

# POLÍTIKA

CRITICAL ISSUES OF PHILIPPINE POLITY

3RD QUARTER



## **Challenges and Opportunities: The Marcos Jr. Administration's Promises and Pronouncements**

The new administration under President Marcos Jr. faces the tremendous task of addressing the lingering issues brought upon by the COVID-19 pandemic that started in 2020 and other external risks that threaten the country's growth

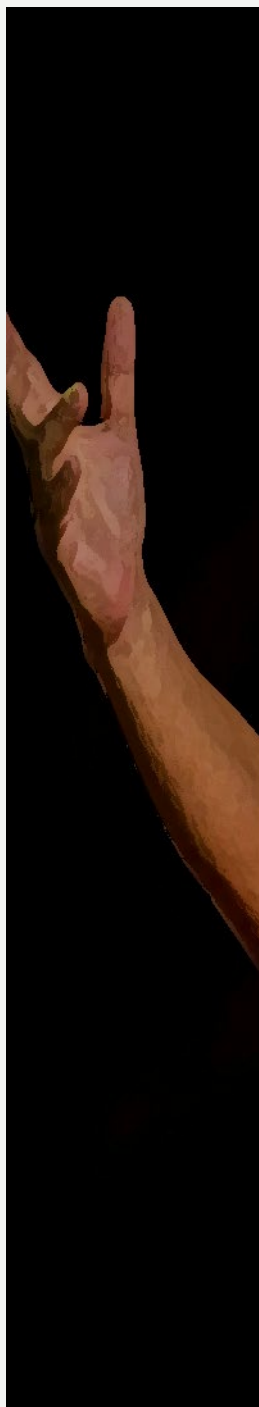
## **The First 100 Days of Marcos Jr's Independent Philippine Foreign Policy**

Within his first 100 days in office, President Ferdinand "Bongbong" Marcos Jr. has made his vision of an independent foreign policy clear and has complemented these pronouncements with diplomatic actions to advance the country's national interest

## **Legislative Updates and Achievements**

In line with the further opening up of the economy, President Ferdinand "Bongbong" Marcos Jr. laid down in his State of the Nation Address (SONA) last July the priority legislative measures for his presidential term

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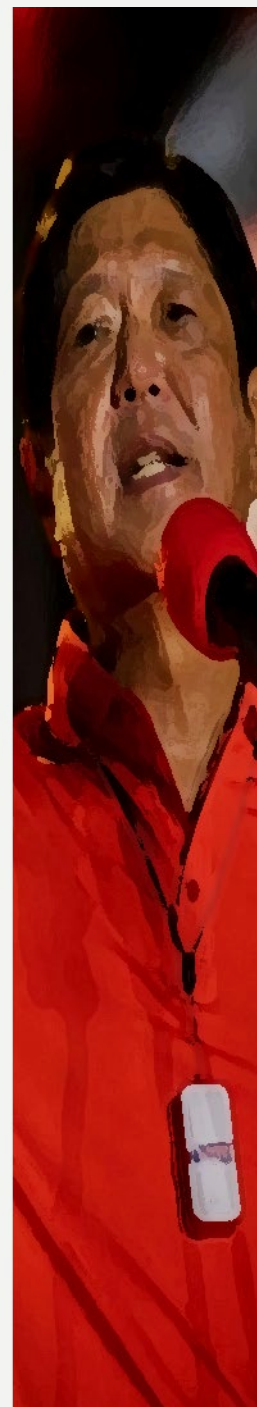
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## OVERVIEW

Three months since President Ferdinand “Bongbong” Marcos Jr. assumed office, the country’s new leaders have articulated to the public their plans and priorities for the next six years.

This paper discusses these plans and priorities. To contextualize the discussions, the first section of this report examines the current challenges that confront the new administration as well as its promises and pronouncements to the Filipino people. It also analyzes the results of the latest Pulse Asia surveys that touch on Filipinos’ urgent national concerns, their views on the role of the private sector in development, and on controlling corruption in government.

The second section evaluates President Marcos Jr.’s independent foreign policy as reflected in his international trips to Singapore, Indonesia, and the United States. These trips have been successful in securing agreements in various sectors as well as investment pledges from business leaders.

The third and last section discusses the Marcos Jr. administration’s legislative priorities, which are expected to receive greater attention from lawmakers in both chambers of Congress. As such, these are likely to be passed swiftly into law. It is important to note that both houses of Congress will be on a month-long break starting October 1, 2022 and will resume session on November 7, 2022.

## I. CHALLENGES AND OPPORTUNITIES: THE MARCOS JR. ADMINISTRATION'S PROMISES AND PRONOUNCEMENTS

The new administration under President Marcos Jr. faces the tremendous task of addressing the lingering issues brought upon by the COVID-19 pandemic that started in 2020 and other external risks that threaten the country's growth. From social inequality, poverty, unemployment, inflation, corruption, digital gap, climate change, to traditional security risks, the issues that the country's new leaders are expected to solve are extensive.

The September 2022 Ulat ng Bayan Survey of Pulse Asia Research, Inc. found that most Filipino adults (66%) are concerned about the continuing increase in the prices of basic commodities, which they identified as the top national issue that needs to be urgently prioritized by the government. This is followed by increasing the pay of workers (44%), creating more jobs (35%), reducing the poverty of many Filipinos (34%), and fighting graft and corruption in government (22%) (Table 1). Notably, most of the urgent concerns identified by Filipinos continue to be economic in nature, with concerns on the spread of COVID-19 becoming less pronounced.

**Table 1**  
Most Urgent National Concerns, Overall: **PHILIPPINES**  
In Percent/Multiple Response, up to 3 allowed  
(September 17-21, 2022)



PulseAsia  
RESEARCH INC.

Base: Total Interviews, 100%								
NATIONAL CONCERNS	RP	LOCATION				CLASS		
		NCR	BL	VIS	MIN	ABC	D	E
Controlling inflation	66	68	56	71	81	51	71	58
Increasing the pay of workers	44	48	45	38	46	55	40	54
Creating more jobs	35	35	33	30	43	42	35	26
Reducing the poverty of many Filipinos	34	43	32	21	42	32	32	43
Fighting graft and corruption in government	22	18	26	19	17	24	21	22
Fighting criminality	19	23	22	16	15	17	22	11
Addressing the problem of involuntary hunger	17	12	20	25	9	16	18	16
Enforcing the law on all, whether influential or ordinary people	12	7	11	21	9	18	11	11
Providing support to small entrepreneurs to restore their businesses	9	9	9	13	7	6	9	16
Stopping the destruction and abuse of our environment	9	6	11	12	6	7	9	14
Promoting peace in the country	8	8	8	11	7	8	7	12
Reducing the amount of taxes paid	7	8	7	8	7	8	8	4
Controlling the spread of COVID-19	5	2	4	8	7	4	6	4
Defending the integrity of Philippine territory against foreigners	5	6	7	3	1	4	4	6
Protecting the welfare of OFWs	4	4	6	3	1	4	4	6
Preparing to face any kind of terrorism	2	2	3	0	2	2	3	1

In fact, the third quarter of 2022 ended with spiraling inflation, based on the latest data from the Philippine Statistics Authority (PSA). Headline inflation accelerated to 6.9% in September 2022 – the highest recorded inflation since October 2018 – from 6.3% in the previous month. This brought the average inflation rate for the first nine months of the year to 5.1%. The Philippine government earlier adjusted the average inflation rate projection for 2022 to range from 4.5% to 5.5%, following the uptick in the prices of fuel and food due to the Russia-Ukraine conflict and disrupted supply chains.

However, the Ulat ng Bayan Survey of Pulse Asia Research, Inc. revealed that most Filipino adults (42%) disapprove of the national administration’s performance in controlling inflation (Table 2), which was identified by Filipinos as the top concern that must be urgently addressed by government.

**Table 2**  
Perceived Urgency of Selected National Issues and the National Administration’s Performance Ratings: **PHILIPPINES**  
In Row Percent  
(September 17-21, 2022)



Selected National Issues	% Citing as One of Three Most Urgent Issues	Approve	Undecided	Disapprove	Net Approval Rating
Responding to the needs of areas affected by calamities	-	78	19	3	+75
Controlling the spread of COVID-19	5	78	19	4	+74
Protecting the welfare of OFWs	4	68	29	3	+65
Promoting peace in the country	8	69	24	7	+62
Fighting criminality	19	67	24	9	+58
Enforcing the law on all, whether influential or ordinary people	12	62	30	9	+53
Creating more jobs	35	59	29	12	+47
Stopping the destruction and abuse of our environment	9	57	32	11	+46
Increasing the pay of workers	44	59	28	13	+46
Fighting graft and corruption in government	22	58	28	13	+45
Defending the integrity of Philippine territory against foreigners	5	52	40	9	+43
Reducing the poverty of many Filipinos	34	39	35	26	+13
Controlling inflation	66	31	27	42	-11

In his first State of the Nation Address (SONA) last July 2022, President Marcos Jr. laid out his priorities and policy agenda for the year ahead. In his speech, he went beyond his campaign message of unity and ambitiously covered a wider range of sectors – from the economy and infrastructure to healthcare and climate change. Notably absent in his address, however, were some equally critical areas such as good governance, peace, and criminality.

