insurance Program of the Government Serving the Poor?	Romulo Virola
PN 2017-02	Australian SME Micro-Offshoring in the Philippines: Opportunities and Challenges	Peter Ross and Mike O'Hagan
PN 2017-03	Who Benefits and Loses from an Untargeted Tuition Subsidy for Students in SUCs?	Aniceto Orbeta Jr. and Vicente Paqueo
PN 2017-04	How Do Official Statistics in the Philippines Fare?	Jose Ramon Albert
PN 2017-05	Who Benefits from the Government Health Insurance Subsidy for the Poor?	Michael Cabalfin
PN 2017-06	Why Differences in Household Expenditure Estimates Matter	Jose Ramon Albert, Ronina Asis, and Jana Flor Vizmanos
PN 2017-07	Quantitative Restriction on Rice Imports: Issues and Alternatives	Roehlano Briones, Ivory Myka Galang, and Lovely Ann Tolin
PN 2017-08	Reviving the Wood Processing Industry of the Philippines	Danilo Israel
PN 2017-09	Do Men and Women in the Philippines Have Equal Economic Opportunities?	Jose Ramon Albert and Jana Flor Vizmanos
PN 2017-10	Examining Energy Use and Weather Variability Through the Gender Lens	Connie Dacuycuy
PN 2017-11	Assessment of the Targeting and Financing Aspects of the RSBSA-AIP	Celia Reyes and Christian Mina

PN 2017-12	Have We Institutionalized DRRM in the Philippines?	Sonny Domingo and Ma. Divina Olaguera
PN 2017-13	Analyzing Housework Through Family and Gender Perspectives	Connie Dacuycuy and Lawrence Dacuycuy
PN 2017-14	Estimating Filipinos' Vulnerability to Poverty	Christian Mina and Celia Reyes
PN 2017-15	Understanding the Principles Underlying the Philippine Competition Law	Erlinda Medalla
PN 2017-16	Preventing Childhood Stunting: Why and How?	Alejandro Herrin
PN 2017-17	Measure and Determinants of Chronic and Transient Poverty in the Philippines	Connie Dacuycuy and Lora Kryz Baje
PN 2017-18	Toward an Adaptive Social Protection in the Philippines	Connie Dacuycuy and Lora Kryz Baje
PN 2017-19	Design Issues of the Philippine Agricultural Insurance Programs	Celia Reyes and Christian Mina
PN 2017-20	Strengthening Capacity Building for RTA/FTA Negotiations in APEC	Erlinda Medalla and Francis Mark Quimba
PN 2017-21	Intersecting Weather Variability and Chronic Food Poverty	Connie Dacuycuy and Lora Kryz Baje
PN 2017-22	Filipino Women in Leadership: Government and Industry	Clarissa David, Jose Ramon Albert, and Jana Flor Vizmanos
PN 2017-23	Access to Medicines in the Philippines: Overcoming the Barriers	Ramon Clarete and Gilberto Llanto
PN 2017-24	The Value of Labor Market Information Systems on International Labor Mobility	Leonardo Lanzona Jr.
PN 2017-25	Rising to the Challenge of Eliminating All Forms of Violence Against Women and Girls	Clarissa David, Jose Ramon Albert, and Jana Flor Vizmanos
PN 2017-26	Characterization of Agricultural Workers in the Philippines	Roehlano Briones
PN 2017-27	Outlook for the Philippine Economy and Agroindustry to 2030: The Role of Productivity Growth	Roehlano Briones
PN 2017-28	Reforming the Legal Framework for the Budget Process	Rosario Manasan
PN 2017-29	Assessment of Planning and Programming for Capital Projects at the National and Agency Levels	Epictetus Patalinghug
PN 2017-30	Financing Postdisaster Reconstruction in the Philippines	Deanna Villacin, Tatum Ramos, and Marife Ballesteros

#### DISCUSSION PAPERS

DP 2017-01	Opportunities for Strengthening Agriculture Insurance Programs: Philippine Crop Insurance Corporation and LGU Partnerships	Celia Reyes, Adrian Boyett Agbon, Christian Mina, and Reneli Ann Gloria
DP 2017-02	Agricultural Insurance Program: Lessons from Different Country Experiences	Celia Reyes, Adrian Boyett Agbon, Christian Mina, and Reneli Ann Gloria
DP 2017-03	Evaluation of the Registry System for Basic Sectors in Agriculture	Celia Reyes and Reneli Ann Gloria
DP 2017-04	Strengthening Social Enterprises for Inclusive Growth: Philippines	Marife Ballesteros and Gilberto Llanto



DP 2017-05	Value Chain Analysis of the Wood Processing Industry in the Philippines	Danilo Israel and David Feliks Bunao
DP 2017-06	Energy Consumption, Weather Variability, and Gender in the Philippines: A Discrete/Continuous Approach	Connie Dacuycuy
DP 2017-07	Evaluation of the Financial Sustainability of the Agricultural Insurance Programs of the Philippine Crop Insurance Corporation	Romulo Virola
DP 2017-08	Technology and Knowledge Transfers in Production Networks: Case Study on Philippine Food Manufacturing Firms	Fatima Lourdes Prado and Maureen Ane Rosellon
DP 2017-09	Achieving Innovation Without Formal R&D: Philippine Case Study of Garment Firms	Fatima Lourdes Prado and Maureen Ane Rosellon
DP 2017-10	Competition for the Market: A Policy Framework for Improving Bus Operation along EDSA	Gilberto Llanto and Hope Gerochi
DP 2017-11	What Does ASEAN Mean to ASEAN Peoples? (The Philippine Case)	Sheila Siar, Jose Ramon Albert, and Gilberto Llanto
DP 2017-12	Evaluation of the Impact of Agricultural Insurance Program of the Philippine Crop Insurance Corporation on Agricultural Producers in Region II (Cagayan Valley), Philippines	Vilma Conrado, Jocelyn Tuscano, Beatriz Oñate, Erwin Torio, Jane Umengan, and Nina Klare Paet
DP 2017-13	Reducing Unnecessary Regulatory Burden: The Philippine Tuna Industry	Gilberto Llanto, Ma. Kristina Ortiz, and Cherry Ann Madriaga
DP 2017-14	Understanding the New Philippine Competition Act	Erlinda Medalla
DP 2017-15	Evaluation of the Impact of Agricultural Insurance Program of the Philippine Crop Insurance Corporation on Agricultural Producers in Region IV-A (CALABARZON)	Felino Lansigan, Consorcia Reano, Liza Comia, Nancy Tandang, Roselle Collado, James Roldan Reyes, Rachelyn Arana, Ronald Roldan Jr., Rocky Marcelino, Jared Jorim Mendoza, Mara Sherlin Talento, Edrun Gayosa, and Leonard Alan Almero
DP 2017-16	The Promises and Pains in Procurement Reforms in the Philippines	Adoracion Navarro and Juan Alfonso Tanghal
DP 2017-17	The Renewable Energy Policy Debate in the Philippines	Maureen Ane Rosellon
DP 2017-18	Review of Intra-ASEAN Nontariff Measures on Trade in Goods	Erlinda Medalla and Melalyn Mantaring
DP 2017-19	Rebooting Philippine Telecommunications Through Structural Reform	Ma. Kristina Ortiz, Ramonette Serafica, and Jose Carlos Alexis Bairan
DP 2017-20	National Accounts and Household Survey Estimates of Household Expenditures: Why Do They Differ and Why Should We Be Concerned?	Jose Ramon Albert, Ronina Asis, and Jana Flor Vizmanos
DP 2017-21	A Review of Philippine Government Disaster Financing for Recovery and Reconstruction	Deanna Villacin
DP 2017-22	The Impacts of Roll-On/Roll-Off Transport System in the Philippines	Kris Francisco
DP 2017-23	Scoping Study on Reducing Unnecessary Regulatory Burdens in the Philippine Food Manufacturing Industry	Nerlita Manalili, Suzette Simondac, Imelda Valenton, and Mara Michelle Pangilinan

DP 2017-24	Chronic and Transient Poverty and Weather Variability in the Philippines: Evidence Using Components Approach	Connie Dacuycuy and Lora Kryz Baje
DP 2017-25	Chronic Food Poverty in the Philippines	Connie Dacuycuy and Lora Kryz Baje
DP 2017-26	Evaluation of Fiscal Incentives in the Philippines	Danileen Kristel Parel
DP 2017-27	Assessment of the 2017 Tax Reform for Acceleration and Inclusion	Rosario Manasan
DP 2017-28	Measuring and Examining Innovation in Philippine Business and Industry	Jose Ramon Albert, Francis Mark Quimba, Ramonette Serafica, Gilberto Llanto, Jana Flor Vizmanos, and Jose Carlos Alexis Bairan
DP 2017-29	Federalism: Prospects for the Philippines	Romulo Miral Jr.
DP 2017-30	Outlook for the Philippine Economy and Agroindustry to 2030: The Role of Productivity Growth	Roehlano Briones
DP 2017-31	Characterization of Agricultural Workers in the Philippines	Roehlano Briones
DP 2017-32	Evaluation and Assessment of the Effectiveness of the DSWD Internal and External Convergence as Operationalized by the Regional, Provincial, and City/Municipal Action Teams	Jose Ramon Albert and Connie Dacuycuy
DP 2017-33	HIV/AIDS Knowledge and Sexual Behavior of Female Young Adults in the Philippines	Michael Ralph Abrigo
DP 2017-34	The Comprehensive Agrarian Reform Program After 30 Years: Accomplishments and Forward Options	Marife Ballesteros, Jenica Ancheta, and Tatum Ramos
DP 2017-35	Assessment of Agribusiness Venture Arrangements and Sugarcane Block Farming for the Modernization of Agriculture	Blanquita Pantoja, Joanne Alvarez, and Flordeliza Sanchez
DP 2017-36	Social Protection and Access to Health Care among Children in the Philippines	Michael Ralph Abrigo and Vicente Paqueo
DP 2017-37	Assessment of Planning and Programming for Capital Projects at the National and Agency Levels	Epictetus Patalinghug
DP 2017-38	What Determines Financial Inclusion in the Philippines? Evidence from a National Baseline Survey	Gilberto Llanto and Maureen Ane Rosellon
DP 2017-39	Crop Insurance Program of the PCIC: Integrative Report from the Five Case Regions in the Philippines	Celia Reyes, Adrian Boyett Agbon, Christian Mina, and Arkin Arboneda
DP 2017-40	Regulatory Measures Affecting Services Trade and Investment: Distribution, Multimodal Transport, and Logistics Services	Lai-Lynn Barcenas, Glenda Reyes, Jose Tongzon, and Ramonette Serafica
DP 2017-41	AMPLE-CGE Model: User Guide	Ivory Myka Galang
DP 2017-42	Inequality of Opportunities Among Ethnic Groups in the Philippines	Celia Reyes, Christian Mina, and Ronina Asis
DP 2017-43	A Review of Philippine Macroeconometric Models	Celia Reyes, Connie Dacuycuy, Michael Ralph Abrigo, Francis Mark Quimba, Sylwyn Calizo Jr., Zhandra Tam, and Lora Kryz Baje

