

DRRM's design and implementation need to be beefed up

THE LAW IS already “substantive”, but a poorly implemented one.

This, according to researchers Sonny Domingo and Ma. Divina Olaguera from the state think tank Philippine Institute for Development Studies (PIDS), is the problem the government needs to address to realize the promises of the country's policy on disaster risk reduction and management (DRRM).

Domingo and Olaguera, PIDS senior research fellow and research analyst, respectively, said that while the Philippine Disaster Risk Reduction and Management Act of 2010, or Republic Act (RA) No. 10121, is already “substantive”, the government must consider a more equitable distribution of the DRRM funding.

In terms of institutionalization, they said it should clarify the leadership and strengthen the spirit of coordination and cooperation between agencies working on DRRM in the country.



The Philippines' disaster management system needs clear accountability and strengthened cooperation among stakeholders to move forward. (Photo by AP/inquirer.net)

Editor's Notes

During a public forum on disaster risk reduction and management (DRRM) organized by the Philippine Institute for Development Studies (PIDS) sometime this year, local stakeholders revisited the implementation of the Philippine DRRM Act of 2010. The conversation was led by Dr. Sonny Domingo, a PIDS senior research fellow, who assessed the strengths and weaknesses of the law's implementation. The results of his study with Divina Olaguera are succinctly summarized in the banner article of this issue. Domingo made it clear in that forum that structural issues are blocking the efficient execution of the National Disaster Risk Reduction and Management Plan—the blueprint that aims to operationalize the DRRM Act.

Many forum participants, particularly those from civil society groups involved in DRRM evaluation, concurred with Domingo. Specific issues identified include, among others, the weak coordination and cooperation between DRRM agencies, the latter's seeming lack of focus on their DRRM functions as these compete with their primary mandates, the

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'Clear leadership' needed

In a policy note titled "*Have We Institutionalized DRRM in the Philippines?*", Domingo and Olaguera said the Philippines cannot continue to have a focal disaster organization that only has coordinative functions given the country's high exposure to disaster risks.

Currently, the National Disaster Risk Reduction and Management Council (NDRRMC) is only mandated to coordinate the identification, monitoring, and evaluation of DRRM programs, projects, and activities per RA 10121. Meanwhile, the said law does not empower the council with implementing functions.

According to the authors, this failure of the government to clarify institutional authority has led institutions involved in DRRM to implement initiatives "with relative independence" from the National Disaster Risk Reduction and Management Plan (NDRRMP). The lack of coordination and harmonization weakens implementation of DRRM activities.

"Fully directing institutional DRRM initiatives based on the NDRRMP requires clear leadership from the NDRRMC and Office of Civil Defense (OCD) at the top, and the thematic pillar leads from the wings," the authors said.

As per the NDRRMP, the NDRRMC is chaired by the defense secretary and supported by the OCD. Serving as thematic pillar leads are the Department of Science and Technology (DOST) as the council's vice-chair for mitigation and prevention, the Department of the Interior and Local Government (DILG) for preparedness, the Department of Social Welfare and Development (DSWD) for response, and the National Economic and Development Authority for rehabilitation and recovery.

"Institutional leadership and initiative are key not only for the current level of accomplishment but also for the future successes in DRRM," the authors added.

Domingo and Olaguera also criticized the current institutional setup of the council, wherein the tasks are being passed on to the council members occupied with different primary mandates. As such, "the NDRRMC perennially suffers from competition with other departmental missions," they explained.

They urged the government to "look at other institutional arrangements for dealing more committedly with DRRM" and also encouraged the creation of a unified disaster management agency responsible for all phases of DRRM.

The NDRRMC is currently studying the proposal to create the Civil Defense Authority, an independent agency that will have both policy and implementing powers.

The authors, however, favored the empowerment of the OCD as the secretariat of NDRRMC "instead of starting from scratch".

"It may be necessary to assess whether the OCD can function as a high-level institution that can lead, coordinate, and monitor the implementation of RA 10121 and the NDRRMP," they said.

Poor tasking, partnership noted

Domingo and Olaguera also noted some issues in the tasking of responsibilities, particularly with OCD handling the monitoring, evaluation, and coordination.

"Some institutions are simply in a better strategic and resource position to assume certain responsibilities," they explained. For instance, while the OCD has the mandate to review and recommend appropriate

plans for local government units (LGUs) when it comes to hazards, "the task requires work and resources of which the DILG has the capacity" to provide.

Meanwhile, the authors also urged the NDRRMC to utilize their regional and local partners to strengthen their networks and institutional support.