## Sound Fiscal Management

President Marcos Jr. stressed in his SONA the need to implement sound fiscal management. He elaborated that tax administration reforms would be in place to increase revenue collection, expenditure priorities would be realigned, and spending efficiency would be improved to immediately address the economic scarring from the effects of the COVID-19 pandemic as well as to prepare for future shocks. President Marcos Jr. highlighted that the national government's annual spending and annual budget would be anchored on his administration's Medium-Term Fiscal Framework (MTFF) 2022-2028, which seeks to attain short-term macro-fiscal stability while supporting the country's economic recovery and promoting medium-term fiscal sustainability. Measurable medium-term macroeconomic and fiscal objectives include the following headline goals:

- 6.5-7.5% real gross domestic product (GDP) growth in 2022, and 6.5-8.0% real GDP growth annually from 2023 onwards to 2028
- 9.0% or single-digit poverty rate by 2028
- 3.0% national government deficit-to-GDP ratio by 2028
- Less than 60% national government debt-to-GDP ratio by 2025
- At least USD 4,256 gross national income (GNI) per capita and the attainment of upper middle-income status by 2024

The President also mentioned that the country's tax system would be adjusted to catch up with rapid developments in the digital economy, including the imposition of value added tax on digital service providers. He added that tax compliance procedures would be simplified in order to promote the ease of paying taxes.

Both the Senate and the House of Representatives had concurred to adopt the 2022-2028 MTFF and expressed their commitment that the targets provided in the framework would serve as their guide in crafting their legislative agenda. Department of Finance (DOF) Secretary Benjamin Diokno vowed that the government's economic team would fully implement the MTFF, which proposes measures to improve tax administration, enhance the fairness and efficiency of the tax system, and promote environmental sustainability to address climate change.

Sec. Diokno also disclosed that the Marcos administration would implement an 8-Point Socioeconomic Agenda in the near- and medium-term, which is intended to respond to external risks and sustain economic recovery:

1. Protect the purchasing power of families by ensuring food security and reducing transport, logistic, and energy costs
2. Reduce vulnerability and mitigate scarring from the COVID-19 pandemic by tackling health, strengthening social protection, and addressing learning losses
3. Ensure sound macroeconomic fundamentals by improving bureaucratic efficiency and ensuring sound fiscal management
4. Create more jobs by promoting investments, improving infrastructure, and ensuring energy security
5. Create quality jobs by increasing employability, expanding digital infrastructure, and encouraging R&D and innovation
6. Create green jobs by pursuing a green and blue economy and establishing livable and sustainable communities
7. Uphold public order and safety, peace and security
8. Ensure a level playing field by strengthening market competition and reducing barriers to entry and limits to entrepreneurship

President Marcos Jr. stated in his SONA that he had instructed the National Economic and Development Authority (NEDA) to coordinate with other agencies to work on the Philippine Development Plan (PDP) 2023-2028. This is the country's medium-term plan that details the priorities, strategies, policies, programs, and proposed legislative measures that will contribute to the socioeconomic targets. The PDP 2023-2028, which will also be aligned with the 8-Point Socioeconomic Agenda, is expected to be completed before the end of 2022.

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## Rightsizing of Government

Among the legislative priorities identified by President Marcos Jr. in his SONA is the National Government Rightsizing Program (NGRP), which he described as a “reform mechanism that seeks to enhance the government’s institutional capacity to perform its mandate and to provide better services while ensuring optimal and efficient use of resources.” This initiative requires a comprehensive and strategic review of the functions, operations, organization, systems, and processes of various government agencies, which may lead to mergers, consolidation, splitting, transfer, and even the abolition of some offices. The functions, programs and projects that cut across the different agencies will also be reviewed.

Department of Budget and Management (DBM) Secretary Amenah Pangandaman stated during the Post-SONA Economic Briefing in July 2022 that rightsizing efforts would help the bureaucracy have an agile, efficient, responsive, and technology-driven workforce in order to better serve the public. Earlier, she noted that considering that there are government agencies with repetitive or overlapping functions, rightsizing would allow the government to save a significant amount of budget that can then be directed to fund priority projects, such as those in infrastructure, social services, health, and agriculture. This rightsizing effort may affect 2 million government workers, according to the DBM chief. Sec. Pangandaman vowed that resources would be allocated properly to finance the government’s priority programs and projects.

This comes after the Commission on Audit (COA) flagged several government offices for employing regular and contractual workers with duplicate functions. Hence, the government’s rightsizing efforts can simplify and streamline government processes, which can contribute to better public service delivery.

DOF Secretary Benjamin Diokno expressed optimism that the new administration would be able to continue the Duterte administration’s “Build, Build, Build” infrastructure program – now renamed as “Build, Better, More” under the Marcos Jr. administration – partly due to the planned rightsizing initiatives that will enable the government to “do much more with less.”

## Measures on E-Government and E-Governance

President Marcos Jr. mentioned in his SONA that there is a need to improve bureaucratic processes. With initiatives to be spearheaded by the Department of Information and Communications Technology (DICT), President Marcos Jr. stated that the government must be transformed into an “agile bureaucracy that is responsive to the needs of the public, provide good and solid data to ensure informed decision-making, as well as allow secure and seamless access to public services.” He also identified the National ID as an important tool in the country’s digital transformation that would make transactions with the government seamless and identity verification easier. Around 30 million physical IDs and 20 million digital IDs are expected to be issued by the end of 2022.

In his speech at the United Nations General Assembly in September 2022, President Marcos Jr. noted that the rapid development of advanced technologies has been transforming people’s lives today. “The imminent diffusion of these emerging technologies could solve many of our old problems, but they could also disrupt our political and social orders. Our governance structures must keep up,” he added.

In this light, among President Marcos Jr.’s legislative measures on this area are the proposed E-Government Act, which provides for the establishment of the E-Government Master Plan covering all e-government services and processes, as well as the proposed E-Governance Act, which promotes the use of the internet, intranet, and other ICT tools and platforms to provide opportunities for citizens. Ultimately, these efforts can improve the ease of doing business.

## Role of the Private Sector

The new government has repeatedly expressed its inclination toward strengthening public-private partnerships (PPPs), a mechanism that was largely neglected under the administration of former President Duterte.

For one, President Marcos stated in his SONA that in order to sustain the planned expansion of infrastructure projects in the Philippines, the participation of the private sector is encouraged in the country's infrastructure development. Furthermore, one of the President's legislative priorities is the amendment to the Build-Operate-Transfer (BOT) Law. This is seen to improve the implementation of the PPP program by addressing the ambiguities in the existing law as well as the bottlenecks and challenges that affect the implementation of the PPP program and by creating a more competitive and enabling environment for PPPs.

The Marcos Jr. administration also established the Private Sector Advisory Council (PSAC), which is comprised of several leaders in the Philippines' business sector, as an effort to strengthen collaboration between the government and the private sector and to provide policy recommendations. In August 2022, the PSAC revealed its five priority recommendations to create more jobs: (1) scale up micro, small and medium enterprises (MSMEs); (2) identify labor-intensive, high-potential industry segments; (3) attract more investors by making it easier to do business; (4) make labor regulation more flexible; and (5) build skills for short-term productivity and long-term competitiveness.

During the Post-SONA Economic Briefing, DOF Sec. Diokno emphasized that the executive branch would expand the role of the private sector in transforming the economy. He added that recently approved measures such as the amended Public Service Act would open up heightened participation of the private sector. Department of Trade and Industry (DTI) Secretary Alfredo Pascual further stated that considering that the private sector is the engine of economic growth, the government would provide an enabling environment for the private sector to thrive and would help facilitate investments. Department of Labor and Employment (DOLE) Secretary Bienvenido Laguesma also expressed openness to working in tandem with the private sector, which he identified as a crucial player in job creation. Other members of the Cabinet have also encouraged private sector participation in various areas such as in tourism, health facilities, and creation of sustainable cities.

The opinions of Filipinos on the ground resonate with this sentiment. In a survey commissioned by the Stratbase ADR Institute to Pulse Asia Research, Inc. in September 2022, 86% or eight out of ten Filipino adults agree that the private sector plays a crucial role in accelerating the country's economic growth (Table 3). Furthermore, 89% of Filipinos say that the government and the private sector should engage in partnership in order to sustain the country's economic recovery.

**Table 3**  
Agreement/Disagreement with Test Statements on the Role of the Private Sector: **PHILIPPINES**  
In Percent  
(September 17-21, 2022)

PulseAsia  
RESEARCH INC.


Base: Total Interviews, 100%

TEST STATEMENT:	RP	LOCATION				CLASS		
		NCR	BL	VIS	MIN	ABC	D	E
"The private sector plays a crucial role in accelerating economic growth."								
<b>AGREE</b>	<b>86</b>	<b>90</b>	<b>88</b>	<b>83</b>	<b>84</b>	<b>94</b>	<b>85</b>	<b>85</b>
Strongly agree	46	51	41	51	47	49	45	44
Somewhat agree	41	39	47	32	37	45	40	40
<b>CANNOT SAY IF AGREE OR DISAGREE</b>	<b>11</b>	<b>9</b>	<b>10</b>	<b>17</b>	<b>11</b>	<b>4</b>	<b>13</b>	<b>10</b>
<b>DISAGREE</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>5</b>	<b>2</b>	<b>2</b>	<b>5</b>
Somewhat disagree	2	1	2	0	5	1	2	5
Strongly disagree	0.3	0	1	0	0	1	0	0
<b>TEST STATEMENT:</b>								
"The government and the private sector should engage in partnership in order to sustain the country's economic recovery."								
<b>AGREE</b>	<b>89</b>	<b>95</b>	<b>89</b>	<b>82</b>	<b>92</b>	<b>91</b>	<b>90</b>	<b>85</b>
Strongly agree	62	66	58	69	62	71	61	58
Somewhat agree	27	30	31	14	30	19	29	27
<b>CANNOT SAY IF AGREE OR DISAGREE</b>	<b>10</b>	<b>5</b>	<b>10</b>	<b>16</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>
<b>DISAGREE</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>
Somewhat disagree	1	0	1	2	0	0	0	4
Strongly disagree	0.1	0	0	0	0	0	0	0



The same survey also found that Filipinos believe private investors can boost the economy primarily by creating jobs (69%), helping uplift the lives of Filipinos out of poverty (65%), and expanding livelihood opportunities (49%) (Table 4).