DP 2017-44	Innovation Activity of Firms in the Philippines	Francis Mark Quimba, Jose Ramon Albert, and Gilberto Llanto
DP 2017-45	Sustainable Development Goal 5: How Does the Philippines Fare on Gender Equality?	Clarissa David, Jose Ramon Albert, and Jana Flor Vizmanos
DP 2017-46	Impact of Foreign Linkages on Innovation Activity of Manufacturing Firms in CALABARZON	Francis Mark Quimba and Sylwyn Calizo Jr.
DP 2017-47	Climate-Sensitive Decisions and Use of Climate Information: Insights from Selected La Trinidad and Atok, Benguet Agricultural Producers	Celia Reyes, Sonny Domingo, Adrian Boyett Agbon, and Ma. Divina Olaguera
DP 2017-48	Macroeconomic Overview of the Philippines and the New Industrial Policy	Maureen Ane Rosellon and Erlinda Medalla
DP 2017-49	Mainstreaming SMEs: Promoting Inclusive Growth in APEC	Erlinda Medalla and Melalyn Mantaring
DP 2017-50	Institutional Issues on Disaster Risk Reduction and Management	Sonny Domingo
DP 2017-51	Review of High-Value Agriculture in the Philippines with Comprehensive Subsectoral Focus: Livestock Industries	Sonny Domingo and Ma. Divina Olaguera
DP 2017-52	Welfare Issues in Price Control on Occasions of Calamities, Emergencies, and Like Occurrences	Sonny Domingo and Ma. Divina Olaguera
DP 2017-53	Assessment of the BUB Program: Improving Access of Local Communities to Basic Services and Strengthening Social Capital	Rosario Manasan, Catharine Adaro, and Lovely Ann Tolin
DP 2017-54	Assessment of Implementation Issues and Livelihood Success on the Sustainable Livelihood Program of the DSWD	Marife Ballesteros, Aniceto Orbeta Jr., John Paul Corpus, and Jenica Ancheta
DP 2017-55	Countering the Discriminatory Impact of Minimum Wages Against Disadvantaged Workers: Literature Review and Experimental Design Development	Aniceto Orbeta Jr. and Vicente Paqueo
DP 2017-56	Designing the Fiscal Features of a Federal Form of Government: Autonomy, Accountability, and Equity Considerations	Rosario Manasan
DP 2017-57	Employment Profile of Women with Disabilities in San Remigio and Mandaue City, Cebu, Philippines	Christian Mina
DP 2017-58	Decentralization and Health in the Philippines: A Systematic Review of Empirical Evidences	Michael Ralph Abrigo, Zhandra Tam, and Danica Aisa Ortiz
DP 2017-59	School Participation of Children with Disability: The Case of San Remigio and Mandaue City, Cebu, Philippines	Adrian Boyett Agbon and Christian Mina
DP 2017-60	Health Practices of Children and Women with Disabilities	Celia Reyes, Charina Cecille Reyes, and Arkin Arboneda



## ANNEX D

### Events

DATE	TITLE	VENUE	PRESENTER(S)
SEMINARS			
January 16, 2017	Assessment and Coordination Meeting on Federalism Initiative Project	PIDS Conference Room, Three Cyberpod Centris - North Tower, EDSA, Quezon City	Experts from the fields of political science, governance, economics, and finance from government, academe, and international organizations
February 9, 2017	Global Uncertainty: Regional Headwinds and the Philippines' Economic Promise	PIDS Conference Room, Three Cyberpod Centris - North Tower, EDSA, Quezon City	Dan Steinbock, founder and CEO, Difference Group Ltd.
February 21, 2017	Social Welfare Functions and Development: Measurement and Policy Applications	PIDS Conference Room, Three Cyberpod Centris - North Tower, EDSA, Quezon City	Nanak Kakwani
February 28, 2017	PIDS-CPBRD Forum on Expiration of the Waiver for Quantitative Restrictions on Rice Importation by June 2017: Options for Food Policy	House of Representatives, Quezon City	Roehlano Briones Mercedita Sombilla
March 16, 2017	Dissemination Forum on Poverty Alleviation of Women and Children with Disabilities	PIDS Conference Room, Three Cyberpod Centris - North Tower, EDSA, Quezon City	Celia Reyes Christian Mina Adrian Boyett Agbon
March 16, 2017	Asia and the Philippines - Approaching the End of the Export-Led Growth Story?	PIDS Conference Room, Three Cyberpod Centris - North Tower, EDSA, Quezon City	Ganeshan Wignaraja
March 30, 2017	Roundtable on The Future of the ASEAN Community: Unlocking ASEAN's Next Chapter	Shangri-La Hotel, Makati Business District, Makati City	Resource speakers and delegates from ASEAN countries, Economic Research Institute for ASEAN and East Asia, Singapore Institute of International Affairs, and PIDS
May 10, 2017	Book Launch: <i>Unintended Consequences: The Folly of Uncritical Thinking</i>	PIDS Conference Room, Three Cyberpod Centris - North Tower, EDSA, Quezon City	Gilberto Llanto Vicente Paqueo Aniceto Orbata Jr.
June 20, 2017	Book Launch: <i>Banking on the Future of Asia and the Pacific: 50 Years of the Asian Development Bank</i>	ADB Headquarters, Manila	Alfredo Pascual Various speakers from the academe and government

July 11, 2017	Have We Institutionalized DRRM in the Philippines?	PIDS Conference Room, Three Cyberpod Centris - North Tower, EDSA, Quezon City	Sonny Domingo
July 25, 2017	PASCN Annual General Assembly and Symposium	Hotel Benilde Maison De La Salle, Arellano corner Estrada Streets, Malate, Manila	Gilberto Llanto Sheila Siar Erlinda Medalla Francis Mark Quimba Various speakers from the academe
July 26, 2017	Tax Reform for Acceleration and Inclusion: HB 4774, HB 5636, and SB 1408 Compared	Senate of the Philippines Building, Pasay City	Rosario Manasan
August 24, 2017	Public Symposium on Building ASEAN Socio-Cultural Community and Nation Building	Marco Polo Hotel, Davao City	Sheila Siar Erlinda Medalla Various speakers from ASEAN countries, Mindanao Development Authority, Economic Research Institute for ASEAN and East Asia and other international organizations
September 5, 2017	Press Conference on the 15th DPRM	PIA Conference Room, Quezon City	Rosario Manasan Adoracion Navarro Epimaco Densing Harold Clavite
September 7, 2017	3rd Mindanao Policy Research Forum (Federalism as Policy Option for a Decentralized Inclusive Development: A Critical Inquiry	Ateneo de Zamboanga University, La Purisima Street, Zamboanga City	Atty. Benedicto Bacani Romulo Emmanuel Miral Jr. Rosario Manasan Jonathan Malaya
September 7, 2017	Regional Press Conference on the 15th DPRM	Ateneo de Zamboanga University, La Purisima Street, Zamboanga City	Datu Abul Khayr Alonto Rosario Manasan Atty. Benedicto Bacani Hezekiah Concepcion
September 12, 2017	Regional Press Conference on the 15th DPRM	PIA Regional Office, Cebu City	Rosario Manasan Dionisio Ledres
September 19, 2017	3rd Annual Public Policy Conference: Critical Perspectives on Federalism for Regional Development	Marco Polo Ortigas, Pasig City	Dr. Herwig Mayer Dr. Paul Hutchcroft Prof. Edmund Tayao Dr. Rosario Manasan Dr. Arturo Corpuz Dr. Ronald Mendoza
September 21, 2017	Public Symposium on Economic Integration and Nation Building	Marco Polo Ortigas, Pasig City	Resource speakers and delegates from ASEAN countries, Economic Research Institute for ASEAN and East Asia, Singapore Institute of International Affairs, and PIDS

September 29, 2017	Regional Press Conference on the 15th DPRM	Microtel Hotel, Baguio City	Rosario Manasan
October 10, 2017	Impact Evaluation of the Special Program for Employment of Students: Challenges, Findings, and Lessons Learned	PIDS Conference Room, Three Cyberpod Centris - North Tower, EDSA, Quezon City	Emily Beam
October 18, 2017	Forum on Regulation and Governance in the Philippines: Development Policy Challenges for the New Administration	Marco Polo Ortigas, Pasig City	Speakers from the Australian National University, PIDS, and other universities
September 19, 2017	NEDA 1 Technical Session on Federalism cum Live Stream Participation to the 3rd Annual Public Policy Conference	NEDA 1 Conference Hall, Guerrero Road, San Fernando City, La Union	NEDA Region 1
October 25, 2017	The Digital Economy: Potential Benefits, Challenges, and Implications for Regulation		Emily Frances Lourdes Razal Ellen Joyce Suficiencia
November 6, 2017	Measuring and Examining Innovation in Philippine Business and Industry	PIDS Conference Hall	Jose Ramon Albert
November 20, 2017	Beyond ASEAN@50: Opportunities and Challenges for Regional Integration	Silliman University, Dumaguete City	Speakers from PIDS, Silliman University, and other agencies
November 23, 2017	Asia-Pacific Forum 2017: Integration and Inclusiveness in a Digital Society	Marco Polo Ortigas, Pasig City	Resource speakers and delegates from ASEAN countries, Economic Research Institute for ASEAN and East Asia, and in different fields
December 13, 2017	PIDS Corner Inauguration	Sorsogon State College Library in Sorsogon, Bicol	Marife Ballesteros Sheila Siar Alberto Naperi Other SSC key officials