"A culture of cooperation among DRRM-relevant institutions will encourage the sharing of expertise, experiences, and even resources, and promote collective progression," the researchers explained. To realize this, they said the government should establish institutional collaboration and capacity augmentation between the institutions.

"We have primed the institutional backbone embodied under the law, but the spirit of coordination and cooperation still needs to be strengthened," they said.

Moreover, they explained that although the autonomy of the LGUs has to be respected, "the national government should ensure compliance from the LGUs especially in the face of impending disasters."

"[The government] can likewise use RA 10121 to elicit compliance as local officials can be removed from the office due to gross negligence," their study stated.

They also noted that staffing problems, both in the poorest municipalities and OCD itself, still persist.

In the case of OCD, the failure of the government to approve plantilla positions has resulted to its inability to develop a sense of operational continuity and institutional history. Meanwhile, the authors identified the issue as one of the reasons why capacity building within LGUs is more difficult.



“[The] inadequate number of dedicated personnel at the local level also compromises the government’s drive to raise awareness among people about the risks and vulnerabilities they face,” the authors said.

‘Whole-of-government’ approach pressed

Domingo and Olaguera also encouraged the government to harmonize the apparent institutional divide between the NDRRMP and the Climate Change Action Plan (CCAP) to be “consistent with a whole-of-government approach”. “While NDRRMP also covers climate change issues, it significantly differs from the CCAP,” the authors said.

They explained that the NDRRMP focuses on operational grounding under the four pillars, while the CCAP prioritizes strategic initiatives on food security, water sufficiency, ecosystem and environmental stability, human security, climate-smart industries and services, sustainable energy, and capacity development.

“As one of the DRRM pillar vice-chairs, the DOST seems to transcend this divide as it proves to be a key player in both DRRM and climate change initiatives,” the authors explained. According to them, this may be because the line between climate change initiatives and DRRM when it comes to prevention and mitigation, which DOST spearheads, is indistinct.

Equitable funding pushed

In another policy note titled “*Do We Have Enough Resources for Disaster Risk Reduction and Management?*”, Domingo and Olaguera called for a more equitable distribution of DRRM resources.

While they found remarkable increases in DRRM funds in the yearly General Appropriations Act (GAA), they said the local disaster risk reduction and management fund (LDRRMF) remains “skewed against poor LGUs”.

According to RA 10121, LGUs are expected to set aside not less than 5 percent of their

annual revenues for their LDRRMF. Thirty percent of this fund will serve as a lump-sum allocation for quick response fund (QRF). The remaining 70 percent should be allocated for disaster prevention and mitigation, preparedness, response, rehabilitation, and recovery.

This means a lower annual revenue induces a lower DRRM fund, and specifically, a lower fund for quick response, among others.

“An [internal revenue allotment] of PHP 100 million only translates to PHP 5 million of LDRRMF, PHP 1.5 million of which is the QRF,” the authors explained.

“The amount is clearly insufficient if an LGU has to deal with 5 to 18 typhoons a year, as in the case of Quezon and Bicol provinces,” they added.

Worse, “fund realignment is difficult in small towns, particularly fourth and sixth class towns,” according to the study.

The researchers thus urged the government to give priority to the poorest LGUs in terms of DRRM funding.

Starting in 2012, the Philippine Congress has included standby funds in the form of QRF in the GAAs of a few line departments to facilitate access to resources in times of emergencies and disaster events. However, the Commission on Audit (COA) has noted some red flags in the departments’ expenditure of the said fund. For instance, the Department of National Defense used PHP 74.7 million of its QRF for procurement and repair expenses in 2016, which do not fall within the definition of the GAA, according to a 2016 COA audit report.



Despite increased budget for DRRM, poorer LGUs still receive lesser funding due to current fund allocation schemes. (Photo by LGU-Pagbilao/pagbilao.gov.ph)



DRRM fund appropriation among NDRRMC member-agencies requires revisiting, the study suggests. Some agencies, such as DSWD, receive more regular funds than others despite having the same level of proactivity and resiliency expectations. (Photo by Richard Madelo/pcoo.gov.ph)

Funding for mitigation, other agencies 'wanting'

Domingo and Olaguera also questioned the current distribution of climate change expenses, which mainly fall under adaptation measures on water sufficiency, sustainable energy, and ecological and environmental stability.

“As a result, budget appropriations for climate change mitigation seemed wanting,” the authors said.

They encouraged the government to increase funding for mitigation measures, which also “deserve the same attention and resource support as the seemingly more practical and saleable climate change adaptation measures”.

Moreover, while the DSWD has had no problems resource-wise, the researchers noted that other member-agencies of the NDRRMC, particularly the Department of Foreign Affairs, do not receive regular funds to support DRRM.

