

## **Work Agenda for the PDF Infrastructure Working Group**

### **I. Background**

Infrastructure development ranks high in the Philippine Government's priorities as it is vital to accelerating the country's economic growth and global competitiveness. However, tight fiscal constraints have perennially hampered public investments in infrastructure, leading the country to lag behind most of its neighbors in quantity and quality of infrastructure. Public sector infrastructure investment declined as a proportion of GDP from 4% of GDP in 1994 to less than 2% by 2006. Meanwhile, private sector investment in the sector has also been low, with less than 1% of GDP in 2002.

Low levels of investment and poor conditions of infrastructure have raised the costs of doing business in the Philippines. For example, vehicle operating costs and intercity freights in the Philippines are more than 50% higher than those in Indonesia and Thailand. It costs 16–51% more to export a 20-foot container from the Philippines than from the People's Republic of China, Singapore, or Thailand. Power tariffs for businesses in Manila have been 20–80% higher than those in the major Southeast Asian cities (ADB, 2008).

The perceived competitiveness and attractiveness of the country as an investment destination has consequently suffered as a result of such high costs of doing business. Investors have consistently cited inadequacies in the transport network and high cost of electric power as major constraints to doing business in the country. Studies have shown that the poor infrastructure and

lack of investment have constrained economic growth in the Philippines and are among the root causes of disparities in regional growth.

## II. Mandate

In recognition of this persistent challenge, the government, through the coordination of NEDA, has formulated a Comprehensive Integrated Infrastructure Program (CIIP), which was presented to the Philippine Development Forum (PDF) 2008 in March 26-27, 2008.

At the PDF 2008 in Clark, the decision was made to spin off the former Sub-Working Group on Infrastructure under the Growth and Investment Climate (GIC) Working Group into a distinct Working Group on Infrastructure. This was in recognition of the breadth and depth of tasks that need to be undertaken by the various development partners (namely, government, private sector, civil society and the donor community) in pursuit of an infrastructure development agenda responsive to the country's need to achieve inclusive growth.

In the same forum, the then Infrastructure Sub-Working Group under the GIC-WG reported the elements of a work plan for the forthcoming year, under the thematic issue of "Addressing Infrastructure Bottlenecks" within the joint Sustainable Rural Development-Growth and Investment Climate Work Agenda. Five thrusts have been identified in past deliberations of the Sub-WG, namely: (1) fast-track implementation of infrastructure projects; (2) implement clear competition policies in infrastructure provision; (3) undertake capacity building in infrastructure development; (4) improve the linkage between planning, budgeting and funding processes; and (5) pursue the triple bottom line (economic, social and environmental) in infrastructure development.

The above thrusts comprise a cross-cutting agenda across all specific infrastructure sectors (i.e., transport, communication, energy, water resources, and solid waste management). The work plan elements, which had been affirmed in a multi-sectoral infrastructure workshop held on March 10, 2008 prior to the PDF in Clark, identified four types of initiatives that need to be pursued in the infrastructure agenda: policy reforms, institutional initiatives, administrative improvements, and public investments in the form of specific programs and projects.

The most immediate task upon formal organization of the PDF Infrastructure WG, then, is to adopt an agreed work agenda for the next three years (i.e. until 2010), organized into annual work plans that will provide guideposts for assessing progress and allocating efforts and resources for the WG. This paper, built on the outcomes of previous work described above, hopes to provide a starting point for the deliberation and adoption of such a Work Agenda by the new PDF Infrastructure Working Group.

### III. Draft Work Agenda

#### Key Thrusts

The immediate imperative is to complete the formulation and formalize the adoption of the Comprehensive Integrated Infrastructure Plan (CIIP), and ensure that it is truly comprehensive and integrative. *Comprehensiveness* implies that the plan addresses the range of infrastructure requirements (under the five infrastructure sectors named above) of the country across all of the country's

geographical regions.<sup>1</sup> *Integrativeness* denotes that the various infrastructure facilities are not fragmented and isolated, but rather complement one another and fit together seamlessly, thereby maximizing their efficiency and utility to the economy and its people.

There is likewise need to either formulate or update strategic master plans for each of the five infrastructure sectors identified. Except for the energy sector,<sup>2</sup> such master plans are currently absent or highly outdated for the various infrastructure sectors. Such sectoral infrastructure master plans should ideally be formulated through a process that permits meaningful participation of the private sector and civil society.