**Table 4**  
**Issues The Private Sector Can Address to Boost the Philippine Economy: PHILIPPINES**  
 In Percent / Up to Three Responses  
 (September 17-21, 2022)



Base: Total Interviews, 100%


In your opinion, which of the following can private investors address to boost the Philippine economy? You may give up to three issues.	RP	LOCATION				CLASS		
		NCR	BL	VIS	MIN	ABC	D	E
Creating jobs	69	77	71	60	66	62	71	64
Help uplift the lives of Filipinos out of poverty	65	70	60	64	73	66	68	52
Expanding livelihood opportunities	49	50	47	57	48	51	49	50
Improving healthcare systems	37	29	44	37	27	33	38	34
Improving the quality of and access to digital services	27	31	29	30	18	37	25	28
Managing natural resources and taking care of the environment	19	18	17	24	21	15	20	20
Developing public infrastructure	16	14	16	15	21	16	15	25
Improving the quality of education	12	10	13	8	12	18	10	13

## Anti-Corruption Performance and Commitments

While President Marcos Jr. has yet to articulate his concrete plans on how to address corruption in government, the fulfillment of the government’s international commitments to the rule of law and anti-corruption reforms would serve as the major reminder for the Marcos Jr. administration to facilitate the flow of investments and spur recovery and growth. Foreign investors are particularly concerned with compliance with the rule of law, human rights, and green growth in their drive toward extending investment funds to countries.

Despite the corruption scandals that plagued the Bureau of Customs (BOC) in recent years, President Marcos Jr. barely discussed his plans on how to improve the bureau and address the issues on corruption. He, however, mentioned in his SONA that the BOC would promote streamlined processes through ICT. Customs Commissioner Yogi Filemon Ruiz, who was appointed by President Marcos Jr. to head the bureau, revealed

**Table 5**  
**Issues That Would Benefit the Most If Corruption Is Controlled: PHILIPPINES**  
 In Percent / Single Answer Only  
 (September 17-21, 2022)



Base: Total Interviews, 100%

Of the following, controlling corruption is most beneficial in...	RP	LOCATION				CLASS		
		NCR	BL	VIS	MIN	ABC	D	E
Economic recovery and development	36	36	42	34	26	35	37	31
Improving the plight of ordinary citizens	22	26	18		23	25	21	25
Achieving good governance	11	11	11	11	11	7	10	22
The efficient utilization of government resources	10	10	6	16	13	11	11	4
The effective utilization of government resources	9	6	7	4	18	10	9	10
Implementing the rule of law	8	7	12	2	5	12	8	3
Further improving democracy	4	4	4	3	4	2	4	5

his seven priority programs: (1) have zero tolerance for drug smugglers; (2) curb gun smuggling; (3) eliminate agricultural smuggling; (4) increase revenue generation; (5) fully digitalize customs processes; (6) increase employee morale; and (7) eradicate corruption.

The Stratbase-commissioned survey of Pulse Asia Research, Inc. in September 2022 also showed that 36% of Filipino adults believe that controlling corruption helps quicken economic recovery and development (Table 5). Corruption leaves a tremendous cost, which adds to inflationary pressures that, in turn, impede what would otherwise have been a more vigorous economic growth.

The Pulse Asia survey results also revealed that 91% of Filipino adults agree that “to effectively control corruption, government should cooperate with the different forces and groups in society like the civil society, academe, private sector, mass media, and ordinary citizens.” There is also a strong agreement among Filipinos – at 92% – that “the government should strengthen anti-corruption laws, representatives, agencies, and collective mechanisms to implement and fulfill its international commitment to combatting corruption” (Table 6).

**Table 6**  
**Agreement/Disagreement with Test Statements on Corruption: PHILIPPINES**  
 In Percent  
 (September 17-21, 2022)



PulseAsia  
 RESEARCH INC.

Base: Total Interviews, 100%								
TEST STATEMENT: “To effectively control corruption, government should cooperate with the different forces and groups in society like the civil society, academe, private sector, mass media, and ordinary citizens.”	RP	LOCATION				CLASS		
		NCR	BL	VIS	MIN	ABC	D	E
<b>AGREE</b>	<b>91</b>	<b>89</b>	<b>90</b>	<b>96</b>	<b>91</b>	<b>85</b>	<b>92</b>	<b>94</b>
Strongly agree	50	52	46	60	50	46	52	49
Somewhat agree	41	37	44	36	41	39	40	45
<b>CANNOT SAY IF AGREE OR DISAGREE</b>	<b>7</b>	<b>7</b>	<b>9</b>	<b>2</b>	<b>8</b>	<b>12</b>	<b>7</b>	<b>4</b>
<b>DISAGREE</b>	<b>2</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>2</b>
Somewhat disagree	2	5	1	1	1	3	1	2
Strongly disagree	0.01	0	0	0	0	0	0	0
<b>TEST STATEMENT: “The government should strengthen anti-corruption laws, representatives, agencies, and collective mechanisms to implement and fulfill its international commitment to combatting corruption.”</b>								
<b>AGREE</b>	<b>92</b>	<b>93</b>	<b>93</b>	<b>84</b>	<b>93</b>	<b>90</b>	<b>94</b>	<b>84</b>
Strongly agree	58	58	52	68	63	49	60	58
Somewhat agree	33	36	41	16	31	41	33	26
<b>CANNOT SAY IF AGREE OR DISAGREE</b>	<b>8</b>	<b>6</b>	<b>6</b>	<b>16</b>	<b>6</b>	<b>9</b>	<b>6</b>	<b>16</b>
<b>DISAGREE</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>0</b>
Somewhat disagree	1	1	1	0	0	1	1	0
Strongly disagree	0.02	0	0	0	0	0	0	0

**Figure 1**  
Factors that will Delay the Philippines' Economic Recovery



Source: PwC MAP 2022 CEO Survey

Meanwhile, from a business perspective, the 2022 CEO Survey of PwC Philippines and the Management Association of the Philippines (MAP) revealed that the top five areas identified by CEOs that must be prioritized by the new administration are the following: (1) accountability and transparency; (2) fight against corruption; (3) attracting more foreign investments; (4) job generation; and (5) public-private partnerships for infrastructure projects. As shown in Figure 1, corruption was identified by CEOs as the top factor that will delay the Philippines' economic recovery.

In essence, the results of these surveys on corruption are instructive of the following: (1) that majority of the population would benefit if corruption is controlled; (2) that corruption is the deterrent to the country's recovery and continuous development; (3) that government's performance in controlling or curbing corruption should be improved and pronouncements against corruption should not be lip service; and (4) that solving the problem of corruption entails not only a whole-of-government approach but also a whole-of-society framework to address the gamut of corruption.

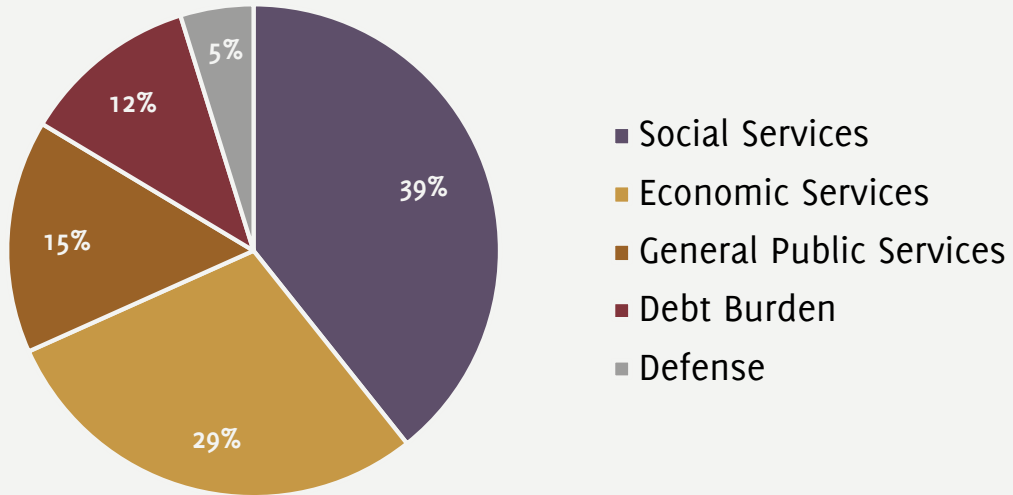
## Proposed National Budget for Fiscal Year 2023

Carrying the theme "Agenda for Prosperity: Economic Transformation Towards Inclusivity and Sustainability," the proposed national budget for fiscal year 2023 amounts to PHP 5.268 trillion, which is 4.9% higher than the PHP 5.024 trillion budget for FY 2022. Being the first full-year budget crafted under the administration of President Marcos Jr., the budget is grounded on three main pillars: (1) strengthen the purchasing power of Filipinos; (2) reduce vulnerability and mitigate scarring from the COVID-19 pandemic; and (3) enhance bureaucratic efficiency.