#### MEDIA ENGAGEMENTS

DATE	RADIO/TV STATION	RESOURCE SPEAKER(S)	TOPIC
May 7, 2017	RMN-DZXL 558 (Good Morning Metro Manila) hosted by Buddy Oberas, 8am	Vicente Paqueo	Book on <i>Unintended Consequences: The Folly of Uncritical Thinking</i>
May 8, 2017	Bombo Radyo – Star FM DWSM 102.7 (Morning It's All For You) hosted by DJ Allen, 10am	Vicente Paqueo	Book on <i>Unintended Consequences: The Folly of Uncritical Thinking</i>
May 8, 2017	Radyo ng Bayan (Agenda ng Bayan) hosted by Arsenio Naniong	Vicente Paqueo	Book on <i>Unintended Consequences: The Folly of Uncritical Thinking</i>
May 9, 2017	Net 25 (Masayang Umaga po!) hosted by Leo Martinez	Vicente Paqueo	Book on <i>Unintended Consequences: The Folly of Uncritical Thinking</i>

May 9, 2017	Sonshine Media Network International (SMNI) News (Actionline) – DZAR 1026 hosted by Vea Corpuz, 9am–10am	Vicente Paqueo	Book on <i>Unintended Consequences: The Folly of Uncritical Thinking</i>
May 9, 2017	DWAD 1098 (Helpline) hosted by Vea Corpuz, 1:15pm	Vicente Paqueo	Book on <i>Unintended Consequences: The Folly of Uncritical Thinking</i>
May 12, 2017	ANC (Early Edition) hosted by TJ Manotoc	Vicente Paqueo Aniceto Orbeta Jr.	Book on <i>Unintended Consequences: The Folly of Uncritical Thinking</i>
May 19, 2017	ANC (Early Edition) hosted by TJ Manotoc	Roehlano Briones	Rice self-sufficiency policy
May 23, 2017	TV5 Aksyon News program hosted by Gerard Dela Peña	Gilberto Llanto	Competition for the Market: A Policy Framework for Improving Bus Operation along EDSA
September 5, 2017	Kapihan sa PIA with various media organizations (Quezon City)	Rosario Manasan Adoracion Navarro and others	DPRM, Federalism
September 7, 2017	Kapihan sa PIA with various local media entities (Ateneo de Zamboanga University)	Datu Abul Khayr Alonto Rosario Manasan and others	DPRM, Federalism
September 12, 2017	AGIO-PIA 7 Forum (Radyo ng Bayan – Cebu and MyTV)	Rosario Manasan Dionisio Ledres	DPRM
September 21, 2017	Tinig ng Kababaihan Serbisyo Publiko Ngayon Program Radyo Pilipinas	Sheila Siar	PIDS DPRM
September 29, 2017	Kapihan sa PIA (Baguio City)	Rosario Manasan Atty. Fritz Torqueza	DPRM



## ANNEX E

**15th Development Policy Research Month**

ACTIVITIES			
DATE	TITLE	VENUE	ORGANIZER(S)
September 5, 2017	Press Conference on the 15th DPRM (Quezon City)	PIA Conference Room, PIA Building, Visayas Avenue, Quezon City	PIDS, PIA, and DPRM Steering Committee Members
September 6, 2017	Public Information Campaign - Role of the BSP (IFAO template), Watch Out for Fraud and Scams	Overseas Workers Welfare Administration, Trinidad Bldg., Corrales Street, Cagayan de Oro City	BSP-Cagayan De Oro Office
September 7, 2017	3rd Mindanao Policy Research Forum (Federalism as Policy Option for a Decentralized Inclusive Development: A Critical Inquiry)	Ateneo de Zamboanga University, La Purisima Street, Zamboanga City	PIDS, MinDA, and ADZU
September 7, 2017	Regional Press Conference on the 15th DPRM (Zamboanga City)	Ateneo de Zamboanga University, La Purisima Street, Zamboanga City	PIDS, MinDA, and ADZU
September 7–15, 2017	Conduct of Review and Revision of CLUP for Iloilo City	UP Visayas	UP Visayas College of Management
September 8, 2017	Establishment of Knowledge Resource Collections	Tupi National High School, Tupi, South Cotabato	BSP-General Santos Office
September 12, 2017	Regional Press Conference on the 15th DPRM (Cebu City)	PIA Regional Office, Cebu City	PIDS, PIA Region 7
September 13–14, 2017	Economic and Financial Education Expo	Gymnasium, Siquijor State College, Old Capitol Circle, North Poblacion, Larena, Siquijor	BSP-EFLC and FCPD
September 13, 2017	Instilling Integrity and Values for Teamwork for Implementation of the Conditional Matching Grant for Road Repair, Rehabilitation, and Improvement in LGUs	DLSU-Manila	De La Salle University - School of Economics
September 18, 2017	Invest PH: PPPs for Local Government Units	6 ADB Avenue, Ortigas Center Mandaluyong City	Public-Private Partnership Center
September 18, 2017	Public Information Campaign - Role of BSP/ Personal Finance	Divine Word College of Legazpi	BSP-Legazpi Office
September 19, 2017	3rd Annual Public Policy Conference: Critical Perspectives on Federalism for Regional Development	Marco Polo Ortigas, Pasig City	PIDS

September 20, 2017	Consumer Finance Survey Multi-Sectoral Forum: Region XII	General Santos City	BSP–Department of Economic Statistics
September 21, 2017	Public Symposium on Economic Integration and Nation Building	Marco Polo Ortigas, Pasig City	PIDS, ERIA
September 21, 2017	Mabini Dialogue Series: Promoting Mindanao's Economic Agenda Through the BIMP-EAGA Initiative	Benedicto Room of the Carlos P. Romulo Library, DFA Building, Pasay City	FSI
September 21, 2017	Signing of Memorandum of Understanding with Partner Libraries for the Establishment of Knowledge Resource Networks	Cauayan City, Santiago City and Echague, Isabela	BSP–Tuguegarao Office
September 22, 2017	Groundbreaking Ceremony for the Establishment of BSP Cash Center in Cauayan City	Cauayan City	BSP–Tuguegarao Office
September 25, 2017	Research Policy Development Training Workshop	ISPSC Farmer's Training Center, Santa Maria, Ilocos Sur	Ilocos Sur Polytechnic State College
September 26, 2017	Is BBL 1.1 of Federalism?: Dynamics and Links of BBL and Federalism	House of Representatives, South Wing Annex Building	HOR-CPBRD
September 26, 2017	Forum on Strengthening Decentralization for Regional Development	Estevez Hall, NEDA 5, Legazpi City, Albay	NEDA Region 5
September 26, 2017	Financial Empowerment Session (Savings, Budgeting, and Consumer Protection), Know Your Philippine Currency	BSP Tacloban Branch	BSP–Tacloban Office
September 29, 2017	Regional Press Conference on the 15th DPRM (Baguio City)	Microtel Baguio, Baguio City	PIDS, PIA-CAR
September 29, 2017	2017 Regional Research Utilization Forum	NEDA Jalaur Conference Room, Iloilo City	NEDA Region 6
September 29, 2017	Public Information Campaign - BSP and Phil Econ/Inflation Targeting	Guinabut NHS, Misamis Occidental	BSP–Ozamis City Office
September 2017	Fun Run, Operation Linis/Tree Planting, Sportsfest, Cookfest, and Livelihood Training for Employees	Municipal Gymnasium Maddela, Quirino	Local Government Unit of Maddela, Quirino
November 2017	Provincial Advocacy Roadshow on the Davao Regional Development Plan 2017–2022, with DPRM Inputs	Tagum City and Davao City	NEDA Region 11

## PARTICIPATING INSTITUTIONS

1. Agricultural Credit Policy Council
2. Ateneo de Zamboanga University
3. Bangko Sentral ng Pilipinas
4. Bombon (Camarines Sur), Municipality of
5. Bureau of Internal Revenue
6. Cavite State University
7. City Government of Malolos
8. Civil Service Commission
9. Clark International Airport Corporation
10. Cooperative Development Authority
11. De La Salle University - School of Economics
12. Department of Agriculture
13. Department of Agriculture - Bureau of Soils and Water Management
14. Department of Budget and Management
15. Department of Energy
16. Department of Finance - Bureau of Local Government Finance
17. Department of Science and Technology
18. Department of Social Welfare and Development
19. Department of the Interior and Local Government
20. Department of Transportation
21. Diadi (Nueva Vizcaya), Municipality of
22. Dipaculao (Aurora), Municipality of
23. Foreign Service Institute
24. Guimaras, Province of
25. House of Representatives - Congressional Policy and Budget Research Department
26. Japan External Trade Organization-Manila
27. Laguna Lake Development Authority
28. Land Transportation Office-Region 1
29. Mactan-Cebu International Airport Authority
30. Maddela (Quirino), Municipality of
31. Magdalena (Laguna), Municipality of
32. Makati, City Government of
33. Manila Electric Company
34. Maragusan (Compostella Valley), Municipality of
35. Maritime Industry Authority
36. Milaor (Camarines Sur), Municipality of
37. Mindanao Development Authority
38. National Defense College of the Philippines
39. National Economic and Development Authority-Central Office
40. National Economic and Development Authority-CAR
41. National Economic and Development Authority-Region 1
42. National Economic and Development Authority-Region 5
43. National Economic and Development Authority-Region 9
44. National Economic and Development Authority - Region 11
45. National Housing Authority
46. National Labor Relations Commission
47. National Power Corporation
48. National Transmission Corporation
49. Oton (Iloilo), Municipality of
50. Parole and Probation Administration-Region 2
51. Philippine Charity Sweepstakes Office
52. Philippine Competition Commission
53. Philippine Deposit Insurance Corporation
54. Philippine Economic Zone Authority
55. Philippine Health Insurance Corporation
56. Philippine Information Agency-CAR
57. Philippine Information Agency-Region 5
58. Philippine Information Agency-Region 7
59. Philippine Information Agency-Central Office
60. Philippine Institute for Development Studies
61. Philippine National Volunteer Service Coordinating Agency
62. Philippine Ports Authority, PMO-Zamboanga
63. Philippine Rice Research Institute
64. Philippine Science High School-Cagayan Valley Campus
65. Polytechnic University of the Philippines - Institute for Labor and Industrial Relations
66. Presidential Commission for the Urban Poor
67. Presidential Communications Operations Office
68. Presidential Management Staff
69. Public-Private Partnership Center of the Philippines
70. Puerto Galera (Oriental Mindoro), Municipality of
71. Samal Island Garden (Davao del Norte), City of
72. San Fernando (Romblon), Municipality of
73. San Guillermo (Isabela), Municipality of
74. San Isidro (Northern Samar), Municipality of
75. Small Enterprises Research and Development Foundation
76. Sta. Maria (Bulacan), Municipality of
77. Southeast Asian Regional Center for Graduate Study and Research in Agriculture
78. Subic Bay Metropolitan Authority
79. Tariff Commission
80. Toll Regulatory Board
81. University of Baguio
82. University of the East
83. University of the Philippine Los Baños - College of Economics and Management
84. University of the Philippines Visayas - College of Management
85. Western Mindanao State University
86. West Visayas State University