Five major thrusts will be pursued towards filling the infrastructure gap in the next three years (2008-2010), largely continuing from earlier identified thrusts in the PDF. These five thrusts are as follows:

#### **a. Fast-track Infrastructure Project Implementation**

The Philippine experience with infrastructure projects is one fraught with various technical and legal issues that have led to substantial delays in implementation that can run into years. In general, then, there is need to effect closer coordination between the executive branch and the judiciary to address legal hurdles to project implementation (e.g. temporary restraining orders won by losing project bidders, right-of-way and problems with informal settlers). Wider civil society participation in the project cycle covering planning, implementa-

---

<sup>1</sup> For example, the share of Mindanao in the total infrastructure budget is reportedly a mere 9 percent, the same proportion that prevailed in 1991-1992. The government then had made deliberate efforts to raise this and managed to bring the ratio up to around 30 percent by 1995, but recent data indicate that the Mindanao share has again slid down to the former low levels.

<sup>2</sup> In energy, there is a constantly updated rolling sectoral plan (Philippine Energy Plan) prepared by the Department of Energy.

tion and monitoring will also help expedite project execution and delivery. In certain sectors, particularly water resources and solid waste management, there is need to identify and harness effective “champions” (whether individuals or institutions) at both national and local levels to spearhead effective planning and timely implementation of key infrastructure projects. In all cases, fast-tracking must not be achieved at the expense of the environment and basic human welfare (see further below).

#### **b. Implement clear competition policies in infrastructure provision**

Provision of quality infrastructure at the lowest cost demands an economic environment that fosters fair competition among the producers and providers of infrastructure facilities and services. Policies that limit the playing field must be corrected, including protective measures that unduly restrict foreign competition. There is need to seek the appropriate combination of tightening and streamlining of the evaluation of PPP projects, asserting the critical role of oversight evaluation in the approval process. The integrity and independence of infrastructure regulatory bodies must also be ensured, and provision of infrastructure services depoliticized, particularly in susceptible sectors like local utilities (electric power and water).

#### **c. Undertake capacity building in infrastructure development**

A sound and responsive infrastructure program hinges on competent and professional infrastructure agencies to plan and pursue infrastructure development. In this regard, quality management systems (e.g. ISO standards) need to be applied to infrastructure agencies and local governments. Under continuing public finance constraints, capability of agencies and LGUs for project development in public-private partnership (PPP) infrastructure projects needs

strengthening. In new areas for PPP such as solid waste management, providing for a system of Environmental Technology Verification (ETV) is an essential step to weed out unproven or untested technologies from certain proponents.

**d. Improve the linkage between planning, budgeting and funding processes**

Close coordination among the infrastructure agencies, NEDA and DBM in the execution of the CIIP is imperative. The application of information technology tools to effect such coordination and prioritization of infrastructure investments needs to be optimized. Certain software tools (e.g. HDM4) are available for this purpose. Harmonization of planning and budgeting along with funding releases is essential to the efficient and timely execution of infrastructure projects.

**e. Pursue the triple bottom line in infrastructure development**

The efficiency and effectiveness of infrastructure projects need to be assessed on the basis of their economic, social and environmental impacts. User charge setting/cost recovery must effectively address the difficult balance between affordability for the poor and industry competitiveness. All infrastructures must be consistent with environmental sustainability. In line with this, Environmental Impact Assessments must be conducted prior to any major infrastructure development, in accordance with provisions in relevant laws. To ensure protection of the general public interest in all decisions and transactions pertaining to infrastructure, transparency and accountability in all phases of infrastructure development must be guaranteed.

Pursuing each of the above thrusts entails overcoming various policy, institutional, regulatory and procedural obstacles to more effective pursuit of the sector's agenda. The work agenda of the WG thus needs to be composed of

initiatives in the form of policy and regulatory reforms, institutional initiatives and administrative improvements, apart from tangible public investments. With limited time and resources, the challenge facing the WG is to identify a realistic work program of key initiatives that are both strategic and “doable.” Key to effective implementation is clear identification of responsibilities and accountabilities in implementing particular initiatives, and a clear timeline for implementation.

