

Preface



NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY
Pasig City

Within 100 days after President Gloria Macapagal-Arroyo's inaugural, the Medium-Term Philippine Development Plan (MTPDP) 2004-2010 was produced. The Plan reflects the administration's focused determination to immediately buckle down to work and get the country moving toward a higher growth path.

The National Economic and Development Authority (NEDA), the country's central planning agency, worked closely with the various government line agencies to flesh out the President's 10-point Agenda for the next six years. It comes as no wonder that President Arroyo herself crafted a comprehensive outline for the entire Plan, and even detailed strategies and measures for immediate action and implementation.

While clear directions were coming from the top, equally significant to the Plan's formulation were the inputs which came from the private sector, academe, legislature and civil society. Their contributions were consolidated from inter-agency committee meetings, with the NEDA Staffs serving as the secretariat.

Prior to its final print, the Plan was presented to the Cabinet Clusters on the Economy, Social Justice and Security on September 22, 2004. Following the incorporation of inputs from the said meeting, the Plan was laid out for further refinement to President Arroyo and her Cabinet during the first week of October.

The Plan consists of five parts – Part I: Economic Growth and Job Creation, Part II: Energy, Part III: Social Justice and Basic Needs, Part IV: Education and Youth, and Part V: Anti-Corruption and Good Governance.

The first part covers nine chapters to accelerate growth and job creation, namely, (1) Trade and Investment, (2) Agribusiness, (3) Environment and Natural Resources, (4) Housing Construction, (5) Tourism, (6) Infrastructure, (7) Fiscal Strength, (8) The Financial Sector, and (9) Labor.

Special emphasis was given on vigorous support for micro, small and medium enterprises and agribusiness as they are the most efficient generators of jobs in terms of jobs to investment ratio.

One key strategy for job generation is to develop two million hectares of new lands for agribusiness that is expected to generate two million new jobs and enhance the productivity and incomes of Filipino farmers who comprise most of the country's poor. The Plan also aims to create three million microenterprises and provide them with credit, technology and marketing support.

An underlying theme in the Part I chapters is on wealth creation through the facilitation of investments in mining, oil and gas exploration, the re-launch of massive reclamation projects, and the development of the Clark-Subic corridor as the logistics center for the Asia-Pacific region.

Part I also tackles the legislative and administrative measures needed to make the public sector deficit more manageable. These initiatives should generate about PhP100 billion in terms of additional annual revenues, savings through austerity and efficiency measures, and more aggressive action against smugglers and tax evaders.

Part II of the MTPDP covers energy independence and power sector reforms. Greater energy independence will be achieved through increased oil and gas exploration, development of renewable energy, expanded use of natural gas, forging of strategic alliances, and through energy efficiency and conservation. Power sector reforms, intended to reduce electricity rates, include resolving the problem of the losses of the National Power Corporation, encouraging private sector participation in power generation, and total barangay electrification by 2008.

Part III of the Plan is on the theme of Social Justice and Basic Needs. This section covers the antipoverty program of government, achieving national harmony through automated elections, the peace process and healing the wounds of EDSA 1, 2 and 3. This part also discusses the basic needs issues of peace and order, and the rule of law.

Antipoverty measures revolve around five goals: (1) enhanced livelihood activities through credit support and capacity building; (2) asset reform that includes agrarian reform and ancestral domain issues; (3) improved accessibility and affordability of essential services including clean water and health care and reducing by half the cost of medicines; (4) protection of the vulnerable, i.e., the children, youth with special needs, women in difficult circumstances, persons with disabilities, and the elderly; and (5) empowerment of the poor through the KALAHI-CIDSS or Kapit-Bisig Laban sa Kahirapan Comprehensive and Integrated Delivery of Social Services Project and through private sector-led initiatives such as the Gawad Kalinga and Habitat for Humanity.

Education and Youth Opportunity make up Part IV of the Plan. It contains three chapters, namely, Education, Science and Technology, and Culture.

The strategies on education are categorized under: (1) early childhood education, (2) basic education, (3) technical, vocational education and training, and (4) higher education. The main concern discussed in the Science and Technology chapter is the acceleration of knowledge creation and transfer to promote technology-based entrepreneurship. Mainstreaming culture into the overarching goal of development and institutionalizing culture in education and governance are also tackled in this part of the Plan.

Part V of the Plan dwells on the theme of Anti-Corruption and Good Governance. Anti-corruption strategies are categorized into punitive, preventive, promoting zero tolerance for corruption, and bureaucratic reforms.


Still in line with achieving national harmony, Part V also has a chapter on Defense Against Threats to National Security expounding on the Philippine Defense Program, upgrading the capability of the Armed Forces of the Philippines, ensuring the observance of cease-fires, and enhancing the country's ability to fight terrorism.

The chapter on Responsive Foreign Policy discusses the primary goal of protecting the interest of the country amid the realities in the global and regional environment.

Finally, the Plan closes with the chapter on Constitutional Reform. The goal of these reforms is to create more effective political institutions and more relevant and accountable political parties. Constitutional reforms that encourage more liberal economic policies that would facilitate the entry of more investments and minimize judicial interference in economic decisions will also be pursued.

Specific programs cited in the MTPDP will be fleshed out in greater detail with the publication of the rolling medium-term public investment programs, beginning with the 2005-2007 Medium-Term Philippine Investment Plan. Before yearend, the Regional Development Plans/Investment Programs that complement the MTPDP shall also be published.

The MTPDP can and will be successfully implemented provided all sectors of society rally behind it, each performing their roles and sharing in the great responsibility to ensure the country's growth that would benefit the greatest number of Filipinos.



ROMULO L. NERI
Socioeconomic Planning Secretary
and NEDA Director-General