## 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  
 18F Three Cyberpod Centris - North Tower  
 EDSA corner Quezon Avenue, Quezon City

### Report on the Financial Statements

We have audited the accompanying financial statements of the Philippine Institute for Development Studies, which comprise the Statement of Financial Position as at December 31, 2017 and the Statement of Financial Performance, Statement of Changes in Equity, Statement of Cash Flows and Statement of Comparison of Budget and Actual Amount 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 Philippine Public Sector Accounting Standards, 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 Philippine Public 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 Philippine Institute for Development Studies as at December 31, 2017 and its financial performance and its cash flows for the year then ended in accordance with Philippine Public Sector Accounting Standards.

### **Report on Supplementary Information Required Under BIR Revenue Regulation 15-2010**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties, and license fees paid or accrued during the taxable year described in Note 24 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

### COMMISSION ON AUDIT

ROSALIE D. SARMIENTO  
OIC - Supervising Auditor – Audit Group H  
Cluster 6, Corporate Government Sector

February 27, 2018

## ANNEX G

## Statement of Financial Position

PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES  
 CONDENSED STATEMENT OF FINANCIAL POSITION  
 Corporate fund as at December 31, 2017  
 (With corresponding figures for 2016; in Philippine peso)

	NOTES*	2017	2016
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	3.2 & 5	282,727,537	282,171,065
Financial Assets	3.3 & 6	19,757,947	0
Receivables	7	10,229,087	5,186,737
Inventories	3.4 & 8	573,636	390,424
Other Current Assets	10	10,940,844	6,465,321
Total Current Assets		324,229,051	294,213,547
<b>Noncurrent Assets</b>			
Financial Assets	3.3 & 6	369,653,630	368,016,984
Receivables	7	31,496,247	61,560,578
Property, Plant, and Equipment - Net	3.5 & 9	27,247,273	31,878,206
Other Noncurrent Assets	10	11,214,353	11,203,592
Total Noncurrent Assets		439,611,503	472,659,360
<b>TOTAL ASSETS</b>		<b>763,840,554</b>	<b>766,872,907</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Financial Liabilities	3.3 & 11	973,643	2,932,146
Interagency Payables	12	3,482,834	17,303,827
Trust Liabilities	13	451,174	4,205,154
Other Payables	15	148,948	282,283
Total Current Liabilities		5,056,599	24,723,410
<b>Noncurrent Liabilities</b>			
Financial Liabilities	3.3 & 11	0	597,500
Interagency Payables	12	34,264,090	61,560,578
Trust Liabilities	13	8,913,072	1,300,076
Deferred Credits	14	1,621,400	37,688,892
Other Payables	15	1,160,914	878,631
Total Noncurrent Liabilities		45,959,476	102,025,677
<b>TOTAL LIABILITIES</b>		<b>51,016,075</b>	<b>126,749,087</b>
<b>TOTAL ASSETS LESS TOTAL LIABILITIES</b>		<b>712,824,479</b>	<b>640,123,820</b>
<b>NET ASSETS/EQUITY</b>			
Accumulated Surplus/(Deficit)	16	712,824,479	640,123,820
<b>TOTAL NET ASSETS/EQUITY</b>		<b>712,824,479</b>	<b>640,123,820</b>

\*The notes on pages 73–93 form part of these financial statements.

## ANNEX H

**Condensed Statement of Financial Performance**

PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES  
 CONDENSED STATEMENT OF FINANCIAL PERFORMANCE  
 Corporate fund for the year ended December 31, 2017  
 (With corresponding figures for 2016; in Philippine peso)

	NOTES*	2017	2016
<b>REVENUE</b>			
Service and Business Income	18	28,740,008	20,627,390
Shares, Grants, and Donations		0	190,430
Gains		0	15,321,394
<b>Total Revenue</b>		<b>28,740,008</b>	<b>36,139,214</b>
<b>LESS: CURRENT OPERATING EXPENSES</b>			
Personal Services	19	74,606,024	62,843,643
Maintenance and Other Operating Expenses	20	71,420,888	47,883,750
Financial Expenses	21	71,418	46,687
Noncash Expenses	22	11,505,074	11,802,878
<b>Total Current Operating Expenses</b>		<b>157,603,404</b>	<b>122,576,958</b>
<b>Deficit from Current Operations</b>		<b>(128,863,396)</b>	<b>(86,437,744)</b>
Gains on Foreign Exchange	24.1	327,794	994,931
Losses on Foreign Exchange	24.2	(309,521)	(40,583)
<b>Deficit before Tax</b>		<b>(128,845,123)</b>	<b>(85,483,396)</b>
Income Tax Expense		0	0
<b>Deficit after Tax</b>		<b>(128,845,123)</b>	<b>(85,483,396)</b>
Subsidy from the National Government	23	201,211,283	100,444,486
<b>Net Surplus for the Period</b>		<b>72,366,160</b>	<b>14,961,090</b>

\*The notes on pages 73–93 form part of these financial statements.

## ANNEX I

## Statement of Changes in Net Assets/Equity

PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES  
STATEMENT OF CHANGES IN NET ASSETS/EQUITY  
Corporate fund for the year ended December 31, 2017  
(in Philippine peso)

	NOTES*	Accumulated Surplus (Deficit)	Government Equity	Total
<b>BALANCE AT JANUARY 1, 2016</b>		<b>624,446,304</b>	<b>0</b>	<b>624,446,304</b>
Adjustments:				
Add/(Deduct):				
Changes in Accounting Policy		(1,297,147)	0	(1,297,147)
Prior Period Errors		3,073,783	0	3,073,783
<b>RESTATED BALANCE AT JANUARY 1, 2016</b>		<b>626,222,940</b>	<b>0</b>	<b>626,222,940</b>
Changes in Net Assets/Equity for CY 2016				
Add/(Deduct):				
Surplus/(Deficit) for the Period		14,961,090	0	14,961,090
Other Adjustments		(1,060,210)	0	(1,060,210)
<b>BALANCE AT DECEMBER 31, 2016</b>		<b>640,123,820</b>	<b>0</b>	<b>640,123,820</b>
Adjustments				
Add/(Deduct):				
Prior Period Errors		165,999	0	165,999
<b>RESTATED BALANCE AT DECEMBER 31, 2016</b>		<b>640,289,819</b>	<b>-</b>	<b>640,289,819</b>
Changes in Net Assets/Equity for CY 2017				
Add/(Deduct):				
Surplus/(Deficit) for the Period		72,366,160	0	72,366,160
Other Adjustments	16	(311,720,924)	311,889,424	168,500
<b>BALANCE AT DECEMBER 31, 2017</b>		<b>400,935,055</b>	<b>311,889,424</b>	<b>712,824,479</b>

\*The notes on pages 73–93 form part of these financial statements.



## ANNEX J

## Condensed Statement of Cash Flows

PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES  
 CONDENSED STATEMENT OF CASH FLOWS  
 Corporate fund for the year ended December 31, 2017  
 (With corresponding figures for 2016; in Philippine peso)

NOTES*	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash Inflows</b>		
Collection of Revenues	1,650,951	5,511,137
Receipt of Assistance/Subsidy	163,537,000	73,672,000
Collection of Receivables	16,635,724	42,553,281
Receipt of Interagency Fund Transfers	1,400,000	28,676,026
Trust Receipts	15,317,025	13,157,612
Other Receipts	12,824,450	21,564,199
<b>Total Cash Inflows</b>	<b>211,365,150</b>	<b>185,134,255</b>
<b>Cash Outflows</b>		
Payment of Expenses	93,734,067	68,351,086
Purchase of Inventories	1,271,864	1,200,368
Grant of Cash Advances	9,662,507	11,495,697
Prepayments	8,252,815	6,149,035
Refund of Deposits	519,600	580,173
Payment of Accounts Payable	0	2,723,965
Remittance of Personnel Benefits, Contributions, and Mandatory Deductions	34,168,417	31,991,214
Release of Interagency Fund Transfers	36,517,996	78,204,723
<b>Total Cash Outflows</b>	<b>184,127,266</b>	<b>200,696,261</b>
Adjustments	2,427,449	12,484,429
<b>Adjusted Cash Outflows</b>	<b>186,554,715</b>	<b>213,180,690</b>
<b>Net Cash Provided by/(Used in) Operating Activities</b>	<b>24,810,435</b>	<b>(28,046,435)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Cash Inflows</b>		
Proceeds from Matured Investments/ Redemption of Long Term	62,945,447	57,863,069
<b>Total Cash Inflows</b>	<b>62,945,447</b>	<b>57,863,069</b>
<b>Cash Outflows</b>		
Purchase of Property, Plant, and Equipment	7,075,489	3,401,516
Purchase of Investments	79,939,333	90,323,369
<b>Total Cash Outflows</b>	<b>87,014,822</b>	<b>93,724,885</b>
<b>Net Cash Provided by/(Used in) Investing Activities</b>	<b>(24,069,375)</b>	<b>(35,861,816)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>741,060</b>	<b>(63,908,251)</b>
Effects of Exchange Rate Changes	(184,588)	(40,582)
<b>Cash and Cash Equivalents, January 1</b>	<b>282,171,065</b>	<b>346,119,898</b>
<b>Cash and Cash Equivalents, December 31</b>	<b>282,727,537</b>	<b>282,171,065</b>

\*The notes on pages 73–93 form part of these financial statements.

