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BUILDING ON EARLIER GAINS: AN ASSESSMENT OF TRANSPARENCY AND ACCOUNTABILITY DURING THE MARCOS JR. ADMINISTRATION'S FIRST THREE YEARS



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This paper explores the strides made by the Marcos Jr.'s administration in advancing transparency and accountability during its third year. It highlights significant achievements, such as the digitalization of government services, modernized procurement systems, and the Philippines' exit from the Financial Action Task Force's grey list, which boosted financial integrity and investor confidence. Despite these successes, challenges like systemic corruption and political constraints persist, underscoring the need for stronger anti-corruption measures and institutional reforms. The paper provides a balanced analysis of progress and areas for improvement, offering valuable insights into sustaining governance reforms in the Philippines.

President Ferdinand Marcos Jr.'s statement—"I want to be respected, but maybe fear is better"—delivered during a podcast interview (Bajo, 2025) on May 19 provided us with a glimpse of the PBBM administration's approach to governance, particularly within the realm of transparency and accountability reforms. In this interview, the President questions his "kindness," in the form of quiet dismissal of officials with verified corruption claims, as opposed to outright prosecution. This exchange interestingly sheds light on the current state of initiatives in the third year of the Marcos administration, which can only be defined as incremental yet constrained.

This assessment is framed under the context of the recently concluded midterm elections, the improvement in the Philippines' position in the Corruption Perceptions Index (CPI) country rankings, and the administration's current direction of transparency and accountability through "comprehensive and interconnected strategies."

This article will discuss transparency and accountability in the Philippines, providing context to the gains realized in the previous year, areas for improvement, and projections in the next three years of the Marcos administration.

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CONTEXT

Since it started in 2022, the administration of President Ferdinand Marcos Jr. has been working on its anti-corruption stance through initiatives aimed at transparency and accountability. A purely combative anti-corruption position might be seen as problematic considering the Marcos family’s track record. Thus, rather than draw attention to this inconsistency, the Marcos Jr. administration has been reframing its priorities as furthering transparency and accountability.

This frame is consistently supported by Palace statements, the most recent of which is from a July 7 press briefing (Esguerra, 2025). Here, Palace press officer Claire Castro stressed the President’s support for a measure that mandates the waiving of government personnel’s bank secrecy rights, and authorizing the Office of the Ombudsman to examine all deposits and investments. In her statement, she says:

“Ang Pangulo po ay sang-ayon po at dapat lang natin itong ipatupad ang accountability and transparency sa gobyerno. So hindi po tayo magkakaroon ng negatibong sagot mula sa Pangulo (The President is in agreement, and we must implement accountability and transparency in government. So we won’t be getting a negative answer from the President).”

Another key statement supporting this view is contained in a speech by President Marcos Jr. at the 5th State Conference on the United Nations Convention Against Corruption (UNCAC) Implementation and Review on December 3, 2024.

“To build a government founded on integrity and accountability, we must adopt comprehensive and interconnected strategies. We are combatting corruption using a two-pronged strategy. First, we streamline and digitalize processes [so] that avenues for corruption become nil. At the forefront of this strategy is our initiatives like the eGovernment PH application and

eMarketplace, which transform how government services are delivered...

By streamlining and digitalizing processes, we are improving the efficiency and fostering trust and accountability between government and the public. Complementing this is our second strategy of empowering the people to participate in good governance. It is done by promoting full public disclosure of information in the way that we do business in government. Through the electronic Freedom of Information platform, citizens now have avenues to exercise their right to vital government information.”

Digitalization and the provision of public access to government information through full disclosures are part of a two-pronged strategy by the current administration. Still, questions remain: how do these pronouncements translate into action, and what are the results?

