



**Davao**  
**Regional Development Plan**  
2017-2022

*Committing to Sustain Change*



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## **Davao Regional Development Plan, 2017-2022**

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# Davao Regional Development Plan 2017-2022

*Committing to Sustain Change* acknowledges the accomplishments of the previous administrations, adopts the good practices and carefully considers the lessons gleaned from these experiences. The goal of the Davao Regional Development Plan (DRDP), 2017-2022 is to enable Davaweños to attain a “matatag, maginhawa at panatag na buhay”, which takes off from the Duterte Administration’s 0-10 Socioeconomic Agenda.



# Foreword



Earlier this year, we launCHED the **Philippine Development Plan (PDP) 2017–2022** through the initiative of the **National Economic and Development Authority (NEDA)**. The PDP serves as our medium-term blueprint towards attaining a better and more secure life for our people in the next 25 years.

To complement the PDP, we are now launching the **Regional Development Plans (RDPs) 2017–2022**. This will provide direction in policy formulation for the next six years as we steer public and private investments to the regions.

We intend to place regional development at the center of our socioeconomic development strategy. By creating more jobs, improving social services, encouraging innovation and connecting the countryside to growth centers, we will reduce poverty and accelerate development in rural areas.

The RDPs will also prioritize accelerating infrastructure development, protecting our natural resources, addressing criminality and illegal drugs, and ensuring peace and security in the regions.

I commend the Regional Development Councils for aligning their respective

regional plans to our PDP through fruitful collaboration with local government units and the private sector. I am confident that through the RDPs, we can realize our goal of laying a solid foundation for a stronger and more resilient nation for future generations.



**RODRIGO ROA DUTERTE**  
President  
Republic of the Philippines

**MANILA**  
May 2017

# Message



With regional and local development being one of the main thrusts of President Rodrigo R. Duterte's socioeconomic development agenda, the Philippine Development Plan (PDP) 2017–2022, the first medium-term plan anchored on a long-term vision (*AmBisyon Natin 2040*), was specifically designed to cultivate growth and reduce inequality between the regions. This can be achieved by directing development to key areas throughout the country and connecting these growth centers to rural areas.

As such, the Regional Development Plans (RDPs), as accompanying documents to the PDP, will be an important tool in guiding both public and private investments that will catalyze growth in the regions. It will also serve as our blueprint in laying down the three main pillars of *Malasakit, Pagbabago, at Patuloy na Pag-unlad* that will help us build a secure, comfortable, and strongly rooted life for all Filipinos by 2040.

I would like to express my gratitude to the Regional Development Councils (RDCs) for their leadership in the crafting of the RDPs, and in coordinating various development efforts in the regions. Finally, we seek the support of our local government units, regional institutions, and private institutions to support the realization of our plans as we venture towards the creation of prosperous, peaceful and resilient communities.



**ERNESTO M. PERNIA**  
Secretary of Socioeconomic Planning

# Message



The Regional Development Council's adoption of the *Davao Regional Development Plan (DRDP), 2017–2022* marks an exciting milestone and certainly one fit for all Davaoeños to celebrate! For not only does it anchor Davao Region's translation of the country's long-term vision for a *matatag, maginhawa, at panatag na buhay*; it also provides the Region with a blueprint for the Duterte Administration's *Build, Build, Build* "Golden Age of Infrastructure" program.

President Duterte's commitment to a *Land of Promise Fulfilled* presents Mindanao a distinct opportunity to lead the nation's surge to prosperity. And indeed, Davao Region is eminently in Mindanao's driver's seat. Thus we who compose and steer the Council should relish the rare chance to steer and help Mindanao carry the day!

The DRDP, 2017–2022 is the roadmap that we have auspiciously crafted for this bold yet hallowed purpose. Through this guidebook we demonstrate our resolve to join the nation's push toward laying the foundation for inclusive growth, a high-trust and resilient society, and a globally competitive knowledge economy.

Boldness, equity and sustainability are the hallmarks of this Plan. For we do aim to achieve an economic output growth of between 10.5 and 11.0 percent by 2022. We *NEED* to attain such growth level—and consistently so—if we were to aspire to further push down the incidence of poverty in this Region and successfully eradicate it by 2040.

This is what makes this Plan and its purpose hallowed.

Through this Plan we have outlined how we intend to enhance the Region’s moral and social fabric (*Malasakit*); we shall be rolling out proactive initiatives to reduce inequality in all its known forms in the Region (*Pagbabago*); and we shall hurdle any and all barriers to increasing the Region’s growth potential (*Patuloy na pag-unlad*).

With this Plan in place, the Council shall now preoccupy itself with its implementation. I, thus, exhort my colleagues in the Council: Vigilance and Persistence shall be the virtues that will see through the implementation of the programs and projects that we

have lined up under this Plan’s *Regional Development Investment Program*. With the Council’s corps of development-oriented local chief executives and results-minded national agency heads, I cannot see how each initiative listed in the RDIP agenda will not be realized.

As we begin the sober task of giving life to the DRDP, 2017–2022, let us allow ourselves to take guidance from Dr. Peter Drucker, the great management guru, who once said: *Plans are only good intentions unless they immediately degenerate into hard work.*

Our call to action, therefore, is a call to *HARD WORK, together, with one goal!* By having crafted this Plan, we have demonstrated our capacity for such hard work, albeit only for the proverbial first step. The remaining task, we must all realize, consists in seizing that rare chance to steer Davao Region—and Mindanao—toward carrying the day for our and future generations of Filipinos.

Mabuhay!



**GOVERNOR ANTHONY G. DEL ROSARIO**  
RDC XI Chairperson and  
Governor, Davao del Norte Province

# Message



The Davao Region Development Plan, 2017–2022 is by far the most inclusive and comprehensive development plan that Davaoeños have crafted. It has a firm linkage to and relationship with the Philippine Development Plan (PDP), 2017–2022, through its development framework, wherein national and regional societal goals are faithfully aligned. It is also the first time that the Regional Development Plan is strongly anchored on a Philippine long-term vision—*Ambisyon Natin 2040*, whereby each Davaoeño shall live a *Matatag, Maginhawa, at Panatag na Buhay*. Our Plan charts the path and clears the way for an accelerated drive toward our development vision. The Plan is likewise solidly built on President Rodrigo R. Duterte’s 0 to 10 socioeconomic development agenda, underscoring that any development plan should be founded on a strong focus on peace and order, good governance, and sustainable development.

The 21 chapters of the Plan are a clear indication that the planning methodology adopted was broad-based, encompassing, participatory, and guarantees that as many stakeholders as possible were consulted in formulating the Plan. A series of multi-sectoral planning workshops, stakeholder analysis, and writeshops involving development partners was conducted throughout the second half of 2016, leading to the approval of the Plan and its Results Matrices by the Regional Development Council XI on December 13, 2016 through RDC XI Resolution No. 79, series of 2016.

The RDC XI Secretariat went a step further in ensuring that the Plan was consulted with the widest spectrum of regional stakeholders. Consultation workshops with the Region's local government units and other development stakeholders were conducted in early 2017 to generate inputs for enhancements to achieve consistency with local-level priorities and thrusts as well as secure all-out support from the LGUs and other stakeholders on the Region's priorities, strategies, and development targets.

Consistent with the PDP, the DRDP, 2017–2022 aims to achieve a higher level of convergence of development efforts among all stakeholders from the public and private sectors. To guide development stakeholders, the Plan presents a broad view of the state of development and challenges of the Region, yet it also takes a deeper and longer view in identifying strategies, programs, and projects necessary to attain the goal of building the foundation for inclusive growth, a high-trust society, and a globally competitive knowledge economy. Toward this goal, the three cross-cutting objectives of enhancing the moral and social fabric, reducing inequality, and increasing growth potential were crafted to put structure for a diverse range of strategies, so as to be more systematic, doable and responsive to these objectives.

The Plan similarly adopts a more thorough approach in planning, by incorporating legislative and research agenda for each chapter, thereby

widening the development reach of Davao Region. The legislative agenda, in particular, attempts to sharpen the development interventions of the Region to include proposals on laws, regulations, and policies for both national and local legislators to pursue, because an effective development can be readily implemented if its policy fundamentals are sound. The Plan essentially aims to effect a true and more meaningful change toward a better life for each and every Davaoeño.

The Results Matrices (RMs) contains the six year development targets and shall serve as bases for the monitoring and evaluation dimension of the Plan. The RMs permit both planner and implementer to determine whether targets are being met and plan objectives are materializing as intended. The Davao Regional Development Investment Program (RDIP)—an accompanying document—translates the Plan and its strategies into concrete program, activities, and projects (PAPs). The Investment Program seeks to channel resources towards efficient and impactful Plan implementation.

The development prospects of Davao Region present vast opportunities. We are proud to produce a Plan that is truly for all Davaoeños and crafted by Davaoeños. This Plan is our development compass. We enjoin all Davaoeños to support its implementation, from the general public to the policy-makers of the Region, in contributing to Davao Region's progress.

  
DIR. MARIA LOURDES D. LIM, CESO II  
Vice Chairperson, RDC XI and  
Regional Director, NEDA XI

# Acknowledgement

The Davao Regional Development Plan, 2017–2022 was formulated through a series of consultations to ensure that the Region’s development issues and concerns were identified and considered in the formulation of policies, strategies, targets and programs. This Plan serves as a guide for all Davao Region’s stakeholders, to sustain the Region’s inclusive growth, achieve a high trust and resilient society, and transform into a globally-competitive knowledge economy.

Our sincerest gratitude goes to all those who contributed in the formulation of this Plan, viz:

The Regional Development Council XI, for ensuring that the Plan’s direction embodies Davao Region’s role in achieving the national development goals and objectives that will contribute to the achievement of the Administration’s 0 to 10 Point Socioeconomic Agenda. The Council had thoroughly validated that the Plan’s strategic framework leads to a “matatag, maginhawa at panatag na buhay”, or toward enhancing the Region’s moral and social fabric, reducing inequality, increasing the Region’s growth potential, accelerating the strategic development of infrastructure and improving ecological integrity, clean and healthy environment.

The Council’s Sectoral Committees that served as Planning Committees (PCs), as well as the Regional Land Use Committee that discussed and crafted the Plan Chapters on People-Centered Clean, and Efficient Governance, Swift and Fair Administration of Justice, Philippine Culture and Values, Economic Opportunities in Agriculture, Forestry, and Fisheries, and Industry and Services, Human Capital Development,

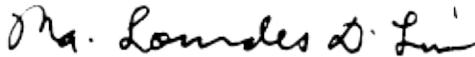
Safe and Secure Communities, Sound and Macroeconomic Policy, Just and Lasting Peace, Public Order and Safety, Infrastructure Development, and Ecological Integrity, Clean and Healthy Environment.

The RDC XI PCs validated the assessment of the implementation of the Davao Region Development Plan, 2011–2016 and gave flesh to the strategic framework that now addresses the challenges that emerged from the exercise, shaping the Plan’s comprehensive, albeit strategic, thrusts and outcomes. The PCs also identified the critical indicators that shall measure the progress of the Plan’s implementation.

The regional line agencies, local government units, academe, civil society and non-government organizations, the business and basic sectors, for their strong support to the planning process by sharing their expertise and institutional knowledge that put together the Plan chapters.

And finally, the RDC XI Secretariat, the NEDA XI staff, for having surfaced clearly the stakeholders’ vision, goals, strategies and targets in the Plan, as well as their dedication in completing the DRDP, 2017–2022.

Daghang Salamat!

  
**DIR. MARIA LOURDES D. LIM, CESO II**  
Vice Chairperson, RDC XI and  
Regional Director, NEDA XI



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# List of Acronyms

A&D	Alienable and Disposable
A/QRES	Annual and Quarterly Regional Economic Situationer
AAGR	Average Annual Growth Rate
ADACs	Anti-Drug Abuse Councils
ADDU	Ateneo de Davao University
ADSDPPs	Ancestral Domain Sustainable Development and Protection Plans
AEC	ASEAN Economic Community
AFF	Agriculture, Forestry and Fisheries
AHFF	Agriculture, Hunting Forestry and Fishery
ALIVE	Arabic Language and Islamic Values Education
APASTI	Action on Science, Technology and Innovation
AQMN	Air Quality Monitoring Network
ARBs	Agrarian Reform Beneficiaries
ARTA-RCS	Anti-Red Tape Act (RA 9485)-Report Card Survey
ASEAN	Association of Southeast Asian Nations
ATI	Agricultural Training Institute
BAFS	Bureau of Agriculture and Fisheries Standards
BFAR	Bureau of Fisheries and Aquatic Resources
BHSs	Barangay Health Stations
BIFF	Bangsamoro Islamic Freedom Fighters
BIMP-EAGA	Brunei Indonesia Malaysia Philippines- East ASEAN Growth Area
BIR	Bureau of Internal Revenue
BJMP	Bureau of Jail Management and Penology
BJS	Barangay Justice System
BLGF	Bureau of Local Government Finance
BOD	Biochemical Oxygen Demand
BOI	Board of Investments
BPLO	Best Business Permit and Licensing Offices
BPLS	Business Permits and Licensing System
BPS	Bureau of Product Standards
BUB	Bottom Up Budgeting
BUR	Budget Utilization Rate
C.O.R.E.	Comprehensive Outcomes for Rural Empowerment
CAA	Clean Air Act
CAAP	Civil Aviation Authority of the Philippines
CAAs	Conflict-Affected Areas
CAAs	conflict-affected areas
CADT	Certificate of Ancestral Domain Title
CARP	Comprehensive Agrarian Reform Program
CBOs	Community Based Organizations
CCA/DRRM	Climate Change Adaptation/Disaster Risk Reduction and Management
CDP	Comprehensive Development Plan
CEB	Commission En Banc
CeCs	Community e-Centers
CHED	Commission on Higher Education

CICL	Children in Conflict with the Law
CIPSO	Critical Investment Protection and Security Operation
CIWM	Correctional Institution for Women-Mindanao
CLUP	Comprehensive Land Use Plan
CMCI	Cities and Municipalities Competitiveness Index
CMDR	Conflict-Manageable and Development-Ready
CMP	Community Mortgage Program
CMTS	Cellular Mobile Telephone System
CNN	CPP-NPA-NDF
CNSP	Children in Need of Special Protection
COCs	Certificates of Confirmation
CPP-NPA-NDF	Communist Party of the Philippines-New People's Army-National Democratic Front
CPR	Contraceptive Prevalence Rate
CSAC	Children in Situations of Armed Conflict
CSC	Civil Service Commission
CSE	Crime Solution Efficiency
CSO	Civil Society Organization
CSPP	Conflict Sensitive and Peace Promoting
CWA	Clean Water Act
CY	Calendar Year
DA	Department of Agriculture
DANECO	Davao del Norte Electric Cooperative
DAP	Development Academy of the Philippines
DAR	Department of Agrarian Reform
DENR	Department of Environment and Natural Resources
DENR	Department of Environment and Natural Resources
DepEd	Department of Education
DHUB	Department of Housing and Urban Development
DICT	Department of Information and Communication Technology
DIDP	Davao Integrated Development Program
DILEEP	DOLE Integrated Livelihood and Emergency Employment
DILG	Department of the Interior and Local Government
DINA	Disaster Information for Nationwide Awareness
DMRA	Diwalwal Mineral Reservation Area
DMRADP	Diwalwal Mineral Reservation Area Development Plan
DO	Dissolved Oxygen
DOH	Department of Health
DOJ	Department of Justice
DOLE	Department of Labor and Employment
DORECO	Davao Oriental Electric Cooperative
DOST	Department of Science and Technology
DOT	Department of Tourism
DPPF	Davao Prison and Penal Farm
DPWH	Department of Public Works and Highways
DRDP	Davao Regional Development Plan
DRDRA	Davao Regional Development Research Agenda
DR-ICR	Davao Region Industry Clusters Roadmaps