### An Annotated Detailed Work Agenda<sup>3</sup>

#### 1. Fast-track Infrastructure Project Implementation

##### Institutional initiatives

- Close coordination by the executive branch (through NEDA) with the judiciary to resolve right-of-way cases delaying infrastructure projects. There had been previous initiatives in this direction before, whereby the Supreme Court had agreed, upon representations by the executive branch, to remind lower courts on the prohibition against temporary restraining orders (TROs) on vital infrastructure projects, as embodied in Presidential Decree No. 1818 issued by former President Ferdinand Marcos, which nonetheless remains part of the current law of the land. The recent establishment of the Judicial-Executive-Legislative Advisory Council (JELAC) promises to provide a venue for more closer and more effective coordination with the judiciary in addressing infrastructure implementation delays arising from legal issues, among other things.

*(Focal Point: NEDA; Timeframe: Continuous)*

---

<sup>3</sup> In what follows, the Focal Point suggested is meant to be the lead institution responsible and accountable for the initiative named, but it is expected that inter-agency and multi-sectoral collaboration and partnerships will be employed to the maximum in all such initiatives.

- Expedite privatization of NPC Small Power Utilities Group (SPUG) areas to private power providers. Achievement of effective competition in the power supply sector hinges on maximizing the number of private sector players in a market that should not be dominated by one or a few large players. Various technical, administrative and legal hurdles to privatization of SPUG areas need to be clearly identified and addressed expeditiously.

*(Focal Point: NPC, DOE; Timeframe: One Year)*

- Designate and harness champions at national and local levels to push initiatives in water resources management, and in solid waste management. These two infrastructure sectors are particularly more subject to issues among the various stakeholders in the sector, owing to the presence of tradeoffs in both resource allocation and in impacts. Thus, the need for effective leadership that can attain consensus across divergent or even conflicting interests is crucial in these contexts. The March 10 multi-sectoral workshop strongly identified this need to identify effective champions, particularly for these two infrastructure sectors. Such champions may either be individuals or entire institutions, whether inside or outside of government. What is important is that the champion has the motivation and the necessary knowledge and skills to be able to mobilize wide support and bridge differences among stakeholders, to push the sector's agenda forward.

*(Focal Point: Sectoral sub-WGs and counterparts at local levels; Timeframe: Six months to identify, designate and empower champions)*

### **Administrative improvements**

- Strengthen the role of civil society organizations (CSOs) in project monitoring. It is well-accepted that transparency and participation are key elements in effective project implementation. The Philippines has a relative abundance

of civil society organizations working at the national and local levels, many of whom are prepared to engage in principled partnerships with government and the private sector in development work. The WG will work to institutionalize, wherever possible, a wider and deeper role for CSOs in project monitoring, while providing for increased transparency in key information about infrastructure projects, e.g., costs/budget, specifications, etc.

*(Focal Point: WG Secretariat/NEDA; Timeframe: One Year for initial tangible results, continuing)*

### **Public investments/projects**

- 35 ICT Hubs within the Cyber Corridor *(Focal Point: CICT, DOTC; Timeframe: 3 Years)*
- Community e-Centers in all barangays *(Focal Point: CICT, OP; Timeframe: Completion by 2015, need to define intermediate milestones/targets)*
- Broadband connectivity (private-sector led) for all cities and municipalities *(Focal Points: CICT, NTC, DOTC and LGUs through LCP and LMP; Timeframe: Completion by 2010, need to define intermediate milestones/targets)*
- Laiban Dam Project. This project is critical for ensuring uninterrupted water supplies to provide the needs of Metro Manila and surrounding provinces beyond 2012. *(Focal Point: NWRB; Timeframe: Commence Implementation by end-2008)*

## **2. Implement Clear Competition Policies**

### **Policy reforms**

- Widen private sector participation in provision of all forms of infrastructure. There is urgent need to clarify the processes involved project development, evaluation and approval of private-public partnership (PPP) types of

infrastructure projects. The amendments proposed by the Office of the President on the Implementing Rules and Regulations (IRR) of the BOT Law, which among other things will eliminate oversight evaluation of BOT projects by NEDA-ICC, has provoked strong reservations from among the various stakeholders, including key ICC member-agencies themselves. These were conveyed in the public hearing held on the draft amendments to the IRR held in July 2006. The OP-sponsored amendments have yet to be formally approved and issued, leading to uncertainty in the BOT process at the present time. This matter needs resolution soonest. (See further discussion below.)

