

National Economic and Development Authority

The NEDA logo shows Man as the center of development, with four arrows signifying development efforts focusing on man. The arrows represent the four major dimensions of development, namely, economic (infrastructure/fiscal, jobs creation aspect); social (human development/basic needs aspect); political-administrative (good governance reforms); cultural (sense of identity). Each component enhances the well-being and quality of life of the Filipino.



As the country's highest socio-economic development planning and policy coordinating body, the NEDA ensures that plans and programs of various agencies are in consonance with one another. The NEDA provides the strategic directions that will guide government and the private sector in crafting development policies to attain sustainable economic growth with equitable distribution of wealth.

Legal Basis

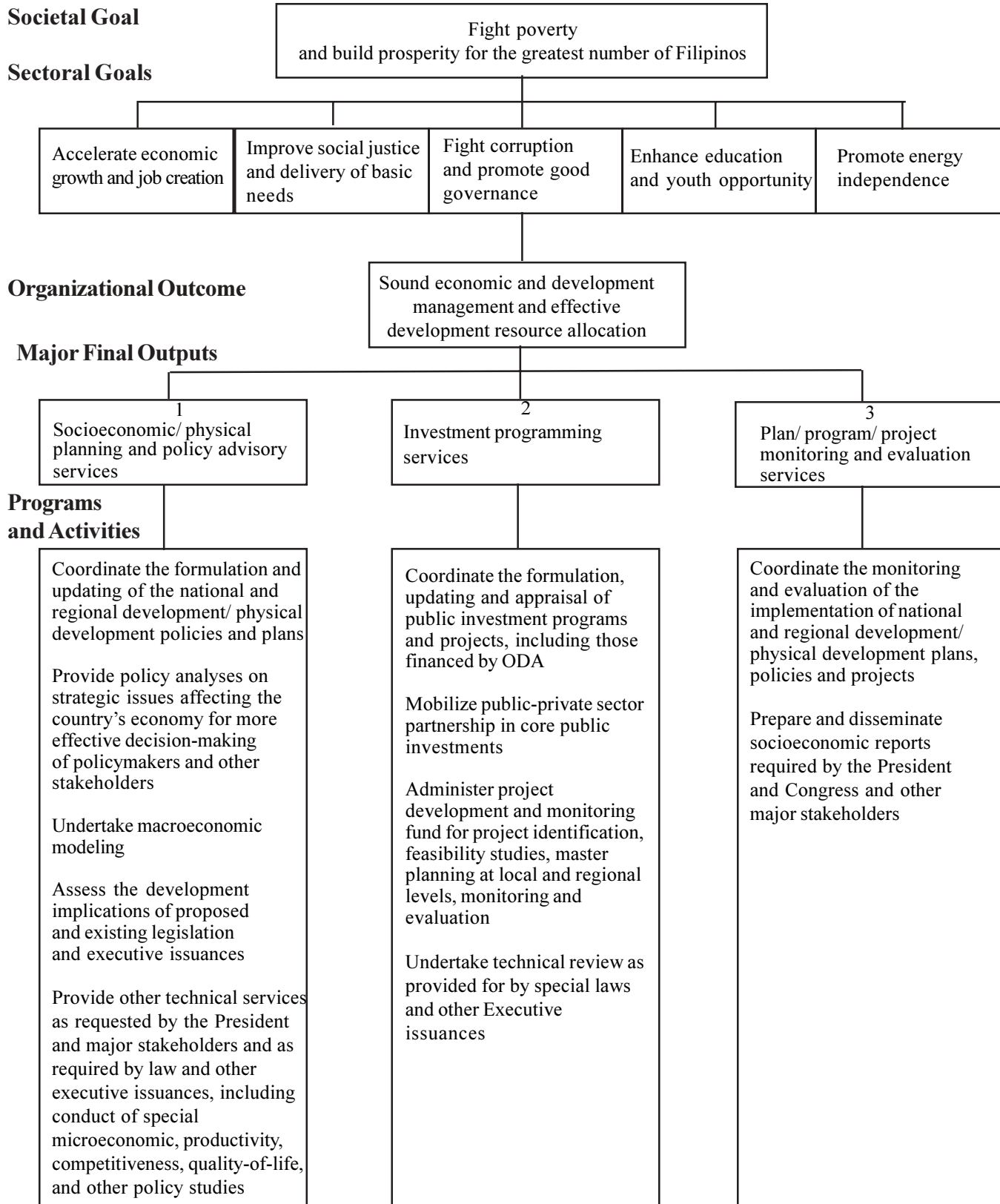
- **Presidential Decree 1** (September 21, 1972), Integrated Reorganization Plan, organized the National Economic and Development Authority from the merger of the Presidential Economic Staff and the National Economic Council.
- **Executive Order 230** (July 22, 1987) reorganized the NEDA to be composed of two separate and distinct entities, the Board and the Secretariat.