DRIEEERDC	Davao Region Industry, Energy and Engineering and Emerging Research and Development Consortia
DRR/CCA	Disaster Risk Reduction and Climate Change Adaptation
DRRM-CCA	Disaster Risk Reduction Management - Climate Change Adaptation
DRSDF	Davao Region Spatial Development Framework
DRSUS	Davao Regional State University System
DSWD	Department of Social Welfare and Development
DTI	Department of Trade and Industry
E-AICs	Extended Assistance in Crisis Situation
ECC	Environmental Compliance Certificate
EGW	Electricity, Gas and Water
EITI	Extractive Industry Transparency Initiative
ENR	Environment and Natural Resources
EO	Executive Order
ESGPPA	Expanded Students' Grant-in-Aid Program for Poverty Alleviation
FBIA	Francisco Bangoy International Airport
FDA	Food and Drug Administration
FGDs	Focus Group Discussions
FIT	Farmer Information Training
FLUPs	Forest Land-use Plans
FMO	Focused Military Operation
FMRDP	Farm-to-Market Road Development Program
FMRs	Farm-to-Market Roads
FPAD	Food Processing Association of Davao
FPIC	Free and Prior Informed Consent
FPIC	Food Processing and Innovation Center
FPs	Family Planning Programs
FTAs	Free Trade Agreements
FTEs	Full-Time Employees
FTL	Foreign Trade Laws
FY	Fiscal Year
GAA	General Appropriations Act
GAD	Gender and Development
GAP	Good Agricultural Practices
GCAT	Global Competitiveness Assessment Tool
GDP	Gross Domestic Product
GIDAs	Geographically-isolated and Disadvantaged Areas
GIS	Geographic Information System
GMP	Good Manufacturing Practices
GRDP	Gross Regional Domestic Product
GRP	Government of the Republic of the Philippines
GVA	Gross Value Added
HACCP	Hazard Analysis Critical Control Point
HEIs	Higher Education Institutions
HFEP	Health Facilities and Enhancement Program
HIPSI	Hijo International Port Services, Inc.
HIV-AIDS	Human Immunodeficiency Virus Infection and Acquired Immune deficiency Syndrome
HRD	Human Resource Development

HRDP	Human Resource Development Plan
HVCC	High Value Commercial Crops
IBPAP	Information Technology and Business Process Association of the Philippines
ICCs	IPs/Indigenous Cultural Communities
ICT	Information and Communication Technology
IEC	Information, Education, and Communication
IEC	Information, Education, and Communication
IGACOS	Island Garden City of Samal
IKSPs	Knowledge Systems and Practices
IMR	Infant Mortality Rate
IP	Indigenous People
IPEd	Indigenous Peoples Education
IP-MNCHN	Indigenous Peoples Maternal, Neonatal and Child Health and Nutrition
IPOs	Indigenous Peoples Organizations
IPRA	Indigenous Peoples Rights Act
IRA	Internal Revenue Allotment
ISF	Information System Frontier
ISFs	Informal Settler Families
ISO	International Organization for Standardization
IT-BPM	Information Technology - Business Process Management
IT-BPO	Information Technology - Business Process Outsourcing
ITSO	Innovation and Technology Support Office
IUU	Unreported and Unregulated
JLSS	Junior Level Science Scholarships
JSCC	Justice Sector Coordinating Council
JVA	Joint Venture Agreement
KALAHI-CIDSS	Kapit-Bisig Laban sa Kahirapan Comprehensive and Integrated Delivery of Social Service
LCMP	Localized Community Mortgage Plan
LDRRMCs	Local Disaster Risk Reduction and Management Councils
LED	Light-emitting Diode
LEDIPOs	Local Economic and Investment Promotion Officers
LGC	Local Government Code
LGUs	Local Government Units
LHBs	Local Housing Boards
LOG	Letter of Guaranty
LPA	Low Pressure Area
LPRATs	Local Poverty Reduction Action Teams
LRA	Land Registration Authority
LSWDO	Local Social Welfare Development Office
LTIA	Lupong Tagapamayapa Incentives and Awards
LTO	License to Operate
LUCs	Local Universities and Colleges
MASA MASID	Mamamayang Ayaw sa Anomalya, Mamamayang Ayaw sa Ilegal na Droga
MDG	Medium-Term Development Goals
MGB	Mines and Geosciences Bureau
MGR	Modernizing Government Regulations
MGR	Modernizing Government Regulations

MHRWS	Mt. Hamiguitan Range and Wildlife Sanctuary
MICE	Meetings, Incentives, Conventions and Exhibits/Events
MinSAAD	Mindanao Sustainable Agrarian and Agriculture Development
MMR	Maternal Mortality Ratios
MRAs	Mutual Recognition Arrangements
MRDP	Mindanao Rural Development Program
MRFs	Materials Recovery Facilities
MRL	Maximum Residue Level
MSMEs	Micro, Small, and Medium Enterprises
MSS/DF	Mindanao Spatial Strategy/Development Framework
MSTCFI	Mindanao Science and Technology Centrum Foundation
MSTPC	Mindanao Science and Technology Park Consortium
MTPY	Metric Tons Per Year
MW	Mega Watt
NACCAG	National Color-Coded Agriculture Guide-Map
NAT	National Achievement Tests
NBI	National Bureau of Investigation
NC	National Competency
NCC	National Competitiveness Council
NCDDP	National Community-Driven Development Project
NCIP	National Commission on Indigenous Peoples
NEDA	National Economic and Development Authority
NGAs	National Government Agencies
NGO	Non-government Organization
NHTS-PR	National Household Targeting System for Poverty Reduction
NIA	National Irrigation Administration
NIPAS	National Integrated Protected Areas System
NISGP	National Integration Scholarship Program
NOAH	Nationwide Operational Assessment Hazards
NOVs	Notices of Violations
NPS	National Prosecution Service
NSS	National Spatial Strategy
NSWMC	National Solid Waste Management Commission
NTPB	National Tourism Professional Board
OECD	Organization for Economic Cooperation and Development
OFW	Overseas Filipino Workers
OHS	Occupational Health and Safety
OMB	Office of the Ombudsman
OPAPP	Office of the Presidential Adviser on the Peace Process
PAMANA	Payapa at Masaganang Pamayanan
PAO	Public Attorney's Office
PAPs	Priority Programs, Activities and Projects
PBRIS	Philippine Business Regulations Information System
PCAARRD	Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development
PCF	Performance Challenge Fund
PCIC	Philippine Crop Insurance Corporation
PCs	Planning Committees

PDEA	Philippine Drug Enforcement Agency
PDP	Philippine Development Plan
PDPFPs	Provincial Development Physical Framework Plans
PESOs	Public Employment Service Offices
PEZA	Philippine Economic Zone Authority
PGR	Population Growth Rate
PHIVOLCS	Philippine Institute of Volcanology and Seismology
PJEPA	Philippines-Japan Economic Partnership Agreement
PMCC	Program Monitoring and Coordination Center
POA	Permit to Operate Air
POs	Peoples Organizations
PPP	Public-Private Partnership
PRDP	Philippine Rural Development Program
PRO	Police Regional Office
PSA	Philippine Statistical Authority
PTSA	Regionalization of the Philippine Tourism Satellite Accounts
PWC	Philippine Women's College
PWDs	Persons with Disabilities
RA	Republic Act
R&D	Research and Development
RCC	Regional Certification Committee
RDCs	Regional Development Councils
RDIP	Davao Regional Development Investment Program
RDPs	Regional Development Plans
RHRDC	Regional Health Research and Development Consortium
RHUs	Rural Health Units
RIL	Rain-Induced Landslide
RLUC	Regional Land Use Committee
RMs	Results Matrices
ROW	Right-of-Way
RPMC	Regional Project Monitoring Committee
RPRH	Responsible Parenthood and Reproductive Health
RSET	Regional Social and Economic Trends
RSTL	Regional Standards and Testing Laboratory
S&T	Science and Technology
SDGs	Sustainable Development Goals
SEA-K	Self-Employment Assistance - Kaunlaran
SEGEAP	Selected Ethnic Group Educational Assistance Program
SETUP	Small Enterprise Technology Upgrading Program
SGH	Seal of Good Housekeeping
SGLG	Seal of Good Local Governance
SHFC	Socialized Housing Finance Corporation
SHS	Senior High School
SLF	Sanitary Landfill Facilities
SLP	Sustainable Livelihood Program
SMAARRDEC	Southern Mindanao Agriculture, Aquatic and Natural Resources Research and Development Consortium

SPES	Special Program for the Employment of Students
SPP	Social Pension Program
SPS	Sanitary Phytosanitary Standards
SSMP	Small Scale Mining Permits
STARBOOKS	Science and Technology Academic and Research-Based Openly Operated Kiosks
STARLABS	S&T Academic and Research-Based Openly-Operated Kiosk Station
STEM	Science, Technology, Engineering and Mathematics
STI	Science, Technology and Innovation
StuFAP	Student Financial Assistance Program
SUCs	State University and Colleges
SWMP	Solid Waste Management Plans
TDAs	Tourism Development Areas
TFR	Total Fertility Rate
TIBFI	Tourism Industry Board Foundation
TRO	Temporary Restraining Order
TSS	Total Suspended Solids
TVET	Technical and Vocational Education Training
TVL	Technical-Vocational Livelihood
TWG	Technical Working Group
UDHA	Urban Development and Housing Act
ULRP	Urban Land Reform Program
UM	University of Mindanao
UNESCO	United Nations Educational, Scientific and Cultural Organization
UPMin	University of the Philippines - Mindanao
USA	United States of America
USEP	University of Southeastern Philippines
WEDCs	Women in Especially Difficult Circumstances
WQMA	Water Quality Management Area
WTO	World Trade Organization
YAFS	Young Adult Fertility and Sexuality





Republic of the Philippines

Regional Development Council  
Davao Region

**RDC XI Resolution No. 79, Series of 2016**

**APPROVING THE DAVAO REGION DEVELOPMENT PLAN (DRDP), 2017-2022**

**WHEREAS**, this Council issued Resolution No. 67, series of 2016, entitled “Approving the Supplemental Guidelines on the Formulation of the Davao Region Development Plan (DRDP), 2017-2022” during its 3<sup>RD</sup> Quarter Regular Meeting on September 14, 2016;

**WHEREAS**, based on this mandate, the Council’s sectoral committees, constituted as planning committees for the formulation of the DRDP, 2017-2022, conducted planning workshops in September 2016 that generated inputs for the Plan; consequently, the Plan was drafted utilizing the results of the planning workshops;

**WHEREAS**, to validate the draft Plan’s internal coherence and consistency with (a) *Ambisyon Natin 2040*, (b) the emerging Philippine Development Plan (PDP), 2017-2022, and (c) the evolving strategic framework of the DRDP, 2017-2022, as well as to ensure consistency with local-level plans, an Inter-Planning Committee (PC) Consistency Checking and Integration Workshop was conducted on November 15, 2016;

**WHEREAS**, these workshops and multi-sectoral consultations generated various recommendations for the improvement of the Draft DRDP, 2017-2022 and these have substantially contributed to its refinement;

**WHEREAS**, after having gone through this progressive refinement, this Council finds the Draft substantially complete and generally reflective of Davao Region’s development and spatial directions, as well as its thrusts and priorities that are aligned with *Ambisyon Natin 2040* as espoused in the Philippine Development Plan (PDP), 2017-2022 and shall significantly contribute to the achievement of the 0 to 10 Socioeconomic Agenda of the Duterte Administration; *Now, therefore, be it:*

**RESOLVED, AS IT IS HEREBY RESOLVED**, that this Council approve the Davao Region Development Plan (DRDP), 2017-2022.

Issued this 13th day of December, Two Thousand and Sixteen, in Davao City, Philippines.

Certified Correct:

  
**OIC-ARD PRISCILLA R. SONIDO**  
Acting Secretary

Attested/Approved by:

  
**DIRECTOR MARIA LOURDES D. LIM, CESO II**  
Acting Chairperson and Presiding Officer



PART I

# INTRODUCTION





# 01 The Long View



# The Long View

AmBisyon Natin 2040 is the country's 25-year long-term vision that was generated to guide development planning starting with the Philippine Development Plan, 2017–2022 as the foundation for the next three PDPs until 2040. Its adoption on October 11, 2016 upon President Rodrigo R. Duterte's issuance of Executive Order No. 5, s. 2016 signalled Government's determination to achieve effective development planning based on a forward-looking approach that transcends a single administration.

*AmBisyon Natin 2040* resulted from a long-term visioning process that began in 2015. Over 300 citizens participated in focus group discussions (FGDs) and close to 10,000 responded to the national survey designed to gather information about the kind of life they want for themselves and their children living in the country in 2040. Strategic options were identified through technical studies commissioned for the purpose of realizing the vision articulated by citizens. The whole effort was guided by an advisory committee composed of select representatives from government, academe, civil society, and the private sector.

Thus, *AmBisyon Natin 2040* surfaced the following vision of the Filipinos for the Philippines in 2040:

*By 2040, the Philippines will be a prosperous, predominantly middle-class society where no one is poor, our people will live long and healthy lives, be smart and innovative, and will live in a high-trust society.*

This vision signifies equality of opportunities and presupposes that poverty has been eradicated. It will be a society where people are able to live long and healthy lives with a higher life expectancy at birth of 80 years. Longevity will be enhanced by the ability of individuals and communities to withstand natural as well as man-made shocks and

disasters. With smarter and more innovative people, the country in 2040 is also envisioned to be a major player in the global knowledge economy, producing innovative products and processes that are used to produce high-quality goods and services at competitive prices. The Philippines will be a high trust, more caring, and peaceful society where human security is assured and government enjoys the people's trust because it is clean, efficient, and service-oriented. High trust will also prevail between the private sector and the government, as well as between and among peoples. Overall, a high trust society will facilitate the speedy and efficient delivery of public goods and services, promote competition and inclusiveness in the political system and create social and cultural awareness of Filipino culture.

In terms of the kind of life they want for themselves, Filipinos want a life that is strongly-rooted, comfortable, and secure: *matatag, maginhawa, at panatag.*

The terms “strongly-rooted, comfortable, and secure” used to describe AmBisyon Natin 2040 reveal essentially middle-class aspirations. They include home ownership, a steady source of income to support family and self, college education for the children, a motor vehicle, stable finances to cover daily needs and contingencies, as well as savings for retirement, and time for vacation

and travel. There is also a strong family orientation that underlies the preferences as reflected in the choice for living and working in the same locality, the desire for adequate spaces that allow for activities with family and friends, and for access to convenient and affordable transportation, among other reasons. The same value is reflected in the importance attached to education. Nearly every Filipino family considers college education a prerequisite to a decent job and so aspires to have the children complete a college degree.

For Davao Region, the broad areas for strategic action over the next 25 years in order to realize the national vision are as follows:

1. Toward building a **prosperous, predominantly middle-class society where no one is poor**, achieve significant growth for the agriculture, forestry and fisheries sector, a globally competitive and innovative industry sector, and the expansion of a competitive services sector; produce competent college and tech-voc graduates, achieve better outcomes on health and basic education; and provide adequate safety nets to the poor, vulnerable and disadvantaged sectors.
2. Toward promoting a **long and healthy life**, implement the 2016–2022 Philippine Health Agenda as well as the Responsible Parenthood and Reproductive Health Law; and upgrade health facilities.
3. Toward becoming **smarter and more innovative**, review higher education institution curricula toward matching industry requirements, pursue effective active labor market policies, strengthen K-to-12 and inclusive education, and pursue competency assessment and certification for skilled workers.

4. Toward building a **high-trust society**, improve access to basic social services, increase opportunities for livelihood and microfinance, prioritize housing programs for informal and urban poor settlers, and ensure land tenure security for IPs and farmers; reduce or eliminate graft and corruption, strengthen citizens' participation in government processes, and enhance the administration of justice; support the peace process by increasing citizen awareness and acceptance of its objectives, capacitate the 5 pillars of the justice system, and develop peaceful and conflict-resilient communities through conflict sensitive and peace promoting (CSPP) activities and socioeconomic buildup, especially in geographically-isolated and disadvantaged areas (GIDAs) and conflict-affected areas (CAAs).