According to the President's Budget Message for FY 2023, education, infrastructure (i.e., public works), health, social protection, and agriculture will be the top five priority sectors in the proposed budget. The DBM also stressed that the spending priorities are guided by the Marcos Jr. administration's 8-point socioeconomic agenda, which touches on food security, improved transportation, affordable and clean energy, healthcare, social services, education, bureaucratic efficiency, as well as sound fiscal management.

Based on the National Expenditure Program (NEP) for 2023, the Social Services sector remains to have the largest share in the total budget pie at 39.3%, followed by Economic Services (29.0%), General Public Services (15.3%), Debt Burden (11.6%), and Defense (4.8%) (Figure 2).

**Figure 2**  
2023 Budget Dimensions by Sector

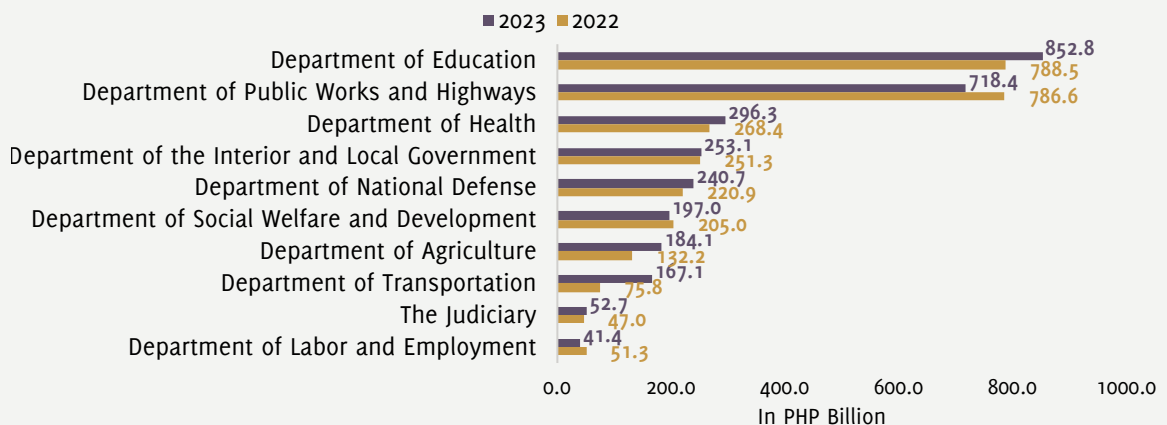


Source: Department of Budget and Management, 2023 People’s Proposed Budget

In line with constitutional requirements, Education – comprised of the Department of Education (DepEd), Commission on Higher Education (CHED), State Universities and Colleges (SUCs), and Technical Education and Skills Development Authority (TESDA) – is set to receive the greatest allocation in the budget (Figure 3).

Notwithstanding the government’s policy pronouncements, what really matters is how these promises will materialize and benefit the millions of Filipinos on the ground. Since the most crucial tools needed by government to carry these promises out are still in the works – like the medium-term development plan and the proposed national budget – the earliest that the public can see any implementation of agenda is in 2023. In other words, these promises would take some time before they materialize into concrete programs and actual public service.

**Figure 3**  
Top Ten Departments in the Proposed National Budget for 2023



Note: Includes the budgets of other agencies (i.e., Commission on Higher Education, State Universities and Colleges, and Technical Education and Skills Development Authority, Philippine Health Insurance Corporation, attached agencies and corporations of the Department of Agriculture, Philippine Crop Insurance Corporation, and Department of Agrarian Reform, and Department of Migrant Workers).

Source: Department of Budget and Management, 2023 People’s Proposed Budget

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## II. THE FIRST 100 DAYS OF MARCOS JR.'S INDEPENDENT PHILIPPINE FOREIGN POLICY

This section evaluates President Marcos Jr.'s independent foreign policy as reflected in his international trips to Singapore, Indonesia, and the United States. These trips have successfully secured agreements in various sectors and investment pledges from business leaders.

Within his first 100 days in office, President Marcos Jr. has made his vision of an independent foreign policy clear and has complemented these pronouncements with diplomatic actions to advance the country's national interest.

His version of an independent foreign policy is anchored on his statement, made during his first State of the Nation Address (SONA) last July 25, that the Philippines is a "friend to all, enemy to none." He has also declared his commitment not to allow "any process that will abandon even one square inch of territory of the Republic of the Philippines to any foreign power."

With his promise to stand firm in the country's independent foreign policy, "with the national interest as primordial guide," President Marcos Jr. has made three official state visits to Indonesia, Singapore, and the United States.

His official visits to neighboring Southeast Asian countries – Indonesia and Singapore – allowed him to secure investments worth USD 8.48 billion and USD 5.88 billion, respectively, in various sectors. Another set of investment pledges worth USD 3.9 billion was made during his travel to the United States. These are ultimately critical for the country's recovery from the pandemic and will make the Philippines a more attractive investment hub in Southeast Asia.

Furthermore, these official state visits have become more significant and strategic in diplomacy as the global community recovers from the COVID-19 pandemic. These international travels advanced the country's foreign policy agenda and have indeed reinforced the role of the Philippines in an increasingly interconnected yet multipolar world.

The President's pronouncements and corresponding diplomatic actions suit this vision of an independent foreign policy. However, his foreign policy will be continuously tested on his ability to remain committed to these promises in the next six years.

### A Visit to the Neighbors

President Marcos Jr.'s visit to Indonesia and Singapore signifies the importance of fostering multilateral and inclusive cooperation with neighboring states. By employing economic and commercial diplomacy, the President advances stronger ties with the two states while securing agreements that benefit the Philippines' economic recovery.

His visit to ASEAN neighbor states allows the country to move away from the strategic competition between the United States and China. By engaging with credible partners such as Indonesia and Singapore, the Philippines can become a more relevant player in the Indo-Pacific region.

The President was joined by first lady Liza Araneta-Marcos and their son Ilocos Norte Rep. Sandro Marcos, alongside House Speaker Martin Romualdez, Department of Foreign Affairs (DFA) Sec. Enrique Manalo, Department of Finance (DOF) Sec. Benjamin Diokno, Department of Trade and Industry (DTI) Sec. Alfredo Pascual, Department of Budget and Management (DBM) Sec. Amenah Pangandaman, National Economic and Development Authority (NEDA) Sec. Arsenio Balisacan, and Bangko Sentral ng Pilipinas (BSP) Governor Felipe Medalla.

His first destination was Indonesia from September 4 to 5, 2022, upon the invitation of President Joko Widodo. The two leaders signed various agreements on economy, culture, defense, and security. These include the following:

- Plan of Action between the Government of the Republic of Indonesia and the Government of the Republic of the Philippines from 2022 to 2027, presented by Minister for Foreign Affairs Retno Marsudi and DFA Secretary Enrique Manalo;
- Memorandum of Understanding between the National Commission for Culture and the Arts and the Ministry of Education, Culture, Research and Technology on Cultural Cooperation, presented by Minister for Foreign Affairs Retno Marsudi and DFA Secretary Enrique Manalo;
- Agreement on Cooperative Activities in the Field of Defense and Security between the Government of the Republic of Indonesia and the Government of the Republic of the Philippines, presented by the Minister of Defense Prabowo Subianto and Senior Undersecretary of the Department of Defense Jose Faustino Jr.; and
- Memorandum of Understanding for Cooperation on the Development and Promotion of Creative Economy between the Government of the Republic of Indonesia and the Government of the Republic of the Philippines, presented by Minister of Tourism and Creative Economy Sandiaga Uno and DTI Secretary Alfredo Pascual.

Philippine-Indonesian bilateral relations were further strengthened in this visit, as evidenced by an agreement on USD 8.48 billion worth of investments. It is composed of a USD 7-billion pledge in infrastructure for unsolicited Public-Private Partnerships (PPP) such as the C-5 four-level expressway, USD 882 million investments committed for textiles, garments, renewable energy, satellite gateway, and wire global technology, and USD 662 million worth of coal and fertilizer supplies. According to then Press Secretary Trixie Cruz-Angeles, the deals are expected to generate at least 7,000 jobs.

Aside from meeting his counterpart, President Marcos Jr. also met with a community of overseas Filipino workers (OFWs) in Indonesia last September 4. He expressed his administration's commitment to making the Philippines more conducive for tourism and investment, and he assured them that they are part of his administration's priority.

From Indonesia, President Marcos Jr. went to Singapore from September 6 to 7, where he joined Singapore President Halimah Yacob in a State Luncheon. The two leaders noted with satisfaction the expansion of their countries' bilateral relations.

His meeting with Prime Minister Lee Hsien Loong involved signing bilateral agreements on information and communications technology, healthcare, defense, and public utilities. The agreements include the following:

- Arrangement Concerning the Assignment of a Team to the Regional Counter-Terrorism Information Facility in Singapore between the Armed Forces of the Philippines and the Singapore Armed Forces;
- Memorandum of Understanding in the Field of Digital Cooperation between the Department of Information and Communications Technology of the Philippines and the Ministry of Communications and Information of Singapore;
- Memorandum of Understanding for collaboration on the development of New Clark City, between the Bases Conversion and Development Authority (BCDA) of the Philippines and Enterprise Singapore;
- Renewal of the Memorandum of Understanding on Cooperation in Personal Data Protection between the National Privacy Commission of the Philippines and the Personal Data Protection Commission of Singapore; and
- Renewal of the Memorandum of Understanding on Water Collaboration between the Metropolitan Waterworks and Sewerage System of the Philippines and the Public Utilities Board of Singapore.

In addition, the President secured USD 5.88 billion (PHP 335.8 billion) in investments.

