



ANNUAL REPORT

2018

Harnessing the Fourth Industrial Revolution

CREATING OUR FUTURE TODAY

Philippine Institute for
Development Studies



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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 as an agency attached to the National Economic and Development Authority (NEDA). It is organized as a nonstock, nonprofit government corporation.

PIDS serves as the Philippine government's primary socioeconomic policy think tank performing policy-oriented research on various aspects of the Philippine economy to assist the government in formulating plans and policies that are based on research evidence.

Based on this mandate, it is the mission of PIDS to serve the interests of the Filipino people through the provision of rigorous analyses of policy issues that can guide policymakers and leaders in decisionmaking.

PIDS 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.

VISION

By 2025, PIDS is the country's foremost think tank and a globally recognized policy research organization.

MISSION

To provide relevant, reliable, and timely policy research to guide policymaking and enable informed public discourse in the country.

CORE VALUES

P *Professionalism*
We abide by the standards of competence and the highest level of ethical norms.

I *Integrity*
We deliver our services with honesty, trustworthiness, and accuracy.

D *Dedication*
We fulfill our commitments to our clients with passion.

S *Service-orientation*
We recognize and serve the interest of the Filipino people promptly and diligently.



President's Message

“

One of my goals was for the Institute to promote global partnerships and expand its network. Specifically, I want the PIDS to engage with international research institutions and pursue collaborative research.



I FEEL PROUD to be sharing with you my first annual report as the new president of the Philippine Institute for Development Studies (PIDS). Allow me to give you a glimpse of what we have accomplished in the year that was.

When I assumed my post in March 2018, one of my goals was for the Institute to promote global partnerships and expand its network. Specifically, I want the PIDS to engage with international research institutions and pursue collaborative research. We took the first step

toward achieving that goal in 2018 when we became a member of the Global Trade and Innovation Policy Alliance (GTIPA), an international think tank network that formulates evidence-based research policies to expand trade and investment and foster innovation-based growth and development strategies. Our membership in the GTIPA will allow us to participate in the global conversation on trade, innovation, and technology, which are among the research areas of PIDS. It is also an opportunity for us to collaborate with top



think tanks around the world and deepen our understanding of international issues and trends.

With the increasing demand for policy research, PIDS was able to complete 58 research studies in various research areas such as agriculture, natural resources, and environmental management; human development, labor markets, and poverty; institutions, law, and economics; macroeconomics, finance, and growth; public economics and governance; regional, urban, and rural development; science, technology, and innovation; and trade and industry and international economy.

The Institute has always been a primary source of policy recommendations to address issues that may require immediate responses or in-depth analyses. In 2018, PIDS researchers were invited as resource persons in 27 technical committees and working groups in the executive and legislative branches of government. They were also involved in the review and deliberation of major bills in Congress through the submission of position papers on the Philippine Innovation Act, Anti-Political Dynasty Bill, and Foreign Investment Act. Our in-house experts were also asked to submit their comments on 8 Senate and 3 House bills/resolutions.

We also published two books this year, namely, *From Evidence to Policy: Celebrating 40 Years of Policy Research and Critical Perspectives on Federalism for Regional Development*. One issue of the *Philippine Journal of Development*, four issues of the *Research Paper Series*, 20 policy notes, 54 discussion papers, and 4 issues of the *Development Research News* were also released.

We have also intensified our use of digital technologies to reach our target audiences. Our website is regularly updated to keep everyone posted on our latest knowledge products, news articles, and forthcoming and past events. For 2018, our website generated a monthly average of 35,000 visitors. We have also enhanced our social media presence on Facebook and Twitter by providing infographics of research studies and real-time streaming of seminars. By the end of 2018, our Facebook followers have increased to 12,000, from only 8,000 at the end of 2017. Our Twitter followers have also gone up to 1,500 by the end of 2018 while the PIDS Updates, a monthly e-newsletter, has more

than 7,000 subscribers. In the earlier part of the year, we introduced the Policy Issue at a Glance, a monthly publication that features policy issues and research data from PIDS completed studies in infographics format. We released 12 Policy Issue at a Glance during the year. We also started a weekly series of the 'Fact Friday' to feature teasers of PIDS research findings in order to encourage followers to read our research papers in full. A total of 45 Fact Friday posts were produced and released in 2018.

We have been disseminating our research outputs and publications down to the local level through the PIDS Corners. As of 2018, we have a total of 25 PIDS Corners established all over the country (13 in Luzon, 6 in the Visayas, and 6 in Mindanao). Started in 2006, these knowledge resource centers were launched in partnership with universities or research institutions in the provinces to make PIDS' research outputs available to researchers, faculty members, students, and local policymakers.

We also held the Fifth SERP-P Biennial Meeting this year to strengthen the partnership between PIDS and the member-institutions participating in the Socioeconomic Research Portal for the Philippines (SERP-P) project and to plan our ways forward. In 2018, 826 new publications were added to the SERP-P database raising the total number of socioeconomic materials to 6,670. These publications, which were produced by more than 4,000 authors, are accessed through the SERP-P website by an average of 959 visitors per day.

We have always regarded the media as our partner in dissemination. In 2018, we circulated 55 press releases to various media outlets. A total of 501 print and online news articles widely quoted the Institute and our experts.

In addition to the physical and electronic dissemination of our research outputs, we also hold regular seminars and fora. We conducted 18 events in 2018: 11 in-house seminars, 2 regional forums, 2 legislative forums with the Congressional Policy and Budget Research Department of the Philippine House of Representatives, 2 high-level symposiums, and the Annual Public Policy Conference (APPC), which is the main and culminating activity of the Development Policy Research Month (DPRM), a nationwide celebration held every September

to promote the importance of policy research in the formulation of evidence-based policies, programs, and projects in government. The central theme of the DPRM 2018 is “Harnessing the Fourth Industrial Revolution: Creating Our Future Today” or in Filipino, “*Isulong ang Fourth Industrial Revolution Tungo sa Katuparan ng Ating Kinabukasan Ngayon*”. We chose this theme to highlight the potential impacts of automation and other innovations in science and technology under the Fourth Industrial Revolution (FIRe) and ways by which the country can harness them to its advantage to improve economic competitiveness and make progress sustainable and inclusive. A huge success, the APPC was attended by more than 300 participants, the biggest conference the Institute has organized so far. It brought together international and local experts, academics, policymakers, and private sector and civil society representatives who shared their insights and perspectives on FIRe. For the entire DPRM, we had a total of 96 participating institutions this year, which included central and regional offices of line agencies, research and academic institutions, and local government units.

The PIDS also made sure the conversations on the DPRM theme were not confined in Metro Manila. In partnership with the Mindanao Development Authority (MinDA) and the University of Science and Technology of Southern Philippines, we conducted the Fourth Mindanao Policy Research Forum in Cagayan de Oro City. This forum, with the title “Harnessing the Fourth Industrial Revolution in Mindanao: Creating Our Future Today”, focused on Mindanao’s trajectory in the age of disruptive technologies and discussed how it can benefit from FIRe-related technologies while managing the risks and issues associated with this new industrial revolution. The PIDS and MinDA have been co-organizing the Mindanao Policy Research Forum for four consecutive years now.

Furthermore, through the assistance of the Philippine Information Agency, the PIDS conducted press conferences and media interviews to promote the DPRM. Two media conferences were held: one in Metro Manila and another in Cagayan de Oro City.

These feats were made possible through the cooperation and support of our partners in the government, private sector, and academe in the planning and conduct of DPRM 2018 and the Fourth APPC. We would like to extend our heartfelt gratitude to the permanent members of the DPRM Steering Committee, namely, the National Economic and Development Authority, Civil Service Commission, Philippine Information Agency, *Bangko Sentral ng Pilipinas* (BSP), Department of the Interior and Local Government, and Presidential Management Staff, and to this year’s event sponsors, namely, the Department of Trade and Industry, Department of Labor and Employment, Department of Science and Technology, BSP, Asian Development Bank, Department of Foreign Affairs’ Office of the Undersecretary for International Economic Relations, Global Development Network, and the Australian government’s Department of Foreign Affairs and Trade. We look forward to working with you again in the future endeavors of the Institute.

Let me also take this opportunity to thank the research fellows, department heads, and support staff of PIDS for their professionalism and unwavering commitment in fulfilling their roles. Your diligence and self-motivation have been my source of inspiration since I assumed the PIDS leadership.

We have done much in 2018 but we commit to do more and better in the coming year. We are poised to widen our reach and deepen our impact among our clients and the public in general. We will work harder as a team to achieve our programs and develop our areas of expertise. Looking ahead, I believe that PIDS is on the right course to pursue its mandate of conducting policy research to assist our decisionmakers in crafting relevant, evidence-based policies and programs.

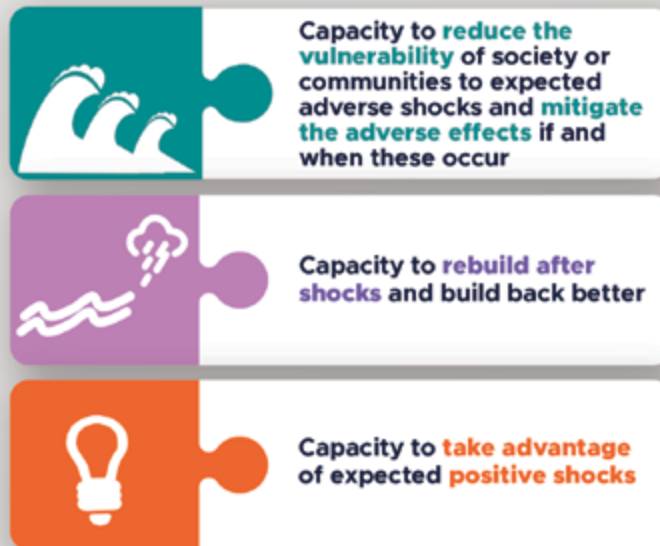
Mabuhay!

CELIA M. REYES
President



2015–2019 Research Agenda

RESILIENCE CAPACITY BUILDING



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.

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>.

Research Activities



In 2018, the Institute completed a total of 58 research projects/studies in the areas of agriculture, natural resources, and environmental management (4); human development, labor markets, and poverty (21); institutions, law, and economics (5); macroeconomics, finance, and growth (2); public economics and governance (7); regional, urban, and rural development (4); science, technology, and innovation (6); and trade and industry and international economy (6). Three of the projects were under the Philippine APEC Study Center Network's research grants and Thesis and Dissertation Assistance Program. See Annex A for the list of completed studies and Annex B for ongoing studies.

COMPLETED STUDIES

AGRICULTURE, NATURAL RESOURCES, AND ENVIRONMENTAL MANAGEMENT

Benefit-Cost Analysis of the Resurgent Irrigation System Program of the Philippines

This study provides a comprehensive assessment of the costs of irrigation investments undertaken in 2008–2016 as well as a systematic comparison of benefits. The findings reveal that the costs of irrigation investment are too large in comparison with the expected benefits. None of the project indicators reach threshold levels. Instead, benefit-cost ratio tends to fall below unity; internal rate of return estimates tend to fall below the hurdle rate of 10 percent; and net present value estimates tend to fall below zero. The study recommends more skeptical treatment of irrigation area targeting and stricter application of benefit-cost analysis, with emphasis on credible projections of both crop and noncrop benefits. A key limitation of the study is that it incorporates only the benefits from incremental rice output.

Scenarios for the Philippine Agri-Food System with and without Tariffication: Application of a CGE model with Endogenous Area Allocation

This paper presents an application of a computable general equilibrium (CGE) model to analyze scenarios covering the Sustainable Development Goals (SDG) period, 2016–2030, at the level of the Philippine economy and for its agri-food sectors. The analysis incorporates endogenous area allocation under an aggregate land constraint. The baseline scenario finds that growth patterns prevailing since the 2010s can be sustained within the SDG period assuming productivity trends in the industry and services sectors continue. However, the scenario also implies that the mediocre growth performance of the agricultural sector will prevail in the future. Growth exhibits a moderate pace for most of the agri-food sectors, except for banana whose

productivity growth is expected to contract. Similarly, the major crops are all projected to experience a growth in yield and a minor change in area harvested, except for banana where deterioration in both indicators is marked. The usefulness of the CGE model is demonstrated by applying it to a policy experiment, the tariffication of the rice import quota. Tariffication is disadvantageous to the *palay* sector in terms of area harvested, yield, and production. Even agriculture as a whole is adversely affected as it will experience a further growth slowdown. Nonetheless, overall growth of gross domestic product and household per capita expenditure will rise with greater openness to rice imports. Consistent with expectation, imports are larger with tariffication, leading to a more affordable consumer price of rice and, therefore, greater rice demand.

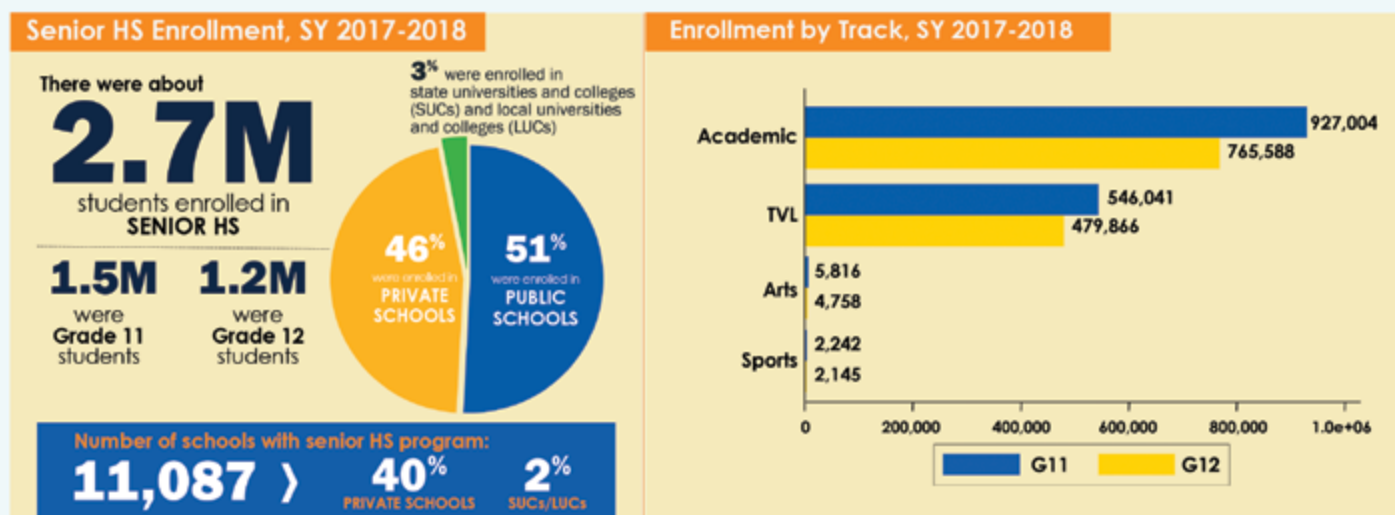
Answering Critical Questions on Mining in the Philippines

The Philippine Mining Act of 1995 (Republic Act [RA] 7942) was crafted to address the needs of mining companies and the communities affected by mining activities. The law is comprehensive and covers the triple bottom-line of sustainable development—economic growth, environmental protection, and social responsibility. However, RA 7942 failed to mitigate environmental degradation nor improve poverty alleviation and preservation of cultural communities. The study focuses on two case studies in separate areas of the country as a reflection of the microcosm of the national operations of the mining industry. Key findings reveal concerns on the bureaucratic grounding of the policy, with anecdotal indications of leakages and graft. Securing equitable distribution of mining benefits among communities and for national interest has not yet emerged due to weak institutional oversight and the absence of an audit process for the whole industry.

Forest Protection in the Philippines

The Philippines has a land mass of 30 million hectares, 52.7 percent of which was classified as forestlands. The country is considered a megadiverse area in terms of tropical forests and biodiverse ecosystems. Forest management

K TO 12 IN THE PHILIPPINES: SENIOR HIGH SCHOOL



SOURCE OF BASIC DATA: Department of Education

strategies in recent years have been largely informed by the National Greening Program and a moratorium on logging. Looking further back, the policy landscape had experienced shifting priorities and bureaucratic lapses as evidenced by weak provisions in institutional grounding and enforcement. Demographic, economic, technological, institutional, and cultural concerns remain in the form of upland encroachment, land use conflicts, unsustainable initiatives, and noncompliance by extractive industries. These issues can be partly addressed with the passage of an updated legislation, like the Sustainable Forest Management Bill, to strengthen mandated institutions with appropriate structures and resources, and strategic approaches. Progressive forest protection initiatives such as the *Lawin* Program, the E-Filing Monitoring Systems, and other promising initiatives can also be pushed forward for apt results.

HUMAN DEVELOPMENT, LABOR MARKETS, AND POVERTY

Process Evaluation of the CHED K to 12 Transition Program

This paper reviews the implementation of the Commission on Higher Education's (CHED)

K to 12 Adjustment Assistance Program. The program was established following the full implementation in 2016 of the Enhanced Basic Education Act of 2013, which introduced the senior high school (SHS) program in basic education. While it presented a rare opportunity to upgrade the country's higher education sector, the transition threatened higher education institutions' (HEIs) labor and sustainability and challenged CHED's bureaucratic capacity, further delaying the program's benefits. This process evaluation examines the aspects of implementation that have led to said challenges through an assessment of the program logic and its plausibility, service delivery and utilization, and program organization. The study finds that the preparation for the full implementation of the K to 12 adjustment program has been inadequate. It also notes the lack of absorptive capacities of CHED and its Project Management Unit in spearheading the program implementation as well as various administrative challenges such as unclear and slow procedures and poor monitoring mechanism, which hindered the country's smooth transition to the K to 12 program. The study recommends adjustments to and reevaluation of the internal bureaucracies of CHED to realize the promise of the K to 12 adjustment program. Stakeholders must also intensify collective efforts to develop and design accompanying policies, plans, and

strategies to address these challenges and make Philippine higher education more globally competitive.

Impact Evaluation Design for the CHED K to 12 Transition Program

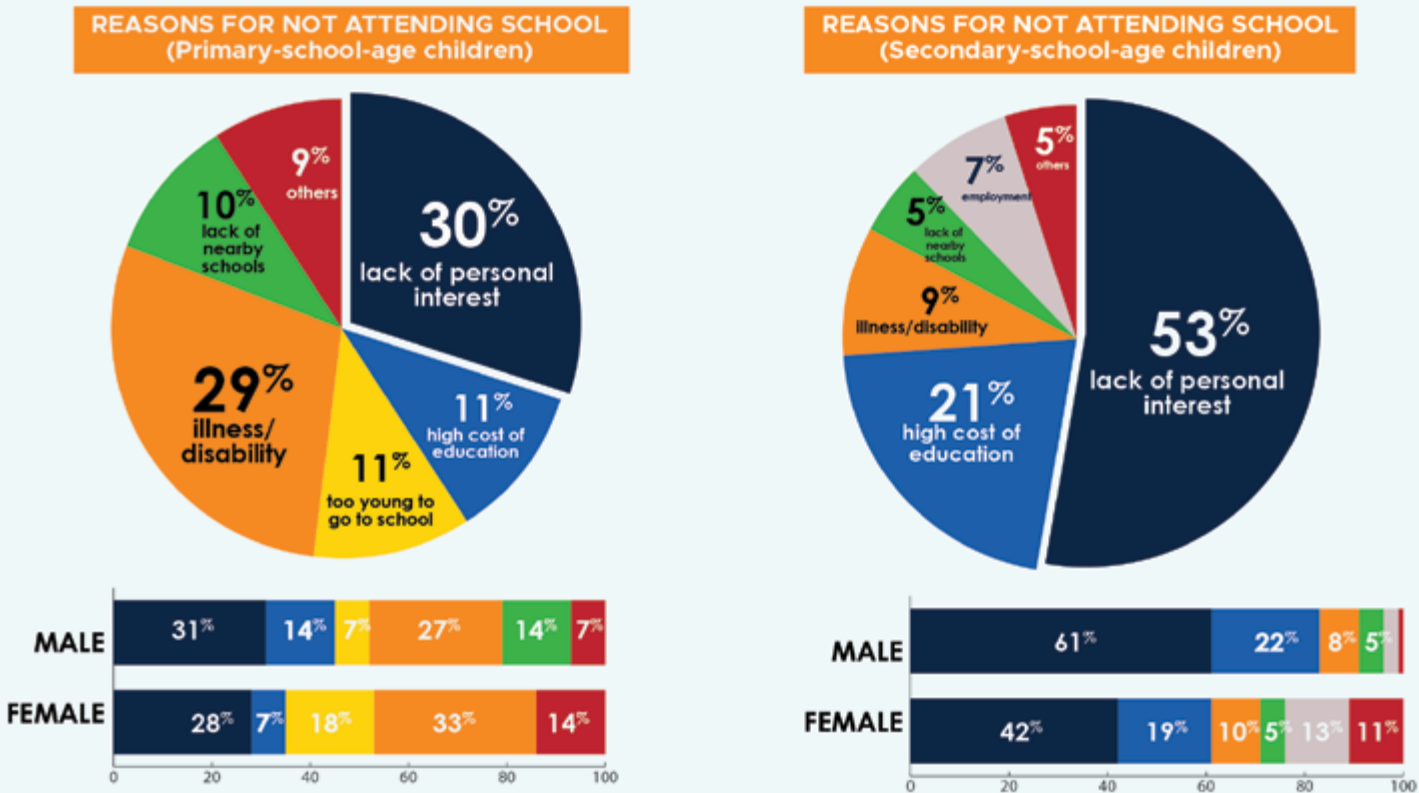
This paper describes an impact evaluation design for the CHED K to 12 Transition Program, focusing on two of the biggest components of the program. The first component—scholarships for graduate studies—aims to enhance the knowledge and skills of HEI personnel and improve the quality of teaching in higher education. Given the limited coverage of the program, participants were selected based on criteria summarized into a score that can be ranked and eligibility determined by a pre-determined cut-off score. This beneficiary selection method makes regression discontinuity

the appropriate impact evaluation design. The second component—institutional development and innovation grant—aims to enhance the quality of HEIs by helping them improve their accreditation level and acquire centers of development and excellence status and autonomous and deregulated status in their quest for global competitiveness. Given similar considerations, the proposed evaluation method is also regression discontinuity design. The paper also describes the next steps in implementing the impact evaluation.

Out-of-School Children: Changing Landscape of School Attendance and Barriers to Completion

This study has three objectives: (1) obtain estimates of out-of-school children (OOSC), both in magnitude and rates; (2) develop a

WHY ARE MANY FILIPINO CHILDREN NOT IN SCHOOL?



SOURCE: Authors' calculations based on 2017 Annual Poverty Indicators Survey (Philippine Statistics Authority 2017)

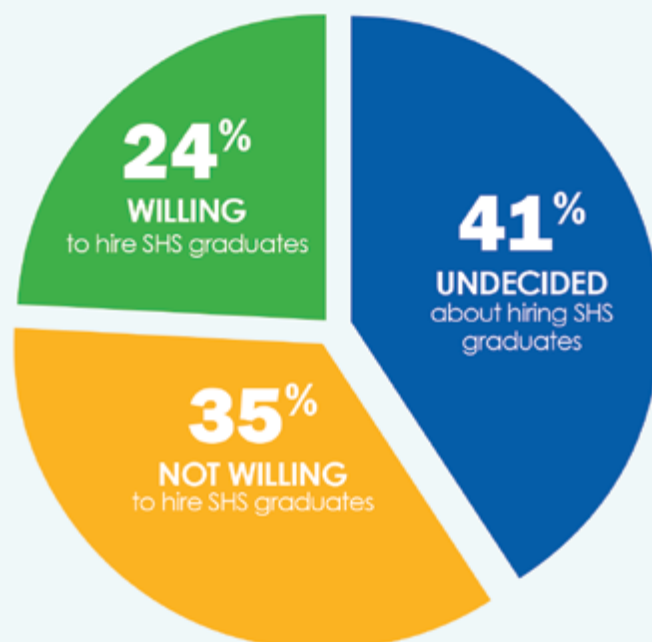


profile of OOSC and their families, as well as discuss why these children are out of school and what makes children at risk of dropping out of school; and (3) discuss and recommend policies to reduce OOSC in the country. It finds that large reforms and the expansion of the Department of Education's budget, coupled with the government's conditional cash transfer program, have made significant changes in the OOSC picture and brought down the magnitude of OOSC especially among the poor. In addition, the full support placed on programs designed to reduce school dropout cases, particularly the Alternative Learning System, in the last administration has brought under-educated Filipinos back to school. The study also finds that improving teaching quality is a challenging task given the vast nonteaching responsibilities of teachers. The study provides recommendations for addressing both demand- and supply-side bottlenecks to schooling.

Senior High School and the Labor Market: Perspectives of Grade 12 Students and Human Resource Officers

This study assesses the likelihood of achieving the employment and entrepreneurship objectives of the SHS program by examining the experience of grade 12 graduating students and the views of firms about the labor market prospects of SHS graduates. The study reveals that despite identifying employment and entrepreneurship as a rationale for the program, three-quarters of the grade 12 students plan to proceed to higher education. This proportion is true even for those in the technical-vocational-livelihood track. The focus group discussion with students reveals that they are not very confident they will get a job after graduating from SHS. Firms also lack in-depth knowledge of the SHS program. While it may be too early to gauge the performance of the SHS program particularly the performance of its graduates in the labor market, the study provides recommendations on how to improve program implementation and boost the chances of achieving the employment and entrepreneurship objectives.

WILLINGNESS OF FIRMS TO HIRE SENIOR HIGH SCHOOL (SHS) GRADUATES



Reasons for not hiring SHS graduates



Most firms were willing to pay SHS graduates MINIMUM WAGES, while the rest were willing to pay above minimum salary range of PHP 12,001 - PHP 15,000 per month.

(Based on a survey on hiring preferences conducted by JobStreet.com in February 2018)

Child Stunting Prevention: The Challenge of Mobilizing Local Governments for National Impact

This study looks at local government interventions in health and nutrition and identifies factors resulting in gaps between related policy and service delivery. It finds that despite challenges at the local level, some local government units (LGUs) are able to sustain their nutrition-related interventions. Moreover, there is increasing interest in implementing the First 1,000 Days Program, which is a significant step in ensuring early health and nutrition interventions. Leadership and governance are crucial factors to facilitate improvements in the local health system to deliver a continuum of maternal, neonatal, and child health care in a service delivery network. Looking at good local practices, the study presents feasible ways of systematically addressing issues related to governance and health systems and strengthening key elements that will effectively sustain maternal, neonatal, and child health and nutrition programs, particularly the nutrition-specific components.