Mandate

The National Economic and Development Authority (NEDA) serves as National and Regional Development Plan and Program Coordinator (by issuing planning guidelines and conducting multisectoral/regional consultations); Public Investment Evaluator and Programmer (by coordinating the Official Development Assistance and appraising programs and projects); Development Plan, Program and Project Monitor (by conducting program/project evaluation and on-site reviews and consultations); and Technical Assistance Provider (by providing technical/secretariat services to the NEDA Board and its Committees, Regional Development Councils, Philippine Council for Sustainable Development, National Land Use Committee, interagency bodies, and other clients, including local government units).

The Philippines is fashioning a development agenda based on an economy competitive in the 21st century. Our reforms aim to create a domestic environment that will enable us to reap the benefits of global economic integration while minimizing the risks to the adversely affected sectors. - PGMA, May 30, 2002

LOGICAL FRAMEWORK (NEDA)



SOCIETAL GOAL

Fight poverty and build prosperity for the greatest number of Filipinos. Eradicating poverty remains to be the country's biggest challenge. This is the basic task of the Medium Term Philippine Development Plan (MTPDP) for the period 2004-2010 and represents the ultimate policy objective that the government aspires for.

SECTOR GOALS

Accelerate economic growth and job creation. This involves 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. Special emphasis will also be 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.

Legislative and administrative measures are needed to make the public sector deficit more manageable. These initiatives should generate about P100 billion in terms of additional annual revenue, savings through austerity and efficiency measures, and more aggressive action against smugglers and tax evaders.

Improve social justice and delivery of basic needs. This covers the antipoverty program of government, which entails putting the poor and other vulnerable groups into the mainstream of development of broadening their access to quality basic social services.

Government's direct antipoverty measures revolve around five goals: (1) enhanced livelihood activities through credit support and capacity building; (2) asset reform, which includes addressing agrarian and ancestral domain disputes to settle land tenure security issues; (3) improved accessibility and affordability of essential services, including basic education, clean water and health care, and peace and order; (4) protection of the vulnerable, i.e., children, the 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.

Fight corruption and promote good governance. Anti-corruption strategies are categorized into punitive, preventive, promoting zero tolerance for corruption, and bureaucratic reforms.

Enhance education and youth opportunity. The strategies on education are categorized under (1) early childhood education, (2) basic education, (3) technical, vocational education and training, and (4) higher education. Complementary concerns/activities include acceleration of knowledge creation and transfer to promote technology-based entrepreneurship, mainstreaming and institutionalizing culture in education and into the overarching goal of development.

Promote energy independence. 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 promotion of 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.

ORGANIZATION OUTCOME

Sound economic and development management and effective development resource allocation are the benefits that NEDA will achieve from the delivery of its major final outputs (MFOs).

MAJOR FINAL OUTPUTS

1. Socioeconomic/ physical planning and policy advisory services

The formulation of medium-term development plans begins at the national level down to the regional level. At the national level, the process commences with the issuance of policy guidelines, followed by the issuance of technical planning guidelines specifying the broad objectives, strategies, measures, and initial targets for the plan period.