The two countries released a Joint Press Statement between the Republic of the Philippines and the Republic of Singapore on Strengthening the Philippines-Singapore Partnership. The statement reiterated ASEAN's position on the South China Sea and emphasized the importance of peace, security, stability, safety, freedom of navigation and overflight in and above the South China Sea, and peaceful resolution of disputes without resorting to threat or use of force in line with the United Nations Convention on the Law of the Sea (UNCLOS).

Apart from these engagements with government officials, President Marcos Jr. interacted with the Filipino community at the National University of Singapore. He expressed gratitude to the Filipino community in Singapore for their support and announced that more healthcare jobs would be available for OFWs in Singapore as one of his priority talking points in his meeting with Singaporean leaders. He also promised to grant more scholarships, healthcare benefits, and housing programs to the families of migrant Filipino workers in the city-state.

These visits reiterate the strong relations of the Philippines with its ASEAN neighbors, particularly in the context of growing geopolitical tensions in the region.

## Visit to the United States

Weeks after his first international trip as president, Marcos Jr. embarked on a second official visit, this time to the United States, where he met with leaders of the U.S. and Japan. He was in New York from September 18 to 24, 2022.

Last September 21, 2022, President Marcos Jr. took the podium at the 77th United Nations General Assembly (UNGA), where he reiterated the Philippines' commitment to an open, inclusive, and rules-based international order. He likewise echoed his independent foreign policy maxim: "a friend to all, enemy to none." He took advantage of the international nature of the meeting to assert the country's commitment to the 1982 UNCLOS.

On the same day, Marcos Jr. met with United Nations Secretary-General Antonio Guterres, where they discussed areas for cooperation and support between the U.N. and the Philippines. They also exchanged views on climate action.

Another highlight of the President's trip is his meeting with United States President Joe Biden. On the one hand, President Marcos Jr. highlighted the "strong foundation" and the "long relationship" between the two countries and expressed appreciation for the contributions of the U.S. in maintaining peace and stability in the region. On the other hand, President Biden reiterated Washington's "ironclad" commitment to the defense of the Philippines, especially in the context of tensions in the West Philippine Sea. The two leaders expressed their willingness to strengthen the partnership and foster stronger bilateral cooperation.

Calling the United States the country's partner, ally, and friend, the Marcos administration showed its openness and intent to further strengthen and explore more partnerships with its long-time ally.

Like he did in his Singapore and Indonesia travels, President Marcos Jr. secured investment pledges worth USD 3.9 billion during his travel to the United States. These business agreements and commitments, which are expected to generate 112,285 jobs, include various sectors such as Information Technology and Business Process Management (IT-BPM), data centers, and manufacturing. In his speech during the Philippine Economic Briefing in New York, the President invited investors to "take part in the Philippines' economic resurgence."

According to Philippine Ambassador to the United States Jose Manuel Romualdez, sectors discussed during the meeting include digital infrastructure, business process management, information technology, aviation, security, agriculture, energy, climate change, and disaster response.

Aside from the U.S. President, Marcos Jr. also met with Japanese Prime Minister Fumio Kishida, marking a milestone in the PH-Japan's strategic partnership. The Philippine president shared his administration's desire to continue strengthening cooperation with Japan in various areas, including agriculture, energy, health, and infrastructure. The two leaders also echoed their alignment in furthering security cooperation in the context of the East and the South China Seas issues and China's activities in the region.

## Collective Call for a Rules-based International Order

In line with the pressing security issues in the Indo-Pacific, the defense leaders of the United States and Japan, together with Australia, have agreed to intensify their military cooperation against the actions of China, Russia, and North Korea that undermine geopolitical stability. Japanese Defense Minister Yasukazu Hamada, Secretary of Defense Lloyd Austin, and Australian Defense Minister Richard Marles at the U.S. Indo-Pacific Command headquarters in Honolulu last October 1, 2022. They specifically expressed their concern over “China’s increasingly aggressive and bullying behavior in the Taiwan Strait and elsewhere in the region.” With this in mind, the defense leaders collectively vowed to strengthen cooperation in the Indo-Pacific and uphold a rules-based international order.

Philippine Defense Senior Undersecretary Jose Faustino Jr. was also in Hawaii last September 30, where he met with the three defense ministers. Faustino and Secretary Austin reiterated the Philippines and the U.S.’s commitment to the Mutual Defense Treaty and emphasized that cooperation in defense and security remains a key pillar of the alliance. The two also signed the US-Philippine Maritime Framework that will guide their maritime initiatives in the South China Sea.

Dr. Renato De Castro, Trustee and Program Convenor of Stratbase ADR Institute, refers to this as a policy of “revitalizing the alliance” after the challenges it experienced under the Duterte administration.

Similarly, Senior Usec. Faustino also met with Minister Hamada and discussed initiatives to further strengthen the bilateral relations of the Philippines and Japan amidst the growing concerns in both the East and South China Seas.

And with Minister Marles, Faustino discussed enhancing Philippine-Australia relations through maritime cooperation activities, counter-terror training, education and professionalization opportunities, dialogues, and consultations.

## Building Strategies for an Independent Foreign Policy

In the next six years, the Marcos Jr. administration is faced with the challenge of navigating an increasingly interconnected and multipolar Indo-Pacific. To successfully contribute to the shared responsibility of maintaining a free and open region, the Philippines must continue to actively engage in bilateral, minilateral, and multilateral initiatives.

Moreover, it is imperative for the Marcos Jr. administration to strengthen existing diplomatic relations and to explore new partnerships with like-minded counterparts. The administration must welcome invitations and initiatives offered by other leaders and extend them the same courtesies. Doing so will allow the Philippines to maximize its relations and to position itself as a credible partner in the Indo-Pacific.

More importantly, the Marcos Jr administration must ensure that it remains consistent with the Philippines’ independent foreign policy in the conduct of its official engagements and as it forwards the country’s agenda in the international community. In order to create a bigger impact, its policies and strategies must continue to remain relevant and transcend future administrations. As a majority president with over 31 million votes, Marcos Jr. is expected to implement strategies that prioritize and adhere to the interests of his constituents.

## III. LEGISLATIVE UPDATES AND ACHIEVEMENTS

As the country settles into a new normal amid the COVID-19 pandemic, the government is preparing to launch into post-pandemic recovery. In line with the further opening up of the economy, President Ferdinand “Bongbong” Marcos Jr. laid down in his State of the Nation Address (SONA) last July the priority legislative measures for his presidential term.



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On October 10, the Legislative-Executive Development Advisory Council (LEDAC) convened for the first time under President Marcos Jr. LEDAC, a 20-member council, brings together leaders from both Houses of Congress and members of the Cabinet. In addition to the 20 bills introduced during the President's inaugural SONA address, LEDAC agreed to a further 10 congressional priority bills, bringing the total number to 30 priority pieces of legislation.

Priority measures identified in the SONA and by LEDAC will receive greater attention in both chambers of Congress and swifter passage into law.

These priority measures are:

1. National Government Rightsizing Program
2. Budget Modernization Bill
3. Tax Package 3: Valuation Reform Bill
4. Tax Package 4: Passive Income and Financial Intermediary Taxation Act (PIFITA)
5. E-Government Act
6. E-Governance Act
7. Internet Transaction Act or E-Commerce Law
8. Government Financial Institutions Unified Initiatives to Distressed Enterprises for Economic Recovery (GUIDE)
9. Medical Reserve Corps
10. National Disease Prevention Management Authority
11. Creation of the Virology Institute of the Philippines
12. Creation of the Department of Water Resources
13. Unified System of Separation, Retirement and Pension
14. National Land Use Act
15. National Defense Act
16. Mandatory Reserve Officers' Training Corps (ROTC) and National Service Training Program (NSTP)
17. Enactment of an Enabling Law for the Natural Gas Industry
18. Amendments to the Electric Power Industry Reform Act or EPIRA
19. Amendments to the Build-Operate-Transfer (BOT) Law
20. Condonation of Unpaid Amortization and Interests of Loans of Agrarian Reform Beneficiaries
21. Establishment of Regional Specialty Hospitals
22. Magna Carta of Filipino Seafarers
23. Establishing the Negros Island Region
24. New Philippine Passport Act
25. Waste-to-Energy Bill
26. Apprenticeship Act
27. Providing Free Legal Assistance for Military and Uniformed Personnel
28. Magna Carta of Barangay Health Workers
29. Creation of the Leyte Ecological Industrial Zone
30. Creation of the Eastern Visayas Development Authority

The set of bills targeted to be passed are seen to holistically address public issues of the Philippines, covering the areas of agriculture, education, energy, environment, healthcare, information and communications technology (ICT), infrastructure, government services, and the overall economy.

In late August, the Department of Budget and Management (DBM) submitted the President's Proposed Budget for Fiscal Year 2023 to Congress. The 2023 National Expenditure Program (NEP) stands at PHP 5.268 trillion and indicates that priority sectors for government spending for 2023 are education, infrastructure, health, agriculture, and social safety nets. Further deliberations on the proposed budget are being held in plenary at the House and Senate. The finalized budget, through the General Appropriations Act (GAA), will give greater clarity on how legislative priorities will be implemented.

The Senate and the House of Representatives held their sessions from July 25 to September 30, right after President Marcos, Jr. laid down his legislative agenda for the coming year. Several bills aligned with the President's legislative priorities – namely the Internet Transactions Act, the National Government Rightsizing

Program, the Budget Modernization Bill, and the Medical Reserve Corps, among others – have been filed in the past three months.