To sustain the Vision over the next 25 years, it is necessary to build a broad constituency behind the reforms needed to attain it. An effective communications strategy is critical to disseminate the Vision to all stakeholders. The Vision also needs to be translated into specific goals, measurable targets, and immediate milestones while allowing for flexibility in strategies. Preferences and needs may change over time so the Vision will need revisiting and review on a regular basis. The strategies needed to achieve the targets will then be the subject of four PDPs until 2040.

02

Global and  
Regional Trends  
and Prospects



# Global and Regional Trends and Prospects

The next six years for Davao Region pose several challenges, as it seeks to balance various demands from the different aspects of the society, while aiming for holistic growth and development. To effectively address these, the current trends in the various dimensions of society such as economics, politics, demographics, technology and environment should be looked into from a macro scale down to local levels. These trends shall aid the directions and areas of concentration for the Plan period.

## Socioeconomic Trends

### Regional Economic Cooperation

Given the current administration's thrusts and priorities, as well as chairmanship in the Association of Southeast Asian Nations (ASEAN) in 2017, sovereign equality of nations and freedom from external interference in domestic affairs; closer relations with China; and regional cooperation in combating drugs and crime may become the prominent issues<sup>1</sup> that will be undertaken in various economic associations of which the Philippines is a member of.

Economic activities within regional associations such as the ASEAN, Asia-Pacific Regions and Brunei Indonesia Malaysia Philippines- East ASEAN Growth Area (BIMP-EAGA), are closely linked as these promote economic integration through trade, tourism, and investments through free movement of capital, people,

goods and services; maximizing the utilization of common infrastructure and natural resources; and maximizing trade complementation. The Philippines, which is an affiliate in these associations, would be greatly affected by the economic performance of the member-countries, given this openness of the national economy.

### Economic Growth

Both the global and Asian emerging markets' economic growth have been sluggish<sup>2</sup> for the period 2003 to 2015, but this slump was not much felt by the ASEAN or within the BIMP-EAGA, wherein the Philippines is a member. The 2016 edition of the Organization for Economic Cooperation and Development (OECD) Economic Outlook for Southeast Asia, China and India reported that the growth for the ASEAN economies shows "mild moderation," but will remain "robust" at an average of 6.5 percent in 2016, which is

<sup>1</sup> <https://th.boell.org/en/2016/09/26/dutertes-rise-power-philippines-domestic-and-regional-implications>

<sup>2</sup> *Philippine Development Plan, 2017–2022*

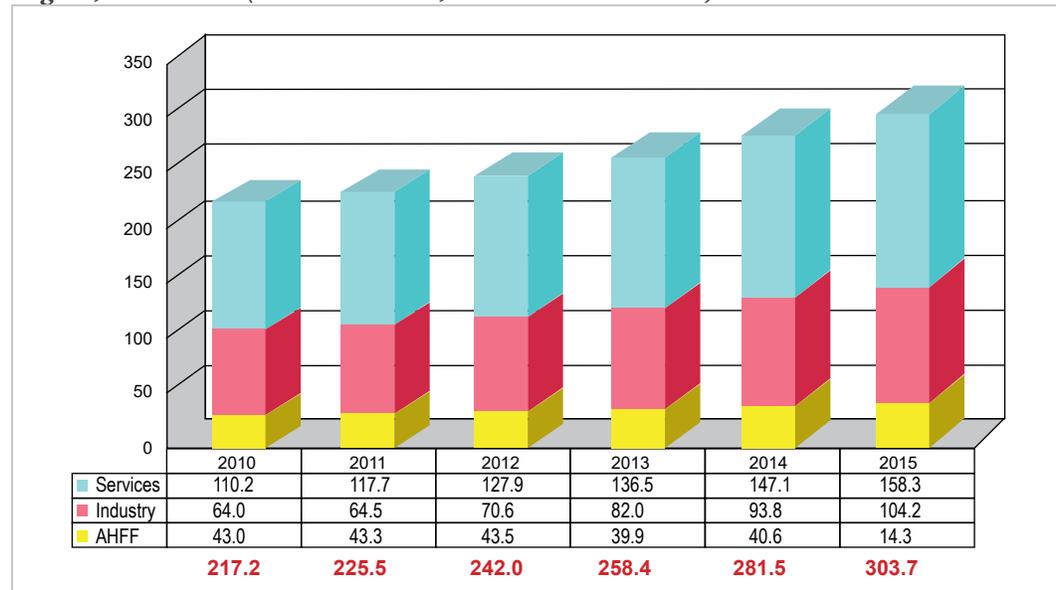
driven mainly by strong domestic demand, brought about by a huge inflow of foreign remittances<sup>3</sup>.

Given this backdrop, Davao Region's growth shows the opposite of the global and Asian trends; during 2010–2015, the Region's economic output grew from PhP 217.3 billion, to PhP 303.7 billion, with an annual average of 7.1 percent (*Figure 2.1*). This was faster than the Philippines' national output growth of 5.9 percent and Mindanao's 6.3 percent. Davao Region's growth was mostly contributed by the services sector, which shares more than half of the Region's total

output at about 53 percent, followed by the industry sector with 34 percent and the agriculture, hunting, forestry and fishery sector with 13.5 percent share.

Davao Region has been a consistently strong economy during the last planning period, as it topped the national output growth from years 2011–2015, except in 2013, when the Region was affected by Typhoon Pablo. Moreover, in 2014, Davao Region's economy had the fastest growth among all the other Philippine regions at 9.4 percent, which was also higher than the national growth of 6.2 percent (*Figure 2.2*)

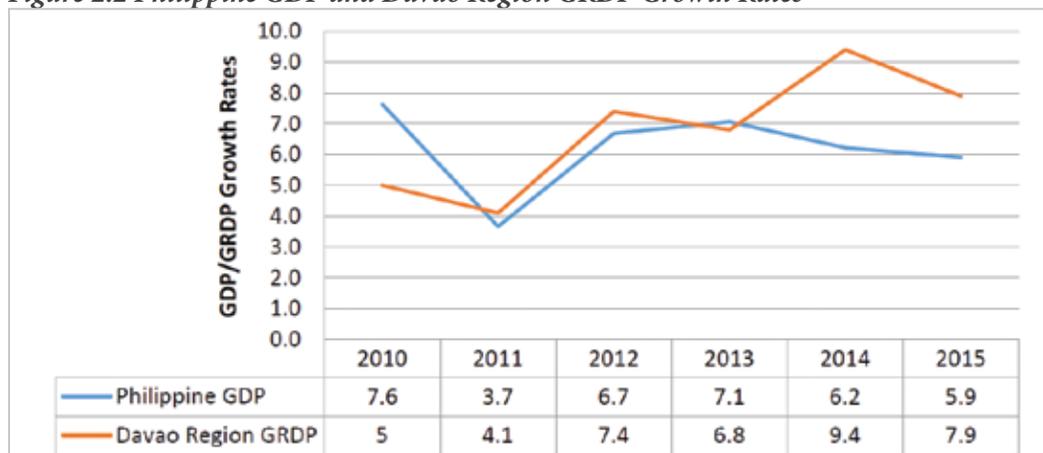
**Figure 2.1 Gross Value Added by Industrial Origin, Davao Region, 2010–2015 (In Billion Pesos, Constant 2000 Prices)**



Source: Philippine Statistical Authority (PSA)

<sup>3</sup> <http://www.gov.ph/2015/11/23/ph-best-growthoutlook-asean-5/>

Figure 2.2 Philippine GDP and Davao Region GRDP Growth Rates



Source: PSA

## Labor and Employment

Despite the sustained high economic growth, Davao Region's employment generation did not grow at a faster pace. From 2013 to

2015, employment had an average growth of 2.2 percent, below Plan targets. Similarly, the underemployment rate from 2013 until the second quarter of 2016 had not achieved its Plan targets, except in 2015 (Table 2.1).

Table 2.1 Employment Statistics, Actual vs. Plan Targets (2011–2016), Davao Region

INDICATOR	YEAR					
	2011	2012	2013	2014	2015	2016 (2 <sup>nd</sup> Qtr)
Number of Employed Persons (in thousands)						
Target	-	-	1971	2010	2140	2220
Actual	1927	1854	1884	1954	1925	2064
Employment Rate (in percent)						
Target	-	-	94.2	94.1	95.0	95.9
Actual		94.0	93.1	94.2	94.2	94.7
Unemployment Rate (in percent)						
Target	-	-	17.0	16.5	16.0	15.0
Actual		17.9	17.3	19.3	14.8	16.1

Source: PSA

## Foreign Policy and Political Trends

### Shift in Foreign Policy

The current administration is gearing towards forging new alliances with the Chinese and Russian governments. Given this, the Region could benefit in terms of international trade because of potential

market expansion; Davao Region's primary export products may foresee an increase in production volume because of this direction. An increase in foreign aid, such as in infrastructure projects for Davao Region, may also be foreseen given these new alliances of the Philippine government.

Moreover, tourist arrivals from these new foreign allies, not only in the country but also for the Region, may improve significantly.

## Political Influence

Given that the President hails from Davao Region, significant political decisions and

government investments may greatly affect Davao Region and Mindanao, such that priority is given to the development of the Region, particularly Davao City. Big ticket infrastructure development projects (e.g. Mindanao Railway Project, Davao City Coastal Road Project) shall be realized during the Plan period.

## Social and Demographic Trends

In the global perspective, people are already living longer and producing fewer children, thereby having an ageing population trend. These are attributed to better nutrition, sanitation, education and general economic well-being<sup>4</sup>. For the Philippines, projected fertility rates also show a decline; from 3.41 percent for the period 2000-2005 to 2.07 percent for 2035-2040. Consequently, the country's population projections show a decline in average annual exponential growth rates; from 2.05 percent for the period 2000-2005, down to 0.92 percent for the period 2035-2040. Despite this decrease

in demographic trend, the population in the country still continues to rise, albeit slower<sup>5</sup>. For Davao Region, population increase is still prevalent. As of 2015, its population was at 4.89 million which, compared in 2010, rose by 1.74 percent and compared in 2000, rose by 1.97 percent<sup>6</sup>. Among the five provinces of Davao Region, Davao del Norte had the biggest population in 2015 with 1.02 million while Davao Occidental had the smallest population with 316 thousand (*Table 2.2*). The total population of Davao Region accounted for about 4.8 percent of the Philippine population in 2015.

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<sup>4</sup> *Philippine Development Plan, 2017-2022*

<sup>5</sup> *Population Projections (2000-2040), Philippine Statistics Authority*

<sup>6</sup> *Davao Region Census of Population 2015 (POPCEN 2015)*

**Table 2.2. Population by Province/Highly Urbanized City: Davao Region**  
(Based on the 2000, 2010, and 2015 Censuses)

PROVINCE/HIGHLY URBANIZED CITY	POPULATION (IN THOUSANDS)		
	2000	2010	2015
Compostela Valley	580	687	736
Davao del Norte	744	946	1,016
Davao del Sur (excluding Davao City)	504	575	633
Davao City	1,147	1,1449	1,1633
Davao Occidental	255	294	316
Davao Oriental	446	518	559

Source: Census of Population 2015, PSA

Davao Region's population is projected to steadily increase. In 2020, it is projected that population will be 5,042,200 and by 2040 it will be 5,940,900 (Table 2.3).

**Table 2.3 Projected Populations by Sex and by Five-Calendar Years by Region: 2000–2040, Davao Region**

AGE/SEX	2000	2005	2010	2015	2020	2025	2030	2035	2040
Both sexes	3,698,100	4,020,000	4,362,400	4,708,800	5,042,200	5,336,600	5,583,800	5,784,700	5,940,900
Male	1,887,800	2,050,700	2,224,500	2,399,200	2,567,000	2,715,500	2,839,600	2,940,900	3,018,400
Female	1,810,300	1,969,300	2,137,900	2,309,600	2,475,200	2,621,100	2,744,200	2,843,800	2,922,500

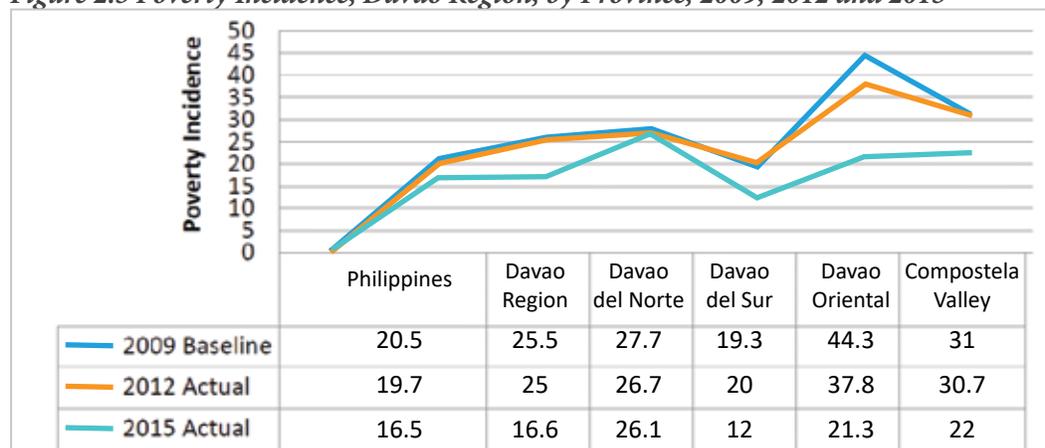
Source: PSA

## Poverty Incidence

Poverty incidence in Davao Region continuously declined for the past three (3) poverty surveys in 2009, 2012 and 2015, which may be attributed to Davao Region's strong GRDP growth (Figure 2.2). Among the provinces of Davao Region, Davao del

Sur posted the lowest poverty incidence in 2012 and 2015 with 20.0 and 12.0, respectively; while Davao Oriental had the biggest decrease in poverty incidence in 2012 with 37.8 percent. Davao del Norte, on the other hand, had the highest poverty incidence in 2015 at 26.1 percent (Figure 2.3)

**Figure 2.3 Poverty Incidence, Davao Region, by Province, 2009, 2012 and 2015**



Source: PSA, DRDP-RMs, 2011–2016

## Technological Trends

Technology has been considered a key driver to economic growth as it is a major support to all economic sectors. It increases productivity and efficiency of industries which, in turn, raise living standards and ultimately, poverty reduction.

### Widespread Internet Use

The use of internet is already a staple in almost all types of industries. It is widely-used for communication and all other various business transactions; it easily connects the industry to its customers locally and globally. The emergence of various online economic transactions,

such as buying and selling, makes the world a global economy. Relatedly, the use of social media in communicating various advocacies, business advertisements and spread of information is already prevalent not only in the country but to the rest of the world as well. The rise of a “cashless society” is also apparent in the world economy. With the trend towards electronic and internet banking, the world is now experiencing an increased use of digital methods in managing and exchanging money. Payment using non-cash methods is already a trend among developed countries (*Table 2.5*) and the Philippines, including Davao Region, is already shifting towards this trend.

*Table 2.5 Estimated Share of Payments Done by Non-cash Methods*

COUNTRY	%
Singapore	61
Netherlands	60
France	59
Sweden	59
Canada	57
Belgium	56
United Kingdom	52
USA	45
Australia	35
Germany	33

*Source: Measuring Progress toward a Cashless Society, MasterCard*

### Use of Artificial Intelligence and Related Machines

In line with the goal of industrial efficiency, the use of artificial intelligence and related machines in production and other business activities is already predominant around the globe. This technology raises efficiency and ultimately, productivity since these machines are capable of adjusting to

changing working conditions, reduce work accidents, and enhance decision-making in hazardous and dangerous situations<sup>7</sup>.

