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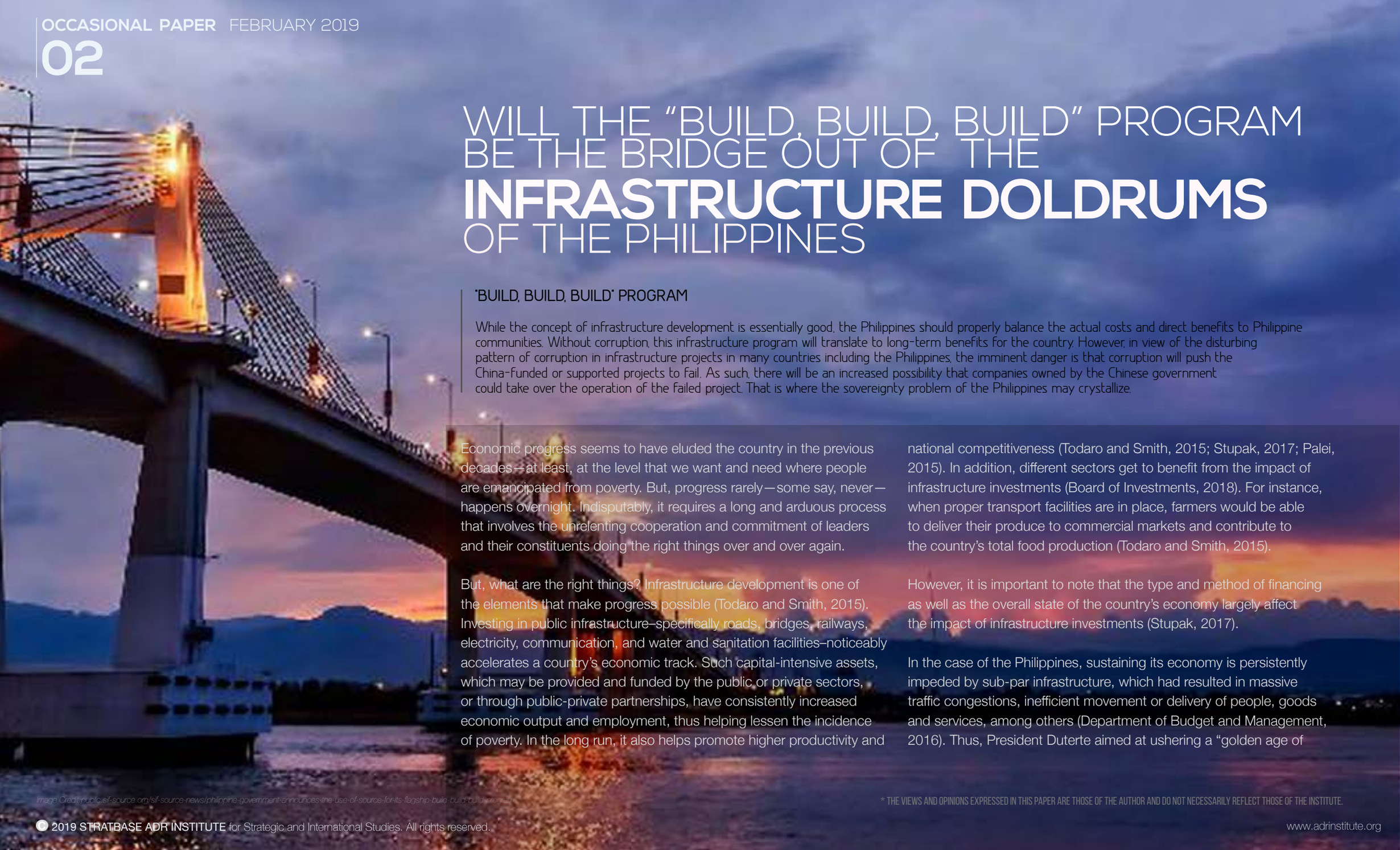

WILL THE "BUILD, BUILD, BUILD" PROGRAM BE THE BRIDGE OUT OF THE INFRASTRUCTURE DOLDRUMS OF THE PHILIPPINES

"BUILD, BUILD, BUILD" PROGRAM

While the concept of infrastructure development is essentially good, the Philippines should properly balance the actual costs and direct benefits to Philippine communities. Without corruption, this infrastructure program will translate to long-term benefits for the country. However, in view of the disturbing pattern of corruption in infrastructure projects in many countries including the Philippines, the imminent danger is that corruption will push the China-funded or supported projects to fail. As such, there will be an increased possibility that companies owned by the Chinese government could take over the operation of the failed project. That is where the sovereignty problem of the Philippines may crystallize.

