

Comments on **Senate Bill Nos. 169 and 1258, otherwise known as the “National Economic and Development Authority Act of 2019,”** authored by Sen. Sherwin Gatchalian and Sen. Imee Marcos, respectively

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This paper assesses the need for the institutionalization of the NEDA as proposed under Senate Bill Nos. 169 and 1258, authored by Sen. Win Gatchalian and Sen. Imee Marcos, respectively. The proposal aims to institutionalize the existence of the NEDA. It also defines the functions of the NEDA, the composition of the NEDA board, and the plans and programs that the NEDA will prepare, coordinate, and monitor.

PIDS supports the passage of the proposed NEDA bill, especially in view of the key role that NEDA plays in development planning and policymaking. In order to ensure the harmonious and collaborative partnerships of NEDA with its attached agencies, the Institute would like to submit the following suggestions on selected sections of the proposed legislation:

1. Institutionalization and Independence of the NEDA

The Philippine Institute for Development Studies (PIDS) supports the institutionalization of the National Economic and Development Authority (NEDA) and the establishment of an independent economic and planning agency as provided for under Article XII, Section 9 of the 1987 Constitution. The institutionalization recognizes the vital function of the NEDA as the socioeconomic planning agency of the government.

The current NEDA was organized through Executive Order No 230 series of 1987. Under EO 230, the role of NEDA is simply stated as "formulating, coordinating fully integrated socioeconomic policies, plans and programs". The proposed bills (Senate Bills 169 and 1256) are intended to strengthen the NEDA defining its powers and authority and expanding the NEDA interagency committees to include other key committees that have been created over time.

2. Powers and Functions of NEDA

PIDS supports Section 4 (6) of Senate Bill Nos. 169 and 1256, whereby the function of NEDA “to review, monitor, and assess the impact of policies, regulations and programs of government” are to be undertaken in collaboration with the PIDS.

Given the mandate of PIDS to conduct policy-oriented research to serve as inputs to national development planning and policymaking, and its extensive and solid experience in policy research, including process assessment and impact evaluation, the Institute can provide NEDA with technical assistance needed in carrying out its mandate under Section 4(6).

3. Improvement of the Talent Pool of NEDA through better employee benefits

The law recognizes the difficulty that NEDA is facing in recruiting and holding on to top-level economic talent through Section 11, which allows NEDA to formulate a program for reorganizing and staffing. It also allows the NEDA to hopefully offer a sufficiently competitive package for its employees, addressing the lack of capacity and the difficulty of recruiting competent research staff.

In addition, other benefits could be provided to NEDA, its attached agencies, and other government agencies. In particular, enrolment in private health insurance programs organizations can be provided to all government workers to supplement the limited benefits from Philhealth. At present, the Philhealth package for employees does not include outpatient benefits. Moreover, coverage for inpatient cases are low in private hospitals and this means that employees need to pay for the balance. A provision allowing government to pay for premia for private health insurance can be included in the proposed bill. Alternatively, a separate bill with this provision can be proposed covering all government workers.

4. Repository of Data and Information

The PIDS supports Section 28 of SB 169 and Section 29 of 1256 on knowledge management, which states that, “the NEDA shall establish a repository of data and information, publications, research and analyses, and other information concerning the Philippine economy and development, in general. It shall manage, maintain, and make available such information and documents to the public for the purpose of knowledge sharing.”

This is also part of the objectives of PIDS under PD 1201, and has been a regular activity of the Institute since its establishment. Under Section 2 (e) of PD 1201, one of the objectives of PIDS is “to establish a repository for economic research information and other related activities.”

A knowledge database—the Socioeconomic Research Portal for the Philippines (SERP-P; <https://serp-p.pids.gov.ph>)—was developed by PIDS in year 2000. At present, the SERP-P, which PIDS continues to manage, contains close to 6,000 socioeconomic materials produced by PIDS and its member-institutions, which include the NEDA central office and seven of its regional offices. In addition, the PIDS has been maintaining an online database containing time-series data on key social and economic indicators at different levels of disaggregation. Furthermore, PIDS uses GIS technology to present spatial disparities for many of these key economic and social indicators.

Given this, NEDA can complement and collaborate with PIDS in knowledge database. SERP-P, ESD and GIS-based socioeconomic profile can be parts of the broader knowledge system or network that the NEDA is planning to set up.

5. Attached Agencies

Section 19 of the two proposed bills on Attached Agencies is consistent with Presidential Decree (PD) 1201, the founding charter of PIDS, which indicates that PIDS and other agencies currently attached to NEDA “shall continue to be so attached for purposes of supervision”. Section 19 likewise emphasized that the agencies attached to the NEDA shall continue to be attached “for purposes of policy and program coordination”.

However, Section 20 of SB 1938 mentioned that “the NEDA shall review the mandate, objectives and functions of the attached agencies in order to recommend disposition or revisions in its respective charters, whenever appropriate and deemed advisable.” This provision is inconsistent with Section 19 which underscored the sole purpose of policy and program coordination.

The PIDS was created as an independent think-tank of the government distinct from the NEDA, which is an advisory and a planning body. The founding charter of PIDS (PD 1201) specifies the need to “establish a national research institution that will perform policy-oriented research on all aspects of the Philippine economy and assist the government in formulating plans and policies for national development”.

The PIDS would like to underscore the importance of preserving its charter and maintaining its independence in the management and conduct of policy research to continuously provide sound, credible, and objective policy inputs and recommendations to government.