One view is that these strategies appear to be bearing fruit. The Philippines has improved its performance in the Corruption Perceptions Index (CPI) ranking, albeit marginally. In an article published by the Philippine Institute for Development Studies (PIDS) last February 25 (Ordoñez, 2025), the Philippines rose in ranking under the 2024 Corruption Perceptions Index, now 114th out of 180 countries. Last year, the Philippines was 115th. While this may sound like good news, the score of the Philippines is actually unchanged at 33 out of 100, which is still below the Asia-Pacific’s average score of 44. A score of 0-9 is “highly corrupt,” while a score of 90-100 is “relatively clean.” This may mean that the change in country ranking might not be due to an improvement in systems within the Philippines, but to the worsening of corruption perceptions across the globe.

There are two other factors serving as a backdrop for transparency and accountability under the PBBM administration for this year: the midterm elections in May 2025 and the impeachment case against

former Vice President Sara Duterte, even as it remains unclear whether the trial would be held.

SUCCESSSES IN TRANSPARENCY AND ACCOUNTABILITY

To assess the PBBM administration’s intent in transparency and accountability, we could use the metrics that it has set for itself, namely the implementation of digitalization efforts across government, and transparency in government processes.

DIGITAL GOVERNANCE

The digital transformation initiatives by the PBBM administration will likely be its most enduring policy legacy. The Department of Information and Communications Technology (DICT) Digital Government Masterplan (2023-2028), launched in December 2024, promotes the Ease of Doing Business under the pillar of Digital Government Workforce and Society (Philippine Institute for Development Studies, n.d.).

There have been numerous challenges seen in government processes, such as siloed systems, complex transactions, and red tape -- a breeding ground for corrupt activity (Guriev, 2004). While the digital transformation agenda of the government was not established solely for anti-corruption efforts, part of its effects would minimize face-to-face interaction in public service delivery. This would then in turn curb red tape and other hidden steps that could serve as opportunities for corruption. This was echoed by statements from Executive Secretary Lucas Bersamin in May, who said “corruption thrives in opacity, while transparency fosters integrity.” (Gita-Carlos, 2025)

The digital transformation agenda of the PBBM government has five pillars: 1) eGovernment System and Platforms, 2) National Government Digitalization, 3) Local Government Digitalization, 4)

Government Cloud and Data Centers, and 5) Information Systems Strategic Plan. Against international metrics, the Philippines seems to be faring well. According to the UN E-Government Development Index, from 2022 where the Philippines was ranked 89th out of 193 countries, the Philippines has climbed to 73rd place, in 2024, advancing 16 steps (Inquirer.com, 2025).

One good indicator could be the increase in usage of eGovPH Superapp, which would consequently mean a decrease in face-to-face government transactions. In 2024, the eGovPH Superapp held a current record of 9 million users, with 46 National Government Systems and 927 Local Government Systems integrated into the app. In 2025, the target is to have 25 million users with 100 National Government and 1,200 Local Government Systems integrated into the app.

However, it remains to be seen if the use of digital platforms such as this could curb corrupt behavior across the Philippine bureaucracy. At the very least, the PBBM administration has been reaching its goals in providing more services to the public in digitized forms while decreasing opportunities for corrupt behaviour.

MONEY LAUNDERING PREVENTION

Another notable development is the exit of the Philippines from the Financial Action Task Force's (FATF) Grey List. In 2021, the Philippines was placed on the FATF grey list, which, according to the Paris-based international watchdog, is a list of "countries that are actively working with the FATF to address strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing." (Financial Action Task Force, 2025a). Countries placed under the FATF grey list are subject to increased monitoring until they can address their strategic deficiencies. Some of the countries in the grey list include the Democratic Republic of Congo, South Africa, Venezuela, Vietnam, and Lebanon, among others.

The impact of being on the grey list on countries is monumental—it can reduce investor confidence, increase negative reputational impact, and lead to a decrease in international financial assistance due to de-risking (Maslen, 2023).