Economic progress seems to have eluded the country in the previous decades—at least, at the level that we want and need where people are emancipated from poverty. But, progress rarely—some say, never—happens overnight. Indisputably, it requires a long and arduous process that involves the unrelenting cooperation and commitment of leaders and their constituents doing the right things over and over again.

But, what are the right things? Infrastructure development is one of the elements that make progress possible (Todaro and Smith, 2015). Investing in public infrastructure–specifically roads, bridges, railways, electricity, communication, and water and sanitation facilities–noticeably accelerates a country's economic track. Such capital-intensive assets, which may be provided and funded by the public or private sectors, or through public-private partnerships, have consistently increased economic output and employment, thus helping lessen the incidence of poverty. In the long run, it also helps promote higher productivity and national competitiveness (Todaro and Smith, 2015; Stupak, 2017; Palei, 2015). In addition, different sectors get to benefit from the impact of infrastructure investments (Board of Investments, 2018). For instance, when proper transport facilities are in place, farmers would be able to deliver their produce to commercial markets and contribute to the country's total food production (Todaro and Smith, 2015).

However, it is important to note that the type and method of financing as well as the overall state of the country's economy largely affect the impact of infrastructure investments (Stupak, 2017).

In the case of the Philippines, sustaining its economy is persistently impeded by sub-par infrastructure, which had resulted in massive traffic congestions, inefficient movement or delivery of people, goods and services, among others (Department of Budget and Management, 2016). Thus, President Duterte aimed at ushering a "golden age of

Image Credit: public.sif-source.org/sif-source-news/philippine-government-announces-the-use-of-source-for-its-flagship-build-build-build-program

* THE VIEWS AND OPINIONS EXPRESSED IN THIS PAPER ARE THOSE OF THE AUTHOR AND DO NOT NECESSARILY REFLECT THOSE OF THE INSTITUTE.

TABLE 1 . AVERAGE INFRASTRUCTURE SPENDING, BY ADMINISTRATION
(% OF GDP)

ADMINISTRATION	YEARS	INFRA SPENDING (% OF GDP)
Marcos (21 years)	1965 -1986	3.2
Aquino (6 years)	1986-1992	2.2
Ramos (6 years)	1992-1998	2.2
Estrada (2 years)	1998-2001	2.2
Arroyo (9 years)	2001-2010	1.9
Aquino (6 years)	2010-2016	2.9

SOURCE: PHILIPPINE INSTITUTE OF DEVELOPMENT STUDIES (2017, AS CITED IN PHILIPPINE INFRASTRUCTURE TRANSPARENCY PORTAL, N.D.)

TABLE 2 . GOVERNMENT INFRASTRUCTURE SPENDING, 2011-2016
(% OF GDP)

YEAR	GAP	ACTUAL	TARGET
2011	0.0	1.81	1.60
2012	0.14	2.06	2.20
2013	0.0	2.66	2.50
2014	0.76	2.74	3.50
2015	0.0	4.33	4.00
2016	0.0	5.12	5.10

SOURCE: NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY (2017); DEPARTMENT OF BUDGET AND MANAGEMENT (2016)

infrastructure" through an ambitious "Build, Build, Build" program (Fuentes and Salano, 2017; Lagrimas, 2018). However, even though the program itself is, theoretically, sound and wholly favorable in speeding up economic development, its application is sometimes met with opposition (Ocampo, 2018) which may result in a negative impact on the country's overall development over the long term.

THE STATE OF INFRASTRUCTURE DEVELOPMENT IN THE PHILIPPINES

Every year, the Philippine government appropriates a certain amount for capital outlays. In layman's language, capital outlays refer to the purchase of goods and services whose offshoots can continue to yield benefits even beyond one year—the fiscal year—and thus directly contribute towards increasing the government's non-current assets (Department of Budget and Management, 2012). Infrastructure spending is one type of capital outlay.