*(Focal Point: WG Secretariat/NEDA; Timeframe: Six Months)*

- Adopt a Pocket Open Skies policy. There is huge employment generation potential in the tourism industry, which remains stifled because of a restrictive policy environment on international airline services into the country. While a blanket Open Skies Policy is contentious and unlikely to be subject to consensus in the foreseeable future, a “Pocket Open Skies Policy” for secondary airports has already been demonstrated to have wide benefits, as manifested by the experience with the Diosdado Macapagal International Airport in the Clark Special Economic Zone. The reversal of this policy via issuance of EO 500-A in January 2006 has provoked a wide clamor especially in business circles to issue another order (EO 500-B) that would correct this policy reversal. The draft EO 500-B continues to be pending in the Office of the President. The WG will work to have EO-500B finally issued within the soonest possible time.

*(Focal Point: OP; Timeframe: One Month)*

- Adopt policy of strong preference for solicited mode for BOT. Contrary to the intent of the BOT Law, the experience in the Philippines has been one of

dominance of the unsolicited mode. This has led to numerous issues and difficulties that ultimately delayed implementation of such projects, and gave rise to major questions on the public benefits derived from the projects. This experience suggests the need to redouble efforts to pursue BOT projects more dominantly, if not exclusively, in the solicited mode, to ensure, among other things, effective competition among private proponents for such projects. A prerequisite for embarking on this policy is to strengthen capacities in the key infrastructure agencies to be able to prepare the detailed project documentation for tendered BOT projects. Thus, this initiative for policy reform needs to be well-coordinated with the initiatives for capacity building for the infrastructure and oversight agencies. (See below)

*(Focal Point: WG Secretariat/NEDA; Timeframe: One Year)*

- Push for separation of operation and regulation functions. There is a clear conflict of interest that arises when the functions of operating an infrastructure facility and regulating it lie within the same institution. Yet this is the current situation with certain infrastructure regulatory bodies, including the Philippine Ports Authority (PPA) and the Toll Regulatory Board (TRB). The policy of separating these functions will need to be sought via legislation, as the charters of these regulatory institutions are usually Republic Acts promulgated by Congress.

*(Focal Point: WG Secretariat/NEDA; Timeframe: Two Years)*

- Improve incentives for private sector participation in water supply services. So far, private sector participation in water supply services has only been undertaken in Metro Manila, whereas there is great potential for doing the same in other parts of the country. To provide a more attractive environment for PS participation, it has been suggested that there is need to revise/update guidelines for granting Certificates of Public Conveyance (CPC).

There is also need to review the currently applied Return on Rate Base of 12% on such arrangements, inasmuch as substantial changes have transpired in the macroeconomic environment since the adoption of the current rules applicable to the sector.

*(Focal Point: NEDA, LWUA; Timeframe: Two Years)*

- Push for reorganization of NTC (and other infrastructure regulatory agencies) to provide fixed tenure for Commissioners. To ensure independence of NTC Commissioners and other regulatory bodies, commissioners need to be free of political interference, including having fixed tenures immune from political pressures. This may require legislation in some cases.

*(Focal Point: OP, LEDAC Secretariat (NEDA-MS); Timeframe: One Year)*

### **Institutional initiatives**

- Study/define appropriate road financing mechanisms for provincial and local roads. Road transport facilities continue to be one of the most critical deficiencies in the Philippine infrastructure system. While the country's total road length per unit area is one of the highest in the region, its per capita and per vehicle road lengths are among the lowest. The country fares even worse for paved roads: it ranks lowest in the region per unit area, per capita, and per vehicle. These are currently limited donor initiatives seeking to improve availability of financing particularly for local roads. There may be scope for some technical assistance to develop a wider menu of such financing mechanisms available and accessible to local governments, particularly the less-endowed ones.

*(Focal Point: DILG, NEDA, DBM; Timeframe: Two Years)*

- Work for accelerated implementation of open access and retail competition in power. In particular, there is need to address the apparent conflict of

jurisdiction among government agencies (e.g. DOE, PEZA, ERC) in certain service areas (e.g., special economic zones).