For the Philippines, inclusion in the grey list has affected foreign investments and the ease of international transactions. In October 2024, the FATF said in a statement that the Philippines has "substantially completed its action plan" and would likely exit the "grey list" in 2025 (Gita-Carlos, 2024). The Philippines did, in fact, exit the grey list on February 21, 2025.

Among the last remaining action items that the Philippines has addressed in the past years, according to the Financial Action Task Force (2025b), are the following:

- (1) demonstrating that effective risk-based supervision of Designated Non-Financial Businesses and Professions (DNFBPs) is occurring;
- (2) demonstrating that supervisors are using Anti-Money Laundering/ Combating the Financing of Terrorism (AML/ CFT) controls to mitigate risks associated with casino junkets;
- (3) implementing the new registration requirements for Money or Value Transfer Services (MVTs) and applying sanctions to unregistered and illegal remittance operators;
- (4) enhancing and streamlining Law Enforcement Agency (LEA) access to Beneficial Ownership (BO) information and taking steps to ensure that BO information is accurate and up-to-date;
- (5) demonstrating an increase in the use of financial intelligence and an increase in Money Laundering (ML) investigations and prosecutions in line with risk;
- (6) demonstrating an increase in the identification, investigation and prosecution of Terrorist Financing (TF) cases;

- (7) demonstrating that appropriate measures are taken with respect to the Non-Profit Organisation (NPO) sector (including unregistered NPOs) without disrupting legitimate NPO activity;
- (8) enhancing the effectiveness of the targeted financial sanctions framework for both Terrorist Financing (TF) and Proliferation Financing (PF); and
- (9) applying cross-border measures in all main international sea/airports, in line with the risk.

The exit of the Philippines from the grey list was imperative and a necessity, as the effects of the lack of regulations affected Overseas Filipino Worker (OFW) remittances with higher fees and severed relationships between international banks and current local banks (Remolona, 2025).

In 2023, the National Anti-Money Laundering and Counter Terrorism Financing Coordinating Committee (NACCF) was reorganized under the leadership of President Marcos Jr.; member-agencies, which consists of the heads of the Department of Foreign Affairs, Department of Finance, Department of Justice, Department of National Defense, Department of the Interior and Local Government, Department of Trade and Industry, Securities and Exchange Commission, Insurance Commission, Philippine Amusement and Gaming Corporation, Cagayan Economic Zone Authority, Aurora Pacific Economic Zone and Freeport Authority, and the NICA, were held accountable for their deliverables. This collaboration by the national agencies was part of a whole-of-government approach that showed the determination of the PBBM administration in addressing the deficiencies identified by the FATF. One final pronouncement that demonstrated this high-level commitment was the banning of Philippine Offshore Gaming Operators (POGOs) in President Marcos Jr.'s State of the Nation Address.

The exit from the 'grey list' was no doubt an achievement. There have been complaints from human rights groups, however,

that the FATF standards have been ‘weaponized’ to suppress dissent and target grassroots organizations that are “engaged in human rights and disaster-preparedness training, agrarian reform advocacy, environmental protection, and the delivery of humanitarian and development aid in conflict areas” (Palatino, 2025a). Many development NGOs and activists have decried the usage of FATF compliance to file cases against activists, civil society leaders, and organizations.

The next evaluation of the Philippines by the FATF will be in 2027 (Remolana, 2025), so it remains to be seen whether the mechanisms implemented by the NACC would be sufficient to keep the Philippines off the grey list in the following years, and if these are being implemented properly and not to the detriment of civil society organizations. Still, in terms of enhancing investor confidence and adhering to international standards of transparency and financial integrity, the Philippine government has attained some success.

PUBLIC PROCUREMENT REFORMS

While the signing of Republic Act No. 12009 or the New Government Procurement Act (NGPA) in July 2024 was technically an accomplishment of the past administrative year, the Implementing Rules and Regulations (IRR) were approved in February 4 of this year. This was, according to Department of Budget and Management Secretary Mina Pangandaman, “one of the fastest, if not the fastest crafting of an IRR.” (DBM Press Release, 2025).