Devolution of Health Services, Fiscal Decentralization, and Antenatal Care in the Philippines

Despite the long tradition of decentralization in health care worldwide, there remains limited evidence of its impact on health outcomes. This paper investigates how the expansion of local government incomes in the Philippines influences household demand for health care under a decentralized setting. It finds that greater transfers from the national government to local governments do not necessarily lead to greater demand for antenatal care services among pregnant women. This may be a consequence of local public spending on health services not responding to greater national transfers. Local government income from locally generated sources, on the other hand, is consistently positively associated with greater antenatal care demand. Interjurisdictional spillovers in health care may potentially limit the effectiveness of decentralized health-care service delivery. The challenge is finding the optimal balance between degrees of

centralization and decentralization such that the benefits from decentralization are realized while taking into account geographic externalities that are inherent in the delivery of health-care services.

A Probe into the Filipino Migration Culture: What Is There to Learn for Policy Intervention?

This paper provides a deeper understanding of the migration motivations and intentions of Filipinos. For many migrant workers, labor migration is not just a one-time, temporary means of livelihood, it has become a way of life. Among the 1.4 million land-based migrants in 2015, two-thirds comprise of re-hires. The number of new hires has been increasing as well. In fact, the trend of migrant deployment shows a continuous upward trend except during periods of crises and tight government control. From a public policy standpoint, this requires constant vigilance and informed decisionmaking with regard to designing policies and programs that look after the welfare of migrant workers. Some argue that while the government administers the deployment and implement strategies to promote the welfare of migrant workers, it also needs to design a more comprehensive long-term thrust for labor migration. The non-negligible number of cases of abuse, maltreatment, and crimes committed against Filipino migrant workers calls for a more defined policy that is less dependent on labor migration and more toward developing local job opportunities.

The Structure of Origin-based Social Network and Its Influence on Migration Diffusion: The Case of a Migrant-Sending Village in the Philippines

While economic forces drive much of international migration, social factors are known to significantly facilitate movement. By providing information and other resources, networks reduce the cost and risk associated with international migration. The influence of migration networks, however, remains a black box that needs to be unpacked simply



because these have been treated in the past mostly as unidimensional. In reality, however, networks do not only vary in type but also have structures. This study seeks to examine the structure of migration networks in a migrant-sending village in the Philippines. It also aims to relate this structure to the diffusion of migration behavior in the village over time through a socio-historical lens—an unconventional approach in the analysis of international migration perpetuation. Results show that the density of the kinship and friendship ties and the network position of pioneer migrants in the village affect the current distribution of migration behavior in the area.

Migrant Networks in the Context of Temporary Labor Migration

Understanding migration behavior is crucial in designing policy interventions for influencing migrants' behavior. An aspect of international migration that lacks scholarly inquiry is temporary labor migration. This paper examines the migration behavior of households from a labor-sending rural village in the Philippines. It specifically looks at the role of migrant networks in the perpetuation of labor migration. The study finds that not all types of migrant networks matter for international labor migration. While the standard job search model would find weaker ties more useful in the search for jobs, there is empirical evidence that strong ties matter more in international labor migration from a developing country context. Notwithstanding the limitations of the study, and based on the sample that was used, international migration in the Philippines is an intergenerational phenomenon.

Analyzing Decisiveness of Migration Intentions: Social Kinship that Matters

Analyzing future migration intentions is essential to understanding how migration perpetuates. International migration is a complex and nuanced phenomenon that those who desire to participate in it go through an elaborate process of intention-formation, planning, and decisionmaking. However, the literature on migration intentions rarely

views it in such manner; instead, it treats migration decisionmaking as a binary stay-or-leave variable. Moreover, the lens more commonly implemented is economic; there is less focus on the social dimensions of migration decisions. This analysis seeks to explain the influence of social networks on the decisiveness to migrate while controlling for the effects of economic forces, subjective perceptions on well-being, and demographic factors. Using information gathered from individuals residing within a village with high migration incidence, this study finds that differentiating migrant networks into the degree of association or strength of ties is crucial because different networks have different effects. Furthermore, considering the individuals' current level in the migration decision-making process is also deemed crucial in analyzing the factors that influence the decision. For instance, migrant networks particularly the closest of kin are important in the advanced phase of concrete migration planning, and not in the initial stage.

Social Mobility in the Philippines: A Research Road Map

In 2016, the National Economic and Development Authority (NEDA) launched *AmBisyon Natin 2040*, which embodies the long-term aspirations of Filipinos for themselves and for the country. At the heart of these aspirations is the idea of social mobility or the movements of entities from lower socioeconomic status to higher socioeconomic outcomes. However, issues on poverty and inequality of opportunities remain and these can potentially derail the attainment of these aspirations. To this end, this paper provides the rationale behind the development of a research agenda on social mobility and reviews materials that can help in quantifying distributional changes and in identifying processes or mechanisms affecting mobility. It also identifies available datasets and existing studies in the Philippines that can be used to enrich the state of social mobility research in the country. Doing so will help policymakers come up with a system of programs or interventions to facilitate and sustain upward mobility and, at the same time, address issues such as in-work poverty and inequality.



The Boracay Closure: Socioeconomic Consequences and Resilience Management

This study investigates the potential economic effects of this recent directive, which is intended to last for six months from May to October 2018. Using secondary data, the study employs Input-Output and CGE models of analysis. Three scenarios, which are based on different percentage reductions in the Philippine tourism receipts, are examined to look at the projected losses in total output and compensation, as well as the closure's effects on specific economic sectors. Results show that the aggregate economic loss in total output ranges from PHP 20.8 billion to PHP 83.15 billion, while in terms of income, the loss in compensation ranges from PHP 7 billion to PHP 27.9 billion. Tourism sectors will be most affected, as well as agriculture and services, albeit slightly. Overall, while the results may not be very significant at the national level, the closure will still have direct and indirect effects on the people living in the island and in the entire municipality of Malay. The study underscores the need to craft a strategic and harmonized overall plan that lays out the various government efforts to safeguard the welfare of those who will be severely affected by the sudden closure of Boracay.

Policy Analysis and Employment Projections for Green Jobs

In response to the vast magnitude of impacts of climate change, the Philippines has enacted various policies to create a progressive landscape for environmental protection, and disaster risk mitigation and response. One of these responses is the Green Jobs Act of 2016, which aims to encourage the creation and nurturing of green jobs along with the country's transition toward a more environmentally sustainable economy. Conducted in partnership with the International Labour Organization, this study aims to support the implementation of the Green Jobs Act by providing labor demand projections from the expansion of the green and the conventional sectors of the economy. The projection results show that greening the economy creates benefits, such as more jobs and the transformation of existing jobs as industries shift to environmentally

friendly and sustainable technologies and products. However, depending on the country's development targets, greening may also lead to employment contraction in certain industries. Thus, to what extent the country should go green remains an open question, which the government can explore to come up with appropriate responses. Aside from employment projections, this study provides some policy options that may address some of these threats in the labor market, and those that may support the promotion of green jobs in the country.

Vulnerability to Poverty in the Philippines: An Examination of Trends from 2003 to 2015

Poverty reduction is at the heart of the development agenda both nationally and globally. This is reflected in the *Philippine Development Plan* (PDP), as well as in the global commitment to attain the SDGs. While the measurement of poverty is ex post and thus, public interventions are directed at helping those who have been identified as poor, the government must broaden the scope of assessments and take into account the dynamics in poverty in public policy. A critical dimension of poverty dynamics is vulnerability, which conceptually pertains to the risk of future poverty. This study is a continuation of previous work that involves estimating the vulnerability level of households to income poverty using a modified probit model incorporating income and other poverty data sourced from the Family Income and Expenditure Survey and official poverty lines. The vulnerability assessment provides inputs to forward-looking interventions that build the resilience of households to future poverty. The study makes a case for the need to make use of both poverty and vulnerability estimates in programs and come up with differentiated actions for those highly vulnerable and relatively vulnerable.

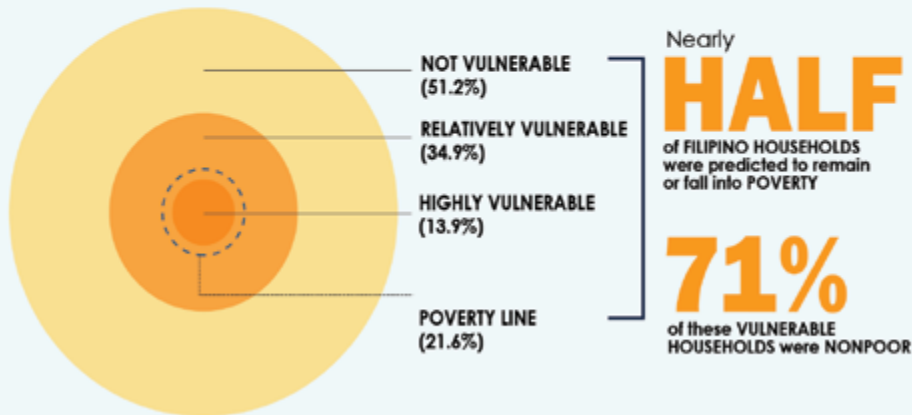
A Characteristic-based Sorting Tool for SLP Beneficiaries

The Sustainable Livelihood Program (SLP) is one of the social protection programs of the Department of Social Welfare and Development that aims to provide livelihood opportunities



FILIPINOS' VULNERABILITY TO POVERTY

OVERALL TRENDS IN VULNERABILITY IN 2015



VULNERABILITY TO POVERTY is defined as the probability of being **poor in the future**.

Why is it important to study "vulnerability" to poverty?

Assessing vulnerability will allow government to devise forward-looking interventions that **build the resilience** of households for preventing or reducing the likelihood of future poverty.



SOURCE: Authors' calculations based on 2003, 2006, and 2009 Family Income and Expenditure Survey (FIES), Philippine Statistics Authority (PSA)

to its targeted beneficiaries. The program offers two tracks of assistance—employment facilitation and microenterprise development. This study aims to develop a characteristic-based sorting tool that assesses the best-suited track for a participant using personal and background information, personality, and characteristics of the community. This offers a more systematic way of assessing and doing track selection compared to the current system of letting participants choose their track based on their preferences. Logit estimations were performed using a survey of 2015 SLP beneficiaries to estimate the probability of success for each track using individual and community variables.

Poverty is Multidimensional: But Do We Really Need a Multidimensional Poverty Index?

This study examines the various issues on the production of a multidimensional poverty index (MPI)—from the choice of the underlying indicators for the index, the weights assigned to the indicators, and the aggregation process. It also reviews measurements on quality of life (happiness and well-being), poverty and welfare (including multidimensional poverty), and sustainable development. It examines various possibilities of an MPI for the Philippines

based on several waves of household surveys (National Demographic and Health Survey, Annual Poverty Indicator Survey, and Family Income and Expenditure Survey) and several approaches on choices of indicators and weights. This study also looks at the robustness of trends in the resulting MPI approaches, and some policy issues related to the measurement of multidimensional poverty, especially its relationship with traditional income poverty measurement.

Profile and Determinants of the Middle-Income Class in the Philippines

This study reexamines previous work on the middle class. It defines the middle class as those whose per capita incomes are within two and twelve times the official poverty line. Descriptive analyses show that middle-income households are largely found in urban areas, have working-age members employed in stable jobs, and place high value on investing in human capital. Although the members of the middle-income class are employed in stable jobs outside of agriculture, with household members working abroad, these do not make them strongly resilient to risk as they also face issues in housing and low access to social services. The study likewise finds that, on average, it may take 18 years or even longer for the poor to transition

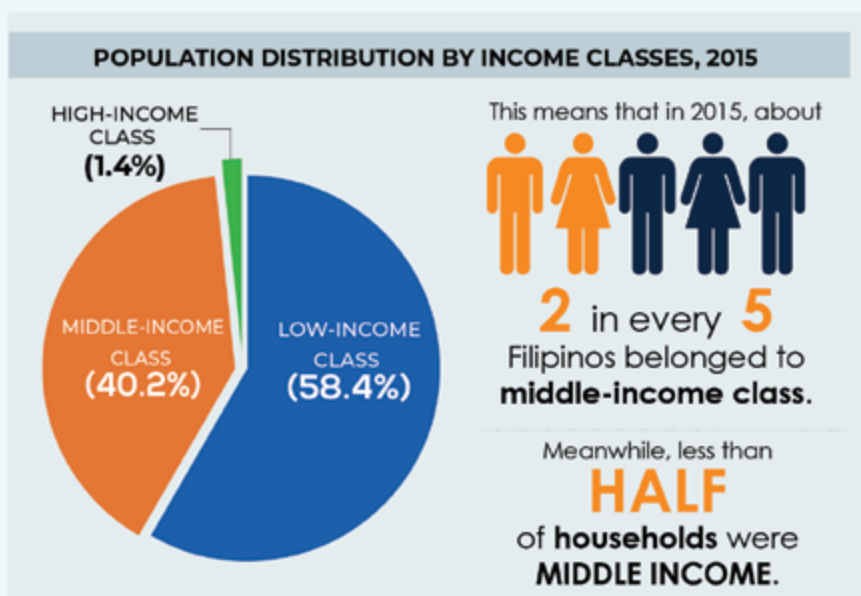


WHO COMPRISES THE MIDDLE CLASS?



In 2017, a **family of five** can be considered **middle income** if it has a monthly income of roughly

PHP 20K to PHP 115K



SOURCE: Authors' calculations based on 2015 and 2017 FIES, (PSA 2015a, 2017)

to middle-income class. The study urges the government to reexamine its social protection policies and to recognize that while the poor are most vulnerable to future poverty, even those comprising the middle class are vulnerable. It likewise calls for the improvement of access to affordable housing and for the sustainable management of safe water in the Philippines.

Social Protection for Men and Women in the Philippines: Some Insights for Improving Program Design of Social Insurance Schemes

To reduce risks and vulnerability to sudden income shocks faced by households due to natural calamities, disability, illnesses, and other causes, ensuring that social protection programs are designed in a relevant and effective manner is crucial. This study examines the coverage of several social protection programs, with focus on social insurance schemes (Social Security System/Government Service Insurance System, Philippine Health Insurance Corporation) and social pension programs. The study

recommends that subsidized social insurance programs must be directed toward improving the access of those who currently have lower access but are in a more disadvantaged position. Focusing on women, programs that seek to improve their access to social insurance may prioritize poor women in the informal sector or in the agriculture sector, and the hourly/daily wage earners as they are less likely to gain access to social insurance. Promoting women employment in the industry can also improve the chances of women to access social insurance. In terms of location, those in the rural areas may be targeted. The study also recommends improving the efficiency of the government's social pension programs by catering mostly to the elderly who do not have access to social insurance and have no other means of providing for their needs.

Crafting Policies and Programs for Women in the Agricultural Sector

This paper revisits the country's efforts to achieve gender equality, focusing on the rural and agricultural sector. It finds that women occupy

merely 26 percent of the agricultural employment in the country. They also tend to be involved in weeding and harvesting jobs, which are known to be less profitable than men's traditional jobs in agriculture, such as plowing. To address these issues, this study recommends the promotion of social enterprises in rural and agricultural areas to provide livelihoods and income-generating opportunities for women and other marginalized groups in poor communities. It also urges the government to beef up researches on the impact of climate change on rural women to provide more convincing policy narratives.

The Wage Gap between Male and Female Agricultural Workers: Analysis and Implications for Gender and Development Policy

Gender gap is a key policy issue across economic sectors. While the Philippines has made considerable progress in addressing gender gap, gender gap in average wages remains a key concern in the case of agriculture. Such wage gap can be attributed to differences in activity composition by sex of worker and differences in daily pay for the same activity. Done for the first time, this study performs a decomposition of the average wage gap between men and women. It finds that activity composition is only a minor contributor to the gender wage gap; most of the gap rather arises from differences in pay for the same activity. Further research is recommended to confirm this finding. Some policy recommendations include prioritization of women as recipients of government services and transfers, establishment of women's groups active in rural labor market information and advocacy, and support for gender mainstreaming and protection of women's rights at the grassroots.

Are We Missing Out on the Demographic Dividend? Trends and Prospects

The Philippines is slowly ageing. In a little over a decade, the country's elderly will comprise at least seven percent of the total population. This rising tide may pose substantial burden to the country's resources. But the same economic

and demographic forces that will eventually lead to population ageing also provide potentials for economic growth. This paper documents the country's historical experience of this so-called demographic dividend using new National Transfer Account time-series estimates for the Philippines. The estimates are used to simulate how the interaction between public policy and population ageing may affect household welfare and fiscal balance in the foreseeable future. The study shows that the Philippines has made important progress in improving average incomes and consumption over the past 25 years. The country's favorable demography has contributed to this growth. However, as documented in earlier studies, the results suggest that the demographic dividends may be weakened or even negated by existing economic conditions. It highlights that while demographic dividends pose potentials for growth, these are not automatic, but instead rely on various enabling conditions to be fully realized. Public policy is therefore important in ensuring that such enabling conditions are available.

INSTITUTIONS, LAW, AND ECONOMICS

Learnings from the BUB: What Factors Determine the Level of Institutional Trust in the LGUs?

Using data from the Bottom-up Budgeting (BUB) study of PIDS and the Department of the Interior and Local Government, this paper identifies factors that influence the level of institutional trust of households in their respective LGUs. It also investigates whether the level of institutional trust can be individually determined for each phase of the BUB process or can be treated as an aggregate of all its phases. The study also tackles institutional trust using institutional performance approach and the social and cultural approach. Results show that social capital influences the respondents' levels of trust while customer satisfaction on the various public services involving agricultural support tends to affect the levels of trust in the LGUs.



Exploring the Presence of Cognitive Social Capital in Philippine Communities

Public trust in government and strengthened solidarity are aspects of social capital that can increase community participation in government-run development programs. Social capital is a resource that exists in relationships, interactions, communications, and mutual cooperation. The study discusses and measures cognitive social capital using two proxies, trust and solidarity. It also explores the presence of different forms of social capital—bridging, bonding, and linking—in different levels of local governance (i.e., provincial, municipal, and barangay) using social capital measurement instruments patterned after the SC-IQ tool developed by the World Bank. Findings reveal that compared to city/municipal leaders and most people in the community (generalized trust), households have a higher regard for barangay and provincial officials in terms of honesty and trustworthiness.

Economic Principles for Rightsizing Government

This study presents economic principles that might aid in rightsizing the government bureaucracy. Most of the literature on civil service or public administration reforms focus on the importance of defining the role of government to assess how best to carry out its role. Looking at how basic public sector economic theory defines the role of government would bring one perspective to current efforts to rightsize the government. These principles are translated into a diagnostic framework that is general enough to be revised for the evaluation of different sectors of government. The proposed framework also considers the legal mandates such as the Constitution and other laws, planning frameworks such as PDP 2017–2022, *AmBisyon Natin* 2040, international commitments like the United Nations' (UN) SDGs, and trade agreements.

Regulatory Measures Affecting Services Trade and Investment: Financial Services

An efficient regulatory framework is a prerequisite for developing a services market that supports competitiveness and offers

opportunities for export diversification. This requires a comprehensive understanding of the laws, regulations, and practices affecting trade and investment in services currently in place. This study provides a background on the state of the financial services sector in the Philippines, identifies the key issues related to its further development or deepening to meet the needs of consumers and businesses, analyzes the regulatory issues that impede its further development/deepening, and proposes reforms to reduce unnecessary regulatory burdens in the sector, in particular by highlighting the role of trade and investment agreements in helping to bring about necessary domestic regulatory reforms. Key recommendations that flow from the review of the state of the industry and regulations include the need to correct the inconsistencies in individual legislations covering the financial services sector and inconsistencies across legislations, the need to align domestic regulations with the objectives of financial liberalization and the country's free trade agreements (FTAs) and regional commitments, the review of taxes and fees imposed on financial instruments and transactions, and the need to develop the *Bangko Sentral ng Pilipinas'* (BSP) vision of an inclusive financial system into a full-fledged long-term strategic action for the Philippine financial sector.

Regulatory Measures Affecting Services Trade and Investment: Information and Communications Technology Services

Information and communications technology (ICT) infrastructure and services are necessary to spur economic growth, especially in the digital age. The Philippines' comparative advantage in specific ICT and ICT-enabled services indicates the availability of competitive ICT to support services exports. ICT connectivity throughout the country needs to be significantly improved, however. Trade and investment in the sector must be further encouraged by creating an efficient regulatory framework to support sector development. In addition to market access restrictions, which will require amending the Constitution and other relevant laws, this review identifies other critical issues. Priorities for reform that need to be addressed include improving transparency in legislative and regulatory procedures and requirements,

establishing a mechanism to enforce competitive safeguards, strengthening the independence of the regulator, and better coordination among government agencies on ICT-related policies and programs.

MACROECONOMICS, FINANCE, AND GROWTH

Modelling Reality: A Short History of Selected Philippine Macroeconometric Models

This scoping paper traces the evolution of macroeconometric modelling approaches in the literature. In particular, the Cowles Commission Approach, the London School of Economics Approach, and the General Equilibrium method are discussed by focusing on the theoretical underpinnings and assumptions and criticisms of each model. The paper also provides a summary of the past and present macroeconometric models of the Philippine economy and highlights the strengths and criticisms of each model. The stocktaking indicates the need for a new macroeconometric model for the Philippines considering that the only active model lacks further details on the real sector and is intended to address policy questions in the monetary sector. The development of a new macroeconometric model is also consistent with the needs of the major macroeconomic policy-making bodies of the government, such as NEDA and BSP, to conduct macroeconomic surveillance, analysis, and policy simulations.

Management and Expansion of APEC Policy Tools

The APEC Policy Tools were developed during the Philippine's hosting of the Asia-Pacific Economic Cooperation (APEC) Summit in 2015. The National Organizing Council initiated the development of the policy tools to enhance the capacity to craft responsive and evidence-based policy options in APEC, as well as in other international fora (i.e., Association of Southeast Asian Nations, UN, World Trade Organization). It was motivated by the lack of a single repository mechanism for consolidating the dispersed information across agencies participating in

APEC meetings and events. Its goal is to gather relevant documents and reports in a manner that information can be easily synthesized, searched, and analyzed using a user-friendly knowledge management system, and will provide policymakers with relevant information that can be used in crafting policies that can enhance the Philippines' position in international bodies and in making decisions on other relevant undertakings.

PUBLIC ECONOMICS AND GOVERNANCE

Assessment of Republic Act 10963: The 2017 Tax Reform for Acceleration and Inclusion

This paper evaluates the implications of RA 10963, otherwise known as the Tax Reform for Acceleration and Inclusion (TRAIN) Act, on the economic incentives in affected sectors, distribution of tax burden across income groups and national government revenues, and its likely impact on tax compliance. Its estimates of the revenue gains from TRAIN are lower than official estimates. However, actual tax collection of the Bureau of Internal Revenue and the Bureau of Customs for the period January-October 2018 indicates these two agencies may fall short of their collection targets for the entire 2018 by a combined total of PHP 88 billion.

As to the inflationary impact of TRAIN, particularly its provision to increase excise tax on petroleum products, the study's forecast of the increase in the Consumer Price Index (CPI) as a result of the TRAIN places it at 0.5 percent in 2018 (and an additional increase of 0.4% in 2019 and 0.02% in 2020) from its end-of-December 2017 level, provided other factors remain the same. When RA 10963 came into effect, it coincided with the fast depreciation of the peso relative to the dollar and the rise of the world price of oil at an accelerated pace. These two events contributed to the surge in the inflation rate in 2018. However, the increase in the CPI due to the change in the excise tax is a one-off event in each of the three years immediately after the enactment of the TRAIN in 2017. Thus, the



contribution of the increase in the excise tax on petroleum to inflation varies depending on the period being studied.

Meanwhile, the overall distributional impact of the TRAIN is regressive when one abstracts from the proposed targeted subsidies under the program. This highlights the need for compensatory transfers to protect those who are most negatively affected by the TRAIN, especially the poorest two to the poorest four deciles. The delay in the operationalization of the compensatory measures suggests that the poor have been unduly burdened by the TRAIN in the first year of its implementation. It is also crucial to ensure that government spending financed from the incremental revenues from tax reform engenders economic growth that will benefit the poor in the medium term given the sunset clause on said transfers. Finally, it is 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.

Assessment of TRAIN's Coal and Petroleum Excise Taxes: Environmental Benefits and Impacts on Sectoral Employment and Household Welfare

Using a CGE model, the study assesses the impact of the increase in petroleum and coal excise taxes and the whole TRAIN 1 package (which includes a reduction in the personal income tax and the broadening of the value added tax). It also reviews the situation of the country's energy sector given that petroleum and coal are its largest sources of energy. Results from the simulations indicate a slight adverse output effect for most industries under an increase in petroleum and coal taxes scenario. Under the whole TRAIN package, the output effects are slightly positive, especially for several agriculture and services sectors, resulting in a higher level of carbon emissions. There is a slight rise in employment under the whole package, but poverty incidence increases slightly as excise taxes have an adverse effect on the poor in terms of higher prices of commodities.

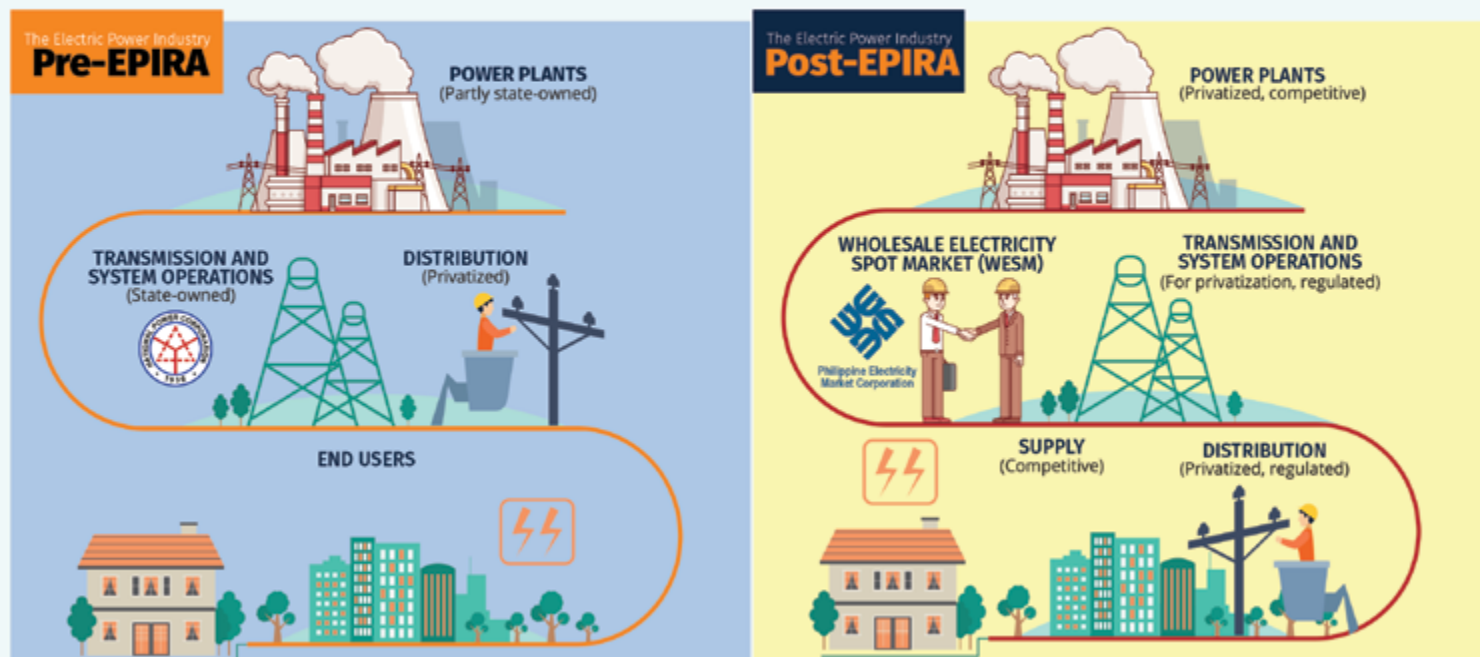
A Survey of Literature on Philippine Decentralization

This paper surveys the literature on Philippine decentralization to gather insights as well as distill facts emerging from the evidence on local government performance and development. Evidence shows that certain activities used to perpetuate patronage and dynasties (i.e., family networks) such as coercion through vote-buying and the provision of clientelistic goods affect the provision and, in one case, negatively affect the quality of public services. Publicly provided private goods, such as social services, are preferred by voters or are distributed by incumbent politicians who are members of political dynasties facing their last term in office. This study also contributes a first attempt to estimating a decentralization index, and though the results are not significantly different from commonly used local government indicators, the estimation shows that local chief executives are primarily responsible for expenditures and subsequent local development outcomes even considering mandatory local government spending requirements. Given the scant evidence on Philippine decentralization, the discussion fortifies the need for further research, including examining and quantifying the effects of institutional and political economy variables on local government revenue mobilization and expenditures. The presence of poverty and income inequality should be considered in revising institutional mandates and designing appropriate policy interventions.