*(Focal Point: DOE; Timeframe: Two Years)*

- Address the lack of regulation on local government-run utilities. There is perception that utilities run directly by LGUs (including water supply and electric power) have been subject to improper political considerations that impair their efficiency and effectiveness in serving the public's needs. Thus, the policy and regulatory framework governing local utilities in particular needs to be strengthened. This remains largely a gray area in need of a firm institutional and legal framework.

*(Focal Point: DILG, ERC, LWUA; Timeframe: Two Years)*

- Develop financing mechanisms to leverage public resources with private financing in water supply. Innovative financing mechanisms need to be developed for fostering more partnerships between public and private sector in water supply as well as sanitation and sewerage facilities. This may potentially be a worthy subject for a technical assistance project.

*(Focal Point: DOF; Timeframe: One Year)*

- Review existing and proposed bills to harmonize/synchronize the legislative agenda on water. The water sector has been the subject of a number of legislative initiatives, not necessarily consistent with one another. For example, there are separate bills providing for the creation of new institutions (e.g., bills creating Water Regulatory Commission and Water Resources Authority of the Philippines). While the water resources workshop group had indicated the importance of creating a single independent regulatory body for water, the WG would do well to assist Congress in ensuring that legislation to address this need is consistent with the multi-stakeholder consensus

achieved through the PDF, and with the water sector's emerging urgent requirements, especially as there is wide recognition that water resources will be the next crisis point not only nationally, but globally as well.

*(Focal Point: NWRB, CPBD; Timeframe: Six Months)*

- Investigate and dismantle the “basura mafia” controlling and monopolizing the solid waste collection business in Metro Manila. It appears to be open knowledge that there is a syndicate that has prevented more competitive provision of solid waste collection services in Metro Manila. The March 10 workshop called for a determined effort to eliminate this anomalous arrangement and permit a more efficient and cost-effective approach to solid waste management in the metropolis.

*(Focal Point: WG Secretariat/NEDA(?); Timeframe: One Year(?))*

### **3. Undertake Capability Building in Infrastructure Planning & Management**

#### **Institutional initiatives**

- Improve capacity for PPP project development for line agencies and project evaluation for oversight agencies. As discussed above, there is a need to embark on a policy for strong preference for the solicited mode of BOT projects. Infrastructure agencies have also traditionally relied on potential contractors and suppliers in the private sector to assist in project development even for ODA and GAA-funded projects, due to lack of internal technical capability, leading to potential conflict of interest situations. Thus, it is imperative that the key infrastructure agencies possess the necessary technical competence to develop projects for the public investment program in infrastructure. Similarly, relevant staff in the oversight agencies (e.g. NEDA, DBM, DOF) will need similar capacity building to strengthen the oversight function in infrastructure project evaluation and

approval. This will require a dedicated capacity building program that could benefit from support from the donor community.

*(Focal Point: WG Secretariat/NEDA(?); Timeframe: Three Years, Continuous)*

- Quality management systems for planning & procurement, and for implementation & monitoring of infra projects. Along with capacity building is the need for quality management systems. This may be pursued in partnership with the private sector, particularly with management consultancy companies and international development institutions.

*(Focal Point: DBM(?); Timeframe: Three Years, Continuous)*

- Capacity-building for power distribution units (DUs). Numerous shortcomings in the local power distribution sector are seen to impair efficiency and effectiveness in the provision of electric power to end-users, especially in the rural areas. Thus there is similar need for capacity building program directed at these DUs.

*(Focal Point: NEA(?); Timeframe: Three Years, Continuous)*

- Strengthen NWRB through increased budgetary and manpower support. There is need to strengthen the effectiveness of the NWRB in managing and balancing the competing sectoral demands (irrigation, commercial, power generation and residential) on water resources. A review of its human and financial resource requirements needs to be undertaken to this end.

*(Focal Point: NEDA Infracom(?); Timeframe: One Year(?))*

- Undertake concerted awareness-raising efforts on sound Solid Waste Management. This would include the following elements:
  - Mainstream SWM education in all levels
  - Conduct tutorials for government employees (NG and LGU)

- Harness and strengthen partnerships in awareness-raising, including with mass media

*(Focal Point: DENR(?); Timeframe: Continuous)*

- Promote Environmental Technology Verification (ETV) with assessment/documentation of the total performance of environment technologies. With growing demands for environmentally-friendly solutions to infrastructure demands, especially in the area of solid waste management, local governments need recourse to a mechanism for certifying/validating new technologies presented to them usually as business proposals by suppliers. This is common for waste-to-energy systems, for example. There is a need for such mechanism in order to avoid clients from being led into investing in untested or spurious technologies.