Infrastructure spending by the national government usually refers to the spending of the Department of Public Works and Highways and the Department of Transportation and Communication, the school building program of the Department of Education, as well as the national irrigation projects spearheaded by the Department of Agriculture (Department of Budget and Management, 2012).

PRE-DUTERTE INFRASTRUCTURE EXPENDITURES

Before Rodrigo Duterte assumed the presidency of the country, infrastructure expenditures in the Philippines had consistently been below 5 percent as a percentage of the country's gross domestic product (GDP).

Table 1 below shows the average infrastructure spending, as a percent of Gross Domestic Product (GDP), by administration. Except for the 21 years of the Marcos administration, the country's infrastructure spending has never gone beyond 3 percent of GDP.

In 2008, in its Policy Brief, the Senate Economic Planning Office cited the recommendation of the World Bank for the Philippines to invest at least 3 to 5 percent of GDP in infrastructure. Inspite of this, the trend for infrastructure underspending continued.

Table 2 shows the most recent data on government infrastructure spending.

On the other hand, Table 3 shows the trend in the government's infrastructure spending from 2006 until 2016, where it is clearly evident that the significant infrastructure spending in the country focused on transportation

Table 4 shows the infrastructure outlays for the years 2015 to 2017.

The Philippines' transportation system relies heavily on road networks, which are mainly used for both passenger and freight movements. In particular, 15 percent of the entire road network of the Philippines are the national roads; 13 percent are provincial roads; 11 percent are municipal or city roads; while 60 percent are the barangay roads, which are commonly unpaved unlike the paved national roads (Corong, Dacuycuy, Reyes, and Taningco, 2011).

However, it is not only the quantity of infrastructure in the Philippines that is disappointing. Data regarding its quality are equally unsatisfactory. Based on the country's rankings in the World Economic Forum's Global Competitiveness Index, the Philippines lags behind its ASEAN neighbors in terms of infrastructure quality, as seen in Table 5.

TABLE 3 . COMPONENTS OF INFRASTRUCTURE SPENDING, 2011-2016
(% OF GDP)

2006 - 2010		2011 - 2016	
Transportation	52%	Transportation	58%
Power and Electrification	21%	Social Infrastructure	19%
Water Resources	15%	Water Resources	13%
Social Infrastructure	10%	Energy	9%
Communications	1%	Information and Communications Technology (ICT)	1%
Support to Agrarian Reform Commodities (ARCs)	1%		

SOURCE: SENATE ECONOMIC PLANNING OFFICE (2006); NAVARRO AND LLANTO (2014)

TABLE 4 . INFRASTRUCTURE OUTLAYS, 2015-2017
(IN BILLION PESOS)

PARTICULARS	2015	2016	2017
Infrastructure outlays	**575.67**	**756.44**	**860.65**
Road networks	223.48	298.08	328.18
Flood control systems	48.33	69.01	75.82
Seaport systems	2.65	1.81	2.67
Airport systems	12.25	9.58	5.71
School buildings	72.47	91.29	124.62
Hospitals and health centers	9.45	19.21	10.01
Irrigation systems	26.53	23.59	26.03
Other infrastructure systems	131.37	170.42	224.53

SOURCE: DEPARTMENT OF BUDGET AND MANAGEMENT (2016B)