Health Devolution in the Philippines: Lessons and Insights

The study attempts to document the Philippines' experience in health devolution with focus on the Department of Health's efforts to make it work. It also aims to draw lessons and insights that are critical in assessing the country's decentralization policies and in informing future policymaking. It particularly highlights the importance of (1) a well-planned and well-designed government policy to minimize, if not avert, unintended consequences and (2) mainstreaming of health policy reforms to ensure sustainability. It suggests taking a closer look at the experience of LGUs that were

MAJOR RESTRUCTURING UNDER EPIRA



SOURCE OF DATA: Tan (2010) as cited in PIDS Policy Notes 2018-19 titled "The Philippine electric power industry under EPIRA"

able to reap the benefits of health devolution and finding out how the good practices can be replicated in other LGUs. The study also underscores the need to review and assess the various health reforms and mechanisms that have been in place and draw lessons and insights that may be useful for crafting future health policies.

Assessment of the Philippine Electric Power Industry Reform Act

The Electric Power Industry Reform Act (EPIRA) is one of the landmark promarket reforms implemented to achieve reliable and competitively priced electricity in the Philippines. Due to its perceived ineffectiveness, however, the law has received many criticisms with some calling for its review, if not outright repeal. Two major findings from the study stand out. First, the EPIRA appears to be a well-thought-out power sector reform design, having followed most of the features of the kind of reform structuring found to be successful historically. Second, significant progress has been attained although a number of measures should be in

place to sustain the progress and promote more competitive power supply and retail rates for all consumers. These measures include policy changes in the subcomponents of the power industry such as generation, transmission, and distribution, and improvement in other areas such as reduction of system losses and universal charges, socialized pricing mechanism, taxes, and demand-side management.

A Public Expenditure Review of Social Protection Programs in the Philippines

Social protection is generally seen as a means to redistribute income to the poor, marginalized, and vulnerable in society. In the recent decade, there has been progress in the design and delivery of social protection programs with the adoption of a social protection strategy and framework to consolidate efforts and better target programs. Evidence of declining poverty incidence and documented improvements in the design and implementation of programs are promising results. However, there is still work to be done in terms of increasing coverage and improving implementation and coherence.

This study looks at how much the Philippine government has invested in social protection in recent years. It also discusses social protection programs and documents their evolution and redesign. The review highlights the importance of monitoring and evaluation through audits and impact assessments in the redesign of programs.

An Assessment of the Fiscal Features of the PDP Laban Model of Philippine Federalism 1.0 and the Gonzales-De Vera Federal Model

The paper highlights the importance of the design of the fiscal features of a federal system of government in ensuring that the potential benefits from its adoption are realized. It also presents an approach on how to assess the design of the fiscal aspects of alternative federal models and illustrates the application of said approach in evaluating the PDP Laban Model of Philippine Federalism 1.0 and the Gonzales-De Vera model. The approach of the assessment involves benchmarking of the relevant provisions of these two models against the guiding principles emanating from fiscal federalism. The assessment also considers current practices through a review of the constitutions of various federal countries. The paper concludes that one's decision on whether to adopt a federal system of government or not depends on the assessment of the value of the potential benefits from such a shift, the associated fiscal cost, and the likelihood that the net benefits are realized.

REGIONAL, URBAN, AND RURAL DEVELOPMENT

Urban and Rural Households' Energy Use: Sets, Shocks, and Strategies in the Philippines

The paper analyzes the determinants of household energy portfolio in urban and rural areas and determines how price shocks and weather variabilities affect energy use in the Philippines. It confirms that energy switching is

observed among high-income urban and rural households while energy stacking is observed among rural households—a response to heat index deviation and LPG price shock. The paper also finds that households' energy portfolios have components comprising of modern sources as energy anchors and a component that is most likely to adjust in response to price and weather-related shocks.

When It Rains, It Pours? Analyzing the Rainfall Shocks-Poverty Nexus in the Philippines

Weather shocks can have severe implications on welfare. Given the evidence that points to climate change resulting in altered patterns of weather parameters and given that the Philippines is one of the most vulnerable countries to climatic shifts, this paper aims to contribute to poverty studies in the Philippines by analyzing the poverty-rainfall shock nexus. The paper finds that rainfall shocks affect wages and income, which in turn, affect chronic total and chronic food poverty. Policy directions addressed to LGUs so they can better address issues on climate change include developing climate-smart agriculture and tapping additional funding sources for projects on climate change adaptation. The development of adaptive social protection, such as by integrating environmental protection into the *Pantawid Pamilyang Pilipino* Program, is also recommended.

Disaster Preparedness and Local Governance in the Philippines

The high level of casualties, population displacements, and economic costs from disaster events point to necessary augmentations in disaster preparedness. Policies have to be revisited, institutional arrangements have to be reviewed, and resource mobilization issues have to be addressed. RA 10121, albeit strong on its own, has to be enhanced and supported by functional department policy to be aptly cascaded.

Policy and planning alignments also have to be enhanced from the national to the subnational levels and horizontally within local government institutions and national government agencies.



HAZARDS AND RISKS IN THE PHILIPPINES

COST OF DISASTERS, 1905-2017

Disaster events resulted in human deaths and billions worth of economic losses.

837 DISASTERS

81,302 PEOPLE KILLED

219,874 PEOPLE INJURED

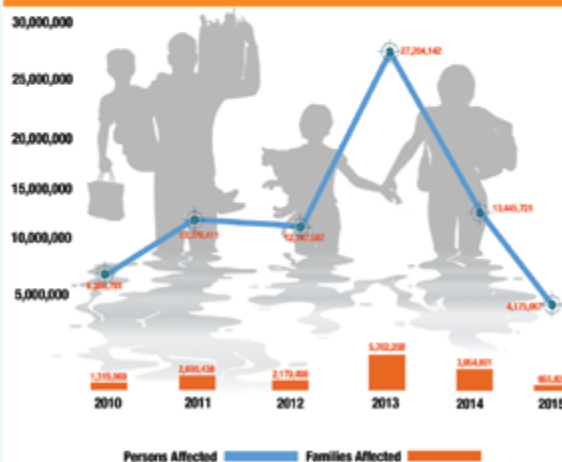
204,336,105 PEOPLE AFFECTED

6,276,465 HOMELESS

210,832,444 TOTAL PEOPLE AFFECTED

0.5 - 3% of GDP TOTAL ESTIMATED DAMAGE

NUMBER OF INDIVIDUALS AND FAMILIES AFFECTED BY DISASTERS 2010-2015



85-422

BILLION PESOS

Estimated cost of disasters per year to PH economy

12.1

MILLION PEOPLE

Filipinos affected by natural and human-induced disasters per year

SOURCES: International Disasters Database (2017) and NDRRMC (2016)

Participatory Governance in the Public Provision of Housing: The Case of Local Housing Boards (LHB) in the Philippines

This study examines the effectiveness of the Local Housing Board (LHB) as a platform for participatory governance in the delivery of public housing in an urban setting. It looks into the conduct and outcomes of participation in the LHB using the case study approach. Results show that participatory governance, through the LHB, is still evolving. Many cities that institutionalized their LHBs have used the Board as a legal tool to carry out eviction and demolition. However, when citizens' participation is effectively implemented such as the case of the Quezon City Housing Board, the solutions can lead to more acceptable socialized housing. For the LHB to enable the process, the decision-making process within the Board has to be strengthened with greater representation of peoples' organization, community participation in the selection of their representatives to the Board, and transparency in the discussion of issues and decisions of the Board.

SCIENCE, TECHNOLOGY, AND INNOVATION

Preparing the Philippines for the Fourth Industrial Revolution: A Scoping Study

Technological breakthroughs and the interplay of a number of fields, including advanced robotics, artificial intelligence, nanotechnology, neurotechnology, data analytics, blockchain, cloud technology, biotechnology, Internet of Things, and 3D printing, have ushered in the Fourth Industrial Revolution (FIR). Philippine industries have already been adopting these technologies, although in varying degrees of diffusion. The extent of the potential benefits that may be realized from the FIR will depend on the country's ability to adapt to the global disruptions that come along with this industrial revolution. The country needs to establish a solid foundation for sustained learning and accumulate various types of capital, while progressively and systematically closing existing technological gaps. Both the public and private sectors need to pay attention to the minuscule investment going to research and development. Concomitantly, the government

must have an informed view on how to improve its deployment efficiency. Trade openness, competition in key industries, labor market flexibility, human capital development, and an established social protection system, among others, must also be ensured to catch up with and benefit from the technological revolution.

Assessing the Effects of Simple and Complex Innovation Strategies on the Performance of Firms in the Philippines

Innovation is the synergistic use of resources, technology, capital, and information to achieve growth at different levels of the economy. Many studies have already supported the hypothesis that innovation leads to a good firm performance and long-term economic growth. In the Philippines, some studies already analyzed the effects of simple innovations on firm performance. However, emerging literature shows that complex innovation strategies have bigger impacts than simple ones. This paper analyzes the effects of simple and complex innovations on labor productivity and employment growth. Results show there is no single best innovation strategy that a firm must undertake. However, if firms have budget constraints, a simple innovation may help in improving labor productivity and, to some extent, employment growth. Firms that do not face cost issues can benefit more from adopting a complex innovation strategy. In addition, several specific types of complex innovation strategies can be adopted depending on whether the firm aims to increase its employment or to boost its labor productivity.

Going Digital: From Innovation to Inclusive Growth in the Philippines

The report looks at the components of the digital economy in the Philippines to understand its current landscape. These include the physical infrastructure through which data are transmitted, the devices, software, and the functionalities that these offer. It also provides a closer look at the benefits of the digital economy by looking at specific case studies, particularly the Technical Education and Skills Development Authority (TESDA) online portal for e-education and the konek2CARD

for e-finance. The case studies show that the inclusion of the digital economy is facilitated by developments in infrastructure. An examination of the current policy environment shows there are key plans in place for the development of a national broadband network in the Philippines. On the demand side, policies ensuring the privacy and data of individual users are already in place. The paper recommends additional policies to ensure a vibrant digital economy, which include reviewing the laws related to the provision of public goods and services particularly the internet, ensuring that the strategies of the *Philippine Broadband Plan* are implemented, securing strong collaborative working relationship between key actors, and capacitating government service providers to use ICT in performing current and new ICT-related tasks.

E-Education in the Philippines: The Case of Technical Education and Skills Development Authority Online Program

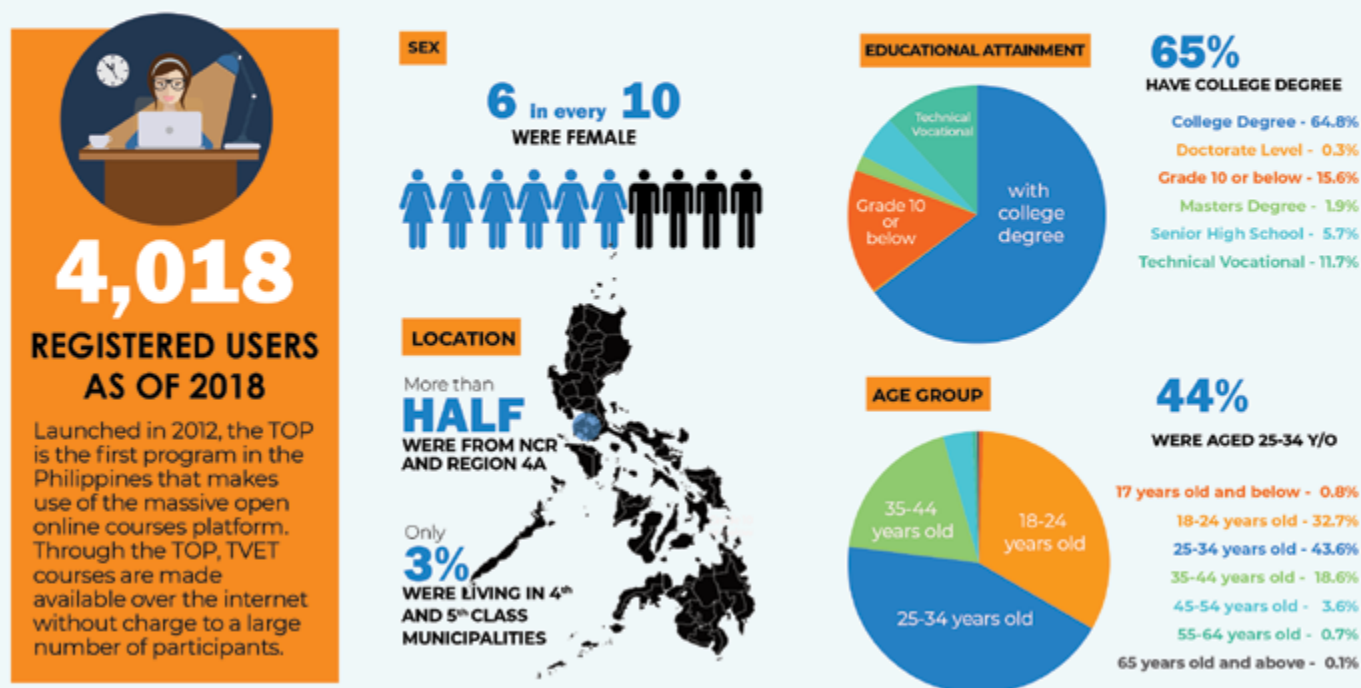
Technical and vocational education and training (TVET) in the Philippines has been viewed as a tool to equip Filipinos with the necessary skills for employment. To reach more people, TESDA introduced ICT into TVET and launched the TESDA Online Program (TOP) in 2012. TOP is the first Philippine program to offer massive open online courses. Statistics from TESDA estimate that more than a million Filipinos have accessed and used the TOP. This study assesses how ICT has enabled Filipinos to access free online technical education through the TOP. It also looks at the opportunities offered by the TOP through its courses and the potential number of users/beneficiaries. With greater TOP accreditation and certification, the vision of a globally competent Filipino workforce with advanced skills can be realized. Institutionalization of e-TESDA, ensuring continuous development of quality and relevant online courses, and promotion of the program to potential stakeholders are some of the recommendations to improve the TOP.

Issues on Digital Trade

From trade in goods then trade in services, digital trade is now underway. While there is



WHO ARE THE TESDA ONLINE PROGRAM (TOP) USERS?



SOURCE OF DATA: TESDA

no universally accepted definition, an emerging consensus on the scope of digital trade is that it includes all cross-border resident/nonresident transactions that are either digitally ordered, online platform enabled, and/or digitally delivered. Since it is a new and still evolving form of trade, conceptual and measurement issues remain challenging and will continue to be so with innovations in technologies and business applications. Nonetheless, there are various strategies, policies, and activities that the Philippines can pursue to keep up with technological advances and take advantage of the opportunities associated with digital trade. The Philippines should continue to exploit its strength in ICT and ICT-enabled services while, at the same time, develop new sources of export growth, particularly in digital products. To ensure that the benefits of e-commerce and digital trade are more widely enjoyed, constraints in terms of e-trade readiness should be addressed. The inhibiting factors are not limited to connectivity although it is perhaps the most critical problem for the Philippines at this stage. Policy gaps and regulatory restrictions should be reviewed to create an enabling environment for digital trade.

E-Finance in the Philippines: Status and Prospects for Digital Financial Inclusion

Digital technology applied to banking and financial transactions or e-finance has made financial services more widely available and affordable to consumers. With appropriate and affordable technologies and applications, financially excluded and unserved populations can participate in mainstream banking and finance. This will, in turn, open many opportunities for consumption smoothing and investment and earning possibilities. This paper studies the contribution of technology toward financial inclusion in the Philippines and analyzes whether e-finance has enabled the last-mile consumers to avail of financial products and services affordably and conveniently. Electronic money transfers are found to be increasing in the country, but digital adoption rate, particularly for mobile payments, is relatively low especially if compared with countries in the region. It recommends, among others, incorporating financial literacy in the implementation of digital finance, improving the country's

FILIPINOS' ACCESS TO FINANCIAL SERVICES



SOURCE OF DATA: BSP Financial Inclusion Dashboard-3Q 2017

FINANCIAL SERVICE PROVIDERS	
11,523	Banks (Branches and offices)
839	Microbanking Offices
197	Non-Stock Savings and Loan Associations
16,613	Pawnshops
1,926	Foreign Exchange Dealers/Money Changers
4,274	Remittance and Transfer Companies
26,028	E-Money Agents
181,748	Point-of-Sale Terminals
132	Insurance Providers
43	Microinsurance Providers

digital infrastructure, and fostering greater collaboration among other national government agencies in expanding the use of digital finance in the country. The government, through the BSP, in partnership with the private sector, should continue to support and test competitive business models by companies that introduce innovations in the digital financial market.

TRADE AND INDUSTRY AND INTERNATIONAL ECONOMY

Research and Data Collection to Support the ASEAN SME Policy Index (ASPI) 2018

The ASEAN SME Policy Index 2018 is a joint effort between the Economic Research Institute for ASEAN and East Asia (ERIA) and the Organisation for Economic Co-operation and Development (OECD) through its Southeast Asia Regional Programme. Building on OECD's SME Policy Index methodology, it aims to provide a tool to identify the strengths and weaknesses that exist in the current SME policy and benchmark the status implementation of the new ASEAN Strategic Action Plan (SAP) for SME

Development (2016-2025) to complement the ASEAN SME key performance indicators.

Feasibility Study of a Philippines–United States Free Trade Agreement

The study explores the feasibility of a bilateral FTA between the Philippines (PH) and the United States (US). It situates a prospective PH-US FTA in light of recent global and regional economic developments, and most importantly, the US policies under the new Trump administration. Also, it looks at how these would impact the Philippine economy, particularly major sectors and industries (agriculture, industry, and services).

Harnessing the Potential of the Philippines' Agricultural Sector: An Assessment Using the Product Space

This paper analyzes the prospects of the country's agricultural sector to evolve into a high-value-added sector. In particular, it identifies the country's agricultural exports that have forward linkages to other high-value-adding agricultural products using some metrics from the product space and mapping

the country's current agricultural exports to products that can be pursued in the short-, medium-, and long-run diversification strategies. This paper finds that the sophistication content of the Philippines' agricultural exports from 1994 to 2014 has not improved. Despite this, the country can diversify into processed agricultural goods, which have a sophistication content that is relatively higher than that of primary agricultural products such as fresh fruits. This indicates that developing the agro-processing industry appears to be a good strategy if the country is to harness the potential of the agricultural sector to contribute to sustainable economic growth and decent employment. While this portends good news, this also presents challenges on how the country can transform its agricultural sector into a sector that is high-value-adding. The paper offers some broad strategies that the country can pursue so that the agricultural sector will be able to realize its actual linkages with the more advanced and sophisticated industries.

Discovering the Philippines' Potential Export Portfolio through the Product Space: Some Products and Ways Forward

This research assesses the sophistication content of the country's current export portfolio and identifies products that result in a more diversified and high-value-added mix of export commodities. Using some metrics from the product space, the paper finds that the average sophistication of products included in the country's export basket has barely improved from 1995 to 2014 and has remained lower than the average sophistication content of exports in the world market. The paper also finds that some of the products in the country's existing export basket have potential forward linkages to goods with relatively higher sophistication content, which in turn have potential linkages to even more sophisticated goods. However, transformation does not happen overnight and requires well-thought-out policies, plans, and priorities. To this end, the paper advocates the implementation of measures outlined in the *Philippine Export Development Plan*. It also identifies other potential actions toward human capital development, innovations, and infrastructure programs.

Exploring Neural Network Models in Understanding Bilateral Trade in APEC (A Review of History and Concepts)

Decisionmakers have always been concerned with predicting the future to implement appropriate decisions and policies. This requires improving the accuracy of prediction and using more superior algorithms. Machine learning algorithms, such as artificial neural networks, are acknowledged to outperform several econometric procedures in predictions. Machine learning has become popular for doing operations that practically require more efficiency and accuracy, derived basically from the algorithm's powerful learning capability. This paper seeks to understand certain frameworks that can be used to improve the analysis and prediction of trade flows in Asia-Pacific Economic Cooperation (APEC) region using neural networks. After providing a discussion of the history of neural network development, and the potential use of neural networks in trade analysis, this paper then compares the different estimation procedures of the gravity model—OLS, PPML, and GPML—with the neural network. The neural network estimation of the gravity equation is found superior over the other procedures in terms of explaining the variability of the dependent variable (export) around its mean, and in terms of the accuracy of predictions.

Nontariff Measures in the Philippines

As several countries have reduced tariff rates, the imposition of nontariff measures (NTMs) has proliferated. NTMs could be described using descriptive indicators such as coverage ratios, frequency indices, and prevalence scores. For instance, the CR for all NTMs is at 99.6 percent, which means that practically all of the imports (in terms of value) of the Philippines are affected. Across the different government agencies, the Department of Agriculture and the Department of Environment and Natural Resources implement the most number of NTMs, at 422 and 103, respectively. Moreover, both agricultural and manufactured goods appear to be highly regulated at 92.2 and 93.9 percent, respectively, although agricultural goods have a higher prevalence score (19.8) than manufactured goods (8.9). Furthermore, capital goods have a slightly higher frequency index (96.8%) than



consumption goods (93.7%) despite both showing a similar number of NTMs. Exploring the relationship with trade performance indicators, the study finds that neither the average number of NTMs nor the technical measures applied on products have any association with the growth rates of imports of a product group. However, the number of NTMs shows a negative correlation on the same. Likewise, import growth is also negatively correlated with the number of consumers and customs NTMs, although positive correlations are observed with process NTMs.

PASCN RESEARCH STUDIES

Obstacles and Enablers of Internationalization of Philippine SMEs through Participation in Global Value Chains

This paper determines the challenges and enablers of connecting small and medium enterprises (SMEs) to global value chains (GVCs). Using data from a survey of Metro Manila SMEs and a set of key informant interviews of SME owners and of government officials tasked to assist SMEs, the study finds that Philippine SMEs are weakly linked to GVCs. The challenges and enablers can be grouped into five themes, namely: (1) competition in ASEAN and East Asia; (2) international standards, regulatory requirements, and local institutions; (3) role of government; (4) international market demand and inputs supply; and (5) entrepreneurial mindset.

Duration of Export Relationships of Philippine MSMEs

Within the framework of APEC's Boracay Action Agenda and the ASEAN Strategic Action Plan developed by member-countries to assist micro, small, and medium enterprises (MSMEs) to reach internationalization, the study examines the survivability of Philippine MSMEs' exports in select countries. Using the Kaplan Meier estimator model in both the MSME exports and the total trade data in documenting the survival

rate of goods and duration of Philippine exported products, the study finds that most export relationships of the Philippines are brief, contrary to conventional trade theories suggesting that most trade relationships are long-lived. Also, MSMEs, on average, account for a more significant number of export relations than large establishments. Furthermore, among MSMEs, medium-sized firms constitute the majority of export relations over different durations. The results imply that government support may need to be tied up with the critical years of export survivability, which occurs in the first four years of trading internationally. Survivability analysis can also be employed as an additional monitoring mechanism of SME programs.

Effect of Supply Chain Integration on the Business Performance and Competitiveness of the Philippine Small and Medium Enterprises

This study determines the effects of supply chain integration on the business performance and competitiveness of Philippine SMEs. Results show that internal integration strongly influences both business performance and competitiveness of SMEs, and mediates the effect of supplier and customer integration. Customer integration, on the other hand, influences business performance. The government can help SMEs strengthen their internal integration by providing support for enhancing their application of management skills, such as the generation of effective operational and production plans and functional coordination. SMEs should also be encouraged and capacitated to use information systems that will aid in the integration of various internal processes. There should also be mechanisms for information technology adoption (e.g., educational programs) and the government should serve as a trigger to help SMEs catch up with the rapid advances in technology. Moreover, the government should set up an effective mechanism that will unify all regulatory bodies and reduce redundancies and excess costs that affect supply chain performance.



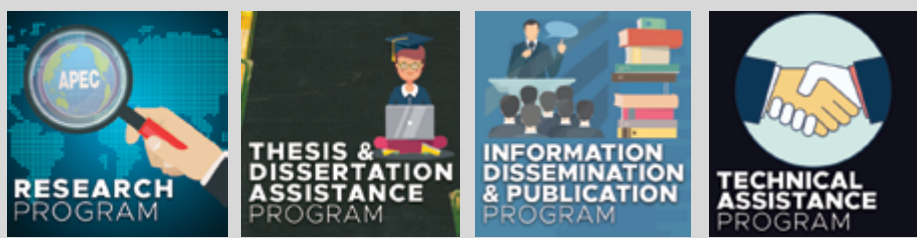
Philippine APEC Study Center Network

The Philippine APEC Study Center Network (PASCN) is a regular component project of PIDS. Established on November 23, 1996 by virtue of Administrative Order 303, it is the Philippines' response to the Asia-Pacific Economic Cooperation (APEC) Leaders' Education Initiative that called on member-economies to foster regional cooperation among higher education and research institutes on key regional economic challenges. PASCN is one of the APEC Study Centers (ASCs) forming the APEC Study Centers Consortium (ASCC).