Although not identified as a priority legislation of the President during his first SONA, one of the most discussed bills was the SIM Card Registration Act. The measure will impose the mandatory registration of mobile phone subscriber identity module (SIM) cards. The SIM Card Registration Act received bicameral approval in the 18th Congress but was vetoed by then President Rodrigo Duterte due to the inclusion of provisions on social media account registration. Its progress in the previous Congress allowed for swift progress in both chambers. The bicameral conference committee report was ratified by the House and Senate on September 28, 2022. The bill was signed into law as Republic Act No. 11934 on October 10, 2022 by the President.

Both chambers of the Philippine Congress are pushing for the bills mentioned during President Marcos Jr.'s first SONA. They defined the areas of focus for legislators during the first three months of the 19th Congress.

Breakdown of the first 20 priority measures identified during the president's first SONA:

#### ***National Government Rightsizing Program***

The NGRP is seen as a means to enhance the government's institutional capacity to perform its mandate and provide better services. Additionally, it is considered as a practical way to ensure efficient and optimal use of the government's resources. The said program will mean the merger, consolidation, splitting, transfer, and abolition of several offices, according to the President.

#### ***Budget Modernization Bill***

According to the President, this bill is seen as a way to strengthen fiscal discipline in the allocation and use of budget resources by ensuring that every peso budgeted by the government will result to the real and immediate delivery of programs and projects.

This method, called Cash-Based Budgeting, was actually adopted by the Duterte administration in 2019. It makes appropriations available for obligation and disbursement only until the end of each fiscal year and that obligations that the government incurs must be implemented within that fiscal year.

In 2019, the DBM said that this was better than obligation-based budgeting since it would signify a more focused and disciplined implementation and payment period for projects.

#### ***Tax Package 3: Valuation Reform Bill***

The President said that the Valuation Reform Bill would establish real property values and valuation standards across the country and develop a Real Property Information System that would collect and keep information on real estate transactions and declarations.

#### ***Tax Package 4: Passive Income and Financial Intermediary Taxation Act (PIFITA)***

PIFITA is seen as a method to reform the taxation of capital income and financial services by redesigning the financial sector taxation into simpler, fairer, more efficient and a revenue-neutral tax system.

#### ***E-Government Act***

The current administration is pushing for the passage of this bill for the establishment of the E-Government Master Plan which will cover all e-government services and processes.

Furthermore, the bill seeks to establish an integrated, interconnected, and interoperable information, resource sharing, and communications network through several provisions enumerated and discussed in this Act regarding the following: the Role of the DICT; the Integrated Government Network (re: paper-based workflows, etc.); the Philippine Individual Information Database and Civil Registration System; the Public Service Directory; the Service Portal for Individuals and Business (government frontline services, online payment system, citizen's concerns center, cooperation of government agencies and LGUs, etc.); the Online Public Service; the Philippine Citizen Connect Program (free internet access for the public, provision of

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internet-capable devices in all barangays; the Government Websites and E-Bulletin Boards; Data Information Security; Philippine Infrastructure Management Corp.(PIMC); and the ICT Academy.

#### ***E-Governance Act***

To support the E-Government Master Plan, this bill focuses on the digital and technological harmonization of government bureaucracies. It mandates the government to establish an integrated, interconnected, and interoperable information and resource-sharing and communications network spanning the entirety of the national and local government, an internal records management information system, an information database, and digital portals for the delivery of public services.

#### ***Internet Transaction Act or E-Commerce Law***

The President wants to have an Internet Transactions Act or E-Commerce Law in order to establish an effective regulation of commercial activities through the internet or electronic means to ensure that consumer rights and data privacy are protected, innovation is encouraged, fair advertising practices and competition are promoted, online transactions are secured, intellectual property rights are protected, and product standards and safety are observed.

While the proposed measure has seen little disagreement among stakeholders in during house committee hearings, the Senate version has seen heavy debate between government stakeholders and online platforms, particularly on contentious provisions that impose solidary liability on online platforms.

#### ***Government Financial Institutions Unified Initiatives to Distressed Enterprises for Economic Recovery (GUIDE)***

As mentioned by the President, the GUIDE bill seeks to provide financial assistance to distressed enterprises critical to economic recovery through programs and initiatives to be implemented by the Land Bank of the Philippines, Development Bank of the Philippines and Philippine Guarantee Corporation. This is for the purpose of addressing liquidity or solvency problems of MSMEs and strategically important industries, encouraging their continued operations, and maintaining employment.

#### ***Medical Reserve Corps***

The bill aims to produce and call on the needed manpower to expand the country's human health resources in times of disasters and public health emergencies through the mobilization of a medical reserve force fully trained to supplement the existing health care system

If passed into law, a Medical Reserve Corps will be created under the Department of Health's Health and Emergency Management Bureau. It will be made up of doctors and medical school graduates as well as registered nurses and licensed allied health professionals.

It is good to note that the creation of a medical reserve corps was a priority bill of President Rodrigo Duterte. The House of Representatives passed its version of a bill in 2021 while the Senate worked on three similar bills.

#### ***National Disease Prevention Management Authority***

The bill is a consolidation of 14 house bills that seek to establish a Center for Disease Prevention and Control (CDC) which were referred to the House Committee on Health during the 18th Congress. The bill proposes, among others, the transfer of DOH units and functions to the CDC of the following: Epidemiology Bureau, Research Institute for Tropical Medicine, Sexually Transmitted Disease - AIDS Cooperative Central Laboratory, selected functions of the International Health Surveillance Division of the Bureau of Quarantine, technical and standard-setting functions of the Disease Prevention and Control Bureau including that of the Mental Health Division, Cancer Division and Oral Health Division.

#### ***Creation of the Virology Institute of the Philippines***

Former President Duterte listed the creation of a Virology Science and Technology Institute of the Philippines in his SONA 2021 priority measures.

The bill seeks to conduct an in-depth study on viruses and their potential disease-causing agents that affect people, plants, and animals in order to provide scientific bases for the treatment of viral diseases. It also proposes to create the VIP as the premier research Institute in the field of virology which shall be a venue for scientists, research institutes, and other organizations to work collaboratively to study viruses of agricultural, industrial, clinical, and environmental importance.

President Marcos Jr. would like the virology institute as an attached agency of the Department of Science and Technology. All functions related to virology will be under its jurisdiction.

#### *Department of Water Resources*

The bill primarily intends to address the fragmented and uncoordinated governance and maintenance of the country's water resources in order to provide accessible, affordable, safe and reliable potable water and proper sanitation services. In addition, it proposes to create a Department where all government agencies related to water shall be rationalized under it, and it also aims to adopt the Integrated Water Resources Management (IWRM) as the strategic framework for policymaking and planning, etc. Furthermore, the bill aims to create an independent Water Regulatory Commission that shall protect consumer welfare and reject abusive practices in the industry.

Already a priority measure in 2019, former Senator, Manny Pacquiao, sought the creation of a government department that would holistically integrate all measures designed to ensure the availability and quality of water, and synchronize all the acts of all government agencies that have water-related functions.

#### *Unified System of Separation, Retirement and Pension*

This proposed system declares that the State shall ensure that there shall be an adequate, robust, and well-managed insurance system to sustainably support the needs of the military and uniformed personnel and their dependents. It likewise proposes reforms to address several long-standing issues in the design of the Military and Uniformed Personnel (MUP) system related to the following: disability pension, mandatory contributions, fund administrator of MUP pension, pension indexation, other sources of funding, and tax treatment of the MUP Trust Fund.

According to the President, he said this system will grant a monthly disability pension, in lieu of disability benefits provided under existing laws, for military and uniformed personnel retired by reasons of disability.

#### *National Land Use Act*

A National Land Use Act has been pending since before the Duterte administration, but legislation that Marcos Jr. said, would "provide for a rational and holistic management and development of country's land and water resources" and compel landowners and local government units to ensure sustainable development on their land has always faltered at the committee level.

Senate President Juan Miguel Zubiri filed Senate Bill No. 1522, or the National Land Use Act of 2017 during the Duterte administration. The bill is also known as the act "instituting a National Land Use policy, providing the implementing mechanisms therefore, and for other purposes."

Zubiri, who chaired the Senate Committee on Environment and Natural Resources during the 15th Congress, said then that the bill provided guidelines for the use and management of "agricultural lands, forestlands and watersheds, coastal zones, mineral lands, energy resource lands, settlements development areas, industrial development areas, tourism development and heritage areas."

#### *National Defense Act*

The Act seeks to provide a mechanism for the coordination of departments and agencies in addressing multi-dimensional facets of national defense and security, and to achieve a common understanding of its issues by providing the facility for consensus building and consultation processes. It proposes several provisions, among others, regarding the following: mandatory military service; the National Defense Council which mandates the Department of National Defense (DND) to exercise supervision and control over the Armed Forces of the Philippines (AFP), Government Arsenal, Office of Civil Defense, Philippine Veterans Affairs Office (PVAO) and the National Defense University of the Philippines; management and control of defense real properties; functions of the Philippine Army, Philippine Air Force, and Philippine Navy; Women's Auxiliary Corps; Philippine Military Academy.

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The President wishes to amend the National Defense Act of 1935 in order to provide for a change in the military structure of the Armed Forces of the Philippines that is more responsive to current and future non-conventional security threats to the country's territorial integrity and national sovereignty.

#### ***Mandatory Reserve Officers' Training Corps (ROTC) and National Service Training Program (NSTP)***

Vice President and Secretary of Education Sara Duterte talked about reviving this bill when she was campaigning for VP. President Marcos Jr. said that this measure aims to motivate, train, organize and mobilize the students for national defense preparedness, including disaster preparedness and capacity building for risk-related situations.