“The same issue exists within the other thematic pillars, where only a handful of departments are provided with QRFs and specific DRRM funding, yet proactivity and resiliency expectations are high for each one of them,” they added.

They also explained that placing funds in the agency’s budgets subjects it to budget ceilings, within which DRRM competes with the rest of the projects of the departments.

Audit, procurement rules need revisiting

Domingo and Olaguera also pointed out that the “audit rules are currently too standardized, allowing only limited maneuvering during times of crisis.” More so, the procurement processes are either “too difficult to comply with, or they do not have a good fit with the requirements of DRRM.”

The researchers called for the establishment of a separate window for

the management and audit of disaster funding. To further refine the process, they added that COA should also establish bigger venues for consultation meetings to hear the comments and complaints of local officials involved in disaster funding.

In terms of the procurement rules, they advised COA to consider a preprocurement system, like in Japan, that may allow for faster disaster response and rehabilitation work. The said Asian country earlier franchised its stretches of highways with contractors working on specific sections.

“The rigorous procurement process in the Philippines may lend to more fund control at the detriment of expediency,” the researchers said.

Domingo and Olaguera also expressed concern over the failure of the government to fully utilize the People’s Survival Fund (PSF).

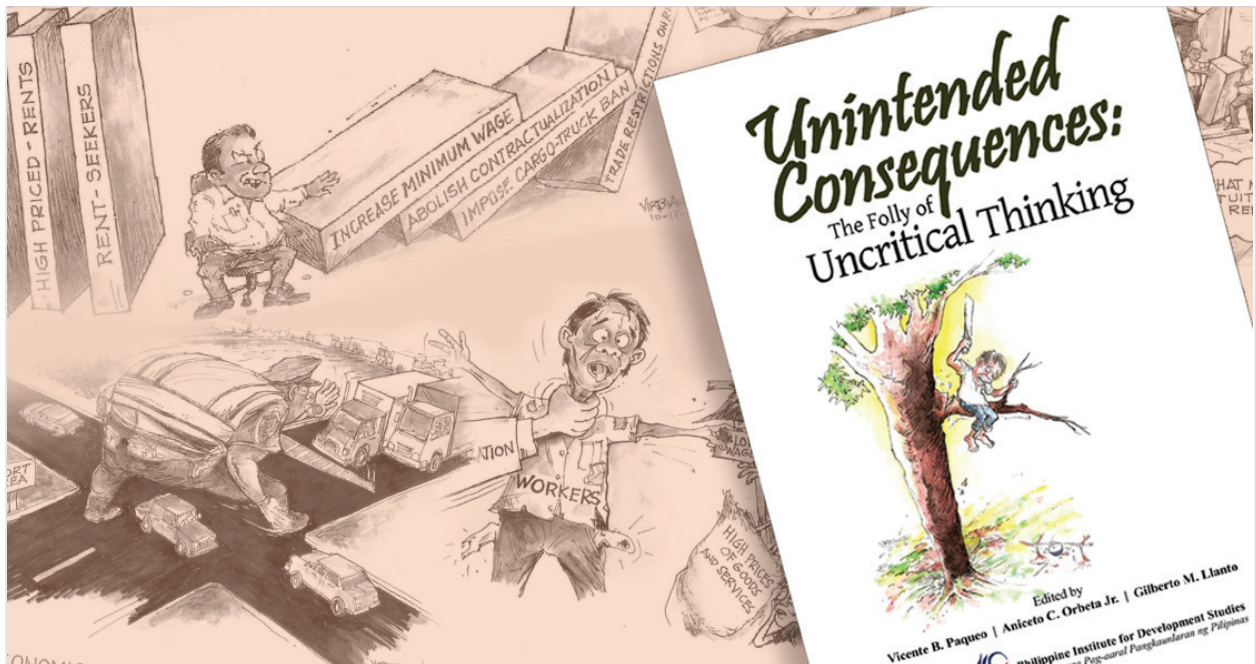
According to the Climate Change Commission (CCC), PSF is a “special fund in the National Treasury that will finance climate change adaptation programs and projects”.

They said the rigorous process of the CCC and the absence of clear guidelines on the use of the PSF make the fund worth PHP 2 billion inaccessible to the public. With this, they encouraged the government to design DRRM processes intended to facilitate fund access.

Related to this is the issue DSWD raised on the possible recentralization of proposed budget releases for QRFs with the Department of Budget and Management. According to the agency, this will add a bureaucratic layer in the process as funds will not be automatically released to beneficiaries.