TABLE 5 . INFRASTRUCTURE QUALITY

INDICATOR	PHILIPPINES									ASEAN
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2017 - 2018
Total number of countries	133	139	142	144	148	144	140	138	137	137
Quality of overall infrastructure	98	113	113	98	98	95	106	112	113	Singapore 2 Malaysia 21 Brunei 51 Thailand 67 Indonesia 68 Lao PDR 83 Vietnam 89 Cambodia 99
Quality of roads	104	114	100	87	87	87	97	106	104	Singapore 2 Malaysia 23 Brunei 33 Thailand 59 Indonesia 64 Vietnam 92 Lao PDR 94 Cambodia 99
Quality of railroad infrastructure	92	97	101	94	89	80	84	89	91	Singapore 4 Malaysia 14 Indonesia 30 Vietnam 59 Thailand 72 Cambodia 94 Brunei - Lao PDR -
Quality of port infrastructure	112	131	123	120	116	101	103	113	114	Singapore 2 Malaysia 20 Thailand 63 Indonesia 72 Brunei 74 Cambodia 81 Vietnam 82 Lao PDR 127
Quality of air transport infrastructure	100	112	115	112	113	108	98	116	124	Singapore 1 Malaysia 21 Thailand 39 Indonesia 51 Brunei 63 Lao PDR 101 Vietnam 103 Cambodia 106
Available airline seat kilometers (millions/ week)	28	28	28	26	26	25	27	27	27	Indonesia 14 Thailand 15 Singapore 21 Malaysia 23 Vietnam 28 Cambodia 79 Brunei 99 Lao PDR 113
Quality of electricity supply	87	101	104	98	93	87	89	94	92	Singapore 3 Malaysia 36 Brunei 53 Thailand 57 Lao PDR 75 Indonesia 86 Vietnam 90 Cambodia 106
Mobile-cellular telephone subscriptions	-	88	92	95	81	86	76	65	88	Thailand 5 Indonesia 18 Singapore 23 Malaysia 28 Vietnam 44 Cambodia 52 Brunei 61 Lao PDR 131
Fixed telephone lines	102	106	103	103	109	113	108	107	105	Singapore 27 Lao PDR 60 Brunei 62 Malaysia 71 Thailand 91 Vietnam 96 Indonesia 104 Cambodia 115

SOURCE: WORLD ECONOMIC FORUM (2009; 2010; 2011; 2012; 2013; 2014; 2015; 2016; 2017)

In terms of the quality of overall infrastructure, the Philippines slipped from being ranked 98 out of 133 in 2009-2010 to rank 113 out of 137 for 2017-2018, the lowest among ASEAN countries in the report. In terms of the categories quality of roads and quality of air transport infrastructure, the Philippines also ranked lowest among ASEAN countries for 2017-2018.

The Philippines was also second to the last among ASEAN countries in several categories, including (a) quality of railroad transport infrastructure, (b) quality of port infrastructure, (c) quality of electricity supply, (d) mobile-cellular telephone subscriptions, and (e) fixed telephone lines.

Interestingly, based on the table above, even though most of the government's infrastructure spending is concentrated on the development of transportation, the quality of transportation facilities in the Philippines is even worse compared to its ASEAN neighbors.

SHORTCOMINGS OF INFRASTRUCTURE DEVELOPMENT

The condition of the Philippines as an archipelago with three main regions comprised of more than 7,000 islands poses a challenge in terms of interconnectivity (Board of Investments, 2018; Navarro and Llanto, 2014). When good transportation facilities are in place, it would be easier and more convenient for producers to interact with consumers of products and ideas, as well as to promote tourism.

Unfortunately, public infrastructure in the Philippine remains visibly inadequate. Ports and roads have been persistently congested while the MRT and LRT facilities in the National Capital Region have become increasingly overcrowded and interrupted as a result of mechanical breakdowns. The result is increased travel time and detrimental effects on both the economy as well as the credibility of the government (Department of Budget and Management, 2016a). In fact, the Japan International Cooperation Agency (JICA) and the National Economic and Development Authority (NEDA) claimed that the cost of traffic congestion—including fuel costs, vehicle operating costs, among others—amounted to more than P2.4 billion every day in Metro Manila alone in 2014 (Bino and Dacanay, 2018).

In the aforesaid context, the Department of Budget and Management (2016a) identified the six main challenges in infrastructure spending:

(1) Lack of planning that would influence the absorptive capacities of the agencies involved as well as the private sector;

(2) Right-of-way and just compensation issues;

(3) Impediments that involve electric power lines and posts, telecommunication lines, natural gas pipelines, as well as water distribution lines;

(4) Existence of informal settlers along with the needed investment meant for their relocation, housing, and livelihood;

(5) Troubles in advancing social acceptance of some initiatives, including coal-fired plants, enormous multi-purpose dams, and sanitary landfills; and

(6) Slow process in obtaining permits from government agencies.

IMPLEMENTING "BUILD, BUILD, BUILD"

President Duterte aims to create a "golden age" in infrastructure development through his ambitious P8 trillion infrastructure program known as "Build, Build, Build." It is supposed to be funded partly by the TRAIN law (Fuentes & Salano, 2017; Lagrimas, 2018). Poor infrastructure has significantly hindered Philippine economic growth and contributed to restraining investment flows as well as employment generation (Department of Finance, 2018b). In addition, Department of Budget and Management Secretary Benjamin E. Diokno (2018) asserted that the Philippines has under-invested in public infrastructure, devoting only an average of 2.6% of GDP during the last 50 years. This has resulted in immense traffic congestion, deteriorating roads and bridges, and poorly-maintained and accident-prone metro-rail systems.