The NGPA is a measure designed to modernize the decades-old Republic Act 9184, also known as the Government Procurement Reform Act. Part of this modernization is the public disclosure of all documents by all types of government agencies, departments, or bureaus from all stages of procurement such as planning to contract implementation. Complementing the digital transformation agenda of the administration, the act also introduced several key features,

such as an enhanced Philippine Government Electronic Procurement System (PhilGEPS), and an e-Marketplace modelled after popular e-commerce platforms (Gita-Carlos, 2025).

Another transparency feature, identified by Executive Secretary Lucas Bersamin (2025), is the mandatory disclosure of beneficial ownership information. Before participating in any government procurement, all bidders, suppliers, consultants, and contractors must identify their ultimate owners. This provision is ground-breaking because this directly addresses problems of bid collusion, which is a fraudulent scheme where companies owned by the same individual bid against each other. This provision would help address and reveal hidden conflicts of interest and get rid of unfair bidding practices and safeguard the integrity of procurement systems in the government. According to Bersamin, this will benefit both citizens and honest businesses:

“For citizens, this means greater assurance that public funds aren’t being diverted through shadow companies or manipulated bidding. For honest businesses, it creates a more level playing field where merit rather than connections determines who wins government contracts.”

According to the OECD (2016), public procurement is one of the most corruption-prone government activities because of “the volume of transactions and the financial interests at stake” as well as “the complexity of the process, the close interaction between public officials and businesses, and the multitude of stakeholders.” This measure of modernizing public procurement, if implemented properly through its IRR, would greatly enable honest and well-regulated systems that would encourage more competition and higher-quality services and infrastructure for the public.

This success is especially significant given that this was made possible by the willingness of the government to collaborate with international organizations, in this specific instance, with the

“ THE PUBLIC PROCUREMENT REFORMS, THROUGH THE NGPA AND ENHANCED TRANSPARENCY MEASURES LIKE PHILGEPS AND BENEFICIAL OWNERSHIP DISCLOSURE, MODERNIZE SYSTEMS, COMBAT CORRUPTION, AND FOSTER FAIR COMPETITION, ENSURING EFFICIENT USE OF PUBLIC FUNDS..... ”

UN Office on Drugs and Crime (UNODC). In May 2025, UNODC conducted a workshop that would help capacitate agencies in detecting and preventing corruption in public contracting (UNODC Regional Office for Southeast Asia and the Pacific, 2025). This is noteworthy, considering the unwillingness of the previous Duterte administration to cooperate with international organizations. Overall, international cooperation has led to more transparent initiatives in the areas of public procurement and financing.

AREAS FOR IMPROVEMENT

SYSTEMIC CORRUPTION

There has been notable progress in transparency and accountability initiatives under the PBBM administration due to the foundations laid beginning 2022. However, there continue to be areas of concern, specifically in the pervasiveness of corruption across the Philippine government.

In February 2025, the UN Committee on Economic, Social and Cultural Rights released its findings on a report noting that “that corruption remains pervasive in all branches of government and in the wider public sector” (Lee-Brago, 2025). The report identified that the International Covenant on Economic, Social and Cultural Rights (ICESCR), to which the Philippines is a signatory, has not been applied adequately to domestic courts, particularly the lower courts. Another concern is the lack of technical and financial resources surrounding anti-corruption agencies, such as the Office of the Ombudsman and the Commission on Audit. As such, the Committee then recommended for the Philippines to do the following:

“promptly, independently and impartially investigate and prosecute all cases of corruption, in particular high-level corruption, including corruption in the government and

the judiciary, and if a person is convicted, apply penalties commensurate with the seriousness of the offense” and “ensure the effectiveness of anti-corruption bodies by immediately providing them with sufficient human, technical and financial resources with a view to enabling them to effectively and independently discharge their mandates.”