PASCN MEMBERS:



MAJOR PROGRAMS:



IN 2018, THREE studies were completed and their research outputs were released as PIDS Discussion Papers (DPs), namely: (1) “Obstacles and Enablers of Philippine MSMEs Participation in Global Value Chains” (DP 2018-07), (2) “Duration of Export Relationships of Philippine MSMEs” (DP 2018-12), and (3) “Effect of Supply Chain Integration on the Business Performance and Competitiveness of the Philippine Small and Medium Enterprises” (DP 2018-13). These DPs are with related Policy Notes (PNs) 2018-11, 13, and 15, respectively.

Two ongoing studies are being funded under the Thesis and Dissertation Assistance Program (TDAP). These are “Characterization of Marine Plastic Pollution in Tañon Strait, Central, Philippines”, a PhD dissertation by Maria Kristina O. Paler of University of the Philippines (UP) Los Baños, and “Biomass-Carbon Stock Mapping of Mangrove Forest in Bued, Alaminos, Pangasinan, Using Geographical Information System (GIS) and Remote Sensing”, a masteral thesis by Madonna C. Daquigan of UP Baguio.

Meanwhile, two studies—“Assessing the Readiness of Filipino MRA-Supported Professions to Participate in the Mobility of Skilled Labor in the ASEAN Region: Lessons for APEC Economies” and “Assessing the Alignment of Philippine Higher Education with the Emerging Demands for Data Science and Analytics Workforce”—were approved for research funding and are in progress.



Photo by PIDS staff



PASCN also continued to network and participate in the annual conference of the ASCC. Justin Eloriaga of De La Salle University and Jovito Jose Katigbak of Foreign Service Institute presented at the 2018 conference held on May 14–15 in Port Moresby, Papua New Guinea. PASCN also collaborated with an ASC in Singapore, through the network's participation in the ASEAN Studies Centre's online survey on the State of the Southeast Asia Region organized by Institute of Southeast Asian Studies–Yusof Ishak Institute.

For its Information Dissemination and Publication Program, the Secretariat conducted technical workshops on March 19 and April 16 to give the research grantees an opportunity to present their studies and to solicit comments and suggestions from stakeholders. It also conducted the annual PASCN General Assembly and Symposium on October 8 at the UP Bonifacio Global City campus in partnership with UP. The symposium focused on “Disruptive Technologies: Opportunities, Challenges, and Risks” in support of APEC 2018’s theme on “Harnessing Inclusive Opportunities, Embracing the Digital Future” and the Development Policy Research Month 2018 theme on “Harnessing the Fourth Industrial Revolution: Creating Our Future Today”.

Moreover, to facilitate exchange of information on research funding sources and collaboration opportunities between and among academic and research institutions, government agencies (in particular, the agencies comprising the Technical Board on APEC Matters [TBAM]), the Secretariat organized a Research Funding and Collaboration Opportunities Workshop on November 21.

In terms of publications, two other articles were released in 2018 in addition to the aforementioned DPs and PNs. These are “Risk Management Innovation for Philippine Banking” (PN 2018-06) and “Calamba City as a Growth Corridor in CALABARZON” (Development Research News 2018 Vol. 36, No. 1, January–March 2018).

Through its Technical Assistance Program, PASCN has continued to provide support to government agencies, particularly the Department of Foreign Affairs and the Department of Trade and Industry. It also regularly participated in the TBAM meetings. PIDS research fellows and network members also took part in various working groups and activities.

Specific technical assistance activities conducted by the Network in 2018 include the following: (1) membership in the Virtual Working Group on Digital Trade under the TBAM cluster on Regional Economic Integration, Trade and Investment Subgroup; (2) participation in the Philippine APEC Vision Group whose initial work includes developing the Philippine APEC Post 2020 Vision survey instrument which were distributed among TBAM agencies; (3) participation as session chair or discussant by some experts from the Network in the Fourth International Symposium on Asian Development Studies: Development Cooperation in ASEAN organized by PIDS on October 25-26; and (4) participation by Network members in the 5th SERP-P Network Biennial Meeting on December 10.

The Secretariat capped the year by holding consultation meetings with agencies and stakeholders to discuss possible collaborative projects on APEC 2019 priorities and align the Network’s 2019 priorities.

Knowledge Dissemination

PIDS CONTINUOUSLY LOOKS for opportunities to enhance its knowledge dissemination strategy. This is intended to effectively communicate and bring the results of its policy research studies closer to its target audiences in the hope that these will serve as valuable inputs to decisionmaking and be translated into policies that can significantly contribute to the improvement of the lives of Filipinos.



Photos by PIDS staff

PUBLICATIONS

Books

PIDS released two books in 2018. The first book, *From Evidence to Policy: Celebrating 40 Years of Policy Research*, highlights the role of research in evidence-based policymaking process. A commemorative issue written by past PIDS presidents and officials for the Institute's 40th founding anniversary, the book is a collection of essays showcasing the rich history of PIDS from its small beginnings in 1977 to becoming one of the top-ranking think tanks in the world.

The second book, *Critical Perspectives on Federalism for Regional Development*, is a compilation of the papers presented during the

Third Annual Public Policy Conference (APPC) in 2017 focusing on the fiscal design and political feasibility of federalism in the country. PIDS hopes that this issue will serve as a valuable input for policymakers and the public at large, in making informed decisions regarding the adoption of federalism.

Research Paper Series

Four issues of Research Papers Series were published in 2018. *Results of the Assessment of the Motor Vehicle User's Charge Utilization in the Philippines* presents the evaluation of the implementation of the motor vehicle user's charge funding scheme in the country and also features good practices contributing to successful cases in other countries.



Measuring and Examining Innovation in Philippine Business and Industry discusses the results of the 2015 Survey of Innovation conducted by PIDS and provides policy recommendations, particularly for the government, to support and encourage innovation in the country.

Meanwhile, *Comprehensive Agrarian Reform Program After 30 Years: Accomplishments and Forward Options* tackles the achievements of the Comprehensive Agrarian Reform Program in the Philippines over the last 30 years and suggests policy recommendations on how the government can support and modernize agriculture and improve land management and administration.

Lastly, *Sustainable Development Goal 5: How Does the Philippines Fare on Gender Equality?* highlights the Philippines' progress toward achieving gender equality and women empowerment goals. It identifies priority areas for public policy and suggests new directions to attain the country's gender targets.

Philippine Journal of Development

The second issue for the 2016 volume was released during the year. It contains three papers analyzing the Trans-Pacific Partnership agreement and a paper studying the economic impact of a typhoon using CGE analysis.

In addition, two manuscripts were accepted for publication: (1) "Spatial Integration Analysis of the Regional Fertilizer Markets in the Philippines" and (2) "Chronic Food Poverty and Weather Variability in the Philippines". Five manuscripts were under revision for inclusion in the next issue of the journal, if accepted. Six other manuscripts were under review.

Policy Notes Series

Twenty Policy Notes were published on various topics such as, but not limited to, agriculture, education, energy, poverty reduction, trade and industry, and governance, particularly in response to the Fourth Industrial Revolution.

Discussion Paper Series

Fifty-four Discussion Papers were released online in 2018 with topics ranging from agriculture, education, environment and natural resources,

finance, health, gender and development, housing, and trade and industry, among others.

Development Research News

Four issues of the quarterly newsletter were published in 2018. The banner stories featured key national and current issues like the laws and regulations on women in support of the Women's Month in the first issue, the struggle of farmers to afford agricultural insurance in the second issue, the opportunities and challenges faced by the Philippines in the advent of the Fourth Industrial Revolution in the third issue, and the open access movement in the country in relation to education and research. News on PIDS activities and project updates were also contained in the newsletter.

See Annex C for a complete list of PIDS publications produced in 2018.

CIRCULATION AND DISTRIBUTION

Except for online publications that do not have print versions, such as the Discussion Paper series and PIDS Updates, print copies of PIDS publications were distributed to key networks of the Institute in the national and local governments, academe, congress, nongovernment organizations, international organizations, and private sector.

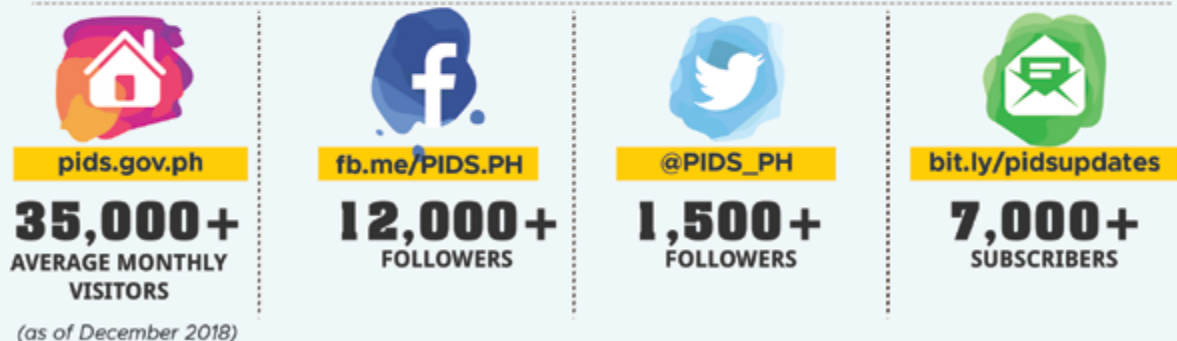
Library Services

The PIDS Library continuously provided support to the research needs of PIDS staff as well as students from universities and researchers from the academe and other organizations.



Photo by PIDS staff

ONLINE AND SOCIAL MEDIA TOOLS



The Institute acquired 8 new titles and received 67 titles from book donations in 2018. Ten new journals and 49 CDs containing requested reference materials by PIDS researchers and library clients sourced from other online open access databases were added to the library collection.

ELECTRONIC AND SOCIAL MEDIA

PIDS website <https://www.pids.gov.ph>

The PIDS website is regularly updated with fresh content particularly new publications, press releases, information on forthcoming and past events, including e-files of seminar presentations, videos of PIDS seminars, outreach activities, and highlights of visits to PIDS.

In 2018, the PIDS website generated about 35,000 unique visitors per month, with the sections on publications and employment opportunities as the most visited sections.

PIDS Facebook <https://www.facebook.com/PIDS.PH/>

The Institute had 501 posts on its Facebook account with feeds about new publications, seminar announcements, livestream of PIDS fora, news articles that cited PIDS studies or researchers, and significant quotes delivered by PIDS resource speakers during seminars. The PIDS Facebook followers grew from 8,000+ by the end of 2017 to 12,000+ followers by the end of 2018.

PIDS Twitter https://twitter.com/PIDS_PH

A total of 1,232 tweets were posted on the PIDS Twitter account and there were 1,570 followers

by the end of December 2018. Tweets posted were about PIDS seminars, new publications, PIDS in the News, and other announcements. Live tweeting was also done during PIDS fora and events.

Online publications

PIDS Updates is a monthly e-newsletter started in 2013. It is a listing of new PIDS publications, forthcoming events, database updates, and press releases, among others. From time to time, it includes an In Focus section, which highlights an important socioeconomic issue and draws attention to related research undertaken by PIDS. Twelve PIDS Updates were released in 2018.

In 2018, recognizing the power of social media and online platforms, PIDS introduced the **Policy Issue at a Glance**, a new publication product published monthly featuring policy issues and research data from PIDS completed research studies presented in infographics. Each issue was uploaded on the PIDS website and social media pages.





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

SERP-P IS AN ONLINE knowledge portal of socioeconomic studies established in 2000 to strengthen the link between the government and research institutions and to set up a repository of socioeconomic research information. The SERP-P Network is composed of more than 50 member-institutions from the academe, government agencies, nongovernment organizations, and other socioeconomic institutions.

In 2018, 826 new publications were added to the SERP-P database, bringing the total of socioeconomic materials to 6,670 from 4,000 authors. The SERP-P website has an average of 959 unique visits per day.

5th SERP-P Biennial Meeting

The 5th SERP-P biennial meeting held on December 10, 2018 at the PIDS was attended by 65 representatives (26 males; 39 females) from 32 partner-institutions in Luzon, Visayas, and Mindanao.

The meeting centered on the theme “Gearing Up for SERP-P 4.0” and aimed at strengthening the partnership between and among the 53 member-institutions in knowledge exchange. Invited speakers discussed topics such as Innovations in Education Delivery, Open and Distance eLearning, Harnessing the Potential of Social Media for Knowledge Dissemination, and Intellectual Property in the Era of the Fourth Industrial Revolution.

An interactive workshop was also held in which participants brainstormed on how to further improve the SERP-P database, encourage more people to use SERP-P, and strengthen the collaboration among the partner-institutions. The meeting concluded by recognizing the 10 most active SERP-P members from 2017 to 2018. The awardees were BSP, Southeast

Asian Regional Center for Graduate Study and Research in Agriculture, Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development, GIZ Philippines, University of the Philippines Los Baños Center for Strategic Planning and Policy Studies, Asian Institute of Management-Rizalino S. Navarro Policy Center for Competitiveness, UP NCPAG, Foreign Service Institute, SEAMEO INNOTECH, and Congressional Policy and Budget Research Department of the House of Representatives.

Promotional Activities

The production and distribution of the e-newsletters SERP-P News (quarterly) and SERP-P Monthly continued in 2018. Each issue of SERP-P News put into spotlight a certain socioeconomic issue and also featured a researcher and SERP-P member-institution. Topics featured in the first to fourth issues were inflation, innovation, housing, and social protection, respectively. The SERP-P News also featured member-institutions like the *Bangko Sentral ng Pilipinas* (BSP), Asian Institute of Management-Rizalino S. Navarro Policy Center for Competitiveness, GIZ Philippines, Foreign Service Institute. Meanwhile, SERP-P Monthly contained new SERP-P resources, upcoming events of SERP-P partner-institutions, featured publications, career opportunities, and other relevant announcements.

Other activities conducted to further promote SERP-P include the production of a promotional video and a new SERP-P poster and the conduct of reorientation sessions for existing partners to encourage them to participate in enriching the database. The team completed a total of 11 reorientation sessions for SERP-P partner institutions. A visit to the Polytechnic University of the Philippines Manila was also conducted to introduce the project to school officials and students.



Another new strategy started in January 2018 was the weekly series Fact Friday on the PIDS Facebook page featuring teasers of PIDS research findings to encourage followers to read the full study. A total of 45 Fact Friday posts were produced and released in 2018. These were reposted on the PIDS website and Twitter.

Annex D gives a complete list of the electronic and social media materials produced by the Institute in 2018.

SEMINARS AND EVENTS

The Institute organized and conducted a total of 18 events in 2018. These included the Annual Public Policy Conference and other activities conducted in celebration of the Development Policy Research Month (DPRM), 11 PIDS seminars, 2 regional forums, 2 legislative forums with the Congressional Policy and Budget Research Department of the Philippine House of Representatives, and 2 high-level symposiums. Twelve of the PIDS events were attended by nearly 1,500 participants composed of 685 males and 803 females.

Four of the PIDS seminars were organized in partnership with international organizations such as the Organisation for Economic Co-operation and Development, United Nations Development Programme, United Nations Economic and Social Commission for Asia and the Pacific, and the Korea Association of International Development and Cooperation.

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

Media Engagements

PIDS officials and researchers were invited in various television and radio programs to discuss and share their insights on certain policy issues. They appeared and guested in 5 television and 2 radio programs. Additionally, PIDS experts guested in 2 online media programs and 3 press conferences including the kick-off press conference for the DPRM and the press conference during the Fourth Mindanao Policy Research Forum. Additionally, PIDS officials and senior researchers promoted and discussed the DPRM in seven media programs.

See Annex F for the list of media engagements.

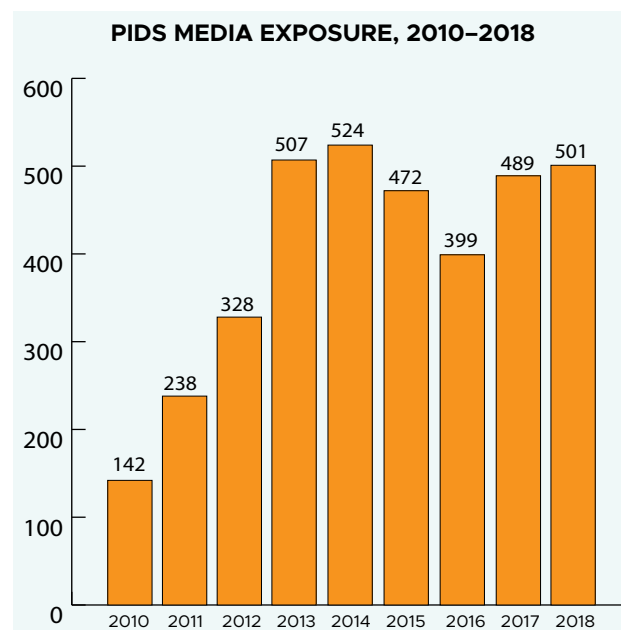
Press Releases

Fifty-five press releases were crafted in 2018 featuring PIDS completed studies, publications, and events. Said press releases were circulated to the media and partner institutions as well as posted on PIDS website and social media pages.

See Annex G for the list of press releases.

Media Exposure

PIDS studies or researchers were cited in 501 articles in online and print media.



PIDS Corners

TWENTY-FIVE PIDS Corners across the country (13 in Luzon, 6 in the Visayas, and 6 in Mindanao) were set up since the project was launched in July 2006. The PIDS Corners, usually established in a university or research-partner institute, served as links between local libraries and the Institute for dissemination and promotion of PIDS publications and Web-based resources. PIDS publications were regularly provided for free to all Corners for use by the students, faculty members, local officials, and other decisionmakers in the community. Among 19 PIDS Corners, 24,711 students, faculty members, and other library users reportedly utilized the PIDS publications in 2018 based from reports submitted by the partner-institutions.



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





Development Policy Research Month

TECHNOLOGICAL BREAKTHROUGHS in fields such as robotics, artificial intelligence, nanotechnology, data analytics, blockchain, cloud technology, quantum computing, internet of things, virtual and augmented reality, and 3D printing have ushered in the Fourth Industrial Revolution (FIRe). This year's celebration of the Development Policy Research Month (DPRM) highlighted the potential impacts of these technologies on the patterns of production, consumption, employment, and governance in the Philippines.

For the DPRM's 16th year, PIDS centered on the theme, "Harnessing the Fourth Industrial Revolution: Creating Our Future Today" or "*Isulong ang Fourth Industrial Revolution Tungo sa Katuparan ng Ating Kinabukasan Ngayon*". The Institute partnered with local and international agencies in organizing various events aimed at rousing the interest of key stakeholders—particularly the policymakers—on issues related to FIRe and influencing them to craft evidence-based policies and programs that will help the country harness the opportunities and mitigate the risks emerging from technological developments.

To launch the month-long celebration, the Institute, together with the Mindanao Development Authority and the University of Science and Technology of Southern Philippines, conducted the Fourth Mindanao Policy Research Forum in Cagayan De Oro City. Anchored on the theme "Harnessing the Fourth Industrial Revolution in Mindanao: Creating Our Future Today", the policy forum convened decisionmakers, researchers, academics, and representatives from government, private sector, and civil society organizations in Mindanao to discuss the potential opportunities and challenges emerging from the advent of FIRe in the region.

PIDS also teamed up with the Philippine Information Agency (PIA) to conduct press

conferences in major cities across the country. Two DPRM press conferences were held in Metro Manila and Cagayan De Oro City.

For this year's main event, PIDS assembled natural and social science experts and academics, policymakers, and private sector and civil society representatives for the Fourth Annual Public Policy Conference (APPC). The conference centered on issues and opportunities facing the Philippines as it embraces the FIRe. It also served as a venue to stimulate multidisciplinary conversations on how the Philippines can harness the opportunities and manage the risks emerging from FIRe.

September is declared as development policy research month through Malacañang Proclamation No. 247 issued in 2002. PIDS, as the government's foremost policy think tank, leads the country each year in celebrating the DPRM with support from the Steering Committee composed of the National Economic and Development Authority, Civil Service Commission, PIA, Presidential Management Staff, *Bangko Sentral ng Pilipinas*, and Department of the Interior and Local Government.

For 2018, the Department of Science and Technology, Department of Labor and Employment–Institute of Labor Studies, Commission on Higher Education, Department of Trade and Industry, and Department of Information and Communications Technology were invited to participate in the Steering Committee given the relevance of their mandates and programs to the DPRM theme. A total of 96 institutions and organizations at the national and local levels joined the 2018 DPRM celebration by organizing seminars, exhibits, and other activities related to this year's theme (see Annex H).





Fourth Annual Public Policy Conference

THE PIDS DEDICATED the Fourth Annual Public Policy Conference (APPC) to the analysis of the Fourth Industrial Revolution (FIRE) and its emerging technologies. With the same theme as the DPRM, that is, “Harnessing the Fourth Industrial Revolution: Creating Our Future Today”, the event convened natural and social science experts and policy analysts from both public and private sectors to discuss the impacts of FIRE on various Philippine sectors, as well as the possible implications of FIRE for Philippine development policy and strategy. Such systematic analysis is critical to ensure that the country’s economic take-off is sustained in the long run and leads to even faster and more inclusive growth.

PIDS President Celia Reyes took note of the *Readiness for the Future of Production Report 2018* of the World Economic Forum, which states that the country has been exhibiting weak performances in terms of technology and innovation, human capital, and institutional framework, among others. To address this issue, the PIDS official urged the government, policymakers, academe, and the private and business sector to come and work together to address current gaps so that the country can fully reap the benefits of FIRE. She also had the opportunity to introduce Sophia, a humanoid robot and United Nations Development Programme’s Innovation Champion. Sophia urged those present in the event to harness the technologies of FIRE to speed up the social and economic development of the Philippines, leaving no one behind in the process.

Meanwhile, Socioeconomic Planning Secretary Ernesto Pernia, in his keynote speech, highlighted the importance of redefining the role of government in FIRE so that innovation activities are encouraged and not stifled. Pernia also emphasized the need to harness the benefits of the science, technology, and innovation ecosystem to the economy and society as articulated in the *Philippine Development Plan 2017–2022*. Specifically, he stressed the need to upgrade the country’s capabilities to produce and use technologies through capacity building and beefing up of research and development programs.

Despite the country’s apparent lack of readiness for FIRE, experts still agreed that Filipinos should remain optimistic toward it. For instance, Dr. Yasuyuki Sawada, chief economist at the Asian Development Bank (ADB), highlighted the fact that technological advancement can drive higher productivity, create better-paying jobs, and advance economic growth. He also dispelled the misconceptions about the impact of FIRE on jobs in the Philippines, arguing that only the routinary and manual jobs are at risk of being automated.

Meanwhile, Mr. Stephen Ezell, vice president of the Washington DC-based Information Technology and Innovation Foundation, highlighted the promise of FIRE technologies, particularly in terms of safety, personal mobility, as well as environmental and economic productivity. Ezell also explained that the

Photos by PIDS staff

emerging technologies, such as artificial intelligence and robotics, may even help the Philippines boost its annual productivity growth by as much as 1.5 percent. He also urged the Philippine government to adopt an innovation principle, not a precautionary principle. This means that the burden should be on the government to show that a new technology or a new business model will cause potential harm to society or consumer.

For his part, Mr. Jaime Augusto Zobel de Ayala, chair of Ayala Corporation, focused on the lack of linkages between education and employment, whose gap has continued to widen in recent years. While it is the role of the academe to equip the students with the needed skills, Zobel de Ayala explained that the industry must find ways to give feedback to ensure the quality and responsiveness of education. He also raised the need for a rebranding of the government's technical certification to ensure that high school graduates can be employed even without a college degree.

Meanwhile, Dr. Elmer Dadios, professor at the De La Salle University–Manila, gave a real-life application of FIRE technologies. Among others, Dadios showcased the automated coconut production in Ragay, Camarines Sur, and the Contactless Apprehension of Traffic Violators on 24-Hour Basis All-Vehicle Detection System, or CATCH-ALL, a vision-based artificial intelligence analytics software with traffic and transport applications. He also presented his project, the “Game of Drones”, which aims to attract students to study robotics.

As in the past, the fourth APPC also included breakout sessions, focusing on four specific issues related to FIRE, namely, agriculture, manufacturing, and services for Session A, science, technology, and innovation for Session B, labor market and social protection for Session C, and human capital development for Session D.

Session A specifically sought to understand how new technologies are driving product and process innovation, shaping global production, consumption, and trade patterns in various industries. Session B, meanwhile, zeroed in on the discussion of the country's limited human

capital in research, the low levels of research and development expenditures, and weak linkages of actors in the innovation ecosystem. On the other hand, Session C discussed changes in the nature of work resulting from FIRE and their implications. Lastly, Session D focused on strategic investments in training people to have both soft skills and technical competencies required under the FIRE. The breakout sessions were then followed by the afternoon plenary session, where key government officials including Secretary Fortunato de la Peña of the Department of Science and Technology (DOST), Acting Secretary Eliseo Rio of the Department of Information and Communications Technology and Deputy Governor Diwa Guinigundo of the *Bangko Sentral ng Pilipinas* (BSP), and noted experts like Ramon Magsaysay Awardee Dr. Christopher Bernido, Academician Dr. Alvin Culaba, and Mr. Peter Draper of the University of Adelaide discussed how various stakeholders can work together to harness the powerful emerging FIRE technologies, achieve accelerated and broad-based socioeconomic development, and prepare for uncertainties arising from the unfolding landscape.

The conference was closed by Budget Secretary Benjamin Diokno who discussed the opportunities available in the new industrial revolution for modernizing and reforming government.

The APPC is the main and culminating activity of the Development Policy Research Month, a nationwide celebration led by PIDS to promote the importance of policy research in the formulation of evidence-based policies, programs, and projects in government. Since 2015, the APPC has gathered experts and researchers in the social sciences to discuss and recommend policies on current and emerging issues that need the attention of policymakers.

APPC 2018 was organized by PIDS with support from the ADB, BSP, DOST, Australian Embassy in the Philippines, Commission on Higher Education, Department of Foreign Affairs–Office of the Undersecretary for International Economic Relations, Department of Labor and Employment, Department of Trade and Industry, and Global Development Network.



Policy Influence



In 2018, PIDS researchers participated as **RESOURCE PERSONS** in

27
Technical Committees/
Working Groups

- 9** Consultative and Technical Committees/Inter-Agency Committees
- 7** Committees in the House of Representatives
- 6** Senate Committees
- 3** NEDA Planning Committees
- 2** Committees under the Armed Forces of the Philippines

POSITION PAPERS

were submitted for the following:

- Philippine Innovation Act
- Anti-Political Dynasty Bill
- Foreign Investments Act

COMMENTS

were provided for

11 Senate/House Bills or Resolutions



Republic of the Philippines

8

Senate Bills/Resolutions



3

House Bills/Resolutions

IN ADDITION TO its knowledge dissemination activities, PIDS directly influences government policymaking through other channels.