For the Region, the use of such technology is already emerging, especially in factory production. Striking a balance between the Region’s increase in population, slow performance in the labor market and the emergence of labor-saving devices, is a challenge.

<sup>7</sup> *Philippine Development Plan, 2017–2022*

# Environmental Trends

## Environmental Challenges

There is a consensus that climate change and water scarcity will pose serious threats to countries in South and Southeast Asia over the next several decades. These threats, which range from extreme weather events to limited water availability, are likely to have significant impacts on the Philippines’ economy and its sectors<sup>8</sup>. The challenge for Davao Region is on ensuring the environment and natural resources’ sustainability for the present and future generations, while achieving economic growth and development.

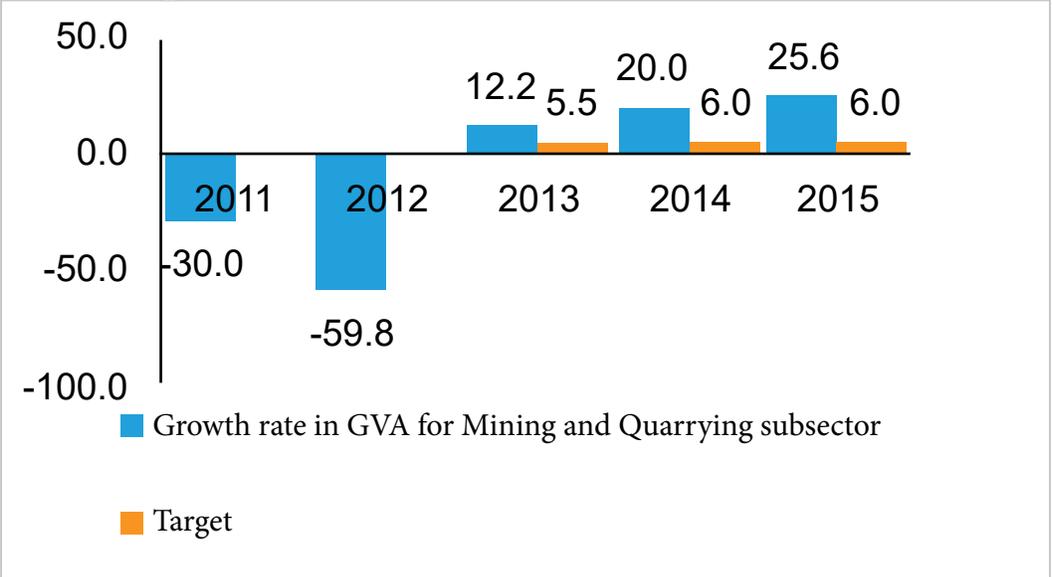
Another environmental trend that is gaining ground in the country is the imposition of stricter enforcement of environmental laws. This may be gleaned as a challenge

for Davao Region since its mining and quarrying subsector has steadily increased from 2013–2015, despite a low performance from 2011-2012 (*Figure 2.4*).

The lack of attention for ecological integrity shall result to natural resource degradation which in turn, shall compromise economic growth and development not only for the Region but also for the country.

Given this trend, Davao Region’s main challenge is to balance development and the maintenance of ecological integrity. The following chapters shall detail on how the Region shall address the major challenges given the trends to achieve its goal in laying the foundation for inclusive growth and high-trust society.

**Figure 2.4 Mining and Quarrying subsector Growth Rate, Davao Region, 2011–2015, Actual vs. Target**



Source: PSA XI

<sup>8</sup> Dana Krechowicz, Shally Venugopal, “Analyzing Environmental Trends: Taking the Pulse of Asia’s Financial Community,” WRI Working Paper. June 2010, World Resources Institute, Washington, DC.

## Future Development Scenario

Davao Region's growth drivers for the next six years shall be agriculture, industry and services sectors. For agriculture, banana and coconut clusters shall lead the growth as these are currently the Region's top export earners, while its cacao and coffee clusters are seen as potentially productive industries due to their emerging active industry players. For industry, manufacturing and electricity, gas and water subsectors shall lead the growth due to the sustained performance of the processing industries. For the services sector, transportation, storage and communication; real estate, renting and business; financial intermediation; and trade subsectors shall post the highest growth rates, as Davao Region's strategic position in Mindanao will sustain the activities brought about by the spread of shopping malls, bank and non-bank institutions, recreation, health and wellness and educational service, business process outsourcing and exports, as well as, air and sea linkages of Davao with BIMP-EAGA and other Asian countries.

On the reduction of poverty in the Region, considering the Region's stimuli for growth and the continued, more focused interventions to the target population, it is expected that decline in poverty incidence in Davao Region shall be sustained. The lowering of poverty incidence is foreseen in 2017, from 16.1 percent to 13.6 percent in 2022. With this scenario, a significant improvement in family income level shall reduce income inequality and eventually, poverty.

Further, to maximize the gains of regional cooperation, Davao Region's, import and export linkages with foreign markets shall be strengthened such that export products would remain competitive. The peace and security situation shall be addressed to drive the competitiveness of the Region's tourism industry, as well as, continually gain the confidence of investors.

# 03

Overlay of Economic  
Growth, Demographic  
Trends, and Physical  
Characteristics



# Overlay of Economic Growth, Demographic Trends, and Physical Characteristics

The Philippine Development Plan (PDP), 2017–2022 defines the desired spatial distribution of human activity in the country considering its economic, social, institutional, and environmental conditions. The Plan espouses a national spatial strategy (NSS) that describes the geographic development challenges and opportunities based on trends in population and economic growth. This strategy is central in the Davao Region Spatial Development Framework (DRSDF), 2015–2045 and the Mindanao Spatial Strategy/Development Framework (MSS/DF), 2015–2045 which is anchored on the three NSS key principles on concentration, connectivity and vulnerability reduction. The national strategy of national dispersion through regional agglomeration aims to strengthen the regional development by directing growth to key centers in the regions throughout the country to serve as drivers of economic growth to maximize the beneficial impact of agglomeration. This spatial framework shows direction of growth of Davao Region based on trends in demographic and economic activities, as well as on the presence of social and infrastructure services.

The framework shall not only strengthen connectivity among and within the rural and urban areas, it shall also identify: a) areas that support production targets, such as those suitable for agriculture, industrial and tourism development; b) ecologically-fragile areas that need to be protected; and c) areas susceptible to hazards where appropriate measures are needed to reduce vulnerabilities to disasters.

## Economic and Demographic Trends

### Share and Contribution to Gross Domestic Product (GDP)

Region on the average, grew faster than the national's 5.9 percent and Mindanao's 6.3 percent (*Table 3.1*).

Davao Region's economic output grew from PhP217.3 billion in 2010, to PhP303.7 billion in 2015, or by an average of 7.1 percent annually. During the six-year period, Davao

**Table 3.1 Regional Share to GDP, Mindanao Regions, 2010–2015 (in percent)**

AREA	2011	2012	2013	2014	2015
<b>MINDANAO REGIONS</b>					
Zamboanga Peninsula	2.0	2.0	2.0	2.0	2.0
Northern Mindanao	3.7	3.7	3.7	3.7	3.7
Davao Region	3.8	3.8	3.8	3.9	4.0
SOCCSKSARGEN	2.7	2.7	2.7	2.7	2.7
CARAGA Region	1.2	1.3	1.3	1.3	1.3
ARMM	0.8	0.7	0.7	0.7	0.7

Source: Philippine Statistics Authority (PSA)

In terms of share to the country's total output, Davao Region's contribution steadily increased from 3.8 percent in 2011 to 4.0 percent in 2015, followed by Northern Mindanao. Davao Region was the only region in Mindanao, which share to the national output has increased (Table 3.2).

**Table 3.2 Regional Contribution to GDP Growth, Mindanao Regions, 2010–2015 (in percent)**

AREA	2011	2012	2013	2014	2015
<b>MINDANAO REGIONS</b>					
Zamboanga Peninsula	0.0	0.2	0.1	0.1	0.1
Northern Mindanao	0.2	0.3	0.2	0.3	0.2
Davao Region	0.1	0.3	0.3	0.4	0.3
SOCCSKSARGEN	0.1	0.2	0.2	0.2	0.1
CARAGA Region	0.1	0.1	0.1	0.1	0.1
ARMM	(0.0)	0.0	0.0	0.0	(0.0)

Source: Philippine Statistics Authority (PSA)

Similarly, in 2014, Davao Region recorded 0.4 percent contribution to the country, higher than the rest of the regions in Mindanao (Table 3.3).

**Table 3.3 GDP/GRDP Growth Rate, Philippines and Mindanao Regions, 2010–2015 (in percent)**

AREA	2011	2012	2013	2014	2015
PHILIPPINES	3.6	6.8	7.1	6.2	5.9
<b>MINDANAO REGIONS</b>					
Zamboanga Peninsula	0.1	12.4	4.1	6.6	7.2
Northern Mindanao	5.8	7.4	5.3	7.1	5.5
Davao Region	3.7	7.4	6.7	9.3	7.9
SOCCSKSARGEN	5.3	8.1	8.4	6.2	3.3
CARAGA Region	8.5	10.6	8.1	9.4	4.2
ARMM	(0.3)	1.2	3.8	3.0	(0.8)

Source: Philippine Statistics Authority (PSA)

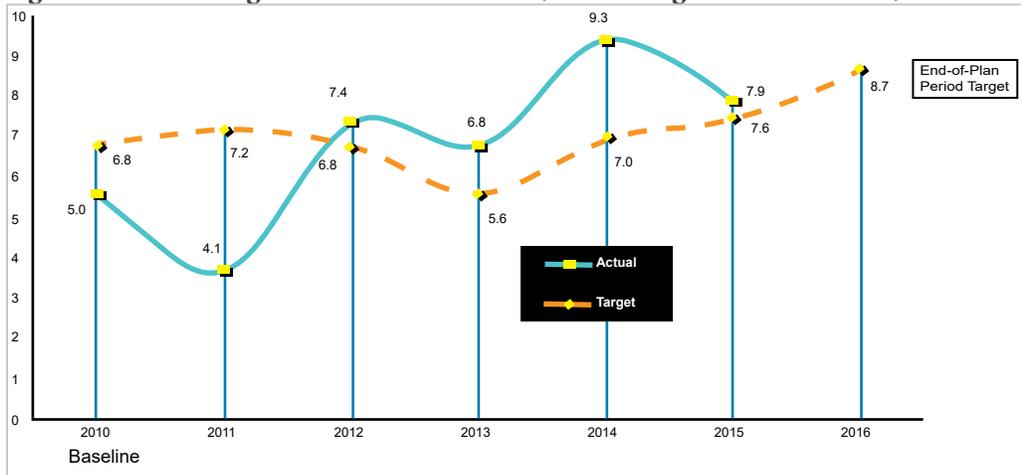
Davao Region's economic growth was strongest in 2014 when it posted 3<sup>rd</sup> fastest growth nationwide at 9.3 percent, significantly higher than the national growth of 6.2 percent. In fact, the Region outpaced the national growth from

2011 to 2015, except in 2013 due to the devastation of Typhoon Pablo which struck in December 2012. Its slowest growth was in 2011, when the mining and quarrying and the construction sectors recorded lower outputs, particularly for lesser public construction due to government's underspending in infrastructure projects.

Davao Region also consistently surpassed its targets from 2012 to 2015. In 2014, it

surpassed its target significantly by 2.4 percentage points. On the other hand, it was not able to meet its target for 2011 due to higher cost of energy and oil prices, small-scale miners allegedly selling their gold produce to the black market, slower recovery of the U.S. and European economies that limited market options, and challenges quality issues for the Region's banana exports.

**Figure 3.1 Gross Regional Domestic Product, Davao Region Growth Rates, 2010–2015**



Source: *Philippine Statistics Authority (PSA)*  
*Updated Regional Development Plan (RDP), 2014–2016*

## Trends in Population Growth

Davao Region's population is estimated to reach 6.0 million by 2025 and 8.8 million by 2045, growing by an average rate of 2.1 percent with a population density of 435 persons per square kilometers by 2045. During the same year, Davao City will have

the largest population at 3.3 million, followed by Davao del Norte at 2.2 million, Davao del Sur at 1.4 million, and Compostela Valley at 1.2 million. Davao Oriental will have the least at 870 thousand (*Table 3.4*).

**Table 3.4 Projected Population, Davao Region, 2015, 2025, 2035 and 2045**

PROVINCE/CITY	2015	2025	2035	2045
Compostela Valley	745,855	885,712	1,048,977	1,242,336
Davao del Norte	1,066,461	1,356,028	1,724,214	2,192,372
Davao del Sur	929,471	1,064,087	1,218,197	1,394,627
Davao Oriental	557,516	646,775	750,323	870,446
Davao City	1,629,045	2,058,190	2,600,382	3,285,400
DAVAO REGION	4,926,686	5,988,649	7,279,518	8,848,635

Source: Philippine Statistics Authority (PSA)

The distribution of population is increasingly partial towards larger cities. This scenario shall direct the roles of the different areas as venues and drivers of growth that will generate economic opportunities and absorb employment that will result in poverty reduction.

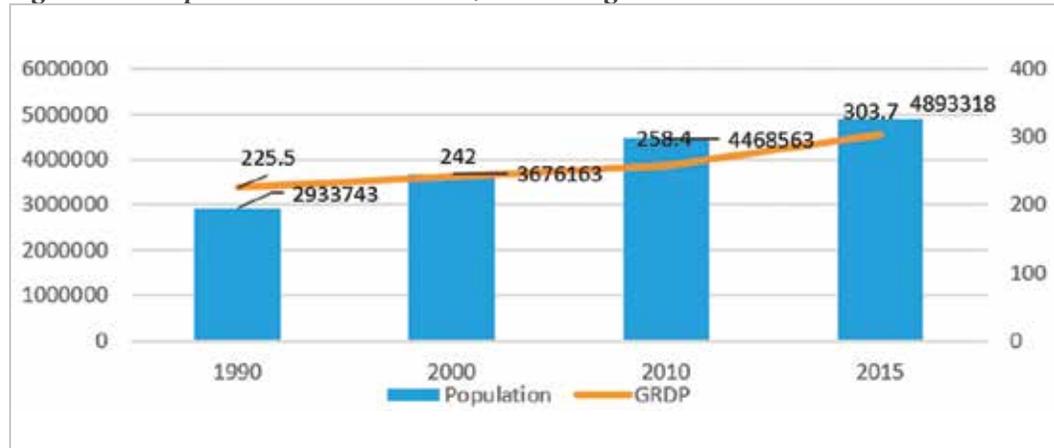
Davao Region’s settlement areas in the next 30 years are expected to increase 134 percent, from 429.08 square kilometers to 1,008 square kilometers. The areas for urban expansion include Davao del Norte, Davao City, and Davao del Sur. The expansion shall cater to the needs of the increasing population but environmental protection shall be ensured, as well as the resiliency of the communities.

## Relationship of Population to GRDP

Davao Region’s population steadily grew from 2010 at approximately 1.4 million to 4.9 million in 2015 at a yearly average of 2.2 percent.

Similar to the trend in the Region’s population, the Regional economy steadily grew from 2011–2015, at annual average rate of 7.1 percent. This confirms that the Region’s level of development may be related to population growth and may largely be consumption-led. Having the biggest population among Mindanao regions, people mostly flock to Davao Region because of more economic opportunities and the Region’s capacity to absorb employment.

**Figure 3.2 Population vis-à-vis GRDP, Davao Region**



Source: Philippine Statistics Authority (PSA)

# Physical Characteristics

## Land Area

Davao Region has a total land area of 19,721.09 square kilometers corresponding

to 6.6 percent of the total land area of the Philippines and 19.3 percent of the total land area of Mindanao (*Table 3.5*).