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The hits and misses of Philippine policies



Editorial cartoons were used to better illustrate the message of every chapter in the book. (Photos lifted from the book, *Unintended Consequences: The Folly of Uncritical Thinking*)

“The people you want to protect, supposedly, are getting hurt by your intervention.”

These were the words of PIDS Distinguished Visiting Research Fellow Vicente Paqueo as he presented some of the unintended consequences of the country’s policies and programs that were designed with good intentions but had somehow resulted in bad outcomes.

Paqueo made his presentation during the launch of the new PIDS book, *Unintended Consequences: The Folly of Uncritical Thinking*. The launch that happened middle of this year at the Institute’s office in Quezon City was attended by members of the academe, government, civil society, and media.

The book was an attempt to engage the Filipino public in critical thinking, particularly on policies and programs that are meant to benefit Filipinos. The authors and the editors packaged the articles in a way that is most comprehensible to become an easy read for students, young politicians, and eligible voters—the drivers of our society’s democracy. Each chapter comes with a corresponding editorial cartoon to graphically illustrate the message of the policy research.

The book tackles 10 policies that are highly relevant to the development of the country, as well as the welfare of the Filipinos. Each chapter is intended to tickle the minds of critical readers and encourage them to share their opinions on the views of the

authors. In some chapters, the authors recommend possible concrete alternatives to counter the negative consequences, while in other chapters, the authors propose a framework for further analysis of the issues. To give DRN readers a sneak peek of what to find in the book, here is a rundown of each article’s summary:

Choosing commuter relief over economic loss

Motivated by the intention to ease the Filipino commuters’ daily ordeal when traversing the country’s main thoroughfares, Manila passed City Ordinance No. 8336, or the cargo truck ban. When asked what causes the traffic in Manila, people were quick in

blaming the humongous cargo trucks passing through Manila's main roads, which take too much road space. When the ban was implemented, commuters were able to save a few extra minutes to accomplish productive things. What was not anticipated by government were the economic implications of delaying the movement of cargoes from the ports to their would-be clients.

For-hire cargo trucks convey goods and products vital in sustaining business around Metro Manila. The ban caused long queues in and out of the ports of Manila due to the limited time allotted for these trucks to transport their load. Meanwhile, another policy enjoining for-hire trucks to apply for yellow license plates added more fuel to the fire. In the book, the author said it took the Land Transportation Franchising and Regulatory Board some time to approve the license applications. This caused trucking companies to halt operations, or else, face apprehension. These two policies affected the movement of goods

in and out of Manila. Issues like delays in delivery and spoilage of perishable goods were encountered by business owners, which later translated into higher prices of goods and services to the detriment of the Filipino consumers.

Higher wages led to unemployment

As prices of commodities further increase, the plea of labor groups for higher legal minimum wages (LMWs) gets more intense. The minimum wage regulation under the Labor Code of the Philippines was aimed at helping the poor, employed sector live in dignity. However, this was not entirely true for all of the working population of the Philippines. Higher LMWs meant lesser working hours for employees who depend on overtime work to earn a few extra bucks and provide for their families. It also meant unemployment for the vulnerable workers—mostly coming from poor households—as employers tend to lay off laborers to sustain their business in the light of increasing LMWs. Analysts also

noted reduced employment opportunities for women, the less educated, and the inexperienced working-age population in the country.

Moreover, increasing LMWs also hindered small and medium enterprises from upgrading their workforce, thus, losing their competitive advantage to larger companies that can easily afford to absorb the LMW increase. In effect, while the policy was intended to uplift the lives of workers from poorer households, it resulted in reduced opportunities, even unemployment, for some of them.

More capital, less jobs

When the Board of Investments started giving fiscal incentives to small businesses, the intention was to help them develop and flourish and, therefore, create more jobs for Filipinos.

However, because the fiscal incentives have made investing in capital goods cheaper and considering the rising cost of labor from periodic increases in minimum wage, using machines has become more advantageous to small businesses than hiring additional workers.

The authors suggest reforms in the current labor regulations, arguing that a different wage policy should be applied to smaller firms to make financial incentives more effective. This would level the playing field between micro, small, and medium enterprises and larger firms, and promote worker mobility in the labor sector.

Should we really scrap “endo”?

Ending temporary employment contracts (TECs), more commonly known as “endo”, is generally perceived to result in a higher level of job security for Filipino workers because employed workers shall



Labor regulations such as increases in minimum wage may result in more jobless Filipinos, according to an article in the book. (Photo by Danny Pata/inquirer.net)

be entitled to benefits and can only be dismissed through a due process after six months of probationary work. This is rather costly, economically.