*(Focal Point: DOST; Timeframe: Continuous)*

#### **4. Improve the Linkage Between Planning, Budgeting and Funding Processes**

##### **Policy reforms**

- Clarify definitively the role of NEDA-ICC in the infrastructure project approval process. This role must be clarified for both private-public partnership (PPP) types of projects (e.g., Build-Operate-Transfer projects and its variants) and purely public-funded projects, whether with internal resources or ODA. As discussed above, the amendments to the IRR of the BOT Law remain pending, with two versions having been prepared. Another set of amendments to the same IRR spearheaded by the BOT Center and BOI had already been formulated after wide consultations since 2003 and completed in 2006, but was set aside in favor of the OP version. The ultimate objective must be to achieve a proper balance between tightening rules and streamlining procedures to achieve an attractive investment environment for PPP

proponents, while ensuring its integrity and maximizing public benefits therefrom. The rules governing BOT projects remain unclear to the stakeholders at this point due to lack of any final action on either set of amendments. The WG will work to settle the impasse definitively.

*(Focal Point: Infracom/NEDA; Timeframe: Six Months)*

### **Institutional initiatives**

- Planning and Budgeting Harmonization (including shortlisting of CIIP). For effective implementation of the CIIP, it is crucial that there is effective coordination and harmonization of planning, programming and budgeting processes and timetables for public investments in infrastructure. There have already been donor-sponsored initiatives in this area (e.g. AusAID's PEGR), which need to be reinforced and institutionalized.

*(Focal Point: NEDA, DBM; Timeframe: Continuous)*

### **Administrative improvements**

- Optimize use of IT Tools for planning and budgeting. This will promote transparency and efficiency in resource use (including updated web-posting of project status). An example is the strict use of the HDM4 (highway design & management) software for allocation of Motor Vehicle Users Charge (MVUC) fund proceeds.

*(Focal Point: Infracom, with cooperation from all key agencies; Timeframe: Continuous)*

## **5. Maximizing Economic, Social and Environmental Benefits from Infrastructure**

### **Policy reforms**

- Push for passage of the following legislative measures:
  - Renewable Energy Bill

- Downstream Natural Gas Bill
- Energy Conservation Bill
- Freedom of Access to Information Bill

*(Focal Point: Infracom/NEDA and Concerned Agencies; Timeframe: Six Months)*

- Review allocation of proceeds of motor vehicle user charges (MVUC) to explore increased allocation for local roads

*(Focal Point: DOF; Timeframe: Six Months)*

- Undertake policy studies on power pricing. In particular, there is need for balancing improved power subsidy targeting for the poor with promoting industry competitiveness; and ensuring transparency of subsidies to be clear on who pays, and who benefits.

*(Focal Point: Infracom/NEDA through PIDS(?); Timeframe: Six Months)*

- Phase out incandescent bulbs. Substantial energy savings can be achieved with this move, as has already been demonstrated in other countries.

*(Focal Point: DTI(?); Timeframe: Complete phase-out by 2010)*

- Review rules governing Power Reserve Market (filed by PEMC with ERC), Grid Code and Wholesale Electricity Spot Market (WESM). The relevant rules must promote achievement of true competition in the market for electric power.

*(Focal Point: DOE; Timeframe: Six Months)*

- Reduce credit risks and review rate setting methodology of electric cooperatives. The management of electric cooperatives in the country is a mixed picture ranging from success stories to utter mismanagement. There needs to

be a deliberate effort to study the management of ECs towards improving credit risk management and rate setting.

*(Focal Point: NEA; Timeframe: Six Months)*

- Reevaluate post-EPIRA framework; study impact of time-of-use (TOU) rates.
- Develop a single tariff (all-in environmental fee) for sanitation services for Metro Manila
- Transfer management of Angat Dam to the Water Sector from Power Sector
- Set a national policy and target for recycling

### **Institutional initiatives**

- Formulate an integrated multi-modal transport plan and policy framework. This would address, among other things, the following:
  - Pursue Integrated Urban/Area Transport development for Metro Manila, Metro Cebu, Davao
  - Undertake a National Logistics Strategy Study (e.g., Subic, Manila & Batangas Ports, including competing operators)
  - Define Greater Manila Airports Strategy (e.g., Clark, NAIA)

*(Focal Point: DOTC; Timeframe: One Year)*

- Update the Missionary Electrification Development Plan. There needs to be a deliberate effort to provide the benefits of electrification to areas not accessible to the main power grid. In particular, there needs to be a power development program for small island grids and off-grid areas. Qualified Third Party (QTP) programs need to be facilitated for ERC approval to hasten servicing of unserved remote barangays.