## ANNEX K

# Statement of Comparison of Budget and Actual Amounts

PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES  
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
Corporate fund for the year ended December 31, 2017  
(in Philippine peso)

Particulars	NOTES*	Budgeted Amount		Actual Amounts on Comparable Basis	Difference Final Budget and Actual
		Original	Final		
RECEIPTS					
Service and Business Income	3.10/18	14,079,377	14,079,377	28,740,008	(14,660,631)
Assistance and Subsidy	3.10/23	163,537,000	163,537,000	201,211,283	(37,674,283)
Total Receipts		177,616,377	177,616,377	229,951,291	(52,334,914)
PAYMENTS					
Personnel Services	3.10/19	104,230,495	104,230,495	74,606,024	29,624,471
Maintenance and Other Operating Expenses	3.10/20	85,342,330	81,711,330	71,420,888	10,290,442
Capital Outlay	3.10/17	8,497,500	8,497,500	7,369,821	1,127,679
Financial Expenses	3.10/21	200,000	200,000	71,418	128,582
Total Payments		198,270,325	194,639,325	153,468,151	41,171,174
NET RECEIPTS/PAYMENTS		(20,653,948)	(17,022,948)	76,483,140	(93,506,088)

\*The notes on pages 73–93 form part of these financial statements.

## ANNEX L

# Notes to Financial Statements

### 1. GENERAL INFORMATION/ENTITY PROFILE

The financial statement of Philippine Institute for Development Studies (PIDS) was authorized for issue on January 31, 2018 as shown in the Statement of Management Responsibility for Financial Statements signed by Dr. Ernesto M. Pernia, the Chairman of the Board.

The PIDS is a nonstock, nonprofit government research institution created by virtue of Presidential Decree 1201 in September 1977. The Institute's nature of operation/principal program/activities include, among others, the following:

- Provide analyses of socioeconomic problems and issues to support the formulation of plans and policies for sustained social and economic development of the Philippines
- Establish a continuing channel of communication between policymakers and planners, on one hand, and researchers, on the other
- Establish a repository for economic research information and other related activities

As of December 31, 2017 the Institute's principal place of business is at 18th Floor, Three Cyberpod Centris – North Tower, EDSA corner Quezon Avenue, Quezon City.

The PIDS remains one of the best think tanks in the world. Based on the *2017 Global Go To Think Tank Index Report*, the PIDS has also climbed from its previous rank of 38th in 2016 to 37th in 2017 in the list of top 100 think tanks in Southeast Asia and the Pacific. The report was released by the Think Tanks and Civil Societies Program of the University of Pennsylvania. PIDS was again recognized as among the world's top think tanks in the following research areas: education policy (33rd), social policy (38th), and international development (72nd). Moreover, it landed 70th in the list of best government-affiliated think tanks and 77th among think tanks with the best external relations/public engagement program. The East Asian Development Network (EADN) Secretariat, which is being managed by the Institute, ranked 78th in the list of best think tank networks. The EADN is a network of institutes and centers in developing countries of East Asia. It sponsors research and capacity-building activities.

### 2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in compliance with the Philippine Public Sector Accounting Standards (PPSAS) prescribed by the Commission on Audit (COA) through COA Resolution No. 2014-003 dated January 24, 2014.

The accounting policies have been consistently applied throughout the year presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The Statement of Cash Flows is prepared using the direct method.

The financial statements are presented in Philippine peso (PHP), which is also the country's functional currency.

Amounts are rounded off to the nearest thousand, unless otherwise stated.

The preparation of financial statements in compliance with the adopted PPSAS requires the use of certain accounting estimates. It also requires the entity to exercise judgment in applying the entity's accounting policies.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Basis of Accounting

The financial statements are prepared on an accrual basis in accordance with the PPSAS.

#### 3.2 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash in bank, deposits on call, and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

#### 3.3 Financial Instruments

##### *Financial Assets*

- Initial recognition and measurement

Financial assets within the scope of PPSAS 29 - Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables, or available-for-sale financial assets, as appropriate. The PIDS determines the classifications of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the PIDS commits to purchase or sell the asset.

- Held-to-maturity

Nonderivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the PIDS has the positive intention and ability to hold it to maturity.

##### *Financial Liabilities*

- Initial recognition and measurement

Financial liabilities within the scope of PPSAS 29 are classified as financial liabilities at fair value through surplus or deficit, or loans and borrowings, as appropriate. The entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair market value.

#### 3.4 Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory is received through nonexchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Cost incurred in bringing each product to its present location and condition is accounted for purchase cost using the weighted average cost method.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the PIDS.

#### 3.5 Property, Plant, and Equipment

##### *Recognition*

An item is recognized as property, plant, and equipment (PPE) if it meets the characteristics and recognition criteria as a PPE.



The characteristics of PPE are as follows:

- tangible items
- held for use for administrative purposes
- expected to be used for more than one reporting period

An item of PPE is recognized as an asset if:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity;
- the cost of fair values of the item can be measured reliably; and
- the cost is at least PHP 15,000.00.

#### *Measurement at Recognition*

An item recognized as PPE is measured at cost.

A PPE acquired through nonexchange transaction is measured at its fair value as the date of acquisition.

The cost of the PPE is the cash price equivalent or, for PPE acquired through nonexchange transactions, its cost is its fair value as at recognition date.

Cost includes the following:

- its purchase price, including import duties and nonrefundable purchase taxes, after deducting trade discounts and rebates
- expenditure that is directly attributable to the acquisition of the items
- initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

#### *Measurement after Recognition*

After recognition, all PPE are stated at cost less accumulated depreciation and impairment losses.

When significant parts of PPE are required to be replaced at intervals, the PIDS recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major repair/replacement is done, its cost is recognized in the carrying amount of the PPE as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized as expense in surplus or deficit as incurred.

#### *Depreciation*

Each part of an item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognized as an expense unless it is included in the cost of another asset.

#### • Initial Recognition of Depreciation

Depreciation of an asset begins when it is available for use such as when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

For simplicity and to avoid proportionate computation, the depreciation is for one month if the PPE is available for use on or before the 15th of the month. However, if the PPE is available for use after the 15th of the month, depreciation is for the succeeding month.

#### • Depreciation Method

The straight-line method of depreciation is adopted.

#### • Estimated Useful Life

The PIDS uses the schedule on the estimated useful life of PPE by classification prepared by the COA in determining the specific estimated useful life for each asset based on its experience.

- Residual Value

The PIDS uses a residual value equivalent to at least 5 percent of the cost of the PPE.

*Impairment*

An asset's carrying amount is written down to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

*Derecognition*

The PIDS derecognizes items of PPE and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

### 3.6 Leases

PIDS as a Lessee

*Operating Lease*

Operating leases are leases that do not transfer substantially all the risks and rewards incidental to ownership of the leased item to the PIDS. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

### 3.7 Changes in Accounting Policies and Estimates

The PIDS recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

The PIDS recognizes the effects of changes in accounting estimates prospectively through surplus or deficit.

The PIDS corrects material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by:

- Restating the comparative amounts for prior period(s) presented in which the error occurred or
- If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities, and net assets/equity for the earliest prior period presented.

### 3.8 Foreign Currency Transactions

Transactions in foreign currencies are initially recognized by applying the spot exchange rate between the function currency and the foreign currency at the transaction date.

At each reporting date:

- Foreign currency monetary items are translated using the closing rate;
- Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- Nonmonetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising (a) on the settlement of monetary items or (b) on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements, are recognized in surplus or deficit in the period in which they arise, except as those arising on a monetary item that forms part of a reporting entity's net investments in a foreign operation.

### 3.9 Revenue from Exchange Transactions

#### *Measurement of Revenue*

Revenue is measured at the fair value of the consideration received or receivable.

#### *Rendering of Services*

The PIDS recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labor hours incurred to date as a percentage of total estimated labor hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred were recoverable.

#### *Sale of Goods*

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the PIDS.

#### *Interest Income*

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

### 3.10 Budget Information

The annual budget is prepared on a cash basis and is published on the government website.

A separate Statement of Comparison of Budget and Actual Amounts (SCBAA) is prepared since the budget and the financial statements are not prepared on comparable basis. The SCBAA is presented showing the original and final budget and the actual amounts on comparable basis to the budget. Explanatory comments are provided in the notes to the annual financial statements.

### 3.11 Employee Benefits

The employees of the PIDS are members of the Government Service Insurance System which provides life and retirement insurance coverage.

The PIDS recognizes the undiscounted amount of short-term employee benefits, like salaries, wages, bonuses, allowance, etc., as expense unless capitalized, and as a liability after deducting the amount paid.

The PIDS recognizes expenses for accumulating compensated absences when these were paid (commuted or paid as terminal benefits). Unused entitlements that have accumulated at the reporting date were not recognized as expense. Nonaccumulating absences, like special leave privileges, were not recognized.

## 4. CHANGES IN ACCOUNTING POLICIES

The PIDS adopted the following new accounting policies upon the rollout of the new Electronic New Government Accounting System (eNGAS) version 2.0 in a training conducted by COA on March 2–6, 2015, with financial statements as of January 1, 2016 converted as beginning balances.

### 4.1 Philippine Public Sector Accounting Standards

On January 1, 2016, the PIDS adopted the PPSAS. The new standards include the requirement for recognition, measurement, presentation, and disclosure and are effective beginning January 1, 2016. These accounting changes had significant impact on PIDS financial statements.