According to authors Vicente Paqueo and Aniceto Orbeta Jr., TECs provide an effective platform for seasonal, fixed-term, and project-based work. Workers with poor credentials would be disadvantaged as they seek for formal employment. TECs also aid in making the economy fluid in cases of economic shocks and business fluctuations.

The ending of TECs may also lead to the possibility of employers further circumventing the law and, thus, creating a more unfair environment for temporary workers.

Rice self-sufficiency program led to price spikes

In 2011, the Philippine government insisted that every Filipino should eat rice that is planted, reaped, and sold in the Philippines. In effect, rice self-sufficiency policies were initiated (1) to support domestic rice production and (2) to promote barriers to rice importation.

Alongside rice production support (e.g., farm mechanization, irrigation provision), the government also implemented policies to protect domestic production by limiting importation.

The book, however, argues that the prolonged implementation of the rice protection policy created an adverse effect on the country's rice industry. Because rice producers were not able to meet the local demand, rice prices shot up, which mostly hurt the poor. Statistics also show that malnutrition and stunting in children aged 0–5 years increased over the course of the policy implementation. What was

deemed an effective move to achieve food security turned out to be a policy that has made more Filipinos hungry.

Roehlano Briones, author of the chapter, says the government should have implemented tariffication of rice imports rather than completely banning them. The tariffs collected, Briones said, can be used to fund “safety nets for rice farmers”.

Rent control does not benefit the poor

The government's rent control initiatives had been effective in reducing rental fees of public housing units. However, this did not translate to better-quality housing. While paying lower fees, renters suffered in small dwelling spaces that were poorly maintained. In some cases, they got the same poor service even if they paid higher rental fees implying overpricing.

The authors, Marife Ballesteros and Tatum Ramos, recommend looking into subsidizing rental assistance or providing housing allowance to make housing more affordable to marginalized families. This, the authors said, could be more effective than public provision of housing, “which is costlier and less efficient than direct income transfers”.

Corruption in the logging industry

Motivated by the adverse effects of deforestation in the country, the government implemented Executive Order (EO) No. 23, also known as the total log ban. The law restricted logging activities in the country for an indefinite period. However, while overexploitation of the Philippine forests halted, the policy's negative economic, social, and environmental outcomes began to be felt.

The book cites the experience of the Caraga wood industry. The indefinite ban

caused several wood processing businesses to stop their operations. Noncompliance with government requirements, such as proof of log supply stock for five years, led to the suspension of their business permits. Overregulation also resulted in bribery and corruption among government regulators. Logging companies faced numerous “fees” that later translated into higher prices of wood products.

The authors recommend reforming EO 23. They argue that through a more relaxed logging regulation, faster and sustained regrowth of quality trees, and modernization of wood processing plants in the country, the Philippines would be in a better position to achieve a realistic and more holistic approach to environmental conservation.

Zamboanga's success to combat overfishing

Open access fishing created a bountiful economy for fishing companies but over the years, it has taken its toll on the reproductive capacities of the Philippine seas. Initially intended to promote food security, the unmanaged and unregulated fishing activities resulted in overfishing. Not long after, the effects of overfishing were felt by fish producers in Zamboanga.

To address the issue, the government and sardine producers in the province collectively agreed to a three-month closed season for commercial fishing during the spawning seasons. This allowed the seas to recover and the fishes to reproduce well. At first, local fishermen and some canning industries were cynical to the closed season strategy. However, when the strategy proved to be effective, a 100-percent compliance rate was observed in the peninsula.

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Philippine telcos' regulatory systems below international standards



The Philippines' large demand for telecom providers requires a more robust regulatory system. (Photo by Abd Allah Foteih/AFP)

THE QUALITY OF the Philippine telecommunication regulatory environment is significantly below international standards, according to a recent study of state think tank Philippine Institute for Development Studies (PIDS).

Authors Ma. Kristina Ortiz, Ramonette Serafica, and Jose Carlos Alexis Bairan, in their discussion paper, explained that the Philippines has an overall rating of 52.50 out of 100 in the scoring system set by the International Telecommunications Union.

This makes the Philippines the second lowest among seven Southeast Asian countries assessed. The other six are Singapore, Malaysia, Thailand, Viet Nam, Myanmar, and Cambodia. These countries were assessed in terms of regulatory authority, regulatory mandate, regulatory regime, and competition framework.

The Philippines scored lowest in regulatory regime with only 7 out of 30 points (23%). Regulatory regime reviews specific regulatory interventions and covers the kind of targeted regulation needed to promote a healthy competitive environment.

For one, the Philippines does not issue global/unified licenses, which is considered optimal and reflects increased market liberalization in the global market.