#### ***Enactment of an Enabling Law for the Natural Gas Industry***

The bill seeks to mandate the Department of Energy to be the lead agency responsible for the supervision and monitoring of the industry and the regulation of the construction and operation of natural gas pipelines and related facilities for the transmission, distribution, and supply of natural gas. It also stipulates that the Energy Regulatory Commission shall have the sole regulatory responsibility for establishing the rates and related terms and conditions of service for the transmission and distribution, regasification and supply of natural gas.

According to the President, the proposal primarily seeks to foster the development of the Midstream Natural Gas Industry in a bid to strengthen Philippine energy security by diversifying the country's primary sources of energy and promoting the role of natural gas as a complementary fuel to variable renewable energy.

#### ***Amendments to the Electric Power Industry Reform Act or EPIRA***

The bill primarily seeks to improve the implementation of the law's provisions and enhance its effectiveness to address the high cost of electricity, alleged market collusion, and insufficient power supply that has been constantly hounding the country for quite some time now.

Additionally, it aims to restructure the Energy Regulation Commission (ERC) to foster accountability and improve the commission's government system that would ensure consumer protection and in enhancing the competitive operation of the electricity market.

#### ***Amendments to the Build-Operate-Transfer (BOT) Law***

The proposed amendments to the BOT Law are aimed at improving the implementation of the Public Private Partnership (PPP) Program and supposedly direct the desired outputs and outcomes in line with the strategic development targets of the country. Specifically, the amendments seek to address the ambiguities in the existing law, the bottlenecks and challenges affecting the implementation of the PPP Program, and to foster a more competitive and enabling environment for PPP.

#### ***Condonation of Unpaid Amortization and Interests of Loans of Agrarian Reform Beneficiaries***

President Marcos Jr. said the measure would ensure the success of the administration's food security program. The measure would lift the burden off agrarian reform beneficiaries who have loans so they may concentrate on farm productivity.

#### ***SIM Card Registration Act (Priority of the House and Senate; Signed into Law)***

The bill seeks to impose the mandatory registration of mobile phone subscriber identity module (SIM) cards to promote accountability in the use of SIM cards and provide law enforcement agencies the tools to resolve crimes involving mobile phones such as text scams and data breaches. The key provisions of the act include the requirement of public telecommunications entities (PTEs) and direct sellers to establish a system of sale and registration of SIM cards. This will be implemented through registration forms requiring subscribers to present the original copy of a valid government-issued identification document with a photo to confirm the buyer's identity upon purchase of a SIM card. Both the Senate and House versions of the bill were ratified on September 28. On October 10, 2022, the bill was signed into law by the President as Republic Act No. 11934.

## LEDAC

In addition to the 30 priority measures, two measures - The SIM Card Registration and a bill postponing 2022 Barangay and Sangguniang Kabataan (SK) Elections - were also identified as priority legislations by LEDAC. President Marcos Jr. signed the SIM Card Registration Act as well as the law postponing the 2022 Barangay and SK Elections on October 10, 2022.

Breakdown of the 10 new priority legislations identified during the first LEDAC meeting:

### *Establishment of Regional Specialty Hospitals*

The bill seeks to establish regional branches of specialty hospitals such as the Philippine Heart Center, National Kidney and Transplant Institute, Lung Center of the Philippines, Philippine Children's Medical Center and Philippine Cancer Center.

### *Magna Carta of Filipino Seafarers*

The act seeks to institute a magna carta of Filipino seafarers, establishing dormitories for seafarers and shore-based welfare facilities.

### *Establishing the Negros Island Region*

The act seeks to establish a separate Negros Island Region, to be composed of Negros Occidental and Negros Oriental. Regional offices will be situated in Negros Island and therefore will better serve residents of Negros.

### *New Philippine Passport Act*

The bill seeks to repeal Republic Act No. 8239, otherwise known as the "Philippine Passport Act of 1996" and instead replace it with a New Passport Law, one in line with international agreements pertinent to passport application and issuance.

### *Waste-to-Energy Bill*

The act seeks to establish a national energy policy and regulatory framework for facilities utilizing waste-to-energy technologies.

### *Apprenticeship Act*

The act seeks to establish a reformed apprenticeship program that will ensure the availability of qualified manpower in the field of critical and in-demand technical skills.

### *Providing Free Legal Assistance for Military and Uniformed Personnel*

The act seeks to rationalize the standards and provide free legal assistance and services for Military and Uniformed Personnel (MUP) in the performance of their duties without fear and punishment.

### *Magna Carta of Barangay Health Workers*

The act aims to provide a set of incentives to Barangay Health Workers (BHW). The act will enhance the benefits provided to BHWs by providing, among others, fixed honoraria, and health and insurance coverage under PhilHealth and GSIS.

### *Creation of the Leyte Ecological Industrial Zone*

The act seeks the conversion of the Leyte Industrial Development Estate (LIDE) and its expansion to include other municipalities in the province of Leyte and the Eastern Visayas Regional Growth Center (EVRGC) into the Leyte Ecological Industrial Zone.

### *Creation of the Eastern Visayas Development Authority*

The act seeks to create the Eastern Visayas Development Authority, a proposed development agency mandated to promote, coordinate, and facilitate the active and extensive participation of all sectors to catalyze the socioeconomic development of Eastern Visayas.

## Legislative Priorities (SONA and LEDAC Bills)

BILL	STATUS
HB 4 (Internet Transactions Act)	Pending with the Committee on Trade and Industry (July 26, 2022)
SB 154, 612, 806, 1125, 1250 (Internet Transactions Act of 2022)	Referred to the Committees on Trade and Commerce, and Entrepreneurship/ Finance (August 30, 2022)
HB 14 (SIM Card Registration Bill)	Signed into law by the President as Republic Act No. 11934 (October 10, 2022)
SB 1310 (SIM Card Registration Bill)	
HB 12, 2696, 2787, 2885, 3096, 3227, 3385, 3473, 3529, 3539, 4015, 4086, 4120, 4411, 4816 (Right Sizing the National Government to Improve Public Service Delivery)	Pending with the Committee on Government Reorganization (September 19, 2022)
SB 890 (Rightsizing the National Government Act of 2022)	Referred to the Committees on Civil Service, Government Reorganization, and Professional Regulation/Finance (August 31, 2022)
HB 19, 111, 418 (Budget Process Reform Bill)	Pending with the Committee on Appropriations (July 26, 2022)
SB 13, 1020 (Budget Modernization Bill)	Pending with the Committee on Finance (September 9, 2022)
HB 54, 197, 1276, 2695, 3420, 3436, 3954, 3955, 4094, 4269 (Tax Package 3: Valuation Reform Bill)	Pending with the Committee on Government Reorganization (September 5, 2022)
SB 1018, 897, 693, 314 (Real Property Valuation and Assessment Reform Act)	Referred to the Committees on Ways and Means, Local Government, and Finance (September 5, 2022)
HB 01 (Providing for Government Financial Institutions Unifies Initiatives to Distressed Enterprises for Economic Recovery)	Pending with the Committee on Banks and Financial Intermediaries (July 26, 2022)
SB 1182, 1129, 674, 506, 411 (Gov't Financial Institutions Unified Initiatives to Distressed Enterprises for Economic Recovery)	Referred to the Committee on Banks, Financial Institutions and Currencies, Government Corporations and Public Enterprises, Ways and Means, and Finance (September 7, 2022)

BILL	STATUS
HB 02, 88, 285, 603, 1093, 1261, 1490, 1695, 2693, 2752, 2788, 3009, 3041, 3083, 3095, 3150, 3461, 3504, 3593, 3608, 3726, 4266, 4639, 4832 <b>(Medical Reserve Corps and Appropriating Funds Therefor)</b>	Pending with the Committee on Health (September 19, 2022)
SB 1180, 1131, 1120, 1017, 892, 255, 88 <b>(Medical Reserve Corps Act of 2022)</b>	Referred to the Committees on Health and Demography/ Finance (September 7, 2022)
HB 09, 46, 159, 281, 359, 994, 1375, 1715, 2521, 2694, 2730, 2799, 2935, 2977, 3010, 3094, 3117, 3447, 3502, 3530, 3540, 3609, 3666, 4064, 4085, 4100, 4147, 4172, 4778, 4865 <b>(Center for Disease Prevention and Control Act)</b>	Pending with the Committee on Health (September 20, 2022)
SB 1163, 1113, 1039, 825, 679, 600, 195, 12 <b>(Philippine Center for Disease Prevention and Control Act)</b>	Referred to the Committees on Health and Demography; Finance (September 7, 2022)
HB 10, 47, 282, 308, 462, 528, 602, 1179, 1262, 1491, 1710, 1721, 1903, 2413, 2736, 2797, 2904, 2979, 3043, 3118, 3147, 3398, 3407, 3503 <b>(Creation of the Virology Institute of the Philippines)</b>	Pending with the Committee on Health (August 15, 2022)
SB 196, 281, 489, 599, 941, 981, 1161 <b>(Creation of the Virology Institute of the Philippines)</b>	Pending with the Committee on Science and Technology (September 7, 2022)
HB 21, 55, 144, 858, 2175, 2538, 2690, 2880, 3082, 3226, 3237, 3302, 3435, 3610, 3670, 3677, 3727, 3788, 3886, 4326, 4535, 4536 <b>(Department of Water Resources)</b>	Pending with the Committee on Government Reorganization (September 12, 2022)
SB 1244, 1021, 268, 185, 102, 87 <b>(Water Resources and Management Authority Act)</b>	Pending with the Committee on Public Services (September 7, 2022)
HB 420, 870, 1621, 2299, 2383, 2878, 3007, 3611, 3956, 4081, 4163, 4291, 4884, 5149 <b>(National Land Use Act)</b>	Pending with the Committee on Land Use (September 28, 2022)
SB 1019, 898, 595, 374, <b>(National Land Use Policy Act of 2022)</b>	Referred to the Committees on Environment, Natural Resources and Climate Change, Urban Planning, Housing and Resettlement, and Finance (September 5, 2022)
HB 11, 869, 1616, 1656, 2976, 3393, 3881, 4082, 4096, 4640 <b>(National Defense Act)</b>	Pending with the Committee on National Defense and Security (September 14 2022)
SB 980 <b>(National Defense Act)</b>	Pending with the Committees on National Defense and Security, Peace, Unification and Reconciliation (September 5, 2022)
HB 07, 667, 1825, 2015, 2556, 3592, 3728, 3887, 4238, 220	Pending with the Committee on National Defense and Security