*(Focal Point: DOE; Timeframe: One Year)*

- Formulate a new ICT Master Plan. There is a need to review the existing policy and regulatory framework for ICT, given rapid developments in the sector, and the recent NBN scandal. This could include development of an e-Government Information System Plan, including a public investment program defining a pipeline of needed e-Government Projects.  
*(Focal Point: CICT; Timeframe: One Year)*
- Push for creation of the Department of Information and Communication Technology (DICT). It has long been argued that ICT concerns deserve a separate Cabinet-level department taking responsibility for the sector's development.  
*(Focal Point: CICT; Timeframe: One Year)*
- Formulate a Philippine Water Supply Sector Roadmap (PWSSR). A coherent strategy and plan to address the water supply requirements in different parts of the country is needed. There must be a systematic approach to the emerging challenges in water supply, rather than the isolated and piecemeal solutions that have characterized the sector in past years. This must include assessment of water availability and demands for prioritized water constraint areas, including Baguio, Angeles, Iloilo-Bacolod, Davao, Cagayan De Oro, and Zamboanga.  
*(Focal Point: NWRB; Timeframe: One Year)*
- Strengthen the agricultural sector's logistical support system for both farm inputs and produce, especially for agricultural and fishery food products. The Department of Agriculture has recognized the critical role of logistics in both lowering costs of food to consumers and improving access of farmers to the markets, thereby raising their incomes. Current efforts to address bottlenecks in the logistical support system need to be scaled up nationwide.

*(Focal Point: DA, DTI; Timeframe: One Year)*

- Vigorously promote waste recycling. A critical prerequisite to effective waste recycling programs is waste segregation, wherein the discipline needs to start at the individual household or institution level. Hence, a key element in such a program is strictly implementation and enforcement of the no segregation-no collection/disposal policy in solid waste disposal. Successful recycling programs (home and school-based) should be widely replicated.

*(Focal Point: NSWMC; Timeframe:Continuous)*

- Promote more sustainable consumption and production. Environmental degradation, particularly due to pollution and solid waste, is ultimately rooted in unsustainable lifestyles that worsen with rising incomes and affluence. There is need to promote change in production techniques and consumption habits towards greater sustainability, e.g., program for green procurement, eco-labeling, product take back, eco-products.

*(Focal Point: PCSD; Timeframe:Continuous)*

### **Administrative improvements**

- Make proper SWM facilities a strict requirement for barangay clearance for business permit.

*(Focal Point: LGUs through LMP and LCP (DILG to enforce and monitor); Timeframe:Continuous)*

### **Public investments/projects**

- Rehabilitate and restore existing national irrigation systems and facilities *(NIA)*
- Establish small high-impact irrigation projects such as small water impounding projects (SWIP) and shallow tube wells (STWs) *(NIA)*

- Complete Subic-Clark-Batangas Beltway including C6 and Calamba-Sto. Tomas *(DPWH)*
- 
- Provide strategic infrastructure for oil and gas development: pipelines, gas-to-market projects, etc. *(DOE)*
- Pursue sewerage and sanitation projects *(MWSS, LWUA, LGUs)*
- Pursue the various Super Region infrastructure projects *(Infracom/NEDA)*

#### IV. Concluding Remarks

The Infrastructure WG may choose to further prioritize the above elements of a draft work agenda, which is based on a comprehensive listing of recommended initiatives arising from the March 10 multisectoral workshop. It may also choose to identify priority initiatives not yet included above. It must be the collective judgement of the WG that should ultimately determine what is deemed appropriate and feasible within the next three years.

A further exercise that the WG may undertake is to define annual work plans out of the agreed 3-year work agenda. This would further set guideposts and milestones for the WG's work, which will help provide indicators of progress, while enhancing the achievement of such progress by making the roadmap clearer and thus more manageable for the different players involved.