#### 4.2 Revised Chart of Accounts (RCA)

Conversion of old to new accounts pursuant to the RCA issued under COA Circular No. 2014-003 dated April 15, 2014.

#### 4.3 Unified Accounts Code Structure (UACS)

Implementation of the UACS prescribed under the COA-DBM-DOF joint Circular No. 2013-1 dated August 6, 2013.

These accounting changes had significant impact on the PIDS financial statements.

### 5. CASH AND CASH EQUIVALENTS

Accounts	As at December 31, 2017	As at December 31, 2016
	(in thousand pesos)	
Cash on Hand	130	10
Cash in Bank - Local Currency	10,125	22,919
Cash in Bank - Foreign Currency	10,817	6,239
Foreign Currency - Time Deposit	15,403	12,063
Special Savings Account/High-Yield Savings Account	245,227	240,940
Treasury Bills	1,026	0
	<b>282,728</b>	<b>282,171</b>

#### 5.1 Cash on Hand

Cash Collecting Officer account balance represents collections during the last working day of the year after banking hours. This was immediately deposited to the peso account of PIDS Land Bank of the Philippines - National Irrigation Administration (LBP-NIA) Branch of the first working day on January 2018.

#### 5.2 Cash in Bank - Local Currency

Particulars	Account No.	Amount
LBP/PIDS-APPSC Project	1872-1038-36	2,767,843
LBP/PIDS Proper (NIA Br)	1872-1037-39	7,033,471
LBP/PIDS GDN "EADN Project"	1782-1033-06	73,770
DBP/PIDS Proper	0405-026125-530	40,387
LBP/PIDS-3iE-DSWD Project	1872-1037-63	84,102
LBP/PIDS-ACIAR Project	1872-1037-71	42,481
LBP/PIDS Proper (Buendia Br)	0052-1149-34	47,339
LBP/PIDS Proper (Pasong Tamo Br)	1782-1011-50	34,550
LBP/PIDS Head Office	3401-07-0973	1,387
<b>Total</b>		<b>10,125,330</b>

The PIDS total Cash in Bank - Local Currency amounted to PHP 7.157 million, while the externally funded



project funds amounted to PHP 2.968 million. This was used to pay various project expenses incurred for the specific project in peso.

### 5.3 Cash in Bank - Foreign Currency

Particulars	Account No.	Amount
LBP/PIDS-3ie-DSWD Project	1874-0028-91	6,540,113
LBP/PIDS GDN "EADN Project"	1784-0120-57	836,071
LBP/PIDS Proper (Pasong Tamo Br)	1784-0093-66	2,101,224
LBP/PIDS ACIAR project	1874-0029-13	1,339,464
<b>Total</b>		<b>10,816,872</b>

The PIDS total Cash in Bank - Foreign Currency amounted to PHP 2.101 million, while the externally funded project funds amounted to PHP 8.716 million, used to pay various project expenses incurred for the specific project in dollars.

### 5.4 Time Deposit - Foreign Currency

Placement of USD 302,059.14 for a period of 91 days at a rate of 1 percent per annum to mature on March 21, 2018 at LBP-Pasong Tamo Branch.

### 5.5 Special Savings Account/High-Yield Savings Account (SSA/HYSA)

The SSA/HYSA is an investment facility of the Development Bank of the Philippines (DBP)/LBP through the Trust Department of the said banks that offer interest rates higher than the yields on government securities of the same tenor.

### 5.6 Treasury Bills

The Treasury Bills account is from LBP at 83 days tenor with 2.075 percent per annum interest rate.

## 6. FINANCIAL ASSETS

Accounts	2017 (in thousand pesos)	2016 (in thousand pesos)
Total Current Financial Assets	19,758	0
Total Noncurrent Financial Assets	369,654	368,017
<b>Total</b>	<b>389,412</b>	<b>368,017</b>

Total Current Financial Assets accounts consist of Investment in Treasury Bills – Investible funds of which tenor is more than 91 days from LBP.

Total Noncurrent Financial Assets are Investments in Bonds – Investible funds comprising mainly of government treasury bonds with coupon rates between 2.55 percent and 7.36 percent. These investments scheduled to mature from calendar year 2018 to 2037.

## 7. RECEIVABLES

This Account is broken down as follows:

Particulars	2017	
	Current	Noncurrent
Receivables	5,340,780	0
Interagency Receivables	2,934,507	31,496,247
Other Receivables	1,953,800	0
	<b>10,229,087</b>	<b>31,496,247</b>

### 7.1 Receivables

Accounts	2017 (in thousand pesos)	2016 (in thousand pesos)
Interest Receivables	5,341	5,027
<b>Total</b>	<b>5,341</b>	<b>5,027</b>

This account refers to the interest income earned but not yet received for the year from various investment operations.

### 7.2 Aging/Analysis of Receivables (as at December 31, 2017)

Accounts	Total	Not Past Due	Past due		
	(in thousand pesos)		< 30 days	30–60 days	> 60 days
Interest Receivables	5,341	5,341	0	0	0
<b>Total</b>	<b>5,341</b>	<b>5,341</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 7.3 Interagency Receivables

Accounts	2017 (in thousand pesos)	2016 (in thousand pesos)
Due from National Government Agencies (NGAs)	34,431	61,687
<b>Total</b>	<b>34,431</b>	<b>61,687</b>

This account is broken down as follows:

Particulars	2017 (in thousand pesos)	2016 (in thousand pesos)
PIDS/Commission on Higher Education (CHED) - Research Development and Extension Project	31,496	61,560
PIDS/Department of the Interior and Local Government (DILG) Project "Assessment of Bottom-up Budgeting Program: Alleviating Poverty and Strengthening Social Capital"	2,398	127
Department of Budget and Management (DBM) - Procurement Services	537	0
<b>Total</b>	<b>34,431</b>	<b>61,687</b>

The receivable from PIDS/CHED “Research Development and Extension Project” amounting to PHP 31.961 million was part of the PHP 560 million Disbursement Acceleration Program (DAP) for the implementation of the Grants-in-Aid for Research Development and Extension Project which was released by the DBM to the PIDS. Of the PHP 560 million fund, PHP 504 million was transferred/released to CHED last June 20, 2012. Per monitoring report submitted by CHED to PIDS the said amount was composed of the unliquidated balances from state universities and colleges (SUCs) amounting to PHP 30.633 million and unliquidated CHED operating expenses amounting to PHP 0.863 million.

The receivable from PIDS/DILG project “Assessment of Bottom-Up Budgeting Program: Alleviating Poverty and Strengthening Social Capital”, the fund for this project was deposited in a separate bank account opened by the Institute specifically for project use (see notes 5.2). This account was used whenever the Institute advances the payment of the project expenses. We credit this account once fund transfer from project bank account to PIDS proper bank account was done.

#### 7.4 Other Receivables

Accounts	2017	2016
	(in thousand pesos)	(in thousand pesos)
Receivables - Disallowances/Charges	1,616	0
Other Receivables	338	33
<b>Total</b>	<b>1,954</b>	<b>33</b>

Receivables - Disallowances/Charges account refers to the issued COA Notice of Finality of Decision on its Notice Charge No. 12-001-(11) last January 10, 2017 and June 28, 2017.

Other Receivables account refers to the advances made by the Institute to the externally funded projects. For those projects that will last one year onwards, the Institute opened a separate bank account specifically for project use (see notes 5.2 and 5.3). We credit this account once the Institute received the project funds.

### 8. INVENTORIES

Accounts	2017	2016
	(in thousand pesos) Inventories carried at fair value	
Inventory Held for Distribution		
Carrying Amount, January 1	342	391
Additional/Acquisitions during the year	1,129	541
Expensed during the year except write-down	978	590
Carrying Amount, December 31	493	342
Inventory Held for Consumption		
Carrying Amount, January 1	49	64
Additional/Acquisitions during the year	157	121
Expensed during the year except write-down	125	136
Carrying Amount, December 31	81	49
<b>Total</b>	<b>574</b>	<b>391</b>

Regular purchases of office supplies for stock are recorded under the Inventory account and issuances thereof are recorded based on the Report of Supplies Issuance.

**9. PROPERTY, PLANT, AND EQUIPMENT**

As at December 31, 2017

Particulars	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures and Books	Leased Assets Improvements, Buildings	Other PPE (Held in Trust)	Total
<b>Carrying Amount, January 1, 2017</b>	<b>13,512,435</b>	<b>3,780,662</b>	<b>383,592</b>	<b>14,121,317</b>	<b>80,200</b>	<b>31,878,206</b>
Additions/Acquisitions	7,155,605	0	214,215	0	168,500	7,538,320
<b>Total</b>	<b>20,668,040</b>	<b>3,780,662</b>	<b>597,807</b>	<b>14,121,317</b>	<b>248,700</b>	<b>39,416,526</b>
Disposals	(4,112,770)	0	(145,839)	0	0	(4,258,609)
Depreciation (as per Statement of Financial Performance)	(4,205,622)	(697,927)	(57,506)	(6,544,019)	0	(11,505,074)
Adjustment - Cost	0	0	0	0	0	0
Adjustment - Accumulated Depreciation	3,448,555	0	145,875	0	0	3,594,430
<b>Carrying Amount, December 31, 2017 (As per Statement of Financial Position)</b>	<b>15,798,203</b>	<b>3,082,735</b>	<b>540,337</b>	<b>7,577,298</b>	<b>248,700</b>	<b>27,247,273</b>
<b>Gross Cost (Asset Account Balance per Statement of Financial Position)</b>	<b>39,613,526</b>	<b>6,822,178</b>	<b>1,203,772</b>	<b>20,665,336</b>	<b>248,700</b>	<b>68,553,512</b>
Less: Accumulated Depreciation	(23,815,323)	(3,739,443)	(663,435)	(13,088,038)	0	(41,306,239)
Allowance for Impairment	0	0	0	0	0	0
<b>Carrying Amount, December 31, 2017 (As per Statement of Financial Position)</b>	<b>15,798,203</b>	<b>3,082,735</b>	<b>540,337</b>	<b>7,577,298</b>	<b>248,700</b>	<b>27,247,273</b>