At the regional level, Regional Development Councils (RDCs) translate these guidelines for utilization by the regional offices and local government units (LGUs). Consultations with the private sector, civil society, academe, legislature, and appropriate public agencies are conducted to ensure broader participation in the planning process. The targets of the plans are updated every year to keep abreast of the changing socioeconomic conditions, latest developments, emerging issues, and policy shifts.

The NEDA, in turn, provides technical services in the formulation of these plans which include, among others, policy analyses on major issues affecting the economy. It develops and uses econometric models for macroeconomic analyses and forecasting as well as for scenario-building. It also reviews the socioeconomic development aspects and implications of proposed and existing legislation and executive issuances.

2. Investment programming services

The NEDA, in coordination with other government agencies, formulates and updates the annual and medium-term public investment programs.* It provides technical support to the Investment Coordination Committee in the evaluation of major national projects for approval by the NEDA Board and the President. As the planning agency of the government, the NEDA has a big role in developing partnership with the private sector in identifying and financing core public investments.

* The MTPIP is a document that lays out the projects to be pursued by implementing departments/government corporations.

As provided for in the Official Development Assistance Act of 1996, the NEDA shall endeavor to obtain ODA funds from donor countries, which shall approximately be 5% of the total ODA loan from the immediately preceding year. The NEDA Regional Offices, through its Project Development Assistance Centers (PDACs), administer these funds for project identification, feasibility studies, master planning at local and regional levels, and monitoring and evaluation.

The NEDA also evaluates all government contracts required by law to be acted upon and/or approved by the President. It reviews requests for duty exemptions in foreign donations.

3. Plan/ program/ project monitoring and evaluation services

The NEDA monitors the implementation of the MTPDP, Regional Development Plans (RDPs), National Physical Framework Plan (NFPF), Regional Physical Framework Plans (RPFs) and projects, including ongoing ODA projects.

In consultation with other government offices, NEDA prepares the annual Socioeconomic Report (SER) and Regional Development Reports. These reports assess the achievement and accomplishment of goals, objectives, and targets set forth in the MTPDP and MTRDPs. The NEDA also reports to Congress the outcome of the annual ODA Portfolio Review, including the performance of ODA-financed projects, cause of delays, reasons for bottlenecks, cost overruns, etc.

Performance Measures and Targets

Particulars	Targets
<p>MFO 1 Socioeconomic/physical planning and policy advisory services</p> <p>Completion and acceptability of plan Percentage of regional and physical devt. plans prepared and adopted</p> <p>Level of adoption and acceptability Percentage of policy recommendations adopted by the NEDA Board and its committees and RDCs and other IACs</p> <p>RDCs INFRACOM SDC CTRM NEDA Board - RDCom</p> <p>IAC on Trade in Services PCAAC-TBEC</p>	<p>At least one sectoral group/LGU briefed on the NFPP/RPFs</p> <p>95% of policy recommendations adopted 90% of recommended policies adopted At least 90% of agenda forecast discussed 90% of recommended policies adopted At least 2 critical regional development issues addressed/resolved 90% of recommended positions adopted 90% of recommended positions adopted</p>