The "Build, Build, Build" projects are deemed to be the "key to sustaining the country's growth" (Fuentes & Salano, 2017). Furthermore, the infrastructure program is also intended to boost business and economic activities in the countryside, thereby helping to raise millions of Filipinos out of widespread poverty (Fenol & Fuentes, 2018). By the end of his term in 2022, President Duterte hopes to reach the 7.3% mark in infrastructure spending as percentage of GDP (Lamentillo, 2018).

Specifically, the "Build, Build, Build" program, which is spearheaded jointly by the National Economic and Development Authority (NEDA), Department of Public Works and Highways (DPWH), Department of Transportation (DOTr), and the Bases Conversion and Development Authority (BCDA) aims to create: (1) more railways, urban mass transport, airports, and seaports; (2) more bridges and roads; and new and better cities (Philippine Infrastructure Transparency Portal, n.d.).

Some of the biggest projects under the "Build, Build, Build" are the Manila-Clark Railway, the Metro Manila Bus Rapid Train System, the Mindanao Railway, and the Mega Manila Subway (Philippine Infrastructure Transparency Portal, n.d.).

SOURCES OF FUNDING FOR INFRASTRUCTURE DEVELOPMENT

The projects under the "Build, Build, Build" program are funded by a combination of various sources: 70% of the tax revenues generated from the government's Comprehensive Tax Reform Program (CTRP), including the Tax Reform for Acceleration and Inclusion (TRAIN) Law, as well as through concessional loans and overseas development assistance from various countries, mainly China (Department of Finance, 2017; The Manila Times, 2018). The ambitious nature of the said program thus requires this hybrid type of financing in order to acquire more money as well as to achieve the government's target of greatly improving the country's infrastructure (Malinao, 2018).

BENEFICIARIES AND COLLATERAL DAMAGE

Due to the nature of the "Build, Build, Build" program, it is expected that it would be favorable to sectors that are involved in infrastructure, construction, property development and some manufacturing-related industries, whether directly or indirectly.

Table 6 presents the specific industries or sectors that are most likely to gain from the increased infrastructure outlays.

As such, this massive infrastructure program will bring benefits as well to huge foreign and domestic contractors, real-estate companies, big infrastructure developers, labor contractors, suppliers, as well as these companies' supporters who are part of the Philippine government (Camilon, 2018).

Accumulated infrastructure spending also ushers in employment generation. In fact, the International Labor Organization estimated that "for every USD $1 billion spent on infrastructure, 200,000 direct jobs are created per year" (Department of Finance, 2017). In the case of the "Build, Build, Build" program, NEDA asserts that several million jobs would be created as a result of the said program, as seen on the projections in Table 7.

Another significant beneficiary of the "Build, Build, Build" program is the region of Mindanao, which has been described by Finance Secretary Carlos Dominguez III as the new "front and center" of the program after being neglected for many years by "Imperial Manila." This is expected to "bring the entire island to the mainstream of national progress," especially that infrastructure developments have "the best multiplier effect" on any economy. In fact, about P23 billion has been apportioned for 754 road projects under the Department of Public Works and Highways in just the Zamboanga Peninsula in 2018 (Department of Finance, 2018a).

Most importantly, the outcomes of the projects under the "Build, Build, Build" program are projected to help in boosting the country's competitiveness as a result of being at par with international standards when it comes to infrastructure

TABLE 6 . SECTORS WITH GAINS FROM INCREASED INFRASTRUCTURE OUTLAYS

RANK	SECTOR	
	BASED ON GROSS VALUE ADDED (GVA)	BASED ON JOBS CREATED
1	Construction	Construction
2	Household sector	Wholesale and retail trade
3	Wholesale and retail trade	Wood, bamboo, cane and rattan articles
4	Food manufactures	Forestry
5	Crude oil, natural gas and condensate	Fabricated metal products
6	Basic metal industries	Stone quarrying, clay and sandpits
7	Petroleum and other fuel products	Land transport
8	Chemical and chemical products	Non-metallic mineral products
9	Non-metallic mineral products	Gold mining
10	Electricity	Renting and other business activities