This finding is significant as it shows that while there have been efforts to close loopholes in corruption-prone government activities such as procurement and service delivery, punitive actions that would have curtailed and dissuaded further activity are not being implemented enough in the courts. Key agencies responsible for investigating corrupt behavior lack sufficient technical skill and financial resources.

THE IMPEACHMENT OF SARA DUTERTE

Perhaps the hottest anti-corruption crusade in the public eye is the ongoing impeachment of Vice President Sara Duterte.

On July 23, 2023, a report released by the Commission on Audit (COA) found that the Office of the Vice President was found to have spent its P125 million confidential funds budget in 2022 in just 11 days (De Leon, 2023b). This raised criticism and during the progression of hearings, more reports have unravelled allegations of corruption through the misuse of confidential funds.

On February 5 of this year, the House of Representative impeached the Vice President, with more than two-thirds of the body affixing their signatures on the complaint. However, in early June, the Philippine Senate remanded the articles of impeachment back to the House of Representatives. This comes at a time after elections where there are continuing pro-Duterte members gaining traction in Senate and the House of Representatives after key victories in the midterm elections. Sara Duterte is said to enjoy enough numbers

to avoid an impeachment conviction, which paints a picture of the lasting influence and networks that the Dutertes have over the Upper and the Lower Houses.

This is a legislative decision which is, in principle, independent from executive intervention. Yet, this is also telling of the power shifts from the first few years of the PBBM administration and the current scenario of the President’s allies being unable to fully push for an impeachment that will bar the Dutertes from ever reclaiming the presidency (Palatino 2025b). These constraints reflect the President’s candid admission that despite his own preference for a respectful brand of leadership, he also sees that the Dutertes’ fear-based approach to controlling allies appears more politically effective.

On this issue, what would count as a win for transparency and accountability would be the swift and decisive action on the impeachment, and full public disclosure of bank accounts and family assets of the Dutertes. However, seeing that the Vice President has been firm in the non-disclosure of her Statement of Assets, Liabilities and Net Worth (SALN) in the past, it is likely that such efforts within the hearings would be met with considerable resistance.

TOWARD THE 4TH YEAR: FACTORS FOR SUCCESS

This paper has discussed the successes of the PBBM administration on its third year, as well as areas in the administration that might undermine transparency and accountability initiatives. Moving forward, the success or failure of these initiatives will depend on how laws are implemented and how enabling mechanisms around these laws are used.

For instance, the PBBM administration has been relatively successful in its push for digitalization. This is no small feat, but one concern is how digital transformation is being painted as the solution to all problems. In a way, digitalization might also be considered a low-



hanging fruit considering the extensiveness of corruption ingrained within government procedures and systems. The pressing question is this, now that these have been achieved, how sustainable will these efforts be considering that this only addresses corrupt activity in public service delivery, while other types of illicit activity continue as usual?

This is the question that is also asked in public procurement. While these areas are two of the most corruption-prone sectors, the momentum must continue even across administrations. Now that the Philippine government has been able to move towards more transparent procurement and digitalization, the next step is to use these foundations for a more aggressive anti-corruption stance.

Under the FATF grey list, a factor for success would be for the action areas to be implemented with fairness and care. They should not be misused for personal and political agenda that would put the well-being of civil society organizations and individuals in jeopardy. While the reassessment will be in 2027, the following years are opportunities for rebuilding trust with banks and other international financial institutions. Along with the loosened restrictions, there are further opportunities for investment that come with the removal of the Philippines from the grey list. This is a good time to encourage investors to come back to Philippine shores.

While there could be constraints in addressing systemic corruption, the following years will demonstrate the President's commitment to transparency and accountability. This would reflect in the passage of the Freedom of Information Bill, in the measure that waives government personnel's bank secrecy rights, and in the enhancement of the capacity of key anti-corruption offices such as the Office of the Ombudsman and the Commission on Audit.

These are all opportunities for the administration to show its sincere commitment to having a bureaucracy with openness and integrity.

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