As at December 31, 2016

Particulars	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures and Books	Leased Assets Improvements, Buildings	Other PPE (Held in Trust)	Total
<b>Carrying Amount, January 1, 2016</b>	<b>14,853,902</b>	<b>4,553,027</b>	<b>1,357,969</b>	<b>20,665,325</b>	<b>1,133,711</b>	<b>42,563,934</b>
Additions/Acquisitions	3,451,965	0	412,140	0	52,985	3,917,090
<b>Total</b>	<b>18,305,867</b>	<b>4,553,027</b>	<b>1,770,109</b>	<b>20,665,325</b>	<b>1,186,696</b>	<b>46,481,024</b>
Disposals	(214,014)	(750,000)	(172,460)	0	(10,313)	(1,146,787)



Depreciation (as per Statement of Financial Performance)	(4,375,248)	(697,927)	(185,684)	(6,544,019)	0	(11,802,878)
Adjustment - Cost	(1,512,364)	0	(3,095,115)	11	(1,096,183)	(5,703,651)
Adjustment - Accumulated Depreciation	1,308,193	675,563	2,066,742	0	0	4,050,498
<b>Carrying Amount, December 31, 2016 (As per Statement of Financial Position)</b>	<b>13,512,434</b>	<b>3,780,663</b>	<b>383,592</b>	<b>14,121,317</b>	<b>80,200</b>	<b>31,878,206</b>
<b>Gross Cost (Asset Account Balance per Statement of Financial Position)</b>	<b>36,570,689</b>	<b>6,822,179</b>	<b>1,135,396</b>	<b>20,665,336</b>	<b>80,200</b>	<b>65,273,800</b>
Less: Accumulated Depreciation	(23,058,255)	(3,041,516)	(751,804)	(6,544,019)	0	(33,395,594)
Allowance for Impairment	0	0	0	0	0	0
<b>Carrying Amount, December 31, 2016 (As per Statement of Financial Position)</b>	<b>13,512,434</b>	<b>3,780,663</b>	<b>383,592</b>	<b>14,121,317</b>	<b>80,200</b>	<b>31,878,206</b>

For every acquisition of PPE items to be used in the implementation of externally funded projects, the PPE-Held in Trust account is debited. Upon completion of the project, the PPE items held in trust are reclassified to the specific PPE items account classifications.

## 10. OTHER ASSETS

### 10.1 Current and Noncurrent Other Assets

Particulars	2017 (in thousand pesos)			2016 (in thousand pesos)		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Prepayments	10,941	0	10,941	6,455	0	6,455
Deposits	0	11,202	11,202	0	11,202	11,202
Other Assets	0	12	12	11	1	12
<b>Total</b>	<b>10,941</b>	<b>11,214</b>	<b>22,155</b>	<b>6,466</b>	<b>11,203</b>	<b>17,669</b>

### 10.2 Prepayments

Particulars	2017
Prepaid Rent	5,247,885
Prepaid Insurance	490,084
Other Prepayments	5,202,875
<b>Total</b>	<b>10,940,844</b>

Deposits account consists of the guaranty deposits representing the security deposit and advance rent for the lease of the PIDS office space.

The Other Assets account represents PPE items awaiting disposals.

## 11. FINANCIAL LIABILITIES

### Payables

Particulars	2017 (in thousand pesos)			2016 (in thousand pesos)		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Accounts Payable	667	0	667	2,613	598	3,211
Due to Officers and Employees	307	0	307	319	0	319
<b>Total</b>	<b>974</b>	<b>0</b>	<b>974</b>	<b>2,932</b>	<b>598</b>	<b>3,530</b>

## 12. INTERAGENCY PAYABLES

Particulars	2017 (in thousand pesos)			2016 (in thousand pesos)		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Due to NGAs	0	34,264	34,264	14,263	61,561	75,824
Due to BIR	3,482	0	3,482	3,040	0	3,040
Due to GSIS	1	0	1	0	0	0
Due to PhilHealth	0	0	0	0	0	0
<b>Total</b>	<b>3,483</b>	<b>34,264</b>	<b>37,747</b>	<b>17,303</b>	<b>61,561</b>	<b>78,864</b>

### Due to NGAs

	Total
PIDS/CHED "Research Development and Extension Project"	31,496,247
PIDS/DILG Project "Assessment of the Bottom-Up Budgeting Program: Alleviating Poverty and Strengthening Social Capital"	2,767,843
<b>Total</b>	<b>34,264,090</b>

The account Due to NGA - PIDS/CHED "Research Development and Extension Project" pertains to the DAP-RDE funds released to PIDS (see Note 7.3). The releases and disbursements were stopped by the Institute and CHED in compliance with the Supreme Court decision on July 1, 2014 declaring "DAP as unconstitutional". We debit this account when we record the audited liquidation report of CHED and SUCs same with the receipt of refund of unutilized fund, this refund was then remitted to the Bureau of the Treasury (BTr).

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 BIR on or before their due dates.

**13. TRUST LIABILITIES**

Particulars	2017 (in thousand pesos)			2016 (in thousand pesos)		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Trust Liabilities	285	8,913	9,198	3,408	1,300	4,708
Guaranty/Security Deposits Payable	166	0	166	797	0	797
<b>Total</b>	<b>451</b>	<b>8,913</b>	<b>9,364</b>	<b>4,205</b>	<b>1,300</b>	<b>5,505</b>

**13.1 Trust Liabilities**

PIDS/International Initiative for Impact Evaluation(3iE) Project “Improving the Chances of Success Through Better Beneficiary Sorting and Employment Facilitation in the Philippines”	6,624,216
PIDS/Australian Center for International Agricultural Research Project (ACIAR) “Action Ready Climate Knowledge to Improve Disaster Risk Management for Smallholder Farmers of the Philippines”	1,381,945
PIDS/Global Development Network – East Asian Development Network (GDN-EADN) Project	906,911
PIDS/Consumer Unity and Trust Society Project “Regional Inclusive Growth Project”	88,786
PIDS/Economic Research Institute for ASEAN Project “ASEAN SME Policy Index 2018”	88,493
PIDS/Manila Economic and Cultural Office Project “Joint Feasibility Study on the Possible Economic Cooperation Agreement Between the Philippines and Taiwan”	73,735
PIDS/Japan Economic Foundation Project “Asia-Pacific Forum 2017”	30,074
PIDS/International Labour Organization Project “Policy Analysis and Employment Projections for Green Jobs”	3,665
<b>Total</b>	<b>9,197,825</b>

Trust Liabilities account pertain to cash held in trust from the listed foreign-funded projects for specific purpose.

**13.2 Guaranty/Security Deposits Payable**

This account pertains to retention fees to guarantee performance by the contractor of the terms of the contract.

**14. DEFERRED CREDITS**

Particulars	2017 (in thousand pesos)			2016 (in thousand pesos)		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Other Deferred Credits	0	1,621	1,621	0	37,689	37,689
<b>Total</b>	<b>0</b>	<b>1,621</b>	<b>1,621</b>	<b>0</b>	<b>37,689</b>	<b>37,689</b>

This account represents revenue not yet earned.

**15. OTHER PAYABLES**

The details of the account are presented below:

Accounts	2017 (in thousand pesos)			2016 (in thousand pesos)		
	Current	Noncurrent	Total	Current	Noncurrent	Total
HMO Refund of Retired/ Resigned Employees	138	1,033	1,171	154	879	1,033
Bids and Awards Committee	11	128	139	128	0	128
<b>Total</b>	<b>149</b>	<b>1,161</b>	<b>1,310</b>	<b>282</b>	<b>879</b>	<b>1,161</b>

The Health Maintenance Organization (HMO) Refund of Retired/Resigned PIDS employees pertains to cash withheld from the resigned/retired PIDS employees for the COA HMO disallowances which is under appeal by the Institute to the Supreme Court

**16. NET ASSETS/EQUITY**

The details of the account are presented below:

Particulars	2017	2016
	(in thousand pesos)	(in thousand pesos)
Beginning Balance, January 1	640,124	624,446
Changes in Accounting Policy	0	(1,297)
Prior Period Adjustments	166	3,074
Restated Balance	640,290	626,223
Surplus for the Period	72,366	14,961
Others	168	(1,060)
<b>Balance at December 31</b>	<b>712,824</b>	<b>640,124</b>

The Net Assets/Equity consists of the Government Equity Account and the Accumulated Surplus/Deficit Account. The Government Account comprises the Endowment Fund amounting to PHP 311.641 million and Investment Capital-Held in Trust amounting to PHP 0.249 million.

The Endowment Fund consists of funds released by the BTr through the DBM in the amount of PHP 311.053 million and PHP 0.588 million 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 operational requirements of the Institute. The account Investment Capital-Held in Trust represents the total cost of fixed assets purchased and used in the implementation of externally funded projects (see note 9).

The Accumulated Surplus/Deficit consists of the accumulated earnings of the Institute, prior period adjustments, effect in changes in accounting policy, and other capital adjustments.

**17. CAPITAL OUTLAY**

This account consists of PPE purchased for the year, breakdown as follows:



Particulars	2017 (in thousand pesos)
Machinery and Equipment	7,155
Furniture, Fixtures, and Books	214
<b>Total</b>	<b>7,369</b>

## 18. SERVICE AND BUSINESS INCOME

The details of the account are presented below:

Particulars	2017	2016
	(in thousand pesos)	(in thousand pesos)
Research Fees	8,772	0
Interest Income	19,853	20,602
Sale of Publication	115	25
<b>Total</b>	<b>28,740</b>	<b>20,627</b>

Research Fees pertain to the earnings from 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 the Research Fellows, Supervising Research Specialists, and Research Assistants who worked on the project. In addition, overhead project expenses ranging from 5 to 20 percent of the total project cost were charged by the Institute as agreed upon with the funding entities. Previously, the Institute used the Miscellaneous Income/Gains Account for the above earnings. In CY 2016, the Institute realized income amounting to PHP 15.321 million.

Interest Income account are earnings from investments and bank deposits/financial assets of the Institute.

Sale of Publication account represents the proceeds from the various sale of articles published by the Institute.