SOURCE: NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY (N.D., AS CITED IN INVESTOR RELATIONS OFFICE, 2017)

TABLE 7 . PROJECTED GAINS FROM INCREASED INFRASTRUCTURE OUTLAYS

YEAR	ADDITIONAL GVA (% OF GDP)	ADDITIONAL EMPLOYMENT (NUMBER OF PERSONS)
2017	0.3	106,824
2018	2.6	823,696
2019	3.5	1,115,999
2020	3.9	1,228,964
2021	4.4	1,399,463
2022	5.4	1,705,021
Annual Average	**3.4**	**1,063,328**

SOURCE: NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY (N.D., AS CITED IN INVESTOR RELATIONS OFFICE, 2017)

development (Angara, 2017). In addition, Budget Secretary Diokno asserted that the said program would be helpful in sustaining the country's economic growth of 7% for the next 10 years (Chatterjee and Nangoy, 2018).

RISKS AND CHALLENGES

Notwithstanding the fact that the "Build, Build, Build" program possesses huge development potentials, it is also received with some opposition.

Critics have asserted that most of the biggest infrastructure projects under "Build, Build, Build," specifically the NLEX-SLEX Connector, the Bulacan Bulk Water Project, and the new MRT-7 light rail line, are actually not new ventures. They are "carry-over" projects that had, in fact, been inaugurated during the previous administration under former President Benigno Aquino III (The Manila Times, 2018).

The "Build, Build, Build" program has also been criticized for its slow progress; more talk has been done compared to actual undertakings in implementing the infrastructure projects at hand. A report released by the Commission on Audit (COA) showed that for 2017, the DPWH was only about to utilize around one-third of the allocated budget for infrastructure projects for the year (The Manila Times, 2018). Furthermore, Angara (2017) asserted that it is apparent that the country's construction industry is lacking in terms of capacity. Data on the government's infrastructure spending shows that it has obviously under-spent on the said sector for the past several decades, which may have been caused not only by government under-capacity, but also by red tape and bad weather conditions. Angara further noted that the labor force participation rate of the Philippines is slowly declining, and that despite the high number of underemployed Filipinos, they are not fitting for employment in the construction sector due to the lack of skills and training.

One weighty criticism on the "Build, Build, Build" revolves around the issue of inclusiveness. This massive infrastructure program would simply sustain the existing "exclusive development" wherein the implementing companies would receive much of the profits, instead of the working poor (Camilon, 2018).

Probably the greatest risk in the "Build, Build, Build" program is concerned with the funding. Aside from Angara's (2017) contention that heavy reliance on taxes to fund massive infrastructure projects has adverse effects, there are also issues regarding the loans coming from China.

Back in 2016, President Duterte signed a cooperation agreement with Chinese President Xi Jinping, with the latter pledging to fund around 30 infrastructure projects in the Philippines, such as the Chico River Dam Project as well as two railway projects. Compared with the loans from Japan, which have interest rates ranging between 0.25% and 0.75%, the loans from China are 1,100% more expensive, with interest rates between 2% and 3% (Malinao, 2018).

Socioeconomic Planning Secretary Ernesto Pernia explained that the Philippines is unable to obtain all the loans from Japan, and that interest rates between 2% to 3% are still more favorable compared to commercial loans (Malinao, 2018). In this regard, President Duterte described that China "is a very important ingredient [Build Build Build]" (Villanueva, 2018).

However, even though the loans from China seem appealing, they may actually be detrimental to the Philippines in the long run. In fact, China has been criticized for its debt-trap diplomacy, which is a "pattern of funding infrastructure projects in poorer countries in exchange for better relations and regional access" (Chan, 2018). Given the high interest rates on loans, natural resources serve as collateral, which the Chinese government can run and control in the event that the defaulting country fails to repay its loans. One country that has fallen to this trap is Sri Lanka, which had no choice but to surrender one of its ports to Chinese government-owned companies in 2017 after being unable to repay its debt amounting to at least $1 billion (Malinao, 2018).

Furthermore, it became mandatory for Chinese contractors to work on the country's infrastructure ventures instead of providing assistance to local workers and companies (Chan, 2018). Incidentally, the influx of Chinese workers in the Philippines has increased rapidly in the recent months. It is also worth noting that Chinese contractors have brought with them their own engineers, workers and suppliers to the recipient country.