Like Myanmar, it does not compel operators to make publicly available information about interconnection. Myanmar, however, requires quality of service monitoring but not the Philippines.

The absence of number portability, or the ability of mobile phone users to retain

their mobile number when changing from one mobile network carrier to another, is also considered a weakness of Philippine telcos.

“Policies that will reduce customer switching and search costs, as well as promotion of efficient use of facilities, embedding adequate monitoring and data reporting, and clearly specifying obligations or rules of conduct of various market players are seen as possible interventions to improve telcos in the country,” the authors pointed out.

Another flaw of Philippine telcos is on regulatory mandate, which evaluates the various regulatory functions of the regulator based on its thrusts.

In this cluster, the Philippines ranks second lowest with 10.5 next to Myanmar

with 7.5 out of a possible 22 points. The low score of the Philippines can be attributed to a number of factors, such as the lack of regulatory mandate over interconnection rates and universal access/service.

In the Philippines, acquiring the necessary authorization to provide telecommunication services is done in two levels. One is a license obtained from Congress and the other is a certificate from the National Telecommunications Commission (NTC).

“Based on international standards, the first step is no longer necessary,” the authors explained, arguing that “Congress should no longer be involved in granting franchises as the regulator should have the sole authority for licensing.”

The authors also noted that while the NTC can revoke licenses and impose fines, still, it implements weak penalties.

“On the one end, revocation of a license will only happen in extreme cases, and the decision can be challenged in [the] courts since the NTC is a quasi-judicial body,” they posited.

Ortiz and her co-authors also took note of the NTC’s implementation of ‘unrealistically low fines’ prescribed by old laws like the Public Services Act of 1936 (Commonwealth Act No. 146) that sets a fine of not more than PHP 200 per day.

To improve the efficiency of Philippine telcos, the authors proposed the restructuring of the NTC to ensure its independence, diversifying its sources of funding, and allowing the NTC to set higher, more appropriate fines to deter bad behavior. **GBDC**

DRRM’s design... from p. 4

“The intention to control budget releases to different agencies on a needs-based arrangement may potentially defeat the purpose of having a QRE,” the authors explained.

“Ultimately, the full realization of RA 10121 and the NDRRMP requires appropriate sectoral and institutional translation of the national agenda, reflecting more refined institutional arrangements, policy support, feedback,

and evaluation mechanisms,” the authors said.

The Philippines is the second most affected by weather-related losses and the second most disaster prone among 171 countries, according to the *World Disaster Report 2014* and the *Global Climate Risk Index 2014 Report*, respectively. Aside from the cost on human lives, the country also incurs massive economic losses from disasters, amounting to roughly PHP 80 billion every year. **RGV**

The hits and misses... from p. 7

Livelihood programs for unemployed fishermen during the spawning season should be intensified to prevent, if not mitigate, the unintended consequence of a closed fishing season, the book suggests.

The fate of the 4Ps

Not all people are happy with the government’s conditional cash transfer program, the *Pantawid Pamilyang Pilipino Program* (4Ps). Critics claim that it has developed a culture of dependency, laziness, and mendicancy among its grantees since they are free to spend government money in any way they desire.

However, the analysis in the book showed the opposite. Based on research findings, the 4Ps kept children in school, decreased child labor, improved health access, and promoted responsible spending among the program’s beneficiaries.

Looking beyond moral beliefs and opinions

Critics of the Reproductive Health (RH) Law suggest that the incidence of teenage

pregnancy increases when sex education is taught in class prematurely. It results in increased curiosity in sexual activities, they claim.

However, evidence-based studies conducted in the Philippines do not support this. They reveal that the incidence of teenage pregnancy is higher among the less informed. Should this persist, there will be an increase of young people with lower levels of education. The book thus suggests looking beyond moral beliefs and opinions and deeper into the benefits of enacting a comprehensive RH law.

Find out more about these policies and their unintended consequences by getting a copy of the book which is available in print and digital formats. Buy a copy from the PIDS Library (call +632 877 4024 or email publications@mail.pids.gov.ph) or simply download the electronic copy from the PIDS website via this link: <http://bit.ly/2y8iVOJ>. **CPSD**

Planning gaps in government procurement delay fund disbursement

THE DELAYS IN government spending for the past years may stem from various reasons, with procurement as one of the major reasons, a study by state think tank Philippine Institute for Development Studies (PIDS) said.

The discussion paper, “The Promises and Pains in Procurement Reforms in the Philippines”, authored by National Economic and Development Authority Undersecretary Adoracion Navarro and PIDS Research Analyst Juan Alfonso Tanghal, examined the procurement system in the country to fully understand the challenges in its implementation. Navarro wrote the paper while she was a senior research fellow at PIDS.