**Table 3.5 Land Area, By Province/City, Region XI**

PROVINCE/CITY	TOTAL LAND AREA (IN SQUARE KILOMETERS)
Compostela Valley	4,487.26
Davao del Norte	3,366.59
Davao del Sur	1,984.01
Davao Occidental	2,034.30
Davao Oriental	5,042.94
Davao City	2,805.99
TOTAL	19,721.09

Source: Department of Environment and Natural Resources (DENR) Cadastral Survey 2015

## Land Classification

In terms of land classification, alienable and disposable lands or A & D comprise 40 percent of the region's total land area (785,511 hectares), while forestlands account for 60 percent or 1,181,672 hectares. Among provinces, Davao Oriental has the largest area for both A & D and forestlands (*Figure 3.3*).

## Slope

About 74 percent of the Region's total land area is devoted to production and protection forests with slopes ranging from 8 percent to over 50 percent. The remaining 26 percent of the total land area of Davao Region or 5,127.48 square kilometers has slope range of 0–8 percent which may be used for agriculture, industries and settlements. Among provinces, Compostela Valley has the largest area with this slope range.

Figure 3.3 Land Classification, Davao Region



Source: Regional Land Use Committee (RLUC) XI

## Vulnerability to Hazards

Davao Region is vulnerable to various hazards that are hydrometeorological and geologic in nature, namely: flooding, rain-induced landslides, active fault lines, among others (*Figure 3.4 Multi-Hazards Map*). The provinces that are highly susceptible to rain-induced landslide (RIL) and flooding are Compostela Valley and Davao del Norte.

Davao City, proposed to be the metropolitan center has about 145 square kilometers (sq kms) of its total land area that are highly susceptible to flooding. These areas are near the vicinity of Davao River such as portions of Callawa, Valencia, Mandug, New Carmen, Tigatto, Buhangin, Maa, and Bucana. On the other hand, portions of Marilog, Paquibato and Calinan Districts are highly susceptible to rain-induced landslides.

Tagum City, considered the Region's most dense city of 1,384 persons per sq km, has about 38 percent of its land area that is highly susceptible to flooding (*Table 3.6*).

Among the provinces, Compostela Valley is the most susceptible to flooding, and landslides, particularly the municipalities of Compostela, Monkayo, Montevista and New Bataan particularly Barangay Andap which were badly hit by Typhoon Pablo in December 2012. These areas have low elevation and are catchment basins of the run-off water from the higher grounds. During Typhoon Pablo, Barangay Andap was levelled to the ground due to flashfloods and debris flow.

The municipalities in Davao Oriental along the eastern seaboard have portions delineated as highly susceptible to landslide. In Davao del Norte, its municipalities along the northeastern and northwestern portions, namely Talaingod and Kapalong, are highly susceptible to landslide.

Further, the aforementioned areas that are highly susceptible to flooding and RIL are located along the active fault lines and face greater risks in the event of another natural hazard or earthquake, that may also trigger an earthquake-induced landslide.

There are 3 active fault lines in Davao Region, as follows: a) coastline of Davao Occidental, with a 115,230 meter-stretch that covers 4 out of its 5 municipalities; b) Eastern Mindanao Fault, with a 92,243-meter stretch, including Agusan del Sur in Caraga Region, from the municipalities of Maco to Laak in Compostela Valley Province; and c) Mati Fault, which is a 71,857-meter stretch from Mati City in Davao Oriental to New Bataan in Compostela Valley Province.

Areas along the coasts of Davao del Sur, Davao Occidental and Davao Oriental, as well as along the Davao Gulf are also prone to storm surges and sea level rise.

Tagum City, considered the Region's most-dense city with a density of 1,384 persons per sq km, has about 75.7 sq kms of its total land area of 195.8 sq kms that are highly susceptible to flooding. However, this sub-regional center, is not highly susceptible to RIL (*Table 3.6*).

**Table 3.6 Cities and Municipalities Highly Susceptible to Flooding and Rain-Induced Landslide (RIL), Davao Region**

CITY/MUNICIPALITY	HIGHLY SUSCEPTIBLE TO FLOODING (IN SQ KMS)	HIGHLY SUSCEPTIBLE TO RIL (IN SQ KMS)	POPULATION LEVEL (2015)	POPULATION DENSITY
Davao City	145.9	11.68	1,632,991	582.0
<b>Davao Occidental</b>				
1. Jose Abad Santos	10.0	5.45	76,332	111.6
2. Malita	20.7	3.80	117,746	190.7
3. Don Marcelino	6.9	3.68	44,554	104.5
<b>Davao del Norte</b>				
1. Asuncion	94.5	0.1	59,322	225.1
2. Tagum City	75.7	0.0	259,444	1,384.3
3. Carmen	66.4	-	74,679	489.9
4. Dujali	58.6	-	30,104	358.4
5. Kapalong	53.6	3.26	76,334	91.7
6. Talaingod	0.9	4.05	27,482	38.0
<b>Compostela Valley</b>				
1. New Bataan	61.4	3.87	47,726	86.0
2. Compostela	53.9	1.9	87,474	236.0
3. Monkayo	46.3	2.6	94,908	153.2
9. Montevista	33.8	0.3	43,706	178.4
10. Laak	51.8	2.1	73,874	91.1
11. Nabunturan	49.8	3.9	82,234	311.6
12. Pantukan	10.0	3.14	85,899	187.2
<b>Davao Oriental</b>				
1. Cateel	52.8	3.26	40,704	53.2
2. Caraga	22.8	3.55	40,379	68.1

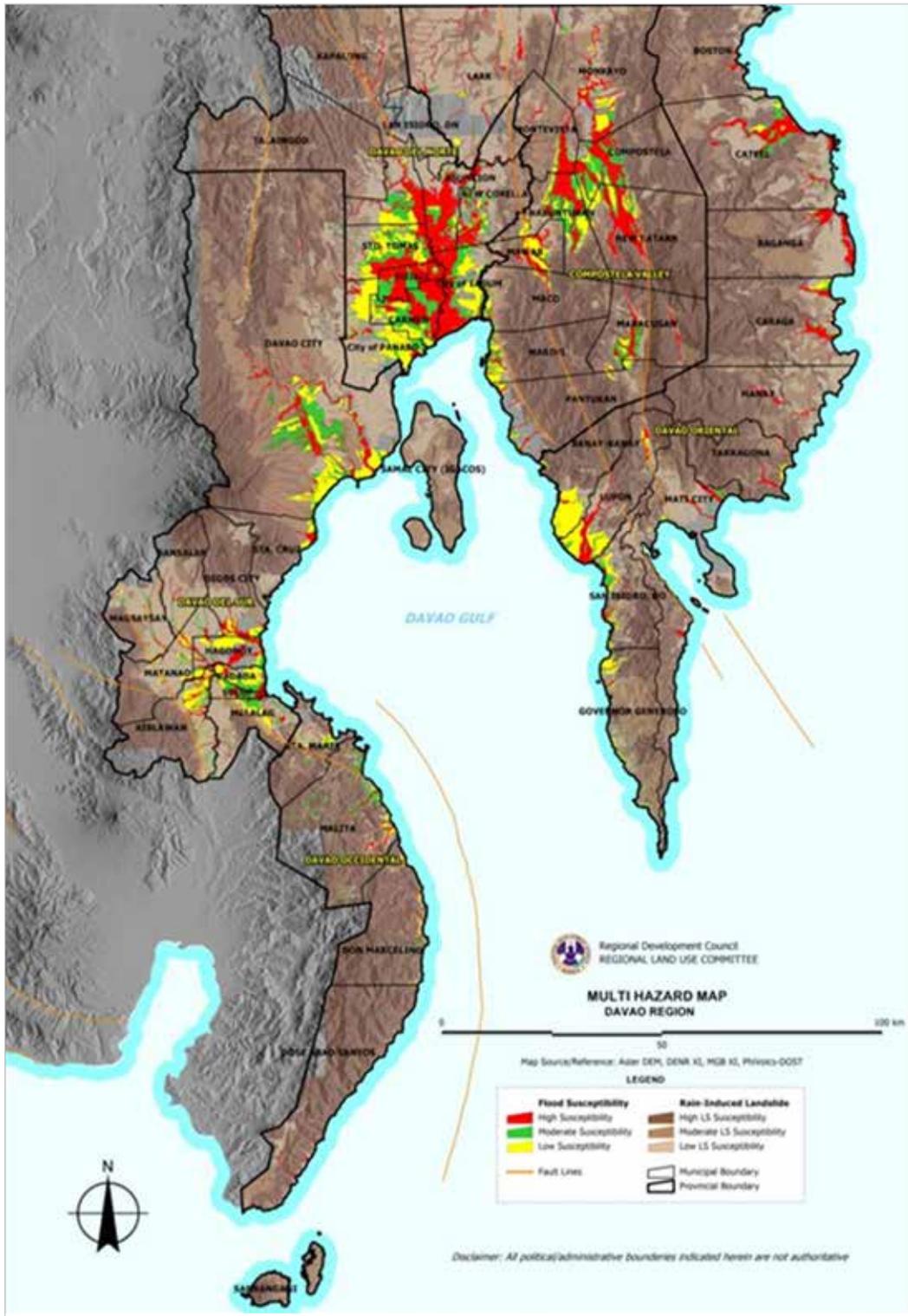
*Source: Regional Land Use Committee (RLUC) XI*

Among provinces, Compostela Valley Province is the most susceptible to flooding and landslides, particularly, the Municipalities of Compostela, Monkayo, Montevista, and New Bataan (Brgy. Andap) which were badly hit by Typhoon Pablo in December 2012. These areas have low elevation and acts as catchment basins of the run-off water from the higher grounds.

The municipalities in Davao Oriental along the eastern seaboard have portions delineated as highly susceptible to landslide.

For Davao del Norte, its municipalities along the northeastern and northwestern portions, namely Talaingod and Kapalong, are highly susceptible to landslide.

Figure 3.4 Multi-hazards Map



Source: DENR-Mines and Geosciences Bureau (MGB) XI  
 DOST- Philippine Institute of Volcanology and Seismology (PHIVOLCS)

Further, the aforementioned areas that are highly susceptible to flooding and RIL are located along the active fault lines that face greater risks to settlements in the event of yet another natural hazard, earthquake, that would also trigger an earthquake-induced landslide. There are 3 active fault lines in Davao Region, as follows: a) coastline of Davao Occidental, with a 115,230 meter-stretch that covers 4 out of its 5 municipalities; b) Eastern Mindanao Fault, with a 92,243-meter stretch, including Agusan del Sur in Caraga Region, from the municipalities of Maco to Laak in Compostela Valley Province; and c) Mati

Fault, which is a 71,857-meter stretch from Mati City in Davao Oriental to New Bataan in Compostela Valley Province.

Areas along the coasts of Davao del Sur, Davao Occidental and Davao Oriental, as well as along the Davao Gulf are prone to storm surges and sea level rise.

## The Overall Spatial Strategy

### Existing Network of Growth Centers

Davao Region's existing network of growth centers is identified through the positive relationship of population size and the presence of basic services, commodities, and facilities. In general, the larger the population of a settlement, the larger the scale of activities, and therefore the greater opportunities for division of labor and specialization. The Region's settlement pattern is derived from the NSS Criteria of Functional Roles of Network of Growth Centers.

Davao City serves as the Regional Center with a population of 1.4 million. Its role includes the seat of regional government administration, political and industrial center, and area with high access to basic services.

The cities of Tagum, Panabo, Digos, and Mati are the sub-regional centers. They serve as component cities and secondary urban growth and trade centers. Both the regional and sub-regional centers are connected to the global economy, primarily through Metro Manila and the country's other major cities (*Figure 3.5*).

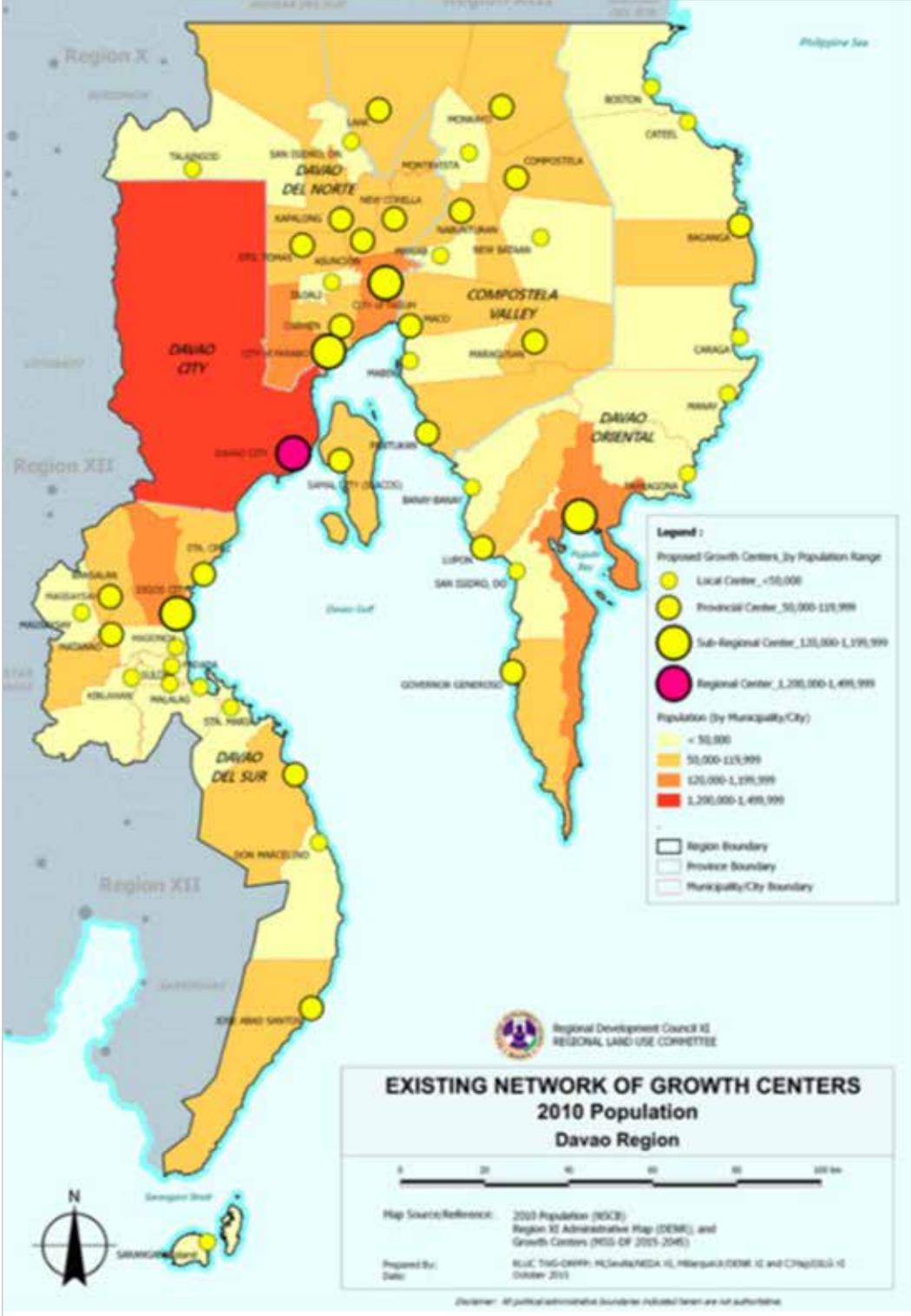
On the other hand, about 19 cities and municipalities are classified as provincial centers, while the rest are local centers. Provincial centers are emerging growth centers providing room for urban expansion, while retaining a medium intensity of development. They have the capacity to supplement and provide services and facilities not available in local centers. Local centers are considered agricultural production areas that largely depend on the existing major growth and emerging growth centers for their economic and social activities (*Table 3.7*) (*Figure 3.4*).