Unfortunately, even the Philippine government has lost count of the number of Chinese workers entering the country, whether legally or illegally. In fact, according to the Bureau of Immigration, around 3.12 million Chinese entered the Philippines from January 2016 to May 2018, yet it is still unknown exactly how many of them ended up working in the Philippines (Mourdoukoutas, 2018). Department of Labor and Employment (DOLE) Undersecretary Ciriaco Lagunzad noted that many of the Chinese "come in as tourists then later on convert their visas for work" (CNN Philippines, 2018). The problem has become complicated with the Bureau of Immigration being granted the power to also issue short-term work permits. This "flooding" of Chinese workers in the Philippines has raised concerns that Filipinos are being deprived of job opportunities while also losing the opportunity to buy affordable homes since property prices have surged as a result of increased demand from Chinese buyers or renters (Mourdoukoutas, 2018).

Oliver Ward of ASEAN Today further noted that getting involved in this type of commitment with China is a perilous action made by the Philippine government. He explained that:

> *With such severe financial leverage over the Philippines, China could use it to its advantage to strengthen its situation over claims in the South China Sea. The loan could be utilized as a valuable weapon to erode Philippine sovereignty and the conditions of the loan used as a useful negotiating weapon to further Chinese territorial interests in the region (Ward, as cited Malinao, 2018).*

The London-based economic think tank Capital Economics warned that based on President Duterte's strengthening of ties with China through loans, he might end up repeating the same mistakes committed by other Asian countries. The think tank added that the country's current account deficit has already been bordering on "unsustainable levels", and incidences of corruption has also become rampant in projects invested on by the Chinese (Valencia, 2018).

As a result of these fears, Budget Secretary Benjamin Diokno assured that the Philippine government is "very careful" when it comes to tackling high-interest loans from China in order to guarantee the feasibility of financing these projects as well as to avoid falling into a debt trap. He added that the National Economic and Development Authority (NEDA) conducts meticulous screening on the projects to be funded Chinese loan assistance, and that the only projects considered for loans are the ones that have an economic internal rate of return of more than 10% (Padin, 2018; Chatterjee and Nangoy, 2018).

CONCLUSIONS AND RECOMMENDATIONS

While the concept of infrastructure development is essentially good, the Philippines should properly balance the actual costs and direct benefits to Philippine communities. Without corruption, this infrastructure program will translate to long-term benefits for the country. However, in view of the disturbing pattern of corruption in infrastructure projects in many countries including the Philippines, the imminent danger is that corruption will push the China-funded or supported projects to fail. As such, there will be an increased possibility that companies owned by the Chinese government could take over the operation of the failed project. That is where the sovereignty problem of the Philippines may crystallize.

Projects funded by traditional fund-sources like the US, EU and Japan are relatively safe when viewed as an input to spur Philippine economic growth. But with the entry of new a fund source such as China, which has a history for condoning, if not promoting, corrupt practices and arrangements, it should warrant a “red flag” warning. The solution here is to involve civil society in monitoring the projects to imbed transparency into the projects. Such third-party watchers can also include in their monitoring whether the projects actually provided jobs and business to local workers, suppliers and contractors or to foreign workers, contractors and suppliers.

If infrastructure projects are funded by foreign loans, whether from China or elsewhere, such funds should be used only for “need-to-have” projects that will give the highest direct return or benefits to the public. “Nice-to-have” projects should not be funded by foreign loans unless the terms are, without doubt, very advantageous to the Philippines (i.e., very low interest rates, long grace periods for payment, low loan amounts, etc.).

In view of the massive amount of funds necessary to carry out this infrastructure program of the government, civil society groups, including NGOs and church-affiliated organizations or watchdogs should be involved in any infrastructure project to be carried out under the “Build, Build, Build” program of the government. This means that payments cannot be made to the contractors and project implementers without the approval of the recipients of the projects, such as the local governments or the civil communities. In other words, public engagement should be made necessary to ensure transparency in disbursement of funds. This new requirement will hopefully lessen the proliferation of corruption in infrastructure-related programs of the government and avoid the lingering possibility of a debt-trap for the Philippines over the long term.

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