According to the study, most government agencies have problems in the preliminary or the planning stage of procurement—including difficulties in coming up with the correct cost estimates or the ceiling price, which result in failure of biddings that delays the disbursement of funds.

Moreover, among the recurring reasons for delays in the planning stage is the lack of knowledge and technical know-how on the part of end users and procurement teams about Republic Act No. 9184 or the Government Procurement Reform Act of 2003.

To resolve this issue, the authors suggested the hiring of procurement specialists or transaction advisers to aid in streamlining and fast-tracking the procurement process.

Collusions or conspiracies between agencies and suppliers are also prevalent in government agencies. To prevent this from happening, the authors proposed the implementation of an integrity pledge to be included as part of the technical specifications. A ‘round-robin’ scheme may also be adopted to give equal opportunities to contractors.

In terms of the functionality of the Philippine Government Electronic Procurement System (PhilGEPS), accessibility is among the major issues, the study said. Due to unreliable internet connection, government agencies often post during ‘dead’ hours or on weekends, when it is possible to upload large files. The PhilGEPS is the Department of Budget and Management’s centralized electronic portal that serves as the primary source of information about government procurement.

The authors urged government agencies to pursue investments on systems change and organizational culture change, invest on planning and other preparatory activities before the actual procurement, innovate orientation in public procurement, and adopt value-for-money procurement.

Moreover, they noted that the government encourages competitive bidding, which is the most used type of procurement bidding (99% for civil works, 96% for goods, and 85% for consulting services), records showed. This, according to them, is a promising result because aside from it being the required mode by law,

“competition elicits the selection of the most efficient firm and thereby ensures production efficiency and low cost.”

This is contrary to the current proposal of Congress to give emergency powers to President Rodrigo Duterte authorizing him to adopt alternative modes of procurement for transportation projects to address crisis in the sector.

Based on the data gathered for civil works, which is expected to get the largest portion of the transportation budget, the bid failure rate for alternative mode is higher at 59 percent compared to 47 percent under the competitive mode.

The authors said that “the result does not support the intention of Congress’ proposal to do away with competitive bidding in order to fast-track transportation projects.”

Navarro and Tanghal assessed the following government agencies in their study: Department of Public Works and Highways, Department of Education, Department of Social Welfare and Development, Department of the Interior and Local Government, Department of Agriculture, Department of Health, Department of Transportation and Communications, Department of Environment and Natural Resources, and Commission on Elections. According to the authors, these agencies registered the largest underspending in 2014 and 2015.

GBDC



Research Digests

Research Paper No. 2017-01

An Assessment of the Community Mortgage Program Implementation Strategy

by *Marife M. Ballesteros, Tatum P. Ramos, and Jasmine E. Magtibay*

The Community Mortgage Program (CMP) is a financing scheme that enables organized residents of slums to borrow funds for land purchase and housing development. It is considered to be the most innovative and responsive government housing program in the Philippines. Nevertheless, the CMP still has weaknesses that have not been given much attention during the years of its implementation. Know more about the issues surrounding the CMP, such as those that pertain to program targeting, service delivery, and organization, and the current processes and overall performance of the CMP, including its variants—the localized CMP and the High-Density Housing Program. The study also provides recommendations on how the identified issues can be addressed.

Policy Notes No. 2017-12

Have We Institutionalized DRRM in the Philippines?

by *Sonny N. Domingo and Ma. Divina C. Olaguera*

The Philippine archipelago is one of the riskiest places to live in given the natural geological and hydro-meteorological occurrences, aggravated by human-induced disaster situations. As such, an effective disaster risk reduction and management (DRRM) scheme requires action on several fronts, such as governance, social protection, infrastructure, and resource management.

This *Policy Note* assesses the extent of DRRM institutionalization in the country, as well as its knowledge and science application, regional and local cooperation, human capital and capacity building, accounting and administrative processes, and monitoring and evaluation options. Among others, it discovers an apparent institutional divide between the Climate Change Action Plan and the National

Disaster Risk Reduction Management Plan, which is inconsistent in the context of a whole-of-government approach. Read more about the authors' recommendations to strengthen DRRM policies and programs in the Philippines.

Policy Notes No. 2017-11

Assessment of the Targeting and Financing Aspects of the RSBSA-AIP

by *Celia M. Reyes and Christian D. Mina*

The Philippine Crop Insurance Corporation (PCIC) is among the first users of the Registry System for the Basic Sectors in Agriculture (RSBSA) list—a registry of farmers, fisherfolk, and farm laborers mainly used to identify beneficiaries for different agriculture-related programs and services of the government—for the implementation of its special program, the RSBSA Agricultural Insurance Program (AIP). This *Policy Note* looks into the targeting and financing aspects of the RSBSA-AIP and uncovers leakage problem due to the lax eligibility requirements. It also finds that the PCIC has excluded a significant proportion of eligible agricultural producers from the said program simply because they are not found in the list. Know more about the issues surrounding the RSBSA-AIP and the recommended interventions to come up with a more holistic and efficient RSBSA list.