**Table 3.7 Network of Growth Centers, Davao Region, 2010**

REGIONAL CENTER	SUB-REGIONAL CENTER	PROVINCIAL CENTER	LOCAL CENTER
Davao City	Tagum City	Malita	All municipalities
	Panabo City	Sto. Tomas	not mentioned are
	Digos City	Isaland Garden City of Samal	considered
	Mati City	Monkayo	local centers
		Carmen	
		Compostela	
		Sta. Cruz	
		Pantukan	
		Nabunturan	
		Maco	
		Laak	
		Jose Abad Santos Kapalong	
		Lupon	
		Asuncion	
		Baganga	
		New Corella	
		Governor Generoso	

Source: *Davao Regional Physical Framework Plan (DRPFP), 2015–2045*  
*Mindanao Spatial Strategy/Development Framework (MSS/DF), 2015–2045*

Figure 3.5 Existing Network of Growth Centers



Source: Regional Land Use Committee (RLUC) XI

## Overall Spatial Strategy

Davao Region’s main spatial development strategy involves the expansion of Metropolitan Davao into a C.O.R.E. Growth Triangle that focuses on the agri-industrial centers along the Davao Gulf. The left side of the Triangle shall be bounded by the Region’s Linear Urban Corridor and extending up to the Municipality of Malita in Davao Occidental; on its right side, by the agri-based production strip from Tagum City to the Municipality of Governor Generoso in Davao Oriental, and the base of the Triangle will be the Davao Gulf waterway between the municipalities of Malita and Governor Generoso (*Figure 3.6*).

The Comprehensive Outcomes for Rural Empowerment or C.O.R.E. Growth Triangle strategy shall mobilize the Region’s resources to enhance its Connectivity in order to achieve ease and mobility of access of people, goods and services through integrated multi-modal transport linkages and digital infrastructure; pursue an overall Outward-looking policy that entails the adoption of both national and global perspectives in all development initiatives, defining Davao Region’s role as Mindanao’s metropolitan center and linking Mindanao to other islands and beyond the Philippines;

achieve Rural-Urban Integration by harnessing the synergy between rural empowerment and urban renewal, thereby creating equitable opportunities for holistic regional development; and finally, abide by Ecological/Environmental Sustainability principles so as to allow the present use of the Region’s resources for the benefit/enjoyment of future generations and build more resilient communities through disaster risk reduction and climate change adaptation (DRR/CCA).

This strategy does not only integrate the Region physically, but economically as well, since the key production areas and market centers are connected directly to the processing centers along the Linear Urban Corridor. The Davao Gulf, with an integrated inter-modal transport system, shall serve as the gateway to other regions in Mindanao, the ASEAN and to the rest of the world in pursuit of its Vision.

### The Proposed Network of Growth Centers

Consistent with the Philippine Development Plan (PDP), 2017–2022, the following shall be the proposed growth centers in Davao Region (*Table 3.8*).

**Table No. 3.8. Proposed Growth Centers, Davao Region**

METROPOLITAN CENTER	REGIONAL CENTER	SUB-REGIONAL CENTER
Metro Davao	Tagum City	Panabo City
(to include Tagum City,		Digos City
Municipality of Carmen,		Mati City
Panabo City, Island		Municipality of Malita
Garden City of Samal, Digos City, and		Municipality of Nabunturan
Municipality of Sta. Cruz)		Sta. Cruz

Source: *Davao Region Physical Framework Plan (DRPFP), 2015–2045*

Metropolitan Davao shall serve as the economic and administrative core not only of Davao Region but of the whole Island of Mindanao as well. The sphere of influence of metropolitan Davao shall include Tagum City, the Municipality of Carmen, Panabo City, the Island Garden City of Samal, Digos City, and the Municipality of Sta. Cruz.

Tagum City shall be a regional growth center while the cities of Digos, Mati, Panabo and Samal, and the municipalities of Malita, Nabunturan, and Sta. Cruz are the designated sub-regional centers.

During the medium-term, Davao Region's emerging growth centers shall have the following various functional roles:

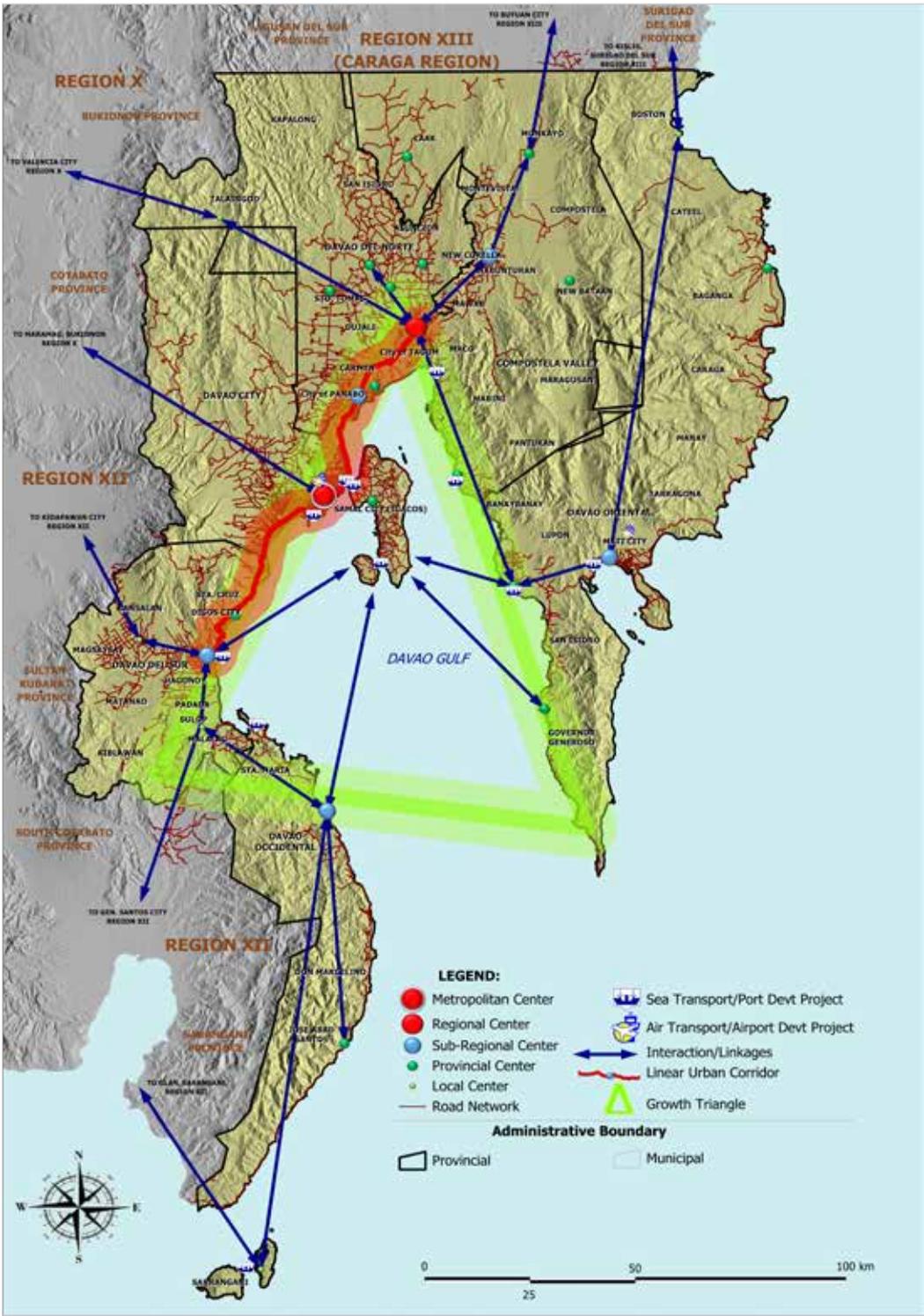
- a) Metro Davao shall serve as an international gateway.
- b) As tourism hubs, the Island Garden City of Samal is at the forefront, other cities include Tagum, Panabo, Digos (Kapatagan), Davao (Marilog and Eden-Catigan sections). Mati (presence of the Mount Hamiguitan Range and Wildlife Sanctuary declared as a UNESCO Heritage site. The Municipalities of Maragusan, Maco, Mabini, Compostela, Padada, Sarangani Island, Sta. Maria, Malita, Kapalong, New Corella, Cateel, Laak, Mawab, Monkayo, New Bataan, Bansalan, Carmen, Sta. Cruz, and San Isidro are likewise identified.
- c) As agri-industrial centers, the cities of Panabo, Tagum, Mati, and Davao City (Toril and Calinan Districts) are identified due to their specialization in plantation crops such as banana, pomelo, and mariculture production. To support these industries, Panabo city has a newly-established ecozone and a state-of-the-art wharf that caters to international cargo and strategically located only 300 meters from the ecozone, reputedly the closest ecozone-to-wharf distance among

all ecozones in the country to date. The Municipality of Compostela shall also be an agri-industrial center as it is a leading exporter of Cavendish banana, as well as a rice processing center.

- d) As industrial Centers, the municipalities of Sta. Cruz, Malita, Hagonoy, Maco, and Compostela Valley. The cities of Davao, Tagum shall take the lead while Carmen-Panabo are twin centers. The municipality of New Bataan shall serve as an Industrial Center due to its rich chromite, iron, copper as raw materials.
- e) As higher Education or Learning Centers, the city of Davao shall be at the forefront. Other growth centers with this dominant role include the cities of Tagum, Digos, Panabo and Mati, as well as municipalities of Padada, Bansalan, Compostela, Maragusan, Laak, Kapalong, Malita, Nabunturan and New Bataan.
- f) As Financial centers, the cities of Davao, Tagum, Panabo, Digos and Mati; and the municipality of Nabunturan in Compostela Valley Province has been identified.
- g) As a Trade and Commercial Center, the cities of Davao, Tagum, Panabo, Digos and Mati shall be at the forefront, supported by the municipalities of Maco, Malalag, Malita, Nabunturan, Monkayo, and Bansalan.
- h) Tertiary and Specialized Health Services Center are the cities of Davao (with the presence of the Southern Philippines Medical Center), Tagum City (with the presence of the Mindanao Heart Center), and cities of Digos and Mati, as well as the Municipalities of Malita in Davao Occidental and municipalities of Monkayo, Pantukan, and Montevista in Compostela Valley Province.

- i) The cities of Tagum and Digos shall serve as Regional administrative centers due to their rapid urbanization rate, robust economic activities and proximity to Davao City that make them convergence areas for the diffusion of economic activities.
  
- j) The municipality of Mawab in Compostela Valley Province shall serve as a Real Estate Center to cater to the growing settlement needs of Tagum City.

Figure 3.6. Overall Spatial Strategy



Source: Davao Region Physical Framework Plan (DRFPF), 2015–2045

# Spatial Development Strategies

## Concentration

The strategy of concentration calls for enhancing the ability of the Region's settlements to absorb growth in order to achieve economies of scale in the provision of basic services and infrastructure, along with efficiency of urban-based production, services and markets. This means an inclination toward higher population densities for the Region's Linear Urban Corridor and sub-regional centers that increase innovation, creativity and economic activities, and limit encroachment into agricultural land and other environmentally sensitive or protected areas.

For already-congested settlements, the strategy encourages the redevelopment of communities so that these are able to absorb the anticipated growth in population during the Plan period. Transportation, utility and disaster mitigation infrastructure shall be designed and procured for these settlements so that the former are upsized together with the growth of the Region's settlements.

In order to address the Region's concerns on Concentration, the following policies are prescribed:

1. Promotion of a rational distribution of population throughout the Region;
2. Ensure the adequacy and quality of necessary utilities, such as water, electricity, transportation and communication; education and health facilities, housing, including recreational facilities, in settlement areas;
3. Promotion of high-rise, low-cost residential buildings to save on space for settlements development and prevent encroachment into the production and protection areas;
4. Restriction of areas highly prone to flooding, earthquake and landslide, and

- coastal zones exposed to tsunamis for building and settlements purposes due to potential risks to lives and property;
5. Limitation and containment of the expansion of settlement sites in protected, upland and coastal areas;
6. Modernization and maintenance of infrastructure facilities for maximum efficiency and cost effectiveness to ensure sustainable linkage among settlements, food production sites, storage, distribution centers and local markets;
7. Enhancement of the capability of the LGUs in settlement planning and management with special consideration for climate change and the environment;
8. Provision by the Government of emergency response and evacuation plans for areas prone to disasters.

## Connectivity

The connectivity strategy prescribes the increase in and improvement of the linkages among the Region's settlements and key production and tourism areas in order to (a) increase access to and improve the efficiency of markets; (b) encourage (or discourage) growth and concentration through transportation alignments supporting the Region's development objectives; and (c) reduce the vulnerability of settlements during emergency situations by increasing the redundancy of the infrastructure. The Region's connectivity shall be ensured in terms of both transportation and information infrastructure.

Infrastructure connectivity shall be prioritized between Metropolitan Davao and the country's other metropolises; between Metropolitan Davao and the Region's international trading and tourism partners such as the Brunei-Indonesia-Malaysia East Asia Growth Area (BIM-EAGA) and

the ASEAN; between Metropolitan Davao and the regional and sub-regional centers; and among the regional/sub-regional centers and the provincial and local centers. Metropolitan Davao's Francisco Bangoy International Airport shall continue to connect the Region to the country's growth centers and islands, as well as to the rest of Asia and the world. A key internal infrastructure connectivity priority, on the other hand, is the construction of the Davao-Samal Bridge, which is an integral component of the Region's Davao Gulf development sub-strategy.

A major Davao Region sub-strategy under Connectivity, tapping the Davao Gulf, the one resource that binds all of Davao Region, as a means toward integrating its urban and rural areas into a seamless socioeconomic unit would greatly enhance the Region's capacity for achieving inclusive growth. Developing the Davao Gulf area aims at facilitating trading and commercial activities, leading to the generation of jobs and creation of wealth with direct impact on the LGUs along the Gulf, and dispersal of socioeconomic development in the Region's far-flung municipalities, including those along the Region's eastern seaboard. In effect, this strategy facilitates faster integration of rural/production areas to urban/market distribution centers as it optimizes the use of alternative sea-based routes. Moreover, developing the area by expanding its sea transport services strengthens the Region's position as an alternate international seaport and/or logistics transshipment hub due to its strategic location in Asia.

Davao Gulf hosts a number of significant publicly- and privately-operated ports. Anchored on Metropolitan Davao's Sasa Port, the strategy calls for these ports to combine and form the country's first integrated port complex, where each sub-port enjoys the category of a port-of-entry under a unified Davao Port Complex scenario. The Davao Gulf could then aspire

to become Southeast Asia's alternate logistics hub to Singapore, and this will elevate the Philippines' position in the global stage significantly higher.

There are preconditions to achieving this Davao Gulf vision. First, the Island Garden City of Samal must be physically linked to the mainland through a Davao-Samal Bridge in order for the City to be able to stir commerce and trade as hub of the Davao Gulf sub-economy. Second, the sea-lanes and the overall logistics capability of the Gulf need to be augmented with the development of ports around the Gulf toward accommodating RORO and fast-craft vessels, as well as handling and storing containerized cargo. This water-based transport complex shall then combine with the long-established land- and air-based transportation capability of the Region to form the latter's preferred intermodal integrated transportation system. Thirdly, the Region needs to push for the development of the appropriate regulatory framework for the integrated port complex that would allow the consolidation of adjoining ports located in the Davao Gulf into a single port administration unit.

## Vulnerability Reduction

The strategy of vulnerability reduction is directed at the protection of the Region's key production areas and other environmentally-constrained or disaster-prone areas consistent with the principles and requirements of sustainable development. This requires effectively managing the interaction between the Region's general population areas that need to be protected and areas that are disaster- or hazard-prone. It, moreover, requires the resolution of land use conflicts involving built-up areas, and urban and non-urban protection and production areas. Finally, from an infrastructure development standpoint and as already cited above, this strategy calls for increasing the redundancy

of transportation routes in order to reduce the vulnerability of settlements during disaster situations. Based on this strategy, the following policies are prescribed for the Region:

1. Congressional proclamation of protection areas not covered by the NIPAS law;
2. Preservation of protection areas not falling under the NIPAS through local legislation;
3. Sustenance of geo-hazard assessment mapping in all municipalities and pursue extensive advocacy of its results;
4. Building and sustaining the resiliency of communities by capacitating the LGUs, particularly at the municipal and barangay levels; and
5. Mainstreaming DRR/CCA in local-level planning, e.g., in municipal and barangay land use plans.