BILL	STATUS
<b>(Unified System for Separation, Retirement, and Pension of Military and Uniformed Personnel)</b>	(September 5, 2022)
SB 284, 910, 59 <b>(Military and Uniformed Personnel Services Separation, Retirement, and Pension Act of 2022)</b>	Referred to the Committees on Civil Service, Government Reorganization and Professional Regulation, and Finance (August 31, 2022)
HB 639, 1692, 2174, 2339, 2628, 3035, 3045, 3613, 3637, 4019, 4083, 4105, 4308, 4500 <b>(Reserve Officers Training Corp in K-12)</b>	Pending with the Committee on Basic Education and Culture (August 30, 2022)
SB 468, 387, 236, 199 <b>(Mandatory Reserve Officers' Training Corps Act)</b>	Referred to the Committees on Higher, Technical and Vocational Education, National Defense and Security, Peace Unification and Reconciliation, and Finance (September 7, 2022)
HB 277, 2683, 2731, 2963, 3421, 4137 <b>(E-Government Act)</b>	Pending with the Committee on Information and Communications Technology (September 5, 2022)
SB 334, 445, 974, 982 <b>(E-Government Act)</b>	Pending with the Committee on Science and Technology (September 5, 2022)
HB 3, 1809, 2902, 2978, 3563, 3612, 4115, 4261, 4499, 4776 <b>(Institutionalizing the Transition of the Government to E-Governance in the Digital Age, Appropriating Funds Therefor)</b>	Pending with the Committee on Information and Communications Technology (September 19, 2022)
SB 1172, 1126, 318, 194 <b>(E-Governance Act of 2022)</b>	Referred to the Committees on Science and Technology, Civil Service, Government Reorganization and Professional Regulation, and Finance
HB 17, 29, 173, 3015, 3177, 4097, 4267, 4615 <b>(Promoting the Development of the Philippine Downstream Natural Gas Industry)</b>	Pending with the Committee on Energy (July 26, 2022)
SB 152 <b>(Midstream Natural Gas Industry Development Act)</b>	Referred to the Committees on Energy, Ways and Means, and Finance (August 3, 2022)
HB 3430, 3432, 4263, 312 <b>(Amending Section 45 of RA 9316 otherwise known as the EPIRA)</b>	Pending with the Committee on Energy (August 15, 2022)
SB 486 <b>(Amending Sec. 43(T) of RA No. 9136 EPIRA)</b>	Referred to the Committees on Energy and Public Services (August 10, 2022)
HB 1974, 2087, 2557 <b>(Amendments to the Build-Operate-Transfer Law)</b>	Pending with the Committee on Public Works and Highways (August 3, 2022)

BILL	STATUS
SB 765, 1022, 1251, 1344 (Amendments to the Build-Operate-Transfer Law)	Pending with the Committee on Public Works (September 28, 2022)
HB 4339 (Tax Package 4: Passive Income and Financial Intermediary Taxation Act)	Read on 2nd Reading in the Committee on Ways and Means. In Period of Interpellation. (September 19, 2022)
SB 900, 1347 (Tax Package 4: Passive Income and Financial Intermediary Taxation Act)	Pending in the Committee on Ways and Means (September 28, 2022)
HB 3081, 3134, (Establishment of Regional Specialty Hospitals)	Pending with the Committee on Health (August 8, 2022)
SB 80, 93, 161, 249, 1321 (Establishment of Regional Specialty Hospitals)	Pending with the Committee on Health and Demography; and Finance (September 21, 2022)
HB 1161, 1564, 1879, 2182, 2393, 2550, 2877, 3409, 3434, 3490 (Condonation of Unpaid Amortization and Interests of Loans of Agrarian Reform Beneficiaries)	Pending in the Committee on Agrarian Reform Referred to Technical Working Group (September 14, 2022)
SB 43, 55, 1112, 1179 (Condonation of Unpaid Amortization and Interests of Loans of Agrarian Reform Beneficiaries)	Pending in the Committee on Agriculture, Food, and Agrarian Reform (September 7, 2022)
HB 368, 379, 736, 1515, 1647, 1758, 2269, 2287, 3953, 4438, 4563 (Magna Carta of Filipino Seafarers)	Pending with the Committee on Overseas Workers (September 12, 2022)
SB 46, 86, 137, 216, 586, 640, 822, 1104, 1191, 1248, 1312 (Magna Carta of Filipino Seafarers)	Pending with the Committee on Migrant Workers (September 21, 2022)
HB 119, 330 (Establishing the Negros Island Region)	Pending with the Committee on Local Government (July 26, 2022)
SB 89, 812, 1236 (Establishing the Negros Island Region)	Pending with the Committee on Local Government; and Finance (September 7, 2022)
HB 23, 3896, 4002, 5221 (New Philippine Passport Act)	Pending with the Committee on Foreign Affairs (September 28, 2022)
SB 691, 1036 (New Philippine Passport Act)	Pending with the Committee on Foreign Affairs (September 5, 2022)
HB 27, 958, 2001 (Waste-to-Energy Bill)	Pending with the Committee on Ecology (August 2, 2022)
SB 151, 177, 989 (Waste-to-Energy Bill)	Pending with the Committee on Energy (September 5, 2022)
HB 20, 1680, 4651, 5156 (Apprenticeship Act)	Pending with the Committee on Labor and Employment (September 28, 2022)

BILL	STATUS
SB 1083 <b>(Apprenticeship Act)</b>	Pending with the Committee on Labor, Employment, and Human Resources Development (September 6, 2022)
HB 4193 <b>(Providing Free Legal Assistance to any Military or Uniformed Personnel)</b>	Pending with the Committee on Justice (September 5, 2022)
SB 422, 681, 896 <b>(Providing Free Legal Assistance to Officers and Enlisted Personnel of the AFP and the PNP)</b>	Pending with the Committee on National Defense and Security, Peace, Unification and Reconciliation (August 31, 2022)
HB 67, 450, 461, 513, 741, 1109, 1182, 1546, 1732, 1780, 1829, 1968, 1989, 2059, 2125, 2307, 2352, 3277, 3317, 3389, 3446, 3646, 4101 <b>(Magna Carta of Barangay Health Workers)</b>	Pending with the Committee on Local Government (August 31, 2022)
SB 5, 232, 396, 533 <b>(Magna Carta of Barangay Health Workers)</b>	Pending with the Committee on Health and Demography (August 16, 2022)
HB 24 <b>(Creation of the Leyte Ecological Industrial Zone)</b>	Pending with the Committee on Economic Affairs (July 26, 2022)
HB 25, 4187 <b>(Creation of the Eastern Visayas Development Authority)</b>	Pending with the Committee on Government Enterprises and Privatization (September 5, 2022)
HB 4673 <b>(An Act Postponing the December 2022 Barangay and Sangguniang Kabataan Elections)</b>	Signed into law by the President as Republic Act No. 11935 (October 10, 2022)
SB 1306 <b>(An Act Postponing the December 2022 Barangay and Sangguniang Kabataan Elections)</b>	

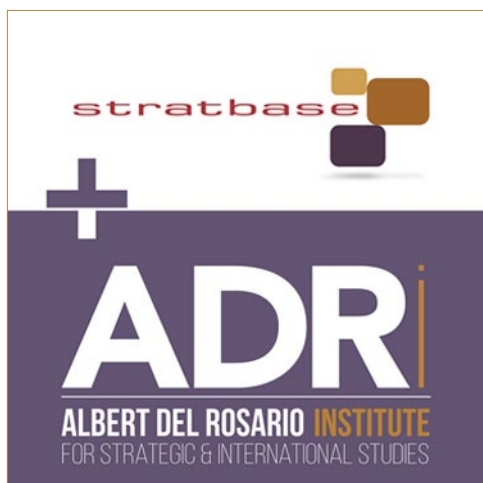
## 19th Congress Legislative Calendar (First Regular Session)

- Adjournment of Session: October 1, 2022 to November 6, 2022
- Resumption of Session: November 7, 2022 to December 16, 2022
- Adjournment of Session: December 17, 2022 to January 22, 2023
- Resumption of Session: January 23, 2023 to March 24, 2023
- Adjournment of Session: March 25, 2023 to May 7, 2023
- Resumption of Session: May 8, 2023, to June 2, 2023
- (Sine Die Adjournment)
- Adjournment of Session: June 3, 2023 to July 23, 2023



# POLÍTIKA

CRITICAL ISSUES OF PHILIPPINE POLITY



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