The year 2018 saw its officials and senior researchers actively contributing (as resource person or member) to a number of technical committees or working groups, including:

- Armed Forces of the Philippines (AFP) Multisectoral Council
- AFP MSGC Strategy Assessment and Review Subcommittee
- Consultative Committee to Review the 1987 Constitution
- Department of Trade and Industry–Bureau of Philippine Standards Technical Committee on Sustainable Cities and Communities
- House of Representatives (HOR) Committee on Legislative Franchises
- HOR Committee on Poverty Alleviation
- HOR Committee on Small Business Entrepreneurship
- HOR Technical Working Group (TWG) of the Committee on Energy
- HOR TWG on Disaster Preparedness Measures
- HOR TWG on House Bills 4893 and 6668 (Establishment of the Philippine Energy Research and Policy Development Institute)
- HOR TWG on the Philippine Innovation Act (House Bills 5618 and 5701)
- Inter-Agency Committee on Macroeconomic Accounts and Statistics

- Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring, Information, and Reporting Systems
- Investment Promotions Working Group
- National Biotechnology Program Technical Committee
- National Economic and Development Authority (NEDA) Planning Committee on Technology and Innovation
- NEDA Evaluation Reference Group for Transportation
- NEDA Subcommittee on Industry and Services
- Senate Committee on Agriculture and Food
- Senate Committee on Economic Affairs
- Senate Committee on Finance
- Senate Committee on Public Services
- Senate Committee on Trade, Commerce, and Entrepreneurship
- Senate Committee on Ways and Means
- Technical Board on APEC Matters
- Technical Committee on Statistics
- Technical Working Group to Update the National Disaster Risk Reduction and Management Plan

Moreover, they also participated in the review and deliberation of several bills in Congress through the submission of position papers on the Philippine Innovation Act, Anti-Political Dynasty Bill, and Senate Resolution 73 directing the Senate Committee on Trade, Commerce, and Entrepreneurship and other Appropriate Committees to conduct an omnibus study and eventual updating of Republic Act 7042 or the Foreign Investments Act, as well as discussing with the Disaster Risk Reduction Network Philippines the provisions of House Bill 6075 (Department of Disaster Resilience and the DRM Amendatory Bill).

Its senior researchers also provided comments on the following House/Senate Bills or Resolutions:

- House Bills 4893 and 6668 (An Act Establishing the Philippine Energy Research and Policy Development Institute)
- House Resolution 796
- House Bill 4595 (An Act Amending Republic Act No. 8762, Otherwise Known as the Retail Trade Liberalization Act, and for Other Purposes)
- Senate Bill 1813 (An Act Prohibiting the Use of Trans Fatty Acids on Food Facilities)
- Senate Bill 1938 (An Act Institutionalizing the NEDA as the Independent Economic and Planning Agency of the Philippine Government)
- Senate Resolution 412 (Directing the Senate Committee on Trade, Commerce, and Entrepreneurship to conduct an inquiry on the reported importation and sale of steel bars despite noncompliance with the sampling requirements of the Philippine National Standards 49:2002)
- Senate Resolution 802 (Directing the appropriate Senate Committee to conduct an inquiry on the status of the Philippine steel industry)
- Senate Bill 332 (Anti-Rice and Corn Hoarding and Profiteering Act, partly amending Republic Act 7581 or the Price Act)
- Senate Bill 413 (An Act to Establish the Monitoring and Supervisory Framework for the Safe Operations of the Liquefied Petroleum Gas Industry; Rationalize the Manufacture, Sale, Distribution, Exchange, Swapping, Repair, Requalification, and Rehabilitation of LPG Cylinders)
- Senate Bill 766 (An Act Banning Supermarkets, Food Establishments, and Other Similar Businesses from Throwing Away and Spoiling Unsold Food)
- Senate Bills 1441, 1594, 1291, 1261, 695, and 5828 (proposed amendments to the Public Service Act)



PIDS Employees Association



2018 MARKS ANOTHER outstanding year for the Philippine Institute for Development Studies Employees Association (PIDSEA), the sole and existing legitimate public sector labor organization of PIDS. In 2018, PIDSEA continued to implement the collective negotiation agreement between PIDS management and PIDSEA, which documents the commitment of both parties to promote the welfare and interest of PIDSEA members through various privileges and benefits.

To provide opportunities for social interaction and to celebrate the 41st anniversary of PIDS, the Employees Association, with the assistance of the new employees and members of the PIDS Sports Committee, held the Employees Day on September 27. The highlight of the Employees Day was the mini-Sports Fest. In addition, the oath-taking of

new officers and the awarding of certificate of membership for new members were held during this event.

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 management and staff. Most important is the representation of PIDSEA in the regular meetings of the Management Committee, wherein the concerns of the employees are heard.

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



PIDS Provident Fund

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 the Fund with seed money worth PHP 2 million 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, or separated PIDS employees.

As of December 31, 2018, the Fund has a total membership of 66 permanent PIDS member-employees and 3 coterminous PASCN employees.

The 18th Annual Members' Meeting of the PIDS Provident Fund, held on April 2, 2018 at the PIDS Conference Room, 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.

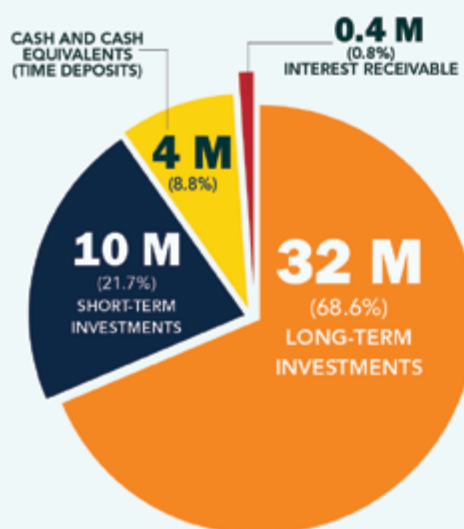
For calendar year (CY) 2018, the Fund paid provident fund benefits in the total amount of PHP 7.993 million to nine employees who resigned/retired from PIDS.

The Fund also distributed dividends in the total amount of PHP 0.347 million to qualified members pursuant to Section 7, Amendment No. 4 of the By-Laws of the Fund.

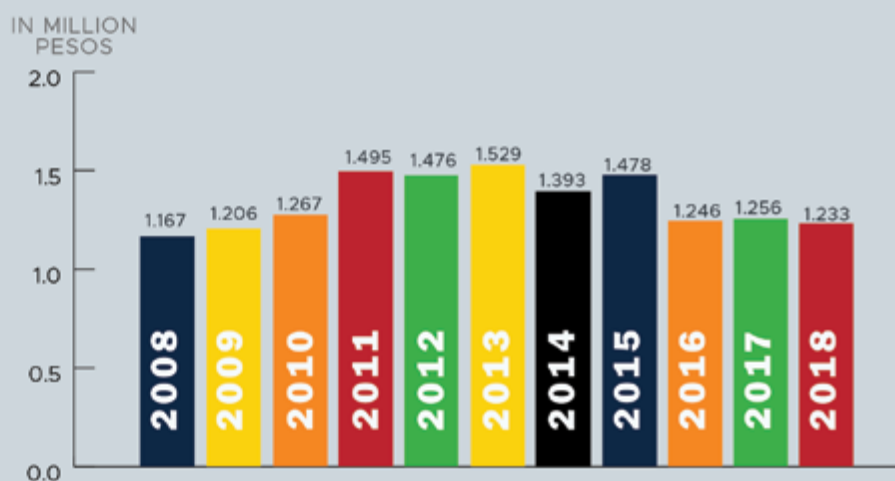
In terms of financial position, the Fund's assets decreased by 1.55 percent from PHP 47.402 million in 2017 to PHP 46.665 million in 2018.

The members' equity decreased in 2018 by 0.98 percent, from PHP 44.016 million in 2017 to PHP 43.583 million in 2018. The members' equity consists of members' contributions, that of PIDS, and the dividends.

In terms of revenue generation for CY 2018, the Fund earned revenues of PHP 1.553 million, slightly higher by PHP 0.092 million compared to the total revenues of PHP 1.461 million in CY 2017. The Fund spent PHP 0.164 million in operating expenses and paid share in net income to resigned members in the amount of PHP 0.156 million during the year. Thus, the Fund had a net income of PHP 1.233 million in 2018, slightly lower than the PHP 1.256 million net income in 2017.



Asset distribution by class of asset
(as of December 31, 2018)



Net income for years 2008-2018



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Research Information
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PhD Development Studies
University of Auckland
(New Zealand)



MS. RENEE ANN JOLINA C. AJAYI
Department Manager III
Project Services Department

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University (Cyprus)
MA Development Management
Development Academy
of the Philippines



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PhD Economics
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and diagnostics, agricultural
statistics, survey design, data
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missing data)



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Postdoctoral, Massachusetts
Institute of Technology

(public finance,
decentralization, education)



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information and
communication technologies)



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Research Fellow

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of regulation, industrial
organization, finance, health
and labor economics)



DR. FRANCIS MARK A. QUIMBA
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PhD Development
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Graduate Institute for Policy
Studies (Japan)

(rural development,
international development)



DR. AUBREY D. TABUGA
Research Fellow

PhD Public Policy
National University of
Singapore

(public policy analysis, social
economics of migration,
institutional economics, social
policy)



DR. VICENTE B. PAQUEO
Visiting Senior Research Fellow

PhD Economics
UP School of Economics
Postdoctoral, Princeton University

(education, social protection, health
economics)



ANNEX A

Completed Studies

STUDY TITLE	PROJECT DIRECTOR	PRINCIPAL INVESTIGATORS/ AUTHORS
AGRICULTURE, NATURAL RESOURCES, AND ENVIRONMENTAL MANAGEMENT		
Benefit-Cost Analysis of the Resurgent Irrigation System Program of the Philippines	Roehlano Briones	Roehlano Briones
Scenarios for the Philippine Agri-Food System with and without Tariffication: Application of a CGE Model with Endogenous Area Allocation	Roehlano Briones	Roehlano Briones
Answering Critical Questions on Mining in the Philippines	Sonny Domingo	Eligia Clemente Sonny Domingo Arvie Joy Manejar
Forest Protection in the Philippines	Sonny Domingo	Sonny Domingo Arvie Joy Manejar
HUMAN DEVELOPMENT, LABOR MARKETS, AND POVERTY		
Process Evaluation of the CHED K to 12 Transition Program	Aniceto Orbeta Jr. Vicente Paqueo	Alex Brillantes Jr. Karen Dominique Brillantes Justine Beatrice Jovellanos
Impact Evaluation Design for the CHED K to 12 Transition Program	Aniceto Orbeta Jr. Vicente Paqueo	Aniceto Orbeta Jr. Michael Cabalfin Ruzzel Brian Mallari
Out-of-School Children: Changing Landscape of School Attendance and Barriers to Completion	Jose Ramon Albert	Clarissa David Jose Ramon Albert Jana Flor Vizmanos
Senior High School and the Labor Market: Perspectives of Grade 12 Students and Human Resource Officers	Aniceto Orbeta Jr.	Aniceto Orbeta Jr. Marites Lagarto Ma. Kristina Ortiz Danica Aisa Ortiz Maropsil Potestad
Child Stunting Prevention: The Challenge of Mobilizing Local Governments for National Impact	Michael Ralph Abrigo	Alejandro Herrin Michael Ralph Abrigo Zhandra Tam Danica Aisa Ortiz
Devolution of Health Services, Fiscal Decentralization, and Antenatal Care in the Philippines	Michael Ralph Abrigo	Michael Ralph Abrigo Danica Aisa Ortiz
A Probe into the Filipino Migration Culture: What Is There to Learn for Policy Intervention?	Aubrey Tabuga	Aubrey Tabuga



STUDY TITLE	PROJECT DIRECTOR	PRINCIPAL INVESTIGATORS/ AUTHORS
The Structure of Origin-based Social Network and Its Influence on Migration Diffusion: The Case of a Migrant-Sending Village in the Philippines	Aubrey Tabuga	Aubrey Tabuga
Migrant Networks in the Context of Temporary Labor Migration	Aubrey Tabuga	Aubrey Tabuga
Analyzing Decisiveness of Migration Intentions: Social Kinship that Matters	Aubrey Tabuga	Aubrey Tabuga
Social Mobility in the Philippines: A Research Road Map	Connie Dacuycuy	Connie Dacuycuy Lawrence Dacuycuy
The Boracay Closure: Socioeconomic Consequences and Resilience Management	Jose Ramon Albert Francis Mark Quimba Celia Reyes	Jose Ramon Albert Francis Mark Quimba Celia Reyes Ma. Kristina Ortiz Ronina Asis
Policy Analysis and Employment Projections for Green Jobs	Michael Ralph Abrigo	Michael Ralph Abrigo Danica Aisa Ortiz Aniceto Orbeta Jr. Gilberto Llanto
Vulnerability to Poverty in the Philippines: An Examination of Trends from 2003 to 2015	Jose Ramon Albert	Jose Ramon Albert Jana Flor Vizmanos
A Characteristic-based Sorting Tool for SLP Beneficiaries	Celia Reyes	Celia Reyes Arkin Arboneda
Poverty is Multidimensional: But Do We Really Need a Multidimensional Poverty Index?	Jose Ramon Albert	Jose Ramon Albert Jana Flor Vizmanos
Profile and Determinants of the Middle-Income Class in the Philippines	Jose Ramon Albert	Jose Ramon Albert Gabrielle Angelo Santos Jana Flor Vizmanos
Social Protection for Men and Women in the Philippines: Some Insights for Improving Program Design of Social Insurance Schemes	Celia Reyes	Celia Reyes Aubrey Tabuga Ronina Asis
Crafting Policies and Programs for Women in the Agricultural Sector	Connie Dacuycuy	Connie Dacuycuy
The Wage Gap between Male and Female Agricultural Workers: Analysis and Implications for Gender and Development Policy	Connie Dacuycuy	Roehlano Briones
Are We Missing Out on the Demographic Dividend? Trends and Prospects	Michael Ralph Abrigo	Michael Ralph Abrigo Rachel Racelis J. M. Ian Salas Alejandro Herrin Danica Aisa Ortiz Zhandra Tam



STUDY TITLE	PROJECT DIRECTOR	PRINCIPAL INVESTIGATORS/ AUTHORS
INSTITUTIONS, LAW, AND ECONOMICS		
Learnings from the BUB: What Factors Determine the Level of Institutional Trust in the LGUs?	Rosario Manasan	Rosario Manasan Catharine Adaro
Exploring the Presence of Cognitive Social Capital in Philippine Communities	Catharine Adaro	Catharine Adaro
Economic Principles for Rightsizing Government	Charlotte Justine Sicat	Charlotte Justine Sicat
Regulatory Measures Affecting Services Trade and Investment: Financial Services	Ramonette Serafica	Geminiano Sandoval Jr. Melanie Milo
Regulatory Measures Affecting Services Trade and Investment: Information and Communications Technology Services	Ramonette Serafica	Ramonette Serafica Lai-Lynn Angelica Barcenas
MACROECONOMICS, FINANCE, AND GROWTH		
Modelling Reality: A Short History of Selected Philippine Macroeconometric Models	Celia Reyes	Celia Reyes Connie Dacuycuy Michael Ralph Abrigo Francis Mark Quimba Nico Borromeo Sylwyn Calizo Jr. Zhandra Tam Lora Kryz Baje Gabriel Iñigo Hernandez
Management and Expansion of APEC Policy Tools	Francis Mark Quimba	Francis Mark Quimba Mark Anthony Barral
PUBLIC ECONOMICS AND GOVERNANCE		
Assessment of Republic Act 10963: The 2017 Tax Reform for Acceleration and Inclusion	Rosario Manasan	Rosario Manasan
Assessment of TRAIN's Coal and Petroleum Excise Taxes: Environmental Benefits and Impacts on Sectoral Employment and Household Welfare	Connie Dacuycuy	Philip Arnold Tuaño Czar Joseph Castillo Ramon Clarete Marjorie Muyrong Miann Banaag
A Survey of Literature on Philippine Decentralization	Charlotte Justine Sicat	Charlotte Justine Sicat Ricxie Maddawin
Health Devolution in the Philippines: Lessons and Insights	Janet Cuenca	Janet Cuenca
Assessment of the Philippine Electric Power Industry Reform Act	Marife Ballesteros	Arlan Zandro Brucal Jenica Ancheta
A Public Expenditure Review of Social Protection Programs in the Philippines	Charlotte Justine Sicat	Charlotte Justine Sicat Maria Alma Mariano
An Assessment of the Fiscal Features of the PDP Laban Model of Philippine Federalism 1.0 and the Gonzales-De Vera Federal Model	Rosario Manasan	Rosario Manasan

STUDY TITLE	PROJECT DIRECTOR	PRINCIPAL INVESTIGATORS/ AUTHORS
REGIONAL, URBAN, AND RURAL DEVELOPMENT		
Urban and Rural Households' Energy Use: Sets, Shocks, and Strategies in the Philippines	Connie Dacuycuy	Connie Dacuycuy Lawrence Dacuycuy
When It Rains, It Pours? Analyzing the Rainfall Shocks-Poverty Nexus in the Philippines	Connie Dacuycuy	Connie Dacuycuy Lora Kryz Baje
Disaster Preparedness and Local Governance in the Philippines	Sonny Domingo	Sonny Domingo Arvie Joy Manejar
Participatory Governance in the Public Provision of Housing: The Case of Local Housing Boards (LHB) in the Philippines	Marife Ballesteros	Marife Ballesteros Jenica Ancheta
SCIENCE, TECHNOLOGY, AND INNOVATION		
Preparing the Philippines for the Fourth Industrial Revolution: A Scoping Study	Ramonette Serafica	Ramonette Serafica Jose Ramon Albert Aniceto Orbeta Jr. Vicente Paqueo Alvin Culaba Elmer Dadios Argel Bandala Jose Carlos Alexis Bairan
Assessing the Effects of Simple and Complex Innovation Strategies on the Performance of Firms in the Philippines	Connie Dacuycuy	Connie Dacuycuy Lora Kryz Baje
Going Digital: From Innovation to Inclusive Growth in the Philippines	Francis Mark Quimba	Francis Mark Quimba Sylwyn Calizo Jr.
E-Education in the Philippines: The Case of Technical Education and Skills Development Authority Online Program	Francis Mark Quimba	Francis Mark Quimba Madeline Cabauatan Sylwyn Calizo Jr. Lachmi Pacio
Issues on Digital Trade	Ramonette Serafica	Ramonette Serafica Jose Ramon Albert
E-Finance in the Philippines: Status and Prospects for Digital Financial Inclusion	Francis Mark Quimba	Gilberto Llanto Maureen Ane Rosellon Ma. Kristina Ortiz
TRADE AND INDUSTRY AND INTERNATIONAL ECONOMY		
Research and Data Collection to Support the ASEAN SME Policy Index (ASPI) 2018	Gilberto Llanto	Gilberto Llanto Ma. Kristina Ortiz Jhon Robert Ko
Feasibility Study of a Philippines-United States Free Trade Agreement	Erlinda Medalla	Erlinda Medalla Maureen Ane Rosellon Arjan Paulo Salvanera Roehlano Briones Ivory Myka Galang Ramonette Serafica Jose Carlos Alexis Bairan Francis Mark Quimba



STUDY TITLE	PROJECT DIRECTOR	PRINCIPAL INVESTIGATORS/ AUTHORS
Harnessing the Potential of the Philippines' Agricultural Sector: An Assessment Using the Product Space	Connie Dacuycuy	Connie Dacuycuy Ramonette Serafica
Discovering the Philippines' Potential Export Portfolio through the Product Space: Some Products and Ways Forward	Connie Dacuycuy	Connie Dacuycuy Ramonette Serafica
Exploring Neural Network Models in Understanding Bilateral Trade in APEC (A Review of History and Concepts)	Francis Mark Quimba	Francis Mark Quimba Mark Anthony Barral
Nontariff Measures in the Philippines	Francis Mark Quimba	Francis Mark Quimba Sylwyn Calizo Jr.
PASCN RESEARCH STUDIES (TDAP AND RESEARCH GRANTS)		
Obstacles and Enablers of Internationalization of Philippine SMEs through Participation in Global Value Chains	Jamil Paolo Francisco	Jamil Paolo Francisco Tristan Canare Jean Rebecca Labios
Duration of Export Relationships of Philippine MSMEs	George Manzano	George Manzano Mark Edison Bautista
Effect of Supply Chain Integration on the Business Performance and Competitiveness of the Philippine Small and Medium Enterprises	Elaine Borazon	Elaine Borazon Vivien Supangco

ANNEX B

Ongoing Studies

STUDY TITLE	PROJECT DIRECTOR	PRINCIPAL INVESTIGATORS/ AUTHORS
AGRICULTURE, NATURAL RESOURCES, AND ENVIRONMENTAL MANAGEMENT		
Structure, Dynamics, and Outlook for Agricultural Employment and Wages: Evidence from a Rural Household Survey in the Philippines	Roehlano Briones	Roehlano Briones
Assessing the Resurgent Irrigation Development Program of the Philippines	Roehlano Briones	Roehlano Briones Arlene Inocencio Roberto Clemente Roger Luyun Agnes Rola Guillermo Tabios III
Agricultural Finance in the Philippines	Celia Reyes	Celia Reyes Aubrey Tabuga Nico Borromeo Ronina Asis Ma. Kristina Ortiz Arkin Arboneda
Baseline and Endline Study on Convergence on Value Chain Enhancement for Rural Growth and Empowerment (CONVERGE)	Roehlano Briones	Roehlano Briones Ivory Myka Galang
HUMAN DEVELOPMENT, LABOR MARKETS, AND POVERTY		
Process Evaluation and Baseline Study of the Mother Tongue-based Multilingual Education (MTB-MLE)	Aniceto Orbeta Jr. Vicente Paqueo	Aniceto Orbeta Jr. Maropsil Potestad Erlinda Capones Kris Francisco-Abrigo Jennifer Monje Marci Jeune Bacalla
Process Evaluation of the Senior High School Implementation	Aniceto Orbeta, Jr. Vicente Paqueo	Aniceto Orbeta, Jr. Maropsil Potestad Erlinda Capones Kris Francisco-Abrigo Karen Dominique Brillantes Justine Beatrice Jovellanos
Evaluation of the Free Tuition for SUCs, LUCs, and Public TVIs: Review of Implementation	Aniceto Orbeta Jr.	Aniceto Orbeta Jr. Celia Reyes Ma. Kristina Ortiz Maropsil Potestad Nina Victoria Araos Kris Ann Melad



STUDY TITLE	PROJECT DIRECTOR	PRINCIPAL INVESTIGATORS/ AUTHORS
Improving the Chances of Success in Assisting the Poor Households through Better Beneficiary Sorting and Employment Facilitation in the Philippines	Marife Ballesteros	Marife Ballesteros Aniceto Orbeta Jr. Celia Reyes Vicente Paqueo John Paul Corpus
The Future Science and Technology Human Resource Requirements in the Philippines: A Market Labor Analysis	Jose Ramon Albert	Jose Ramon Albert Janet Cuenca Jana Flor Vizmanos
Third Wave Impact Evaluation of the <i>Pantawid Pamilyang Pilipino</i> Program	Aniceto Orbeta Jr.	Aniceto Orbeta Jr. Celia Reyes Kris Ann Melad Nina Victoria Araos
Determination of the National Numerical 2030 SDG Targets and the Formulation of the Voluntary National Review at the 2019 High-Level Political Forum	Jose Ramon Albert	Jose Ramon Albert Aubrey Tabuga
INSTITUTIONS, LAW, AND ECONOMICS		
Competition Issues on Agricultural Credit Market, Land-based Public Transportation, Grocery and Supermarket Retail Business, and Philippine Digital Commerce Market	Ramonette Serafica	Ramonette Serafica Enrico Basilio Marites Tiongo Ma. Antoinette Rosete Mitzie Irene Conchada Arjan Paulo Salvanera
MACROECONOMICS, FINANCE, AND GROWTH		
Estimation of the Philippine Macroeconometric Model	Celia Reyes	Celia Reyes Connie Dacuycuy Michael Ralph Abrigo Francis Mark Quimba Nico Borromeo Sylwyn Calizo Jr. Zhandra Tam Lora Kryz Baje Gabriel Iñigo Hernandez
PUBLIC ECONOMICS AND GOVERNANCE		
Fiscal Decentralization and Health Service Delivery in the Philippines: An Assessment	Janet Cuenca	Janet Cuenca
Efficiency of Local Government Health Spending	Janet Cuenca	Janet Cuenca
Assessment of the President's 2019 Budget	Janet Cuenca	Janet Cuenca
Conduct of Baseline Study on Policy and Governance Gaps for the Local Government Support Fund Assistance to Municipalities (LGSF-AM)	Charlotte Justine Sicat	Charlotte Justine Sicat Catharine Adaro Maria Alma Mariano Angel Faye Castillo

STUDY TITLE	PROJECT DIRECTOR	PRINCIPAL INVESTIGATORS/ AUTHORS
An Assessment of the Performance Challenge Fund (PCF)	Charlotte Justine Sicat	Charlotte Justine Sicat
Using the Community-based Monitoring System (CBMS) as a Local Planning Tool	Charlotte Justine Sicat	Charlotte Justine Sicat
REGIONAL, URBAN, AND RURAL DEVELOPMENT		
Action Ready Climate Knowledge to Improve Disaster Risk Management for Smallholder Farmers in the Philippines	Sonny Domingo	Sonny Domingo Celia Reyes Anna Jennifer Umlas Katrina Mae Zuluaga
Assessing Resiliency through Network Data Envelopment Analysis (DEA)	Sonny Domingo	Sonny Domingo Arvie Joy Manejar
TRADE AND INDUSTRY AND INTERNATIONAL ECONOMY		
Impact of FTA on Women	Francis Mark Quimba	Francis Mark Quimba
Joint Feasibility Study on the Possible Economic Cooperation Agreement between the Philippines and Taiwan	Francis Mark Quimba	Francis Mark Quimba Maureen Ane Rosellon Ramonette Serafica
SMEs and Innovation	Francis Mark Quimba	Francis Mark Quimba Maureen Ane Rosellon
The Evolution of APEC and its Contribution to Philippine Trade and Investment	Francis Mark Quimba	Francis Mark Quimba Mark Anthony Barral