## 19. PERSONNEL SERVICES

This account consists of the following:

Particulars	2017	2016
Salaries and Wages	42,684,140	37,175,335
Other Compensation	17,287,448	14,832,869
Personnel Benefit Contribution	6,725,286	6,027,541
Other Personnel Benefits	7,909,150	4,807,898
	<b>74,606,024</b>	<b>62,843,643</b>

### 19.1 Salaries and Wages

Particulars	2017 (in thousand pesos)	2016 (in thousand pesos)
Salaries and Wages - Regular	39,666	34,299
Salaries and Wages - Casual/Contractual	3,018	2,876
<b>Total</b>	<b>42,684</b>	<b>37,175</b>

**19.2 Other Compensation**

Particulars	2017 (in thousand pesos)	2016 (in thousand pesos)
Personnel Economic Relief Allowance (PERA)	1,974	1,902
Representation Allowance (RA)	1,444	1,370
Transportation Allowance (TA)	939	889
Clothing/Uniform Allowance	370	360
Overtime and Night Pay	242	265
Year-End Bonus	3,530	6,296
Cash Gift	417	417
Other Bonuses and Allowances	8,371	3,334
<b>Total</b>	<b>17,287</b>	<b>14,833</b>

**19.3 Personnel Benefit Contributions**

Particulars	2017 (in thousand pesos)	2016 (in thousand pesos)
Retirement and Life Insurance Premiums	4,978	4,342
Pag-IBIG Contributions	99	95
PhilHealth Contributions	322	269
Employees Compensation Insurance Premiums	99	95
Provident/Welfare Fund Contributions	1,227	1,227
<b>Total</b>	<b>6,725</b>	<b>6,028</b>

**19.4 Other Personnel Benefits**

Particulars	2017 (in thousand pesos)	2016 (in thousand pesos)
Terminal Leave Benefits	3,398	873
Other Personnel Benefits	4,511	3,935
<b>Total</b>	<b>7,909</b>	<b>4,808</b>

**20. MAINTENANCE AND OTHER OPERATING EXPENSES**

Below is the breakdown of the account:

Particulars	2017	2016
Travelling Expenses	4,271,178	464,760
Training and Scholarship Expenses	7,899,382	5,756,770
Supplies and Material Expenses	1,907,308	1,911,546
Utility Expenses	1,250,180	1,411,083
Communication Expenses	1,593,865	1,447,992
Confidential, Intelligence, and Extraordinary Expenses	194,161	126,854
Professional Services	13,102,872	4,491,670
General Services	2,355,814	2,295,460
Repairs and Maintenance	1,113,995	526,946

Taxes, Insurance Premiums and Other Fees	5,268,605	5,423,844
Other Maintenance and Operating Expenses	32,463,528	24,026,825
<b>Total</b>	<b>71,420,888</b>	<b>47,883,750</b>

#### 20.1 Travelling Expenses

Particulars	2017 (in thousand pesos)	2016 (in thousand pesos)
Travelling Expenses - Local	3,072	404
Travelling Expenses - Foreign	1,199	61
<b>Total</b>	<b>4,271</b>	<b>465</b>

#### 20.2 Training and Scholarship Expenses

Particulars	2017 (in thousand pesos)	2016 (in thousand pesos)
Training Expenses	7,899	5,757
<b>Total</b>	<b>7,899</b>	<b>5,757</b>

#### 20.3 Supplies and Materials Expenses

Particulars	2017 (in thousand pesos)	2016 (in thousand pesos)
Office Supplies Expenses	701	822
Accountable Forms Expenses	0	3
Fuel, Oil, and Lubricants Expenses	334	281
Semi-Expandable Machinery and Equipment Expenses	197	158
Semi-Expendable Furniture, Fixtures, and Books Expenses	675	648
<b>Total</b>	<b>1,907</b>	<b>1,912</b>

#### 20.4 Utility Expenses

Particulars	2017 (in thousand pesos)	2016 (in thousand pesos)
Water Expenses	86	75
Electricity Expenses	1,164	1,336
<b>Total</b>	<b>1,250</b>	<b>1,411</b>

#### 20.5 Communication Expenses

Particulars	2017 (in thousand pesos)	2016 (in thousand pesos)
Postage and Courier Services	393	344
Telephone Expenses	682	612
Internet Subscription Expenses	519	492
<b>Total</b>	<b>1,594</b>	<b>1,448</b>

**20.6 Confidential, Intelligence, and Extraordinary Expenses**

Particulars	2017 (in thousand pesos)	2016 (in thousand pesos)
Extraordinary and Miscellaneous Expenses	194	127
<b>Total</b>	<b>194</b>	<b>127</b>

**20.7 Professional Services**

Particulars	2017 (in thousand pesos)	2016 (in thousand pesos)
Legal Services	300	300
Auditing Services	3,872	699
Consultancy Services	8,253	2,847
Other Professional Services	678	646
<b>Total</b>	<b>13,103</b>	<b>4,492</b>

**20.8 General Services**

Particulars	2017 (in thousand pesos)	2016 (in thousand pesos)
Janitorial Services	835	801
Security Services	1,521	1,495
<b>Total</b>	<b>2,356</b>	<b>2,296</b>

**20.9 Repairs and Maintenance**

Particulars	2017 (in thousand pesos)	2016 (in thousand pesos)
Repairs and Maintenance - Machinery and Equipment	640	217
Repairs and Maintenance - Transportation Equipment	354	310
Repairs and Maintenance - Leased Assets Improvements	120	0
<b>Total</b>	<b>1,114</b>	<b>527</b>

**20.10 Taxes, Insurance Premiums, and Other Fees**

Particulars	2017 (in thousand pesos)	2016 (in thousand pesos)
Taxes, Duties, and Licenses	4,528	4,698
Fidelity Bond Premiums	81	80
Insurance Expenses	660	646
<b>Total</b>	<b>5,269</b>	<b>5,424</b>



**20.11 Other Maintenance and Operating Expenses**

Particulars	2017 (in thousand pesos)	2016 (in thousand pesos)
Advertising, Promotional, and Marketing Expenses	11	15
Printing and Publication Expenses	1,415	1,075
Representation Expenses	468	374
Rent/Lease Expenses	22,782	16,301
Membership Dues and Contributions to Organizations	10	10
Subscription Expenses	2,823	97
Donations	520	143
Other Maintenance and Operating Expenses	4,435	6,012
<b>Total</b>	<b>32,464</b>	<b>24,027</b>

**21. FINANCIAL EXPENSES**

Particulars	2017 (in thousand pesos)	2016 (in thousand pesos)
Bank Charges	71	47
<b>Total</b>	<b>71</b>	<b>47</b>

**22. NONCASH EXPENSES**

Particulars	2017 (in thousand pesos)	2016 (in thousand pesos)
Depreciation - Machinery and Equipment	4,206	4,375
Depreciation - Transportation Equipment	698	698
Depreciation - Furniture, Fixtures, and Books	57	186
Depreciation - Leased Assets Improvements	6,544	6,544
<b>Total</b>	<b>11,505</b>	<b>11,803</b>

**23. NET FINANCIAL ASSISTANCE/SUBSIDY**

Particulars	2017 (in thousand pesos)	2016 (in thousand pesos)
Subsidy from National Government	201,211	100,444
<b>Total</b>	<b>201,211</b>	<b>100,444</b>

**24. NONOPERATING INCOME, GAIN, OR LOSSES****24.1 Nonoperating Income/Gain**

Particulars	2017 (in thousand pesos)	2016 (in thousand pesos)
Gain on Foreign Exchange	328	995
<b>Total</b>	<b>328</b>	<b>995</b>

**24.2 Nonoperating Losses**

Particulars	2017 (in thousand pesos)	2016 (in thousand pesos)
Loss on Foreign Exchange	310	41
<b>Total</b>	<b>310</b>	<b>41</b>

**25. REPORT ON THE SUPPLEMENTARY INFORMATION REQUIRED BY BIR UNDER REVENUE REGULATION (RR) NO. 15-2010**

On November 25, 2010, the BIR issued RR No. 15-2010 prescribing the manner of compliance in connection with the preparation and submission of financial statements accompanying the tax returns. Under the said RR, it is required that in addition to the disclosures mandated under the Philippine Financial Reporting Standards, and such other standards and/or conventions as may be adopted, the Notes shall include information on taxes, duties, and license fees paid or accrued during the taxable year.

In compliance with the requirements set forth by RR 15-2010, the information on taxes, duties, and licenses paid or accrued during the taxable year are as follows:

**25.1 Value-Added Tax**

This tax type was already canceled per our new BIR registration in Regional District Office 039.

**25.2 Excise Tax**

There are no transactions subject to excise taxes for the years ended December 31, 2017 and 2016.

**25.3 Other Taxes, Local and National**

This account consists of taxes and licenses paid for the years ended December 31, 2017 and 2016 as follows:

	2017	2016
Under Taxes, Insurance Premiums, and Other Fees:		
20 Percent Final Tax on Interest Income on Investments and Bank Deposits	4,498,211	4,587,322
Documentary Tax	0	101,210
Renewal of Vehicle Registration	9,136	9,262
<b>Total</b>	<b>4,507,347</b>	<b>4,697,794</b>

**25.4 Withholding Taxes**

The Institute's withholding taxes for the years ended December 31, 2017 and 2016 are as follows:

**I. Withholding Tax on Compensation**

	2017	2016
Total Withheld Tax for the Year	10,360,273	8,541,140
Less: Payments Made from January to November	9,012,627	7,439,769
<b>Withholding Tax Still Due and Payable</b>	<b>1,347,646</b>	<b>1,101,371</b>

## II. Expanded Withholding Tax

	2017	2016
Total Withheld Tax for the Year	2,214,375	2,395,293
Less: Payments Made from January to November	1,721,274	2,074,312
<b>Withholding Tax Still Due and Payable</b>	<b>493,101</b>	<b>320,981</b>

## III. Final Tax Withheld

	2017	2016
Total Withheld Tax for the Year	2,784,347	2,326,871
Less: Payments Made from January to November	2,261,884	1,922,776
<b>Withholding Tax Still Due and Payable</b>	<b>522,463</b>	<b>404,095</b>

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