Particulars	Targets
<p>PCSD</p> <p>NLUC/RLUC</p> <p>National Task Force (NTF) for the Unified Multi-Purpose ID System (E.O. 420)</p> <p>National Technical Working Group (NTWG) of the NTF</p> <p>Level of accuracy of forecast Variance between the actual values of key macroeconomic variables (GDP, GNP, poverty incidence)</p> <p>Timeliness of processing of applications for duty exemptions (starting 2007)</p>	<p>70% of the action agenda of draft Enhanced PA21 accepted</p> <p>90% of issues presented to the NLUC/RLUCs resolved or provided with viable options</p> <p>90% of land-use related bills referred by Congress/Senate reviewed</p> <p>80% of the DRM Action Agenda implemented</p> <p>85% of inputs/recommendations adopted</p> <p>Memorandum Circular, directives, and/or additional guidelines for implementation of the UM-ID System released and adopted by agencies concerned</p> <p>Full implementation of UM-ID System started</p> <p>Transition ID cards and/or UM-ID cards issued by agencies concerned</p> <p>Forecast of GNP, GDP growth and poverty incidence should be + or -1% of actual values</p> <p>85% of applications processed in 2-3 days</p>
<p>MFO 2</p> <p>Investment programming services</p> <p>MTPIP formulated in conjunction with MTPDP formulation (every 6 yrs) preferably within the timeline as directed by the elected administration; Annual updates in time for the preparation of the Budget Strategy</p> <p>MTPIP formulated in conjunction with MTPDP formulation preferably within 6 months of new administration</p>	<p>Annual updates in time for the preparation of the Budget Strategy</p>

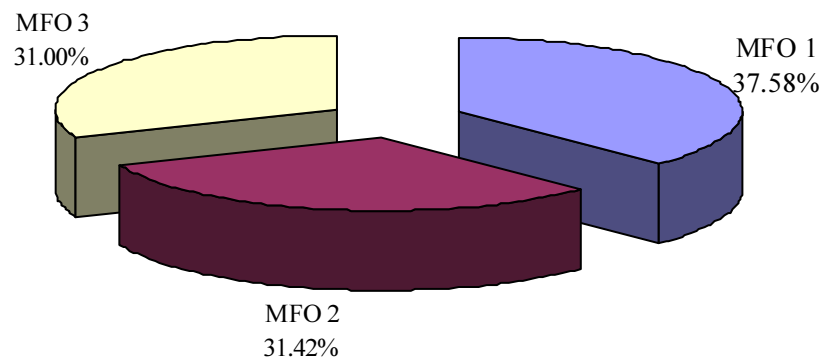
Particulars	Targets
<p>ODA Country Programs and PPP mobilized consistent with MTPDP and MTPIP priorities; level of ODA and PPP Commitments than the ODA and PPP requirement of MTPIP</p> <p>Level of ODA and PPP Commitments not less than the ODA and PPP requirement of MTPIP</p>	<p>Level of ODA and PPP Commitments not less than the ODA and PPP requirement of MTPIP</p> <p>Continuing guidance to agencies on MTPDP/MTPIP targets, strategies and processes as well as ICC policies and procedures</p>
<p>Completion and acceptability of the RDIP Percentage of the RDIPs prepared and adopted</p> <p>MFO 3 Plan/program/project monitoring and evaluation services</p> <p>Timeliness of the release of reports Report on the outcome of the annual ODA portfolio review released according to schedule</p> <p>Quarterly monitoring reports of ODA and nationally-funded projects submitted according to schedule</p>	<p>Report on the outcome of the 15th ODA portfolio review released according to schedule</p> <p>Reports submitted to NPMC and RDC according to schedule</p> <p>90% of requests reviewed/evaluated</p>
<p>Re-evaluation of changes in scope implementation/cost</p> <p>Percentage of agencies requests reviewed/evaluated (with Secretariat review and with ICC approval)</p>	

FY 2007 OPIF-Based Budget

FY 2007 Budget by Major Final Output (MFO)

Particulars	PS	MOOE	CO	TOTAL
MFO 1 Socioeconomic/physical planning and policy advisory services	P123,334,929	P 65,889,766	P 18,790,000	P208,014,695
MFO 2 Investment programming services	103,118,241	55,089,314	15,710,000	173,917,555
MFO 3 Plan/program/project monitoring and evaluation services	101,739,830	54,352,920	15,500,000	171,592,750
Total	<u>P328,193,000</u>	<u>P175,332,000</u>	<u>P 50,000,000</u>	<u>P553,525,000</u>

FY 2007 Budget by MFOs (Total Budget = P553,525,000)



■ MFO 1 ■ MFO 2 ■ MFO 3