ANNEX C

Publications

CODE	TITLE	AUTHORS
BOOKS		
Book 2018-01	From Evidence to Policy: Celebrating 40 Years of Policy Research	Gilberto Llanto Vicente Paqueo Aniceto Orbeta Jr.
Book 2018-02	Critical Perspectives on Federalism for Regional Development (Proceedings of the Third Annual Public Policy Conference)	Philippine Institute for Development Studies
RESEARCH PAPER SERIES		
RPS 2018-01	Results of the Assessment of the Motor Vehicle User's Charge Utilization in the Philippines	Ma. Sheilah Napalang Pia May Agatep Adoracion Navarro Keith Detros
RPS 2018-02	Measuring and Examining Innovation in Philippine Business and Industry	Jose Ramon Albert Francis Mark Quimba Ramonette Serafica Gilberto Llanto Jana Flor Vizmanos Jose Carlos Alexis Bairan
RPS 2018-03	The Comprehensive Agrarian Reform Program After 30 Years: Accomplishments and Forward Options	Marife Ballesteros Jenica Ancheta Tatum Ramos
RPS 2018-04	Sustainable Development Goal 5: How Does the Philippines Fare on Gender Equality?	Clarissa David Jose Ramon Albert Jana Flor Vizmanos
PHILIPPINE JOURNAL OF DEVELOPMENT		
PJD 2016 Vol. 43, No. 2a	Economic Impact of Typhoon Ondoy in Pasig and Marikina Cities Using a Multiweek CGE Model Analysis	Philip Arnold Tuaño Marjorie Muyrong 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 Gerald Gracius Pascua
POLICY NOTES		
PN 2018-01	Regulatory Challenges in the Philippine Logistics Industry	Jose Tongzon
PN 2018-02	Administrative Legislation in the Philippine Contractors' Industry	Lai-Lynn Barcenas



CODE	TITLE	AUTHORS
PN 2018-03	Ensuring the Success of Agribusiness Ventures in the Philippines	Blanquita Pantoja Joanne Alvarez Flordeliza Sanchez
PN 2018-04	Regulatory Issues in the Philippine Food Manufacturing Industry	Gilberto Llanto Nerlita Manalili
PN 2018-05	Facilitating FDI by Improving the Philippine Investment Negative List	Glenda Reyes
PN 2018-06	Risk Management Innovation for Philippine Banking	Roberto Miguel Roque
PN 2018-07	What Drives Filipino Firms to Innovate	Jose Ramon Albert Ramonette Serafica Francis Mark Quimba Jana Flor Vizmanos Jose Carlos Alexis Bairan
PN 2018-08	Crafting Policies and Programs for Women in the Agriculture Sector	Connie Dacuycuy
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PN 2018-12	A Process Evaluation of K to 12 Program	Alex Brillantes Jr.
PN 2018-13	Duration of Export Relationships of Philippine MSMEs	Mark Edison Bautista George Manzano
PN 2018-14	Harnessing Government's Role for the Fourth Industrial Revolution	Jose Ramon Albert Aniceto Orbeta Jr. Vicente Paqueo Ramonette Serafica Elmer Dadios Alvin Culaba Argel Bandala Jose Carlos Alexis Bairan
PN 2018-15	Supply Chain Integration in Philippine SMEs	Elaine Borazon Vivien Supangco
PN 2018-16	Why Vulnerability Assessment Matters for Poverty Reduction	Jose Ramon Albert Jana Flor Vizmanos



CODE	TITLE	AUTHORS
PN 2018-17	Barriers and Bottlenecks to School Attendance: An Update	Jose Ramon Albert Clarissa David Jana Flor Vizmanos
PN 2018-18	Defining and Profiling the Middle Class	Jose Ramon Albert Angelo Gabrielle Santos Jana Flor Vizmanos
PN 2018-19	The Philippine Electric Power Industry Under EPIRA	Arlan Brucal Jenica Ancheta
PN 2018-20	Boys Are Still Left Behind in Basic Education	Clarissa David Jose Ramon Albert Jana Flor Vizmanos
DISCUSSION PAPERS		
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DP 2018-03	The Structure of Origin-based Social Network and Its Influence on Migration Diffusion: The Case of a Migrant-Sending Village in the Philippines	Aubrey Tabuga
DP 2018-04	Lessons on Providing Cash Transfers to Disaster Victims: A Case Study of UNICEF's Unconditional Cash Transfer Program for Super Typhoon Yolanda Victims	Celia Reyes Jose Ramon Albert Charina Cecille Reyes
DP 2018-05	Process Evaluation of the CHED K to 12 Adjustment Assistance Program	Alex Brillantes Jr. Karen Dominique Brillantes Justine Beatrice Jovellanos
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DP 2018-07	Obstacles and Enablers of Internationalization of Philippine SMEs through Participation in Global Value Chains	Jamil Paolo Francisco Tristan Canare Jean Rebecca Labios
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DP 2018-12	Duration of Export Relationships of Philippine MSMEs	Mark Edison Bautista George Manzano
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DP 2018-23	A Survey of Literature on Philippine Decentralization	Charlotte Justine Sicat Ricxie Maddawin
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DP 2018-31	A Public Expenditure Review of Social Protection Programs in the Philippines	Charlotte Justine Sicat Maria Alma Mariano
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DP 2018-43	Are We Missing Out on the Demographic Dividend? Trends and Prospects	Michael Ralph Abrigo Rachel Racelis J.M. Ian Salas Alejandro Herrin Danica Aisa Ortiz Zhandra Tam

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DEVELOPMENT RESEARCH NEWS		
DRN 2018 Vol. 36 No. 1	PH Laws on Women Lack Teeth	PIDS Research Information Staff
DRN 2018 Vol. 36 No. 2	Farmers Still Struggle to Afford Agri Insurance	PIDS Research Information Staff
DRN 2018 Vol. 36 No. 3	PH Urged to be Optimistic toward FIRE	PIDS Research Information Staff
DRN 2018 Vol. 36 No. 4	Higher Educ, Research Orgs Must Embrace Open Access	PIDS Research Information Staff



ANNEX D

Electronic and Social Media Materials

DATE	TITLE
PIDS UPDATES/IN FOCUS (E-NEWSLETTER)	
January	Land Reform: What Has Been Its Impact after 30 Years?
February	New publications, past and forthcoming events, and press releases
March	The Philippines' Persistent Gender Gap
April	New publications, past and forthcoming events, and press releases
May	New publications, past and forthcoming events, and press releases
June	Labor Migration in the ASEAN Region
July	New publications, past and forthcoming events, and press releases
August	New publications, past and forthcoming events, and press releases
September	The Fourth Industrial Revolution: What It Means for Philippine Firms
October	Reducing Vulnerability to Poverty in the Philippines
November	New publications, past and forthcoming events, and press releases
December	New publications, past and forthcoming events, and press releases
POLICY ISSUE AT A GLANCE INFOGRAPHICS	
January	The Philippine Economy: An Overview
February	Financial Inclusion in the Philippines
March	Is There Equal Opportunity for Leadership? Filipino Women in Government
April	The Filipino Farmers: Some Basic Facts
May	What Do Statistics Say About Basic Education in the Philippines?
June	Childhood Stunting
July	Disaster Risk Reduction and Management in the Philippines
August	How Effective Are Targeted Education Assistance Programs?
September	How Prepared is the Philippines for the Fourth Industrial Revolution?
October	Filipinos' Vulnerability to Poverty
November	How Effective is E-Education in the Philippines? (The Case of TESDA Online Program)
December	The CARP After 30 Years: What Have We Accomplished?
FACT FRIDAY INFOGRAPHICS	
January 5	A PIDS study finds only less than half (43%) of firms in the Philippines have engaged in innovation activities.
	Know more about the study titled "Innovation Activity of Firms in the Philippines" here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1744.pdf .
January 19	A PIDS study finds only 13 percent of adults in Metro Manila, Luzon, Visayas, and Mindanao have risk-protection cover. Many Filipinos shy away from formal financial services, such as insurance.
	Know more about the study titled "What Determines Financial Inclusion in the Philippines? Evidence from a National Baseline Survey" here: https://goo.gl/YFYeJz .



DATE	TITLE
January 26	<p>A PIDS study finds households headed by degree holders are less likely to be food poor than those headed by noncollege grads.</p> <p>Know more about the study titled “Chronic Food Poverty in the Philippines” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1725.pdf.</p>
February 2	<p>A PIDS study finds a decline in the number of agricultural workers since 2011 due to economic and climate-related factors.</p> <p>If you want to know more about the study titled “Characterization of Agricultural Workers in the Philippines”, click here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidspn1726.pdf.</p>
February 9	<p>A PIDS study finds a slight decrease of cases of violence against women and children in the country from 7.3 percent in 2008 to 5.6 percent in 2013.</p> <p>Know more about the study titled “Rising to the Challenge of Eliminating All Forms of Violence against Women and Girls” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidspn1725.pdf.</p>
February 16	<p>A PIDS study finds that a higher and more rapid increase of the legal minimum wage leads to reduced working hours, lower employment rate, reduced household income, and higher poverty incidence.</p> <p>Know more about the study titled “Countering the Discriminatory Impact of Minimum Wages against Disadvantaged Workers” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1755.pdf.</p>
February 23	<p>A PIDS study finds one in every two children under five years of age suffers from stunting or having a low height relative to the child’s age.</p> <p>Know more about the study titled “Preventing Childhood Stunting: Why and How?” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidspn1716.pdf.</p>
March 1	<p>A PIDS study finds women living in poverty in the Philippines are more vulnerable to sexually transmitted diseases such as HIV/AIDS than those from rich households.</p> <p>Know more about the study titled “HIV/AIDS Knowledge and Sexual Behavior of Female Young Adults in the Philippines” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1733.pdf.</p>
March 9	<p>A PIDS study says one way to reduce the cost of medicines is to increase competition among manufacturers in the domestic market.</p> <p>Know more about the study titled “Access to Medicines in the Philippines: Overcoming the Barriers” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidspn1723.pdf.</p>
March 16	<p>A PIDS study says the government’s current financing instruments, such as savings, foreign aid, insurance, and external credit, are inadequate to meet the needs arising from medium to severe disaster events in the country. Still, they may cover less-costly recurring disasters.</p> <p>Know more about the study titled “Financing Postdisaster Reconstruction in the Philippines” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidspn1730.pdf.</p>



DATE	TITLE
March 23	<p>A PIDS study says 4 in every 10 Filipino households have remained poor at least once in a period of three years. Even those who have not experienced poverty or the nonpoor may still become poor in the future. Natural disasters, together with other shocks, have largely contributed to the vulnerability of Filipino households to poverty.</p> <p>Know more about the study titled “Estimating Filipinos’ Vulnerability to Poverty” here: http://bit.ly/2uelqSe.</p>
March 30	<p>A PIDS study says only 2 in every 10 elected officials in local government units are women.</p> <p>Know more about the study titled “Sustainable Development Goal 5: How Does the Philippines Fare on Gender Equality?” here: https://bit.ly/2un8MRI.</p>
April 6	<p>WATCH: According to a PIDS study, women living in poverty in the Philippines are more vulnerable to sexually transmitted diseases (STDs) such as HIV/AIDS than those from rich households.</p> <p>This is based on the PIDS discussion paper titled “HIV/AIDS Knowledge and Sexual Behavior of Female Young Adults in the Philippines”.</p> <p>Visit PIDS Facebook page to watch this video: https://www.facebook.com/PIDS.PH/videos/2413245965367697/</p>
April 13	<p>A PIDS study says the government’s social health insurance and conditional cash transfer program were able to induce greater hospital visits for both preventive and curative care, and lower out-of-pocket expenditures among poor Filipino families.</p> <p>Know more about the study titled “Social Protection and Access to Health Care among Children in the Philippines” here: https://bit.ly/2HpsjTJ.</p>
April 20	<p>A PIDS study says the government should carefully weigh the effects of ending endo or contractualization. Ending endo would limit the flexibility of firms to adapt to changing demands due to business cycles, seasonal labor requirements, and project-based employment. It could lead to layoffs and increased unemployment rate. The study recommends focusing instead on creating more and better-paying jobs.</p> <p>Know more about the study titled “Beware of the End Contractualization! Battle Cry” here: https://bit.ly/2JYg5T9.</p>
April 27	<p>A PIDS study says the Rent Control Law does not benefit tenants, especially those from low-income households. It has caused maintenance issues and the deterioration of rental houses. Poor tenants often pay for substandard housing facilities.</p> <p>PIDS urges the government to consider providing housing allowance to poor households to help them afford rental in better environments. It also suggests undertaking public rental housing programs to be administered by local governments.</p> <p>Know more about the study “Beyond the Rent: Studying the Unintended Consequences of Housing Rent Control Law in Metro Manila” by downloading the book, <i>Unintended Consequences: The Folly of Uncritical Thinking</i>, here: https://bit.ly/2Kf9GTO.</p>

DATE	TITLE
May 4	<p>A PIDS study says the government should strengthen the role of the private sector in the repair of houses damaged by disasters. This would enable it to allot more funds to other critical projects, such as the reconstruction of roads and bridges.</p> <p>Know more about the study titled “Financing Postdisaster Reconstruction in the Philippines” here: https://bit.ly/2rcWkzt.</p>
May 11	<p>WATCH: PIDS study found out-of-pocket expenses are significant, especially for households with children with disabilities.</p> <p>This is based on the PIDS discussion paper titled “Health Practices of Children and Women with Disabilities”.</p> <p>Visit PIDS Facebook page to watch this video: https://www.facebook.com/PIDS.PH/videos/2466859476673012/.</p>
May 18	<p>A PIDS study found the Department of Social Welfare and Development’s Sustainable Livelihood Program (SLP) has provided additional skills to its beneficiaries through specialized training that enabled them to have additional income, business expansion, and stable source of employment.</p> <p>Know more about the study titled “Assessment of Implementation Issues and Livelihood Success on the Sustainable Livelihood Program of the DSWD” here: https://bit.ly/2lpPWel.</p>
May 25	<p>A PIDS study says private firms should invest in innovations to be more productive and profitable. Product and process innovations lead to increase in sales and profits and improve labor productivity. The country’s innovation policy needs to be substantially mainstreamed to be effective and the government should also foster the innovation ecosystem in firms.</p> <p>Know more about the study titled “Does Innovation Mediate Good Firm Performance?” here: https://www.pids.gov.ph/publications/5467.</p>
June 8	<p>WATCH: A PIDS study found that the effect of wage on the time allocated by spouses to housework varies depending on gender.</p> <p>Know more about the PIDS study titled “Analyzing Housework through Family and Gender Perspectives” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidspn1713.pdf.</p> <p>Visit PIDS Facebook page to watch this video: https://www.facebook.com/PIDS.PH/videos/2511981565494136/</p>
June 15	<p>A PIDS study found that the K to 12 has provided teachers and nonteaching personnel with opportunities for professional growth by giving scholarship grants for training and higher studies. There is also increased collaboration among higher education institutions, industry organizations, and other sectors in the delivery of education programs and in the conceptualization of research projects with practical relevance and potential positive impacts on society.</p> <p>Know more about the study titled “Process Evaluation of the CHED K to 12 Adjustment Assistance Program” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1805.pdf.</p>



DATE	TITLE
June 29	<p>A PIDS study says the administrative issuances limiting foreign ownership in the Philippines' contracting industry are unconstitutional and invalid. This limitation becomes a barrier to entry for potentially more efficient market players. The study urges the government to revisit the implementing rules and regulations of the Contractors' License Law and the Philippine Contractors Accreditation Board Resolution No. 605-2011, among other issuances related to foreign ownership limitations in the contractors' industry.</p> <p>Know more about the study titled "Administrative Legislation in the Philippine Contractors' Industry" here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidspn1802.pdf.</p>
July 6	<p>A PIDS study says less than half of firms in the country are innovators, with larger-sized firms innovating more than micro, small, and medium enterprises (MSMEs). The study urges the government to develop stronger policies and interventions to ease the barriers faced by MSMEs, especially those that limit their access to finance, technical knowledge and skills, and networks. It is also important to improve information dissemination on public programs that assist firms to innovate.</p> <p>Know more about the publication titled "Measuring and Examining Innovation in Philippine Business and Industry" here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1728.pdf.</p>
July 13	<p>A PIDS study says the country's business process outsourcing (BPO) industry has experienced a severe decline in innovation since 2009. It reveals that only one in every three BPO firms is active in pursuing innovation. The study recommends the creation of a national innovation framework and a plan of action to facilitate the interaction of players in the innovation ecosystem. It also urges the government to ease regulatory barriers to innovation and provide firms and individuals with the necessary support services to innovate.</p> <p>Know more about the publication titled "Measuring and Examining Innovation in Philippine Business and Industry" here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1728.pdf.</p>
July 20	<p>A PIDS study says the quality of the Philippine telecommunications regulatory environment is significantly below international standards. The Philippines has an overall rating of 52.50 out of 100 in the scoring system set by the International Telecommunications Union making it the second lowest among seven Southeast Asian countries assessed. The study urges the government to pursue structural reforms to improve regulatory quality and support the efficient functioning of ICT markets.</p> <p>Know more about the study titled "Rebooting Philippine Telecommunications through Structural Reform" here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1719.pdf.</p>

DATE	TITLE
July 27	<p>A PIDS study found that small and medium enterprises (SMEs) in the country are weakly linked to global value chains. This can be attributed to a number of factors, such as the competition in the Association of Southeast Asian Nations region, particularly against Viet Nam and Thailand, and China, which can offer products and services at lower prices; the difficulty of SMEs in complying with regulatory requirements and quality standards and in adapting to changing market conditions and consumer preferences in export markets; and the low entrepreneurial skills among SME owners.</p> <p>Know more about the study titled “Obstacles and Enablers of Internationalization of Philippine SMEs through Participation in Global Value Chains” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1807.pdf.</p>
August 3	<p>A PIDS study found that women occupy merely 26 percent of the agricultural employment in the country. They also tend to be involved in weeding and harvesting jobs, which are known to be less profitable than men’s traditional jobs in agriculture, such as plowing. The study recommends the promotion of social enterprises in rural and agricultural areas to provide livelihoods and income-generating opportunities for women and other marginalized groups in poor communities.</p> <p>Know more about the study titled “Crafting Policies and Programs for Women in the Agriculture Sector” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidspn1808.pdf.</p>
August 10	<p>A PIDS paper stressed that Big Data can complement traditional data sources in relation to government’s national development plans and disaster risk management goals. However, issues on privacy, security, intellectual property, accessibility for development purposes, and accountability have to be addressed to prevent misuse of Big Data.</p> <p>Know more about the publication titled “Big Data for Measuring Progress and Development: Big Insights or Big Issues?” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidspn1404_rev2.pdf.</p>
August 17	<p>A PIDS study found that applications for intellectual property, especially for inventions and utility models, have been very low across all Philippine industries due to firms’ tendency to view their product innovations as trade secrets in order to maintain their competitive edge against their rivals. This, the study said, is a sign that the intellectual property rights in the country should be strengthened. It stressed that having a clear, consistent, and reliable intellectual property regime that is also not restrictive is necessary to motivate firms to innovate competitively and be open to technology transfer.</p> <p>Know more about the study titled “Innovation Activity of Firms in the Philippines” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1744.pdf.</p>
August 24	<p>A PIDS study found that product and process innovations lead to increase in sales and profits and improve labor productivity. It also found that firm size and age and foreign equity are important factors leading firms to innovate. Among the study’s recommendations is to remove regulatory and structural barriers to entry of foreign direct investments.</p> <p>Know more about the publication titled “Does Innovation Mediate Good Firm Performance?” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1506.pdf.</p>



DATE	TITLE
August 31	<p>A PIDS study says the country's business process outsourcing (BPO) industry has experienced a severe decline in innovation since 2009. It reveals that only one in every three BPO firms is active in pursuing innovation. The study recommends the creation of a national innovation framework and a plan of action to facilitate the interaction of players in the innovation ecosystem. It also urges the government to ease regulatory barriers to innovation and provide firms and individuals with the necessary support services to innovate.</p> <p>Know more about the publication titled "Measuring and Examining Innovation in Philippine Business and Industry" here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1728.pdf.</p>
September 7	<p>A PIDS study says less than half of firms in the country are innovators, with larger-sized firms innovating more than micro, small, and medium enterprises (MSMEs). The study urges the government to develop stronger policies and interventions to ease barriers faced by MSMEs, especially those that limit their access to finance, technical knowledge and skills, and networks. It is also important to improve information dissemination on public programs that assist firms to innovate.</p> <p>Know more about the publication titled "Measuring and Examining Innovation in Philippine Business and Industry" here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1728.pdf.</p>
September 21	<p>A PIDS paper stressed that the Philippines needs to do several things to capture the opportunities from the Fourth Industrial Revolution (FIRe). Among them are increasing its openness to international trade and investment, reducing anticompetitive practices especially in the ICT sector, investing in education and training, having a more flexible and less costly labor market regulatory environment, and having a social protection system that is adaptive to unprecedented business and employment disruptions.</p> <p>Know more about the publication titled "Preparing the Philippines for the Fourth Industrial Revolution: A Scoping Study" here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1811.pdf.</p>
October 5	<p>A PIDS study says the government should make social protection programs adaptive and responsive to climate change and disasters. It recommends integrating program such as cash for work and food for work in its environmental initiatives.</p> <p>Know more about the study titled "Toward an Adaptive Social Protection in the Philippines" here: https://bit.ly/pidspn1718.</p>
October 12	<p>A PIDS study says 2.2 million jobs are at risk in the Philippines because of automation. These include jobs in the manufacturing, transportation, and service sector that involve much repetition and less creativity. To adapt to this disruption, the study emphasized the importance of developing the country's workforce for the jobs of the future and strengthening social protection to reduce workers' exposure to risks.</p> <p>Know more about the publication titled "Preparing the Philippines for the Fourth Industrial Revolution: A Scoping Study" here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1811.pdf.</p>

DATE	TITLE
October 19	<p>A PIDS study found that low-income rural households use both modern and traditional energy sources in response to changes in temperature and humidity as well as increases in the price of LPG. Meanwhile, high-income households mainly prefer modern energy sources. Given the constraints faced by poor rural households, the study recommends to intensify the electrification program in the rural areas to ensure that Filipino households have access to stable and affordable electricity supply. Traditional energy sources such as gas and charcoal can have negative environmental and health consequences, thus, the study also suggests exploring ways to maximize the use of nontraditional local energy sources such as saline solution that can power lamps.</p> <p>Know more about the study titled “Urban and Rural Households' Energy Use: Sets, Shocks, and Strategies in the Philippines” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1801.pdf.</p>
October 26	<p>A PIDS study finds that small and medium enterprises or SMEs with internal integration activities have better business performance and competitiveness. Internal integration activities include joint decisionmaking, collaboration, and information sharing across internal functions, leading to streamlined workflows and collaborative decisions. The study recommends for SMEs to structure their internal organizational processes and strategies to meet customer needs. They should also promote collaboration and cooperation across their various internal processes.</p> <p>Know more about the study titled “Effect of Supply Chain Integration on the Business Performance and Competitiveness of the Philippine Small and Medium Enterprises” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1813.pdf.</p>
November 2	<p>A PIDS study finds the use of digital technology in providing financial assistance and training to Filipinos to be effective. TESDA’s Online Program (TOP) users find the application convenient and accessible. Meanwhile, users of the Center for Agriculture and Rural Development (CARD) Bank’s konek2CARD (k2C) said the application has made their financial transactions easier, faster, and convenient. To intensify the positive effects of digital technology, the study underscores the importance of addressing the digital divide. It recommends reviewing the laws related to the provision of public goods and services, particularly the internet, as well as the implementation of the Philippine Broadband Plan.</p> <p>Know more about the study titled “E-Education in the Philippines: The Case of Technical Education and Skills Development Authority Online Program” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1808_rev.pdf.</p>
November 9	<p>A PIDS study found that while the Philippines has been recognized as a champion of micro, small, and medium enterprises (MSMEs), even its own enterprises do not seem to survive once they enter international trade. In fact, only 6 in every 10 exporting Philippine MSMEs manage to survive after their first year of operation abroad. This figure drops to less than 4 in every 10 by the end of their fourth year. Given these findings, the study urges the government to extend support to exporting Philippine MSMEs. Focus should be directed toward assistance in increasing the capability of the firms, targeted appropriately, to reach larger orders.</p> <p>Know more about the study titled “Duration of Export Relationships of Philippine MSMEs” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidspn1813.pdf.</p>



DATE	TITLE
November 16	<p>A PIDS study said that for the National Food Authority (NFA) to stay relevant in a deregulated rice industry, it should function as a pure buffer stocking agency with no regulatory mandate over the rice market. NFA-induced distortions, the study noted, have prevented the private sector from maintaining sufficient inventory to head off price spikes. The sooner the distortions are removed, the better for stability of rice prices.</p> <p>Know more about the study titled “Options for Reform of the National Food Authority” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidspn1809.pdf.</p>
November 23	<p>A PIDS study found that the sophistication content of the Philippines’ agricultural exports from 1994 to 2014 has not improved. The country can diversify into processed agricultural goods, which have sophistication content relatively higher than that of primary agricultural products, such as fresh fruits. In this regard, developing the agro-processing industry appears to be a good strategy in harnessing the potential of the agricultural sector to contribute to sustainable economic growth and decent employment. However, this presents challenges on how the country’s agricultural sector can transform into a high value-added sector. The study urges the government to take steps that will provide opportunities for the agricultural sector to realize actual linkages to more advanced and sophisticated industries.</p> <p>Know more about the study titled “Harnessing the Potential of the Philippines’ Agricultural Sector: An Assessment using the Product Space” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1816.pdf.</p>
November 30	<p>A PIDS study evaluated the performance of the Comprehensive Agrarian Reform Program (CARP) in the last 30 years and found its accomplishments to be substantial in terms of land reformed area and number of beneficiaries. However, the program has been poorly targeted in terms of areas covered and beneficiaries. The study recommended for the government to focus on supporting agricultural modernization programs that benefit small farmers, such as scaling up of promising arrangements (e.g., block farming and agribusiness venture arrangements). It also underscored the importance of converging the efforts of land agencies and digitizing land management and administration.</p> <p>Know more about the study titled “The Comprehensive Agrarian Reform Program After 30 years: Accomplishments and Forward Options” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsrp1803.pdf.</p>
December 7	<p>A PIDS study found that about half of Filipino families are at risk of becoming poor if the government fails to put the needed interventions. Shocks, such as disasters, inflation, income loss, conflicts, and wars, are some of the factors that can drive more families into poverty. The study highlighted the importance of managing risks systematically, particularly in terms of building risk resilience through social protection, to address Filipinos’ vulnerability to income poverty.</p> <p>Know more about the study titled “Vulnerability to Poverty in the Philippines: An Examination of Trends from 2003 to 2015” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1810.pdf.</p>