## Implementation Phases for the Region's Spatial Strategy

Davao Region's spatial development strategies are based on the economic potential, resource endowments and the different areas' natural tendency for growth and development, with strong orientation on disaster vulnerability reduction. The phases and types of development proposed herein are based on the present state and configuration, potentials, capabilities, and uniqueness of the areas delineated. The strategies identified for the Region are envisioned to uplift the economic well-being of the people, enhance ecological condition and promote global competitiveness. The existing geographical and political configuration shall give an advantage to the identified growth centers.

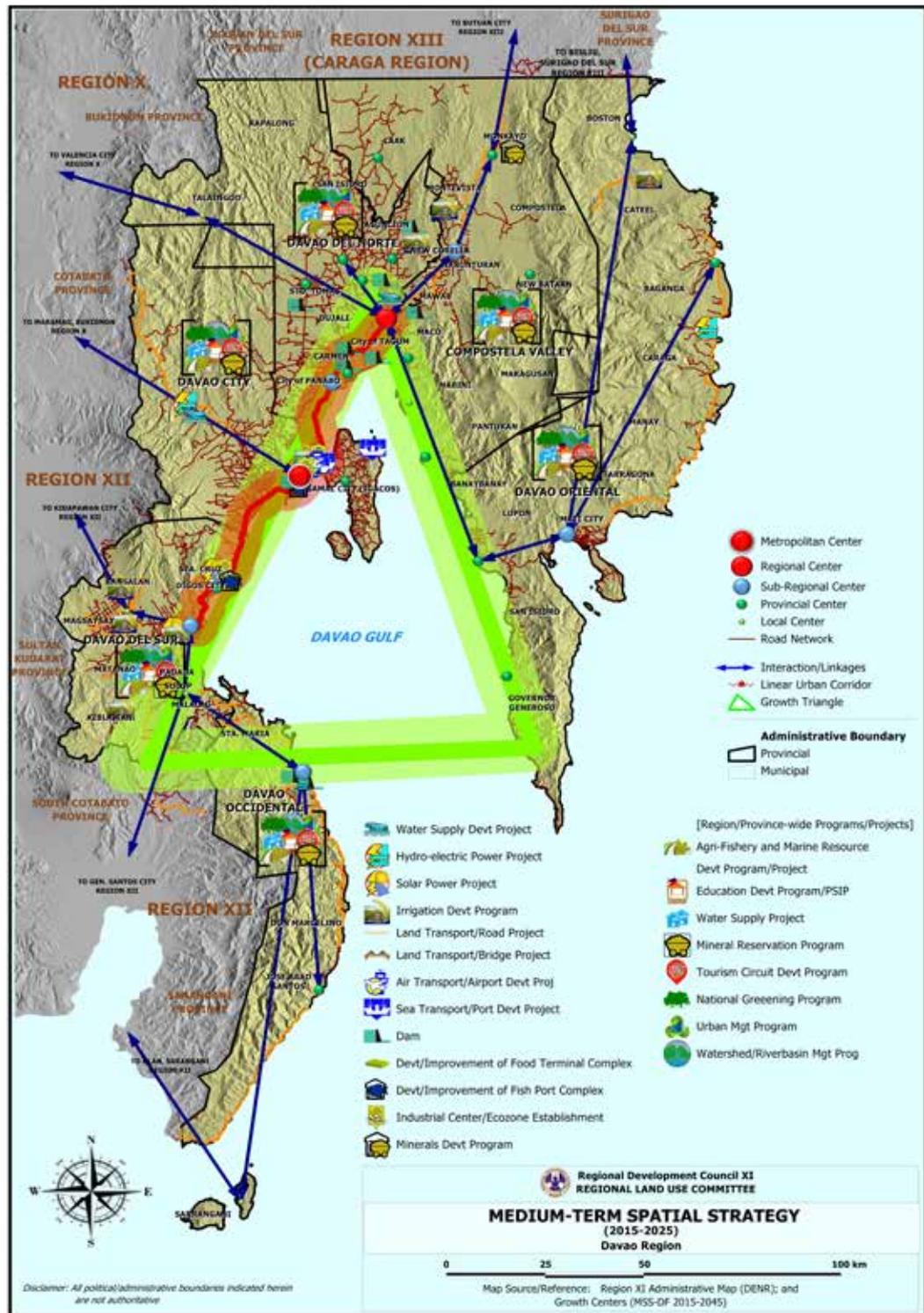
The 30-year period is divided into three (3) phases of implementation, with each phase roughly spanning an interlocking ten-year period: Medium Term Phase (2015–2025); Medium-to-Long Term Phase (2015-2035); and Long-Term Phase (2015–2045).

For the implementation of the Davao Region Development Plan (DRDP), 2017–2022, the strategies identified in the medium-term shall be adopted; viz:

### Medium-Term Plan Implementation Strategy (Phase 1: 2015–2025)

The first ten years of Plan implementation shall focus on laying the groundwork for trade and commerce to flourish around the Davao Gulf, particularly the area covering the upper half of the Region's C.O.R.E. Growth Triangle. This is the area bounded by the Region's Linear Urban Corridor toward the Gulf's western coastline and the growth strip from Tagum City up to the Municipality of Lupon on the Gulf's eastern coastline, with the Island Garden City of Samal as the hub of Gulf trading activities (*Figure 3.7*). Aside from the building of the Davao-Samal Bridge, this period shall see the construction of RO-RO ports and fast craft jetties which shall be the most efficient means of moving commodities and commuters around the Gulf. This period shall likewise see the vigorous development or upgrading of roads leading to tourism development areas as the latter shall also spur demand for the RO-RO ports and fast craft jetties, aside from creating economic opportunities and generating jobs, particularly along the Region's eastern seaboard in Davao Oriental (*Figure 3.7*).

Figure 3.7. Medium-Term Spatial Strategy



Source: Davao Region Physical Framework Plan (DRPFP), 2015–2045

Along with the further evolution of Metropolitan Davao as Mindanao's center for finance and for meetings, incentives, conferences and exhibitions (MICE), the medium term shall also see the continuing pursuit of energy security for the Region. More power generation capacities shall be explored and developed with the aim of transforming Davao Region from a net importer into that of a net exporter of electricity vis-à-vis the Mindanao Power Grid. In line with further connectivity objectives within this period, the modernization of Metropolitan Davao's Sasa Port and the rehabilitation and improvement of the Davao International Airport and the Mindanao Railway Program (Tagum-Davao-Digos line) shall be realized.

From the administrative viewpoint, on the other hand, Davao Region's LGUs shall be enjoined to update their respective comprehensive land use plans (CLUPs) in order for them to be able to consider their redevelopment requirements, consistent with the strategies of concentration, connectivity and vulnerability reduction.



04

Regional  
Development Plan  
2017–2022 Overall  
Framework



# Regional Development Plan, 2017–2022 Overall Framework

In pursuit of the aspiration for a *matatag, maginhawa at panatag na buhay* depicted by Ambisyon Natin 2040, the Region's development framework closely dovetails that of the Philippine Development Plan, although the concerns under each strategy are largely those of Davao Region's. Based on the Region's challenges, it likewise lays the foundation for inclusive growth, a high-trust and resilient society and a globally competitive knowledge economy. Its strategies fall under three objectives, namely: (1) enhancing the moral and social fabric, (2) reducing inequality, and (3) increasing the potential growth of the economy.



Toward enhancing the Region's moral and social fabric, the peoples' trust in public institutions shall be regained by making sure that the latter are people centered, efficient and clean (Chapter 5), while justice shall be administered swiftly and fairly (Chapter 6). Efforts at promoting cultural diversity and its value shall be pursued (Chapter 7). All of these fall under the *Malasakit* pillar. Reducing inequality shall be pursued with a two-pronged approach: on one hand, economic opportunities shall

be expanded (Chapters 8 and 9) and on the other hand, human capital development shall be accelerated (Chapter 10) and the vulnerabilities of the poor reduced (Chapter 11). Moreover, by promoting disaster risk- and climate-proof housing and resettlement facilities, the Region's communities will be safe and secure (Chapter 12). Economic opportunities shall be increased by improving and accelerating the performance of laggard economic subsectors, while access to such economic

opportunities that might be created shall be increased by accelerating the development of human capital. This way, each Davaoño may feel the *Pagbabago*.

Furthermore and themed on *Patuloy na Pag-unlad*, the likelihood of accelerating the Region's growth potential shall be further increased by maximizing the gains from the demographic dividend (Chapter 13). This shall be accomplished through aggressive efforts that ascertain household size is manageable enough for each member to receive adequate care. This shall be complemented by measures that lengthen birth space.

The growth of the regional economy shall be further accelerated and sustained by moving into a knowledge economy, where technology adoption shall be promoted and innovation encouraged (Chapter 14).

Toward harnessing an enabling and supportive economic environment, macroeconomic stability will be constantly pursued by upscaling the Region's priority industry clusters, going for a faster agri-industrial development, building the resilience of business enterprises to disasters and climate change, strengthening linkages and connectivity, and improving revenues through better tax administration (Chapter 15). And through the national competition policy, the Region shall take advantage of a level playing field by improving its competitive advantages and accelerating its capacities to be an effective global player (Chapter 16).

As the Region's foundations for sustainable development, all of the foregoing strategies shall be underpinned by security from external threats and the restoration of public order and safety (Chapters 17 and 18); the Region's infrastructure development shall be accelerated (Chapter 19); and ecological integrity and a clean and healthy

environment shall be ensured (Chapter 20). The advocacy on securing lasting peace through the resumption or implementation of peace talks, and economic justice, shall be earnestly pursued, along with the reduction in criminality and the enhancement of the LGUs' capacity to manage disasters and the impact of climate change. Infrastructure development shall be accelerated through increased spending in public infrastructure, the pursuit of strategic infrastructure build-up across the Region's sectoral landscape, and ensuring asset preservation.

Finally, this Plan acknowledges the primacy of the responsible management and use of the Region's natural capital toward meeting its future development goals and preventing excessive environmental costs. The Region's physical development shall be categorically guided by the *Davao Region Spatial Development Framework, 2015–2045*, and aligned with the *Mindanao Spatial Strategy/ Development Framework, 2015–2045* (Chapter 3).

This Plan likewise marks the Region's first full-term tracking of the *Sustainable Development Goals*. The SDG target indicators, therefore, make up majority of this Plan's key socioeconomic targets, which are presented below.

**Table 4.1 Key Socioeconomic End-of-plan Targets, Davao Region, Baseline Year vs. CY 2022\***

Indicator	SDG No.	Baseline		Target for 2022
		Year	Level	
Poverty Incidence of Families (%)	1	2015	16.6	13.6
Number of poor households covered by CCT (regular, IP)	1	2015	231,756	261,481
Number of scholarship grants provided under various programs (4Ps, OFWs)	1	2015	3,394	3,795
Number of beneficiaries provided with micro-financing support	1	2015	6,288	8,415
Number of beneficiaries provided with livelihood assistance (SLP, 4Ps)	1	2015	31,467	135,361
Number of hectares of lands distributed under CARP	1	2015	1,524	1,797
Number of beneficiaries reached under CARP	1	2015	952	1,200
Number of children served by Supplementary Feeding Program	2	2015	124,261	509,066
Prevalence of underweight children under 5 years old (%)	2	2015	5.1	<1
Prevalence of stunting in children under 5 years old (%)	2	2015	33.4	21.4
Prevalence of wasting in children under 5 years old (%)	2	2015	7.1	5.5
Yield-per-hectare for palay (MT)	2	2015	4.45	4.78
Maternal mortality ratio per 100,000 live births	3	2015	122	90
Skilled birth attendance (%)	3	2015	84.4	99
Neonatal rates per 1,000 live births	3	2015	13	10
Prevalence associated with HIV per 100,000 population	3	2015	7,831	Reverse trend
Unmet need for modern family planning (%)	3	2013	17.5	0
Total Fertility Rate	3	2015	2.9	2.1
Contraceptive Prevalence Rate (%)	3	2015	54	65
Population Growth Rate (%)	3	2010–2015	1.74	1.04
Completion rate in elementary (%)	4	2016	88.8	100
Completion rate in secondary (%)	4	2016	73.4	83.5
Achievement rate in elementary (%)	4	2016	73.73	91.32
Achievement rate in secondary (%)	4	2016	51.57	84.99
Dropout rate in elementary (%)	4	2016	1.03	0
Dropout rate in secondary (%)	4	2016	3.11	0
No. of TVET Enrollees	4	2016	12,239	21,682
No. of TVET Graduates Certified	4	2016	9,253	21,161

\*Partial list including only already-defined SDG indicators at the region level.



PART II

# **ENHANCING THE MORAL AND SOCIAL FABRIC ("MALASAKIT")**





05

Ensuring  
People-Centered,  
Clean, and Efficient  
Governance



# Ensuring People-Centered, Clean, and Efficient Governance

In order to restore and sustain the trust in public institutions, it is imperative to cultivate a high sense of duty among duty bearers in rendering public service to the people. This shall be achieved through efficient and effective delivery of entitlements to the claim holders' satisfaction. Restoring integrity in public institutions and high trust in public officials shall be achieved through zero tolerance for graft and corrupt practices and adherence to anti-graft and corruption measures. All government transactions shall promote transparency and accountability.

## I. Assessment and Challenges

### Assessment

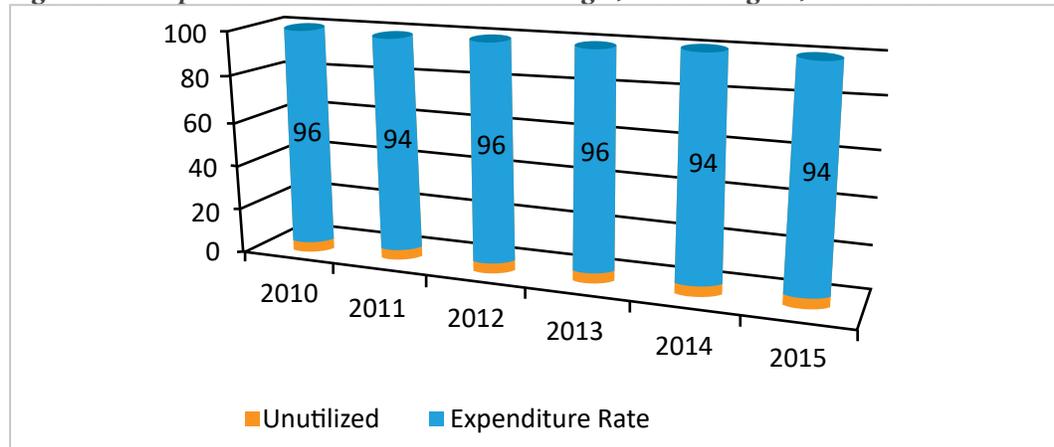
The government implemented policies and institutional reforms that promoted transparency and accountability with the aim of achieving better governance. It gained strides in reforms in the previous six-year plan period that focused on improving state compliance of service delivery leading to human development and poverty reduction. Instilling accountability in government service delivery and transparency in all government transactions shall ensure that power vested in the duty bearers was used appropriately and in accordance with public interest.

### *On improving state compliance of service delivery function*

#### **National government agencies' absorptive capacity**

A relevant indicator on improving government's compliance of its service delivery function is the national government agencies' (NGAs') absorptive capacity or the ability to spend the entire budget released to the agency. Despite the fact that it missed the annual target of 100 percent utilization rate, the overall performance was relatively high, ranging from 94 to 96 percent (*Figure 5.1*).