Policy Notes No. 2017-09

Do Men and Women in the Philippines Have Equal Economic Opportunities?

by *Jose Ramon G. Albert and Jana Flor V. Vizmanos*

According to the World Economic Forum, the Philippines has been leading the economies of the Association of Southeast Asian Nations in advancing gender equality since 2006. The organization cited, however, that the country needs to improve economic opportunities for its women population. Using select indicators of the Sustainable Development Goals, it was found out that employed Filipino women indeed face more disadvantages than men. Discover the reasons behind the inequality and

how the government can intervene to promote equal economic opportunities.

Discussion Paper No. 2017-19

Rebooting Philippine Telecommunications Through Structural Reform

by *Ma. Kristina P. Ortiz, Ramonette B. Serafica, and Jose Carlos Alexis C. Bairan*

The quality of the Philippine telecommunication/information and communication technology (ICT) regulatory environment is significantly below what is considered international best practice. A package of structural reforms is needed to improve regulatory quality and support the efficient functioning of ICT markets. Know more about the recommended reforms to improve the current telecommunications structure of the Philippines through this paper.

Discussion Paper No. 2017-18

Review of Intra-ASEAN Nontariff Measures on Trade in Goods

by *Erlinda M. Medalla and Melalyn C. Mantaring*

The Association of Southeast Asian Nations (ASEAN) has been working toward the free movement of goods in the region. Although significant progress has been made in the opening up of markets through tariff elimination, addressing the issues on nontariff measures (NTMs) remain. With the reduction in tariffs across the globe, increasing attention has thus shifted to the effects of these NTMs that become simply nontariff barriers to trade.

NTMs could be justified for different reasons, such as health, security, environment, and consumer protection. However, they could adversely affect the global and regional production chains by unnecessarily increasing the cost of doing business. The discussion paper provides a review of NTM implementation in the Philippines, as well as implications to both local and international trade. Know more about these and some policy recommendations for NTMs to be more beneficial at the ASEAN level.

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mere coordinative function bestowed upon the National Disaster Risk Reduction and Management Council and its implementing arm (Office of Civil Defense), and the lack of compliance of some local government units with the DRRM Act as far as the implementation of their DRRM plans is concerned. These are critical gaps in the current design and implementation of the law that need urgent attention. Each year, the country incurs roughly PHP 80 billion from disasters. Economic losses of this magnitude can be substantially mitigated through more effective policy implementation.

Meanwhile, the story on the unintended consequences of some of the country's policies and programs shows that well-meaning plans can lead to undesirable outcomes. This theme is widely explored in the PIDS book, *Unintended Consequences: The Folly of Uncritical Thinking*,

which analyzes the effects of public policies in addressing everyday concerns such as traffic, food security, and housing, as well as more controversial issues like sex education, minimum wage, unemployment, intergenerational poverty, and environmental conservation.

This book stresses the fact that the government at times neglect to conduct a careful study of proposed policies, leading to harmful effects. A case discussed in the book is the cargo truck ban implemented in the city of Manila in 2014. While it somehow eased the traffic, it hampered the transport of cargoes that carry raw materials and finished goods to businesses around Metro Manila and surrounding areas. The total economic losses from the ban was valued at PHP 45 billion. Another case is the rice self-sufficiency policy of the government which led to higher rice prices and greater incidence of hunger and malnutrition—all to the detriment of the poor. The book resonates with an important message to policymakers, that is, to value the importance of critical thinking and rigorous analysis in the

formulation of policies and programs. For the public, on the other hand, it encourages them to remain critical of everything they see online in this age of social media—where information from various sources can be accessed easily and the so-called “fake news” are rampant.

Completing this issue are articles on the government's procurement law and the state of the country's telecom sector. The underspending and slow disbursement of government funds have been attributed to the procurement law but these claims are largely anecdotal. A new PIDS study, however, is shedding light to the issue. The study shows that the problem is not the law per se but the agencies' capacity to properly undertake the planning stage of the procurement process because they have poor knowledge of the law's implementing guidelines. Meanwhile, the write-up on the telecom sector should serve as a wake-up call for the government and the private sector to upgrade the standards of the sector, which is an important backbone of the country's business and services industries.

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