DATE	TITLE
December 14	<p>A PIDS study found that the implementation of the Electric Power Industry Reform Act (EPIRA) has resulted in improved reliability, quality, security, and affordability of electric supply. Competition in the energy industry also improved. To sustain this progress, the study urges the Department of Energy to develop a sustainable and optimal energy mix policy and the Energy Regulatory Commission to fast-track the approval of power supply agreements to encourage more investments in the sector. The government should also review the laws on taxes on electric power and assess whether these can be gradually reduced or phased out.</p> <p>Know more about the study titled “Assessment of the Philippine Electric Power Industry Reform Act” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1821.pdf.</p>
December 21	<p>A PIDS study looked at civil society-public sector partnership in the provision of housing services through the <i>Oplan Lumikas para Iwas Kalamidad at Sakit</i> or Oplan LIKAS program. Oplan LIKAS aims to relocate 120,000 informal settler families from danger areas along major waterways in Metro Manila. The study found that although civil society organizations can serve as a driver of development of new programs and policies, their representation does not automatically translate into program implementation due to bureaucratic, managerial, and intrainstitutional issues. Among the challenges faced by the program include: (1) the lack of a common understanding on how the program should be implemented; (2) poor access to in-city land for socialized housing due to the absence of updated land use plans at the local government level; and (3) the bias toward the faster solution—the off-city relocation—which is associated with increased unemployment, lack of livelihood opportunities, and delayed delivery of public services.</p> <p>Know more about the study titled “Civil Society and Public Sector Cooperation: Case of Oplan LIKAS” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidspn1810.pdf.</p>
December 28	<p>A PIDS study found that the total economic loss from the Boracay closure ranges from PHP 20.8 billion to PHP 83.15 billion. In terms of income, the loss in compensation ranges from PHP 7 billion to PHP 27.9 billion. Most affected are the tourism, services, and agriculture sectors. The closure also has indirect effects to people living on the island and in the entire municipality of Malay.</p> <p>Know more about the study titled “The Boracay Closure: Socioeconomic Consequences and Resilience Management” here: https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1837.pdf.</p>



ANNEX E

Seminars/Events

DATE	TITLE	VENUE	PRESENTERS
January 8	The Provision of Transnational and Intergenerational Public Goods	PIDS Conference Room	Anna Abatayo-Soh
February 13	Why Pursue Federalism? Why Not Just Amend the Local Government Code?	Speaker Montilla Hall, House of Representatives, Quezon City	Rosario Manasan Romulo Emmanuel Miral Jr. Ronald Mendoza
February 21	Economic Development Amid Geopolitical Risks: US and Chinese Grand Strategies, Asian Economic Development, and Philippines Scenarios	PIDS Conference Room	Dan Steinbock
March 22	Making Change Work for Women: A Policy Dialogue	PIDS Conference Room	Clarissa David Jose Ramon Albert Maricel Aguilar Maria Kristine Josefina Balmes Nathalie Verceles
April 10	2018 High-Level Policy Dialogue on Meeting the 2030 Global Agenda Pledge to Leave No One Behind in the Philippines	PIDS Conference Room	Emmanuel de Dios Celia Reyes
May 3	How Does the Pattern of Growth Impact Poverty Reduction in Rural China?	PIDS Conference Room	Nanak Kakwani
June 20	Disaster Risk Reduction in the Philippines: Challenges and Ways Forward	PIDS Conference Room	Sonny Domingo Majah-Leah Ravago
June 27	Regional Forum on Agricultural Development in Southern Tagalog: Issues and Opportunities	Southern Luzon State University Auditorium, Brgy. Kulapi, Lucban, Quezon	Sonny Domingo Roselle Collado Celia Reyes Gondelina Radovan
July 16	Nurturing Human Capital through Education: Issues and Alternatives	PIDS Conference Room	Takiko Igarashi Pablo Acosta Teresa Molina Vicente Paqueo Aniceto Orbeta Jr. Michael Abrigo
July 24	Macroeconomic and Financing for Development Issues	PIDS Conference Room	Zheng Jian Roehlano Briones

DATE	TITLE	VENUE	PRESENTERS
July 31	Economic Outlook and Challenges for Emerging Asia: Infrastructure and Industry 4.0	PIDS Conference Room	Kensuke Tanaka Prasiwi Ibrahim Jose Ramon Albert
September 4	Press Conference on the 16th DPRM (Kick-off)	Luxent Hotel, Quezon City	Celia Reyes Fortunato de la Peña Jose Roland Moya Rafaelita Aldaba Jose Ramon Albert Amina Rasul-Bernardo Love Basillote
September 11	Fourth Mindanao Policy Research Forum (Harnessing the Fourth Industrial Revolution in Mindanao: Creating Our Future Today)	University of Science and Technology of Southern Philippines (USTP) Performing Arts Theater	Ramonette Serafica Roehlano Briones Elmer Dadios Ria Persad Alex Maureal Miriam Mejias Miraluna Lopez
September 19	Fourth Annual Public Policy Conference: Harnessing the Fourth Industrial Revolution: Creating Our Future Today	Edsa Shangri-La Hotel, Mandaluyong City	Ernesto Penia Stephen Ezell Yasuyuki Sawada Jaime Zobel de Ayala Elmer Dadios Rafaelita Aldaba Mia Mikic Eufemio Rasco Jr. Shin-Horng Chen Joel Cuello David Hall Joel Joseph Marciano Jr. Jose Ramon Albert Markus Ruck Emmanuel Esguerra Kostas Mavromaras Michael Fung Elizabeth King Arnulfo Azcarraga Ma. Victoria Bernido Ramon Lopez Eliseo Rio Jr. Diwa Guinigundo Peter Draper Christopher Bernido Winston Damarillo Alvin Culaba Emmanuel de Dios Coco Alcuaz
October 10	Seeking Out Opportunities and Gearing Up for the Challenges in the Fourth Industrial Revolution	Speaker De Venecia Hall, House of Representatives, Quezon City	Jose Ramon Albert Rafaelita Aldaba Jikyeong Kang



DATE	TITLE	VENUE	PRESENTERS
October 25-26	Fourth International Symposium on Asian Development Studies	PIDS Conference Room	Various speakers from South Korea (Korea Association of International Development and Cooperation, Seoul National University, Kyunghee University, Chonbuk University, and Seoul Cyber University) Thailand, Viet Nam, Malaysia, Nepal, Australia, Kazakhstan, PIDS and other Philippine universities such as De La Salle University, Ateneo de Manila University, and University of the Philippines
November 21	Research Funding and Collaboration Opportunities Workshop	PIDS Conference Room	Jenny Lind Elmaco Marie Sherylyn Aquia
December 10	Socioeconomic Research Portal for the Philippines (SERP-P) 5th Biennial Meeting (Theme: Gearing Up for SERP-P 4.0)	PIDS Conference Room	Liza Gelisan Patrick Salamat Josephine Santiago

ANNEX F

MEDIA ENGAGEMENTS

DATE	MEDIA ENTITY / PROGRAM	RESOURCE SPEAKERS	TOPIC
February 16	ANC (Early Edition)	Rosario Manasan	Proposed shift to a federal form of government
March 17	ANC (On the Money)	Gilberto Llanto Maureen Ane Rosellon	Financial inclusion in the Philippines
July 22	DZMM Teleradyo (<i>Sagot ko Yan</i>)	Rosario Manasan	Proposed shift to a federal form of government
August 22	ANC (Future Perfect)	Jose Ramon Albert Vicente Paqueo	DPRM theme on Harnessing the Fourth Industrial Revolution: Creating Our Future Today
August 30	Sit-down interview at PIDS (Melo Acuña and Leslie Gatpolintan of Philippine News Agency)	Jose Ramon Albert Vicente Paqueo Sheila Siar	DPRM theme on Harnessing the Fourth Industrial Revolution: Creating Our Future Today
August 31	PTV 4 (<i>Bagong Pilipinas</i>)	Jose Ramon Albert Vicente Paqueo	DPRM theme on Harnessing the Fourth Industrial Revolution: Creating Our Future Today
August 31	Radyo Pilipinas Uno (<i>Tunog ng Progreso</i>)	Celia Reyes Jose Ramon Albert	DPRM theme on Harnessing the Fourth Industrial Revolution: Creating Our Future Today
September 4	DPRM Kick-off Press Conference	Celia Reyes Fortunato de la Peña Jose Roland Moya Rafaelita Aldaba Jose Ramon Albert Amina Rasul-Bernardo Love Basillote	DPRM theme on Harnessing the Fourth Industrial Revolution: Creating Our Future Today
September 5	TV5 (<i>Aksyon Solusyon</i>)	Vicente Paqueo Sheila Siar	DPRM theme on Harnessing the Fourth Industrial Revolution: Creating Our Future Today
September 11	Press Conference during the Fourth Mindanao Policy Research Forum	Celia Reyes Rosalito Quirino Ria Persad Alex Maurel	DPRM theme on Harnessing the Fourth Industrial Revolution: Creating Our Future Today
September 21	#AskNEDA Media Briefing	Marife Ballesteros	DPRM theme on Harnessing the Fourth Industrial Revolution: Creating Our Future Today
September 25	Rappler (Rappler Talk)	Jose Ramon Albert	DPRM theme on Harnessing the Fourth Industrial Revolution: Creating Our Future Today



ANNEX G

Press Releases

DATE PUBLISHED	TITLE
January 15	PIDS study notes slow decline of VAWC cases in PH
January 16	PIDS urges DSWD to improve documentation, upgrade IT systems to boost pro-poor programs
January 17	PIDS to gov't: Review planning and programming systems for infra projects
January 17	PIDS Corner opens in Bicol anew
January 25	PH's new industrial policy contributes to economic growth—PIDS study
January 26	Poor women in PH more susceptible to sexually transmitted diseases—PIDS study
January 27	Improving access and financial literacy are key to financial inclusion in PH—PIDS study
February 06	PIDS climbs a notch up in the world's top think tanks index
February 07	PIDS to gov't: Ease regulatory burdens in transport and logistics industry
February 08	Shift in PH budget process 'too radical and disruptive'—PIDS financial expert
February 15	APEC urged to utilize labor market information system to address unemployment, job mismatch
February 16	Increase local market competition to lower medicine costs in PH—PIDS
February 23	'Manufactured controversy' hits PH economy – int'l policy expert
February 28	PH's postdisaster reconstruction financing instruments inadequate—PIDS study
March 01	Poverty research expert is first woman president of PIDS
March 02	Gov't should pursue agri venture schemes, block farming—PIDS study says
March 03	PIDS fiscal expert dissects revenue features of federal system
March 09	Women sorely underrepresented at top levels of government, industry—study
March 16	PIDS hopes to inspire next-generation policy researchers in new book
April 02	Think tank's first female president urges advocates to step up efforts on gender equality
April 03	PH's health insurance programs benefit poor Filipino children—PIDS study
April 04	PIDS to gov't: Make social protection programs more adaptive to climate change, disasters
April 13	Forum highlights important role of academe in tackling poverty in local communities
May 08	Expert to PH: Go slow on 4Ps
May 12	PH urged to prioritize education to spur economic growth
June 14	Limiting foreign ownership in PH contractors' industry 'unconstitutional and invalid'—PIDS study
July 02	PIDS pinpoints major gaps on DRRM and CCA, calls for unified approach to resolve issues
July 09	UNICEF's unconditional cash transfer program a 'big help' in Yolanda victims' recovery—PIDS study



DATE PUBLISHED	TITLE
July 27	World Bank study indicates low success rate of DepEd's alternative learning program
September 01	PIDS leads policy research month celebration focusing on Industry 4.0
September 03	PIDS aims to spark discussions about the Fourth Industrial Revolution
September 04	PH has low level of readiness for the Fourth Industrial Revolution, says WEF
September 04	The Fourth Industrial Revolution and how it will alter the way we work
September 05	Address literacy, infra woes before advancing FIRE in Bangsamoro
September 07	PH agri lags behind in use of FIRE techs
September 10	Automation poses gender problem in PH
September 11	PIDS, MinDA, and local university partner for a policy forum on Fourth Industrial Revolution
September 19	State think tank all set to hold annual conference in September
September 20	Fear not innovation, automation, PH told
September 26	Gov't must encourage not 'stifle' innovation—NEDA chief
October 07	PIDS, PASCN, UP hold symposium on Industry 4.0
October 09	State think tank joins digital forum in Thailand
October 09	Government's online training platform helpful to Filipinos—PIDS
October 15	PH universities urged to invest in research, embrace innovation
October 30	PH gov't support to R&D, inadequate—experts
November 08	PIDS joins global think tank alliance
November 09	High prices of fuel, electricity in PH pose major barriers to foreign investors
November 09	Japan to boost infrastructure, disaster management, defense aid in ASEAN—expert
November 13	CHED's K to 12 Transition Program facing challenges—PIDS study
November 14	Local SMEs need more gov't support to go global, study says
November 19	About half of Filipino families are at risk of becoming poor—think tank study
November 23	Filipino researchers urged to avail of EU research grants
November 24	Innovation enhances labor productivity, employment growth—PIDS study
December 12	PH exhibits stronger export relations with non-ASEAN countries, says PIDS study
December 13	PH SMEs urged to improve internal systems to keep up with ASEAN integration



ANNEX H

16th Development Policy Research Month

REPORTED ACTIVITIES			
DATE	TITLE	VENUE	ORGANIZERS
September 1	Introducing the DPRM during NEDA Monday Staff Meeting	RDC Hall, Botanical Garden, L. Wood Road, Baguio City	NEDA–Cordillera Administrative Region Office
September 1–30	Exhibit of PIDS Publications	NEDA 5 Office Lobby, Arimbay, Legazpi City	NEDA Region 5 Office
September 4	Press Conference on the Launch of the 16th DPRM	Luxent Hotel, Quezon City	PIDS, DPRM Steering Committee
September 5	Labor Policy Reforms and Industrial Relations Consultation at the Visayas Summit	L' Fisher Hotel, Bacolod City	People Management Association of the Philippines
September 11	Fourth Mindanao Policy Research Forum: (Harnessing the Fourth Industrial Revolution in Mindanao: Creating Our Future Today)	University of Science and Technology of Southern Philippines, Cagayan De Oro City	PIDS, Mindanao Development Authority, University of Science and Technology of Southern Philippines
September 12	NEDA Region 1 Staff Development Session on Policy Development and Analysis	NEDA 1 Conference Hall, Laoag, Ilocos Norte	NEDA Region 1 Office
September 18–19	Harnessing the Fourth Industrial Revolution: Creating Our Future Today through Advancements and Innovations in Agriculture	RDC Hall, NEDA 6, Iloilo City	NEDA Region 6 Office
September 19	Fourth Annual Public Policy Conference (Harnessing the Fourth Industrial Revolution: Creating Our Future Today)	Edsa Shangri-La Manila, Mandaluyong City	PIDS, Global Development Network, <i>Bangko Sentral ng Pilipinas</i> , Department of Foreign Affairs–Office of the Undersecretary for International Economic Relations, Australian Embassy, Asian Development Bank, Department of Labor and Employment, Department of Trade and Industry, Commission on Higher Education, and Department of Science and Technology



DATE	TITLE	VENUE	ORGANIZERS
September 19–20	Seminar-Workshop on Rice Value Chain and Comparative Efficiency in the Philippines	Citystate Asturias Hotel, Puerto Prinsesa City, Palawan	Philippine Rice Research Institute
September 20	Forum on Economic and Financial Markets Outlook	AVR 1, Xavier University, Cagayan de Oro City	Xavier University
September 28	Orientation on Policy Development and Analysis to Public Administration and Political Science Students of Don Mariano Marcos State University (DMMSU)	DMMSU Library, San Fernando City, La Union	NEDA Region 1 Office
September 28	DOST-NCR Pamamazon (Pasay, Manila, Makati, Quezon City) Research Symposium	Lyceum of the Philippines University, Intramuros, Manila	DOST NCR and Lyceum of the Philippines University

NOTE: This list contains the activities organized by PIDS and those reported by specific agencies. There could be other DPRM events conducted but were not brought to the attention of PIDS.

PARTICIPATING INSTITUTIONS

- Aklan State University
- Alaminos (Pangasinan) City Government
- Armed Forces of the Philippines–Eastern Mindanao Command
- Alilem (Ilocos Sur) Municipal Government
- Asian Development Bank
- Ateneo de Manila University–Dept. of Economics, School of Social Sciences
- Australian Embassy in the Philippines
- Bacolod (Lanao del Norte) Municipal Government
- Badian (Cebu) Municipal Government
- Bais (Negros Oriental) City Government
- Balete (Aklan) Municipal Government
- Bangko Sentral ng Pilipinas
- Batangas Provincial Government
- Bicol University
- Calauag (Quezon) Municipal Government
- Civil Service Commission
- Climate Change Commission
- Colegio de San Juan de Letran, Manila
- Colegio de San Juan de Letran, Calamba
- Commission on Higher Education
- Daanbantayan (Cebu) Municipal Government
- Department of Agriculture–Agricultural Training Institute
- Department of Agriculture Regional Field Office IV-B
- Department of Environment and Natural Resources–Environmental Management Bureau
- Department of Finance–Bureau of Local Government Finance
- Department of Foreign Affairs–Office of the Undersecretary for International Economic Relations
- Department of Health
- Department of Information and Communications Technology
- Department of Labor and Employment
- Department of Science and Technology (DOST)
- DOST–Philippine Council for Industry, Energy, and Emerging Technology Research and Development
- DOST–Science and Technology Information Institute
- DOST–Metals Industry Research and Development Center
- Department of Social Welfare and Development
- Department of the Interior and Local Government
- Foreign Service Institute
- Global Development Network



38. Guimaras Provincial Government
39. Guinayangan (Quezon) Municipal Government
40. Home Guaranty Corporation
41. Imus City Government
42. Japan External Trade Organization
43. Laguna State Polytechnic University
44. Land Bank of the Philippines
45. Laoac (Pangasinan) Municipal Government
46. Libon (Albay) Municipal Government
47. Lyceum of the Philippines University
48. Meralco
49. Midsayap (Cotabato) Municipal Government
50. Mindanao Development Authority
51. Miriam College
52. Nabunturan (Compostela Valley) Municipal Government
53. Naguilian (La Union) Municipal Government
54. Naguilian (Isabela) Municipal Government
55. National Council on Disability Affairs
56. National Development Company
57. National Economic and Development Authority (NEDA)
58. NEDA–Cordillera Administrative Region
59. NEDA–Region 1 Office
60. NEDA–Region 3 Office
61. NEDA–Region 5 Office
62. NEDA–Region 6 Office
63. NEDA–Region 8 Office
64. NEDA–Region 10 Office
65. National Power Corporation
66. Negros Occidental Provincial Government
67. New Bataan (Compostela Valley) Municipal Government
68. Nueva Vizcaya State University
69. Office for Transportation Security
70. Pagsanghan (Samar) Municipal Government
71. Parañaque City Government
72. Passi (Iloilo) City Government
73. People Management Association of the Philippines
74. Philippine Deposit Insurance Corporation
75. Philippine Health Insurance Corporation
76. Philippine Information Agency
77. Philippine Military Academy
78. Philippine Normal University
79. Philippine Ports Authority
80. Philippine National Volunteer Service Coordinating Agency
81. Philippine Rice Research Institute
82. Presidential Management Staff
83. Public-Private Partnership
84. Santiago (Isabela) City Government
85. Small Enterprises Research and Development Foundation
86. Southeast Asian Regional Center for Graduate Study and Research in Agriculture
87. Tarlac State University
88. United Coconut Planters Bank
89. United States Agency for International Development
90. University of the East
91. University of the Philippines
92. University of the Philippines–School of Regional and Urban Planning
93. University of Science and Technology of Southern Philippines
94. Western Mindanao State University
95. Xavier University (Ateneo de Cagayan)
96. Zaragoza (Nueva Ecija) Municipal Government



ANNEX I

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 Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Philippine Institute for Development Studies (PIDS), which comprise the statements of financial position as at December 31, 2018 and 2017, and the statements of financial performance, statements of changes in net assets/equity, and statements of cash flows for the years then ended, statement of comparison of budget and actual amounts for the year ended December 31, 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of PIDS as at December 31, 2018 and 2017, and of its financial performance and its cash flows for the years then ended in accordance with Philippine Public Sector Accounting Standards (PPSASs).

Basis for Opinion

We conducted our audits in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with PPSASs, 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.



In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate PIDS or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2018, required by the Bureau of Internal Revenue as disclosed in Note 26 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PPSASs. Such supplementary information is the responsibility of management.

COMMISSION ON AUDIT

ROSALIE D. SARMIENTO

OIC-Supervising Auditor
Audit Group G-Development, Media and Other Agencies
Cluster 6-Social, Cultural, Trading, Promotional, and Other Services
Corporate Government Sector

February 26, 2019



ANNEX J

Statements of Financial Position

PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES
STATEMENTS OF FINANCIAL POSITION
(As at December 31, 2018 and December 31, 2017; in Philippine peso)

	NOTES*	2018	2017
ASSETS			
Current Assets			
Cash and cash equivalents	5	70,930,557	282,727,537
Financial assets	6	271,256,565	19,757,947
Receivables	7	17,192,847	10,229,087
Inventories	8	376,159	573,636
Other current assets	10	20,751,594	10,940,844
		380,507,722	324,229,051
Noncurrent Assets			
Financial assets	6	367,874,210	369,653,630
Receivables	7	3,066,001	31,496,247
Property, plant, and equipment—net	9	17,137,067	27,247,273
Other noncurrent assets	10	5,549,115	11,214,353
		393,626,393	439,611,503
TOTAL ASSETS		774,134,115	763,840,554
LIABILITIES			
Current Liabilities			
Financial liabilities	11	4,908,256	973,643
Interagency payables	12	30,918,591	3,482,834
Trust liabilities	13	2,441,050	451,174
Deferred credits	14	8,802,412	0
Other payables	15	276,750	148,948
		47,347,059	5,056,599
Noncurrent Liabilities			
Interagency payables	12	3,066,001	34,264,090
Trust liabilities	13	8,128,727	8,913,072
Deferred credits	14	6,154	1,621,400
Other payables	15	1,309,862	1,160,914
		12,510,744	45,959,476
TOTAL LIABILITIES		59,857,803	51,016,075
NET ASSETS (TOTAL ASSETS LESS TOTAL LIABILITIES)		714,276,312	712,824,479
NET ASSETS/EQUITY			
Accumulated surplus/(deficit)	16	402,467,088	400,935,055
Government equity		311,809,224	311,889,424
TOTAL NET ASSETS/EQUITY		714,276,312	712,824,479

*The notes on pages 91–112 form part of these financial statements.



ANNEX K

Statements of Financial Performance

PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES
STATEMENTS OF FINANCIAL PERFORMANCE
(For years ended December 31, 2018 and December 31, 2017; in Philippine peso)

	NOTES*	2018	2017
REVENUE			
Service and business income	18	38,326,644	28,740,008
		38,326,644	28,740,008
LESS: CURRENT OPERATING EXPENSES			
Personal services	19	86,605,748	74,606,024
Maintenance and other operating expenses	20	69,722,356	71,420,888
Financial expenses	21	321,814	71,418
Noncash expenses	22	12,129,102	11,505,074
		168,779,020	157,603,404
Deficit from Current Operations		(130,452,376)	(128,863,396)
Gains	24.1	871,717	327,794
Losses	24.2	(1,288,109)	(309,521)
Miscellaneous income	25	951,171	0
Deficit before Tax		(129,917,597)	(128,845,123)
Income tax expense		0	0
Deficit after Tax		(129,917,597)	(128,845,123)
Subsidy from the national government	23	131,811,000	201,211,283
Net Surplus for the Period		1,893,403	72,366,160

*The notes on pages 91–112 form part of these financial statements.



ANNEX L

Statements of Changes in Net Assets/Equity

PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES
STATEMENTS OF CHANGES IN NET ASSETS/EQUITY
(For years ended December 31, 2018 and December 31, 2017; in Philippine peso)

	NOTES*	Accumulated Surplus (Deficit)	Government Equity	Total
BALANCE AT JANUARY 1, 2017		640,123,820	0	640,123,820
Adjustments:				
Add/(deduct):				
Prior period errors		165,999	0	165,999
RESTATED BALANCE AT JANUARY 1, 2017		640,289,819	0	640,289,819
Changes in net assets/equity for CY 2017				
Add/(deduct):				
Surplus/(deficit) for the period		72,366,160	0	72,366,160
Other adjustments		(311,720,924)	311,889,424	168,500
BALANCE AT DECEMBER 31, 2017		400,935,055	311,889,424	712,824,479
Adjustments				
Add/(deduct):				
Prior period errors		(361,370)	0	(361,370)
RESTATED BALANCE AT DECEMBER 31, 2017		400,573,685	311,889,424	712,463,109
Changes in net assets/equity for CY 2018				
Add/(deduct):				
Surplus/(deficit) for the period		1,893,403	0	1,893,403
Other adjustments	16		(80,200)	(80,200)
BALANCE AT DECEMBER 31, 2018		402,467,088	311,809,224	714,276,312

*The notes on pages 91–112 form part of these financial statements.



ANNEX M

Statements of Cash Flows

PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES
STATEMENTS OF CASH FLOWS
(For years ended December 31, 2018 and December 31, 2017; in Philippine peso)

	NOTES*	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Inflows			
Collection of revenues		1,866,894	1,650,951
Receipt of assistance/subsidy		131,811,000	163,537,000
Collection of receivables		8,729,737	16,635,724
Receipt of interagency fund transfers		41,814,805	1,400,000
Trust receipts		15,616,133	15,317,025
Other receipts		18,330,950	12,824,450
Total Cash Inflows		218,169,519	211,365,150
Cash Outflows			
Payment of expenses		99,180,655	93,734,067
Purchase of inventories		1,634,585	1,271,864
Grant of cash advances		12,544,747	9,662,507
Prepayments		13,411,883	8,252,815
Refund of deposits		115,149	519,600
Remittance of personnel benefits, contributions, and mandatory deductions		36,224,963	34,168,417
Release of interagency fund transfers		12,822,678	36,517,996
Total Cash Outflows		175,934,660	184,127,266
Adjustments		699,196	2,427,449
Adjusted Cash Outflows		176,633,856	186,554,715
Net Cash Provided by/(Used in) Operating Activities		41,535,663	24,810,435
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Inflows			
Proceeds from matured investments/redemption of long term		185,756,518	62,945,447
Total Cash Inflows		185,756,518	62,945,447
Cash Outflows			
Purchase of property, plant, and equipment		2,263,854	7,075,489
Purchase of investments		436,737,153	79,939,333
Total Cash Outflows		439,001,007	87,014,822
Net Cash Provided by/(Used in) Investing Activities		(253,244,489)	(24,069,375)
Net Increase/(Decrease) in Cash and Cash Equivalents		(211,708,826)	741,060
Effects of exchange rate changes		(88,154)	(184,588)
Cash and Cash Equivalents, January 1		282,727,537	282,171,065
Cash and Cash Equivalents, December 31	5	70,930,557	282,727,537

*The notes on pages 91–112 form part of these financial statements.



ANNEX N

Statement of Comparison of Budget and Actual Amounts

PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
(For the year ended December 31, 2018; in Philippine peso)

Particulars	NOTES*	Budgeted Amount		Actual Amounts on Comparable Basis	Difference Final Budget and Actual
		Original	Final		
RECEIPTS					
Service and business income	18	14,079,377	14,079,377	38,326,644	(24,247,267)
Assistance and subsidy	23	131,811,000	131,811,000	131,811,000	0
Total Receipts		145,890,377	145,890,377	170,137,644	(24,247,267)
PAYMENTS					
Personnel services	19	114,557,865	114,557,865	86,605,748	27,952,117
Maintenance and other operating expenses	20	120,688,692	103,828,692	69,722,356	34,106,336
Capital outlay	17	2,382,000	2,382,000	2,263,854	118,146
Financial expenses	21	322,000	322,000	321,814	186
Total Payments		237,950,557	221,090,557	158,913,772	62,176,785
NET RECEIPTS/PAYMENTS		(92,060,180)	(75,200,180)	11,223,872	(86,424,052)

*The notes on pages 91–112 form part of these financial statements.



ANNEX O

Notes to Financial Statements

1. GENERAL INFORMATION/ENTITY PROFILE

The financial statements of Philippine Institute for Development Studies (PIDS) were authorized for issue on February 26, 2019 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, 2018, the Institute's principal place of business is at 18th Floor, Three Cyberpod Centris–North Tower, EDSA corner Quezon Avenue, Quezon City.

PIDS 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.

2. 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.

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 or fair value 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. RISK MANAGEMENT OBJECTIVES AND POLICIES

The PIDS is exposed to the following risks from its use of financial instruments:

- Liquidity risk
- Interest/Market risks
- Operational risk

This note presents information about the PIDS' exposure to each of the above risks, objectives, policies and processes for measuring and managing risk, and management of capital.

4.1 Risk Management Framework

Generally, the maximum risk exposure of financial assets and financial liabilities is the carrying amount of the financial assets and financial liabilities as shown in the statements of financial position as summarized below.

Accounts	Note	2018	2017
Financial Assets			
Cash and cash equivalents	5	70,930,557	282,727,537
Financial assets	6	639,130,775	389,411,577
Receivables	7	20,258,848	41,725,334
		730,320,180	713,864,448
Financial Liabilities			
Financial liabilities	11	4,908,256	973,643
Inter-agency payables	12	33,984,592	37,746,924
Trust liabilities	13	10,569,777	9,364,246
		49,462,625	48,084,813



4.2 Liquidity Risk

Liquidity risk is the risk that the PIDS might encounter difficulty in meeting obligation from its financial liabilities.

Management of Liquidity Risk

The PIDS approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the PIDS reputation.

The PIDS maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, and advances to PIDS and other facilities, to ensure that sufficient liquidity is maintained within the PIDS as a whole.

Exposure to Liquidity Risk

The liquidity risk is the adverse situation when the PIDS encounters difficulty in meeting unconditionally the settlement of its obligations at maturity. Prudent liquidity management requires that liquidity risks are identified, measured, monitored, and controlled in a comprehensive and timely manner. Liquidity management is a major component of the corporate-wide risk management system. Liquidity planning takes into consideration various possible changes in economic, market, political, regulatory, and other external factors that may affect the liquidity position of PIDS.

4.3 Market Risks

Market risk is the risk that changes in the market prices, such as interest rate, equity prices, foreign exchange rates, and credit spreads (not relating to changes in the obligor's issuer's credit standing) will affect the PIDS income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Management of Market Risk

The management of interest rate risk against interest gap limits is supplemented by monitoring the sensitivity of the PIDS financial assets and liabilities to various standard and nonstandard interest rate scenarios.

4.4 Operational Risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the PIDS processes, personnel, technology and infrastructure, and from external factors other than credit, market, and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the PIDS operations and are faced by all business entities.

The PIDS objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the PIDS reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of control to address operational risk is assigned to senior management within each department. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:



- Requirement for appropriate segregation of duties, including the independent authorization of transaction
- Requirement for the reconciliation and monitoring of transactions
- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risk faced, and the adequacy of control and procedures to address the risk identified
- Requirements for the reporting of operational losses and proposed remedial action
- Development of contingency plans
- Training and professional development
- Ethical and business standards
- Risk mitigation, including insurance where this is effective

5. CASH AND CASH EQUIVALENTS

This account consists of the following:

	2018	2017
Cash on hand	0	129,534
Cash in bank–local currency	41,772,031	10,125,330
Cash in bank –foreign currency	10,492,606	10,816,872
Foreign currency –time deposit	18,665,920	15,402,934
Special savings account/high-yield savings account	0	245,226,790
Treasury bills	0	1,026,077
	70,930,557	282,727,537

5.1 Cash in Bank–Local Currency

	Account No.	2018	2017
LBP/PIDS-DILG project	1872-1039-84	23,890,645	0
LBP/PIDS proper (NIA Br)	1872-1037-39	15,061,134	7,033,471
LBP/PIDS UNICEF project	1872-1040-18	1,254,475	0
LBP/PIDS DAR project	1872-1040-42	900,000	0
DBP/PIDS proper	0405-026125-530	381,748	40,387
LBP/PIDS-3iE DSWD project	1872-1037-63	118,888	84,102
LBP/PIDS-ACIAR project	1872-1037-71	73,809	42,481
LBP/PIDS proper (Buendia Br)	0052-1149-34	49,525	47,339
LBP/PIDS proper (Pasong Tamo Br)	1782-1011-50	36,219	34,550
LBP/PIDS head office	3401-07-0973	5,588	1,387
LBP/PIDS APPSC project	1872-1038-36	0	2,767,843
LBP/PIDS GDN–EADN project	1762-1033-06	0	73,770
		41,772,031	10,125,330



The PIDS total cash in bank–local currency amounted to PHP 15.534 million, while the externally funded project funds amounted to PHP 26.238 million. This was used to pay various project expenses incurred for the specific project in peso.

5.2 Cash in Bank–Foreign Currency

Particulars	Account No.	2018	2017
LBP/PIDS-3ie-DSWD project	1874-0028-91	5,973,651	6,540,113
LBP/PIDS proper (Pasong Tamo Br)	1784-0093-66	2,459,610	2,101,224
LBP/PIDS ACIAR project	1874-0029-13	2,059,345	1,339,464
LBP/PIDS GDN–EADN project	1784-0120-57	0	836,071
		10,492,606	10,816,872

The PIDS total cash in bank–foreign currency amounted to PHP 2.460 million, while the externally funded project funds amounted to PHP 8.033 million, used to pay various project expenses incurred for the specific project in dollars.

5.3 Time Deposit–Foreign Currency

Placement of USD 354,030.81 for a period of 91 days at a rate of 1 percent per annum to mature on March 20, 2019 at Land Bank of the Philippines (LBP)–Pasong Tamo Branch.

6. FINANCIAL ASSETS

	2018	2017
Total current financial assets	271,256,565	19,757,947
Total noncurrent financial assets	367,874,210	369,653,630
	639,130,775	389,411,577

Total Current financial assets account consists of investment in treasury bills–investible funds of which tenor is 91 to 364 days from Land Bank of the Philippines (LBP) and Development Bank of the Philippines (DBP).

Total noncurrent financial assets are investments in bonds–investible funds comprising mainly of government treasury bonds with coupon rates between 3.25 percent to 10.25 percent. These investments are scheduled to mature from calendar years 2020 to 2037.

7. RECEIVABLES

This account is broken down as follows:

	2018	2017
Receivables	8,232,898	5,340,780
Interagency receivables	8,048,325	34,430,754
Other receivables	3,977,625	1,953,800
	20,258,848	41,725,334



	2018		2017	
	Current	Non-Current	Current	Non-Current
Receivables	8,232,898	0	5,340,780	0
Interagency receivables	4,982,324	3,066,001	2,934,507	31,496,247
Other receivables	3,977,625	0	1,953,800	0
	17,192,847	3,066,001	10,229,087	31,496,247

7.1 Receivables

Accounts	2018	2017
Interest receivables	8,232,898	5,340,780
	8,232,898	5,340,780

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, 2018)

Accounts	Total	Not Past Due	Past due		
			< 30 days	30–60 days	> 60 days
Interest receivables	8,232,898	8,232,898	0	0	0
	8,232,898	8,232,898	0	0	0

7.3 Interagency Receivables

Accounts	2018	2017
Due from national government agencies (NGAs)	8,048,325	34,430,754
	8,048,325	34,430,754

This account is broken down as follows:

Particulars	2018	2017
PIDS/Commission on Higher Education (CHED)–Research Development and Extension Project	3,066,001	31,496,247
PIDS/DAR project “ConVERGE nce on Value Chain Enhancement for Rural Growth and Empowerment”	3,000,000	0
PIDS/PCC project “Market Studies”	1,980,000	0
PIDS/Department of the Interior and Local Government (DILG) Project “Assessment of Bottom-up Budgeting Program: Alleviating Poverty and Strengthening Social Capital”	0	2,397,179
Department of Budget and Management (DBM)– Procurement Services	2,324	537,328
	8,048,325	34,430,754



The receivable from PIDS/CHED “Research Development and Extension Project” amounting to PHP 3.066 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. The remaining balance of PHP 3.066 million was already liquidated by the Benguet State University (BSU) to CHED, but CHED did not record the liquidation in their books of accounts due to the disallowance issued by the BSU auditor. The case was on appeal to the Commission proper.

The receivable from PIDS/DAR project “ConVERGE nce on Value Chain Enhancement for Rural Growth and Empowerment” and PIDS/PCC project “Market Studies” are the billings for the services rendered that are not yet paid.

7.4 Other Receivables

	2018	2017
Receivables–disallowances/charges	0	1,615,736
Other receivables	3,922,332	338,064
Advances to officers and employees	50,553	0
Due from officers and employees	4,740	0
	3,977,625	1,953,800

Receivables–disallowances/charges account refers to the issued COA Notice of Finality of Decision on its Notice of Charge No. 12-001-(11) last January 10, 2017 and June 28, 2017. The said receivables–disallowances/charges were already settled last October 23, 2018.

Other receivables account refers to the billings for the services rendered issued to the foreign-funded projects not yet paid.

Advances to officers and employees are cash advances for travel purposes of the employees that are due for liquidation in January 2019.

8. INVENTORIES

Accounts	2018	2017
Inventory held for distribution		
Carrying amount, January 1	573,635	390,424
Additional/acquisitions during the year	1,217,118	1,286,226
Expensed during the year except write-down	(1,414,594)	(1,103,014)
	376,159	573,636

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.

Inventory held for consumption consists of office supplies inventory amounting to PHP 114,264 and other supplies and materials inventory amounting to PHP 261,895.



9. PROPERTY, PLANT, AND EQUIPMENT

As at December 31, 2018

Particulars	Machinery and equipment	Transportation equipment	Furniture and fixtures and books	Leased assets improvements, buildings	Other PPE (Held in trust)	Total
Carrying amount, January 1, 2018	15,798,203	3,082,735	540,337	7,577,298	248,700	27,247,273
Additions/acquisitions	2,640,910	0	0	440,417	0	3,081,327
Total	18,439,113	3,082,735	540,337	8,017,715	248,700	30,328,600
Disposals	(11,465,138)	0	(342,720)	0	(80,200)	(11,888,058)
Depreciation (as per Statement of Financial Performance)	(4,747,564)	(697,927)	(80,981)	(6,602,130)	0	(12,128,602)
Impairment–loss	(500)	0	0	0	0	(500)
Adjustment–accumulated depreciation	10,484,536	0	341,091	0	0	10,825,627
Carrying amount, December 31, 2018 (as per Statement of Financial Position)	12,710,447	2,384,808	457,727	1,415,585	168,500	17,137,067
Gross cost (Asset account balance per Statement of Financial Position)	30,789,298	6,822,179	861,052	21,105,753	168,500	59,746,782
Less: Accumulated depreciation	(18,078,351)	(4,437,371)	(403,325)	(19,690,168)	0	(42,609,215)
Allowance for impairment	(500)	0	0	0	0	(500)
Carrying amount, December 31, 2018 (as per Statement of Financial Position)	12,710,447	2,384,808	457,727	1,415,585	168,500	17,137,067

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
Carrying amount, January 1, 2017	13,512,435	3,780,662	383,592	14,121,317	80,200	31,878,206
Additions/acquisitions	7,155,605	0	214,215	0	168,500	7,538,320
Total	20,668,040	3,780,662	597,807	14,121,317	248,700	39,416,526
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–accumulated depreciation	3,448,555	0	145,875	0	0	3,594,430
Carrying amount, December 31, 2017 (as per Statement of Financial Position)	15,798,203	3,082,735	540,337	7,577,298	248,700	27,247,273



Gross cost (asset account balance per Statement of Financial Position)	39,613,526	6,822,179	1,203,772	20,665,336	248,700	68,553,513
Less: accumulated depreciation	(23,815,323)	(3,739,444)	(663,435)	(13,088,038)	0	(41,306,240)
Carrying amount, December 31, 2017 (as per Statement of Financial Position)	15,798,203	3,082,735	540,337	7,577,298	248,700	27,247,273

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 CURRENT AND NONCURRENT OTHER ASSETS

	2018			2017		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Prepayments	13,411,883	0	13,411,883	10,940,844	0	10,940,844
Deposits	7,339,711	5,549,115	12,888,826	0	11,202,239	11,202,239
Other assets	0	0	0	0	12,114	12,114
	20,751,594	5,549,115	26,300,709	10,940,844	11,214,353	22,155,197

10.1 Prepayments

	2018	2017
Prepaid rent	5,488,976	5,247,885
Prepaid insurance	332,058	490,084
Other prepayments	7,590,849	5,202,875
	13,411,883	10,940,844

Other prepayments consist of payment of auditing services for CY 2019 amounting to PHP 3,244,990; subscription prepayments (library reading materials and ICT software subscription) of PHP 3,691,173 for 2019 up to 2021; and aircon charges of Eton for the period January 1, 2019 to March 24, 2019 amounting to PHP 654,686.

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

11. FINANCIAL LIABILITIES

Payables

	2018			2017		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Accounts payable	1,586,738	0	1,586,738	667,118	0	667,118
Due to officers and employees	3,321,518	0	3,321,518	306,525	0	306,525
	4,908,256	0	4,908,256	973,643	0	973,643



12. INTERAGENCY PAYABLES

	2018			2017		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Due to NGAs	26,376,934	3,066,001	29,442,935	0	34,264,090	34,264,090
Due to BIR	3,933,337	0	3,933,337	3,481,530	0	3,481,530
Due to GSIS	608,157	0	608,157	1,141	0	1,141
Due to PhilHealth	163	0	163	163	0	163
	30,918,591	3,066,001	33,984,592	3,482,834	34,264,090	37,746,924

Due to NGAs

	2018	2017
PIDS/CHED "Research Development and Extension (RDE) Project"	3,066,001	31,496,247
PIDS/DILG project "Conduct of Baseline Study on Policy and Governance Gaps for Local Government Support Fund Assistance to Municipalities (LGSF-AM)"	23,556,315	0
PIDS/DILG project "Assessment of the Bottom Up Budgeting Program: Alleviating Poverty and Strengthening Social Capital"	0	2,767,843
PIDS/DAR project "ConVERGE nce on Value Chain Enhancement for Rural Growth and Empowerment"	820,619	0
PIDS/DOST project "The Future Science and Technology Human Resource Requirements in the Philippines"	2,000,000	0
	29,442,935	34,264,090

The account Due to National Government Agency–PIDS/CHED "Research Development and Extension Project" pertains to the DAP–RDE funds released to PIDS (see Note 7.3). This account was debited when PIDS recorded the audited liquidation report of CHED and SUCs as well as the receipt of refund of unutilized funds. This amount was already liquidated, but not yet booked in CHED books of accounts due to disallowance issued by the Benguet State University COA auditors.

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	2018			2017		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Trust liabilities	1,845,840	8,128,727	9,974,567	284,754	8,913,072	9,197,826
Guaranty/security deposits payable	595,210	0	595,210	166,420	0	166,420
	2,441,050	8,128,727	10,569,777	451,174	8,913,072	9,364,246



13.1 Trust Liabilities

	2018	2017
PIDS/International Initiative for Impact Evaluation(3iE) Project “Improving the Chances of Success through Better Beneficiary Sorting and Employment Facilitation in the Philippines”	5,939,040	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”	2,188,547	1,381,945
PIDS/UNICEF project “Voluntary National Review (VNR)”	1,230,895	0
PIDS/Manila Economic and Cultural Office project “Joint Feasibility Study on the Possible Economic Cooperation Agreement Between the Philippines and Taiwan”	67,956	73,735
PIDS “Annual Public Policy Conference 2018”	547,772	0
PIDS/International Labour Organization project “Policy Analysis and Employment Projections for Green Jobs”	357	3,665
PIDS/Global Development Network–East Asian Development Network project	0	906,911
PIDS/Consumer Unity and Trust Society project “Regional Inclusive Growth”	0	88,786
PIDS/Economic Research Institute for ASEAN project “ASEAN SME Policy Index 2018”	0	88,493
PIDS/Japan Economic Foundation project “Asia-pacific Forum 2017”	0	30,075
	9,974,567	9,197,826

Trust Liabilities account pertains 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

	2018			2017		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Other deferred credits	8,802,412	6,154	8,808,566	0	1,621,400	1,621,400
	8,802,412	6,154	8,808,566	0	1,621,400	1,621,400

This account represents revenue not yet earned.

15. OTHER PAYABLES

	2018			2017		
	Current	Noncurrent	Total	Current	Noncurrent	Total
HMO refund of retired/resigned employees	241,789	1,170,618	1,412,407	137,757	1,032,861	1,170,618
Bids and Awards Committee	34,961	139,244	174,205	11,191	128,053	139,244
	276,750	1,309,862	1,586,612	148,948	1,160,914	1,309,862



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 disallowance which is under appeal by the Institute to the Supreme Court.

16. NET ASSETS/EQUITY

The details of the account are presented below:

	2018	2017
Beginning balance, January 1	712,824,479	640,123,820
Prior period adjustments	(361,370)	165,999
Restated balance	712,463,109	640,289,819
Surplus for the period	1,893,403	72,366,160
Others	(80,200)	168,500
Balance at December 31	714,276,312	712,824,479

The net assets/equity consists of the government equity account and the accumulated surplus/deficit account. The government equity account comprises the endowment fund amounting to PHP 311.641 million and investment capital held in trust amounting to PHP 0.169 million.

The endowment fund consists of funds released by the Bureau of the Treasury through the DBM in the amount of PHP 311.053 million and PHP 0.588 million from the 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 account 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, broken down as follows:

	2018
Machinery and equipment	1,889,500
Leased assets improvements, buildings	374,354
	2,263,854

18. SERVICE AND BUSINESS INCOME

The details of the account are presented below:

	2018	2017
Research fees	14,611,004	8,771,947
Interest income	23,684,783	19,852,999
Sale of publication	30,857	115,062
	38,326,644	28,740,008



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.

Interest income account represents earnings from investments and bank deposits/financial assets of the Institute.

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

19. PERSONNEL SERVICES

	2018	2017
Salaries and wages	49,190,685	42,684,140
Other compensation	18,421,861	17,287,448
Personnel benefit contribution	7,762,270	6,725,286
Other personnel benefits	11,230,932	7,909,150
	86,605,748	74,606,024

19.1 Salaries and Wages

Particulars	2018	2017
Salaries and wages—regular	44,971,625	39,665,911
Salaries and wages—casual/contractual	4,219,060	3,018,229
	49,190,685	42,684,140

19.2 Other Compensation

	2018	2017
Personnel economic relief allowance (PERA)	2,008,643	1,974,298
Representation allowance (RA)	1,448,125	1,443,875
Transportation allowance (TA)	1,057,500	938,750
Clothing/uniform allowance	486,000	370,000
Overtime and night pay	197,397	241,941
Year-end bonus	4,153,343	3,529,798
Cash gift	429,500	417,500
Other bonuses and allowances	8,641,353	8,371,286
	18,421,861	17,287,448



19.3 Personnel Benefit Contributions

	2018	2017
Retirement and life insurance premiums	5,880,747	4,978,863
Pag-IBIG contributions	101,065	98,600
PhilHealth contributions	452,428	322,550
Employees compensation insurance premiums	101,297	98,600
Provident/welfare fund contributions	1,226,733	1,226,673
	7,762,270	6,725,286

19.4 Other Personnel Benefits

	2018	2017
Terminal leave benefits	6,834,061	3,398,058
Other personnel benefits	4,396,871	4,511,092
	11,230,932	7,909,150

20. MAINTENANCE AND OTHER OPERATING EXPENSES

	2018	2017
Travelling expenses	2,751,647	4,271,178
Training and scholarship expenses	2,309,679	7,899,382
Supplies and material expenses	1,835,089	1,907,308
Utility expenses	1,813,266	1,250,180
Communication expenses	1,585,994	1,593,865
Confidential, intelligence, and extraordinary expenses	222,010	194,161
Professional services	17,017,543	13,102,872
General services	2,334,549	2,355,814
Repairs and maintenance	850,338	1,113,995
Taxes, insurance premiums, and other fees	6,018,504	5,268,605
Other maintenance and operating expenses	32,983,737	32,463,528
	69,722,356	71,420,888

20.1 Travelling Expenses

Particulars	2018	2017
Travelling expenses–local	2,657,617	3,072,237
Travelling expenses–foreign	94,030	1,198,941
	2,751,647	4,271,178



20.2 Training and Scholarship Expenses

	2018	2017
Training expenses	2,309,679	7,899,382
	2,309,679	7,899,382

20.3 Supplies and Materials Expenses

	2018	2017
Office supplies expenses	1,133,885	700,490
Fuel, oil, and lubricants expenses	426,570	334,292
Semi-expendable machinery and equipment expenses	177,928	197,137
Semi-expendable furniture, fixtures, and books expenses	96,706	675,389
	1,835,089	1,907,308

20.4 Utility Expenses

Particulars	2018	2017
Water expenses	102,671	86,008
Electricity expenses	1,710,595	1,164,172
	1,813,266	1,250,180

20.5 Communication Expenses

	2018	2017
Postage and courier services	392,081	393,324
Telephone expenses	676,156	682,141
Internet subscription expenses	517,757	518,400
	1,585,994	1,593,865

20.6 Confidential, Intelligence, and Extraordinary Expenses

	2018	2017
Extraordinary and miscellaneous expenses	222,010	194,161
	222,010	194,161

20.7 Professional Services

	2018	2017
Legal services	300,000	300,000
Auditing services	2,920,521	3,872,178
Consultancy services	12,789,898	8,253,309
Other professional services	1,007,124	677,385
	17,017,543	13,102,872



20.8 General Services

	2018	2017
Janitorial services	777,761	834,872
Security services	1,556,788	1,520,942
	2,334,549	2,355,814

20.9 Repairs and Maintenance

	2018	2017
Repairs and maintenance—machinery and equipment	324,428	640,257
Repairs and maintenance—transportation equipment	468,390	353,767
Repairs and maintenance—leased assets improvements	57,520	119,971
	850,338	1,113,995

20.10 Taxes, Insurance Premiums, and Other Fees

	2018	2017
Taxes, duties, and licenses	5,204,038	4,527,367
Fidelity bond premiums	81,459	81,286
Insurance expenses	733,007	659,952
	6,018,504	5,268,605

20.11 Other Maintenance and Operating Expenses

	2018	2017
Advertising, promotional, and marketing expenses	12,096	10,887
Printing and publication expenses	1,589,059	1,414,956
Representation expenses	470,111	468,216
Rent/lease expenses	23,219,292	22,782,014
Membership dues and contributions to organizations	10,000	10,000
Subscription expenses	1,294,802	2,823,113
Donations	30,186	519,366
Major events and conventions expenses	529,535	0
Other maintenance and operating expenses	5,828,656	4,434,976
	32,983,737	32,463,528

21. FINANCIAL EXPENSES

	2018	2017
Bank charges	321,814	71,418
	321,814	71,418



22. NONCASH EXPENSES

	2018	2017
Depreciation—machinery and equipment	4,747,564	4,205,622
Depreciation—transportation equipment	697,927	697,927
Depreciation—furniture, fixtures, and books	80,981	57,506
Depreciation—leased assets improvements	6,602,130	6,544,019
Impairment loss—property, plant, and equipment	500	0
	12,129,102	11,505,074

23. NET FINANCIAL ASSISTANCE/SUBSIDY

	2018	2017
Subsidy from national government	131,811,000	201,211,283
	131,811,000	201,211,283

24. NONOPERATING INCOME, GAINS, OR LOSSES

24.1 Gains

	2018	2017
Gain on foreign exchange	871,717	327,794
	871,717	327,794

24.2 Losses

	2018	2017
Loss on foreign exchange	452,392	309,521
Loss on sale of PPE	804,681	0
Other losses	31,036	0
	1,288,109	309,521

25. MISCELLANEOUS INCOME

This includes income earned from photocopying services of PHP 11,523; supplies mark-up of PHP 2,764; settlement of notice of charge of L. Basilio amounting to PHP 893,071; and penalties/others of PHP 43,813.

26. REPORT ON THE SUPPLEMENTARY INFORMATION REQUIRED BY BIR

26.1 Revenue Regulation No. 15-2010

Revenue Regulation (RR) No. 21-002 prescribing additional procedural and/or documentary requirements in connection with the preparation and submission of financial statements accompanying income tax returns (ITR) was amended under RR No. 15-2010. The amendment that became effective on December 28, 2010 requires the inclusion in the notes to financial statements, information on taxes, duties and license fees paid or accrued during the year in addition to what is required under the PPSASs and such other standards and/or conventions.



Below is the additional information required by RR No. 15-2010. This information is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

a. Output VAT

The PIDS does not recognize output VAT in its books.

b. input VAT

The PIDS does not recognize input VAT in its books.

c. Taxes and licenses for 2018

	2018	2017
Under Taxes, Insurance Premiums and Other Fees:		
20% final tax on interest income on investments and bank deposits	5,050,513	4,498,211
Documentary tax	140,629	0
Renewal of vehicle registration	12,896	9,136
	5,204,038	4,507,347

d. Withholding taxes for 2018

d1. Withholding tax on compensation

	2018	2017
Total withheld tax for the year	7,708,581	10,360,273
Less: Payments made from January to November	6,653,215	9,012,627
Withholding tax still due and payable	1,055,366	1,347,646

d2. Expanded withholding tax

	2018	2017
Total withheld tax for the year	2,534,644	2,214,375
Less: Payments made from January to November	1,886,782	1,721,274
Withholding tax still due and payable	647,862	493,101

d3. Final tax withheld

	2018	2017
Total withheld tax for the year	2,493,025	2,784,347
Less: Payments made from January to November	1,984,105	2,261,884
Withholding tax still due and payable	508,920	522,463

e. Tax Case

The PIDS has no tax case as of December 31, 2018.



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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.



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