**Figure 5.1 Expenditure Rate-to-Total NGA Budget, Davao Region, 2010–2015**



Source of basic data: COA’s Annual Report on Allotment, Obligation, and Disbursement 2010–2015

The absorptive capacity of NGAs remained at 94 percent in 2015, indicating a negative 6 percent performance for the year compared to the annual target of 100 percent. The deviation was due to some agencies not being able to implement a number of programs and projects for various reasons, lapses in the procurement and lack of documentation requirements with regard to disbursement of funds. In 2015, the unutilized budget of implementation agencies in Davao Region amounted to Php4.4 billion.

**Seal of Good Local Governance**

The Department of the Interior and Local Government (DILG) introduced the *Seal of Good Housekeeping (SGH)* in 2010, aimed at recognizing LGUs’ good performance in internal housekeeping. For that year, only one LGU in the Region passed the SGH. An LGU which passed the SGH is eligible to access the *Performance Challenge Fund (PCF)* for development projects.

In 2014, the DILG set higher performance standards for LGUs by upgrading its SGH to the *Seal of Good Local Governance (SGLG)*. The annual SGLG assessment requires LGUs to pass the three core assessment areas of good financial housekeeping, disaster preparedness and social preparedness,

and at least one of the following essential assessment areas: peace and order, environmental management and business-friendliness and competitiveness.

In 2011 and 2012, more than 90 percent of the Region’s LGUs passed the SGH. However, this performance went down in the succeeding years considering the upgraded criteria. Forty-four out of the 53 LGUs passed the SGLG in 2014, and the number decreased to 8 LGUs in 2015 (Figure 5.2). The huge drop in the LGUs’ passing rate was a cause for concern given that the upgraded criteria focused on areas that pertain to regular deliverables of LGUs.

Figure 5.2 LGUs Passing Seal of Good Local Governance 2010–2015, Davao Region (in percent)



Source of data: DILG XI

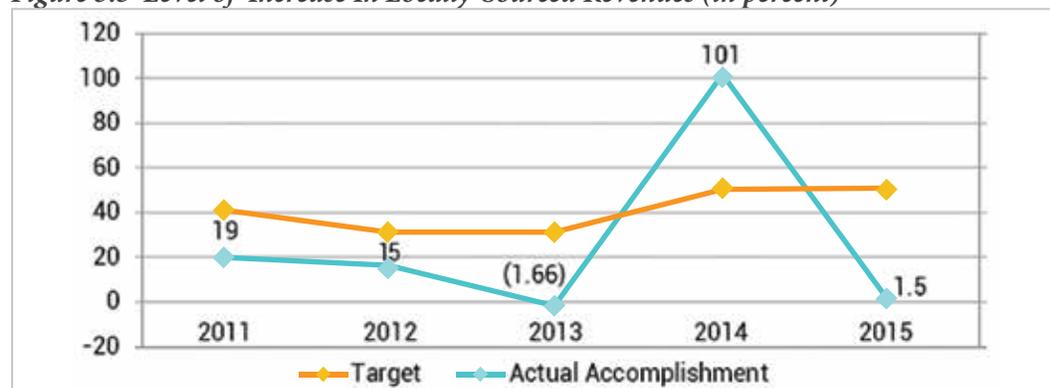
### Public Employment Service Offices

In ensuring prompt, timely and efficient delivery of placement services and provision of information on the other government programs on employment, all the provinces, cities and municipalities established their *Public Employment Service Offices (PESOs)*. Since 2012, a 100 percent accomplishment was achieved on the annual target for all LGUs to establish and maintain PESOs. The PESOs provided better opportunities for job seekers to land decent jobs locally, thereby not forcing them to seek employment abroad.

### LGUs' Capacity to Generate Locally Sourced Income

The capacity of LGUs in Davao Region to generate local revenues has been declining from 19 percent in 2011 to 1.5 percent in 2015. The decreasing trend was due to the disruptions in the economic activities brought about by natural calamities such as the Typhoon Pablo in December 2012. The effect is apparent in the areas hit by the typhoon as Davao Oriental had the biggest decrease in local revenues between 2012 and 2013 at 48 percent; Davao del Norte, 23 percent; and Mati City, 14 percent.

**Figure 5.3 Level of Increase In Locally-Sourced Revenues (in percent)**



Source of basic data: *BLGF XI*

In 2014, a sharp increase in the generation of local resources was recorded, as the LGUs surpassed the target of 50 percent growth by about 51 percentage points. The LGUs were able to increase the revenues by more

than a hundred percent over the 2013 level of negative 1.66 percent or from PhP4,803 million in 2013 to PhP9,634 million in 2014.

**Table 5.1 Level of Increase in Locally-Sourced Revenue**

PROVINCE	LOCALLY SOURCED INCOME		LEVEL OF INCREASE	LOCALLY SOURCED INCOME		LEVEL OF INCREASE
	2013	2014	2013-2014	2014	2015	2014-2015
Davao Oriental	77.61	156.31	101.41%	156.31	228.09	45.92%
Compostela Valley	132.92	140.13	5.42%	140.13	311.02	121.95%
Davao del Norte	129.49	163.37	26.16%	163.37	185.32	13.43%
Davao del Sur	128.00	123.04	-3.88%	123.04	142.71	15.99%
Davao City	2,328.37	2,624.13	12.70%	2,624.13	2,455.73	-6.42%
Island Garden City of Samal	64.86	68.78	6.04%	68.78	62.47	-9.17%
Tagum City	510.70	538.02	5.35%	538.02	520.93	-3.18%
Panabo City	274.12	269.82	-1.57%	269.82	239.86	-11.11%
Digos City	155.52	171.85	10.50%	171.85	172.79	0.55%
Mati City	77.59	74.37	-4.15%	74.37	75.81	1.93%

Source of basic data: *BLGF XI*

The positive performance was attributed to the robust economic activities in the provinces and in the local health sector, particularly in terms of hospital management. Improved collection in real property taxes, business taxes, regulatory fees and other income receipts were also cited as having contributed to the Provinces' growth performance.

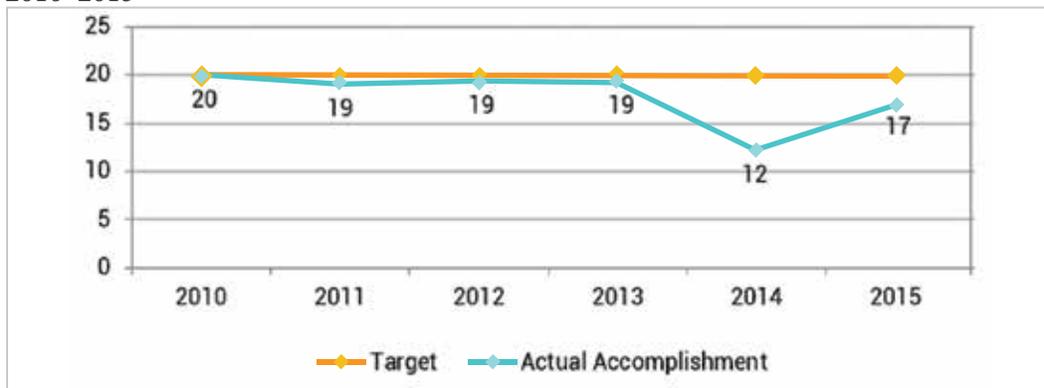
Among the LGUs, Davao Oriental achieved the highest growth in local revenue generation between 2013 and 2014 at 101 percent, while Compostela Valley grabbed the feat between 2014 and 2015 with a growth of 122 percent (*Table 5.1*).

### LGUs' Expenditure for Social Services

The LGUs' spending for social services averaged at 17.7 percent between 2010 and 2015. However, this expenditure level missed the target by 2.3 percentage points from the 20 percent annual allocation. The bulk of the social services spending went to health, education and social welfare. The LGUs' spending for social services was lowest in 2014 at 12 percent. In that year, Davao City

recorded the biggest drop in their spending by 68 percent or from PhP968 million in 2013 to PhP305 million in 2014. In 2015, however, the LGUs' expenditure for social services went up to 17 percent, at which level the LGUs spent PhP34.32 for the social services needs of each person in the Region on the average. Among the provinces and cities, Davao City invested the biggest in social services at 33.34 percent share.

**Figure 5.4 Level of LGU Expenditure for Social Services (as percent of total expenditure), 2010–2015**



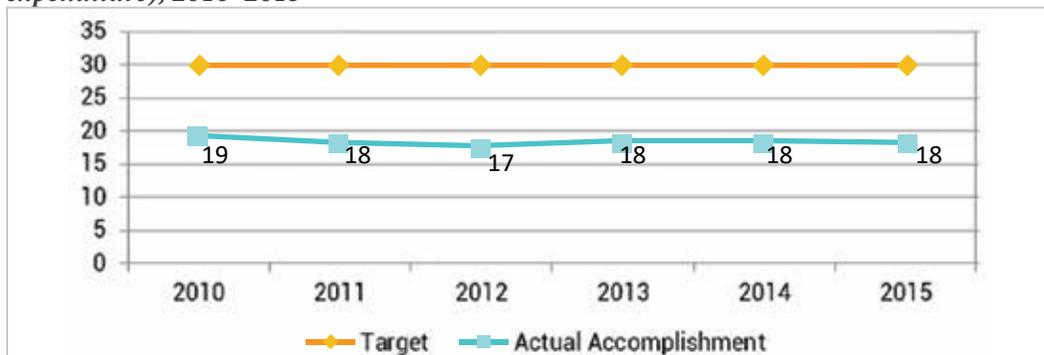
Source of basic data: *BLGF XI*

### LGUs' Expenditure for Economic Services

The LGUs' spending for economic activities averaged at 18 percent from 2010 to 2015.

This performance was 12 percentage points lower than the target of 30 percent during the plan period (*Figure 5.5*).

**Figure 5.5 Level of LGU Expenditure for Economic Services (as percent of total expenditure), 2010–2015**



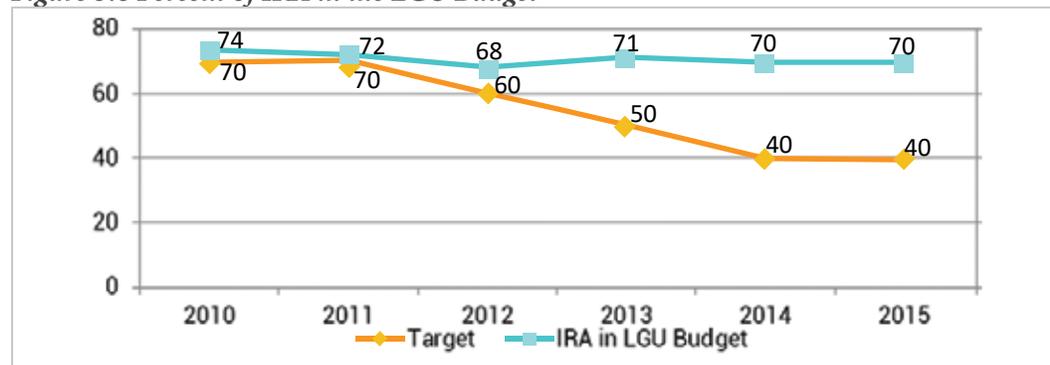
Source of basic data: *BLGF XI*

## Internal Revenue Allotment in LGU Budgets

In terms of the LGUs' reliance on the Internal Revenue Allotment (IRA), the dependency

rate remained high at the range of 68 to 74 percent from 2010 to 2015, or at an average of 70.8 percent. The lowest dependency rate was in 2012 at 68 percent.

Figure 5.6 Percent of IRA in the LGU Budget



Source of basic data: BLGF XI

Overall, the Region's LGU performance was consistently off the target throughout the period under review. The biggest deviations were recorded in 2014 and 2015 when a 30-percentage point gap was seen against the 40 percent dependency target in both years.

Among the LGUs in 2015, Mati City relied the most with 90 percent IRA share in its total budget, while Tagum City relied the least at 52 percent dependence on IRA (Table 5.2).

Table 5.2 Level of LGU IRA Dependence

PROVINCE/CITY	TARGET	2014	2015
Davao Region	40%	70%	70%
Davao Oriental	40%	84.89%	81.453%
Compostela Valley	40%	86.24%	76.401%
Davao del Norte	40%	85.35%	85.569%
Davao del Sur	40%	88.91%	88.516%
Davao City	40%	52.29%	57.429%
Island Garden City of Samal	40%	85.02%	87.578%
Tagum City	40%	47.55%	51.679%
Panabo City	40%	61.82%	67.546%
Digos City	40%	71.88%	74.264%
Mati City	40%	87.38%	89.895%

Source of basic data: BLGF XI

## Preparedness against disasters and adaptation to climate change

In advancing the LGUs' preparedness level and reducing risk from disasters and adapting to climate change, all 53 LGUs

have been validated to have functional Local Disaster Risk Reduction and Management Councils (LDRRMCs), established Local Disaster Risk Reduction and Management Offices and installed early warning systems.

**Table 5.3 Number of Municipalities with Updated or Updating Their CLUPs (As of 2015)**

PROVINCE	NO. OF MUNICIPALITIES
Davao del Norte	8 out of 11
Compostela Valley	8 out of 11
Davao Oriental	11 out of 11
Davao del Sur	8 out of 15
Provinces	4 out of 4
Davao City	1 out of 1

Source of data: HLURB XI

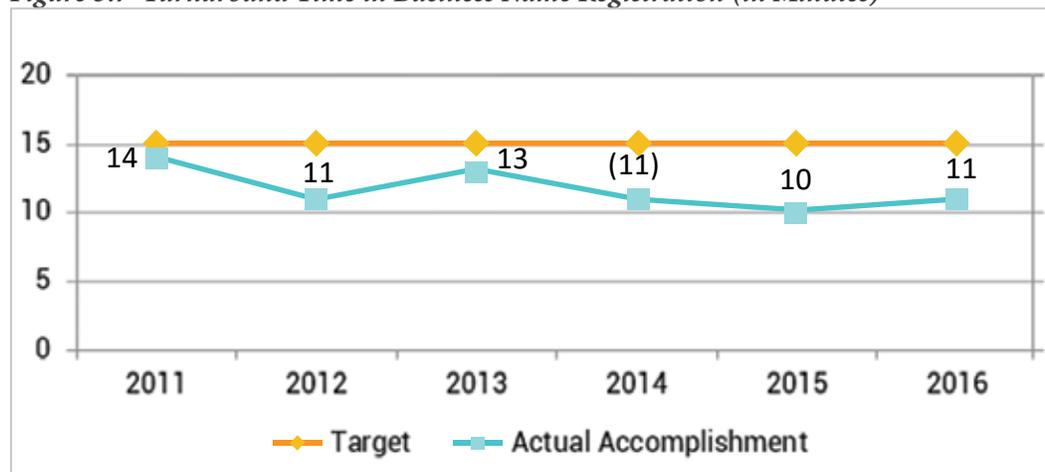
## On Lowering Cost of Doing Business

### Turnaround Time in Business Name Registration

In terms of the effort at reducing the cost of doing business, the streamlining of transactions has been observed as indicated by the reduction of the turnaround time in business name registration transactions

in the Region. In 2010, it took 30 minutes to complete the transaction and had been reduced to 10–14 minutes during the period 2011 to 2016, thus already achieving the annual Plan target of 15 minutes. Turnaround time in business name registration was fastest in 2015, registering 10.4 minutes or 4.6 minutes faster than the target of 15 minutes (Figure 5.7).

**Figure 5.7 Turnaround Time in Business Name Registration (in Minutes)**



Source of basic data: DTI XI

### Business Permits and Licensing System

The *Business Permits and Licensing System (BPLS) Reform Project* was implemented in 2011 to accelerate revenue mobilization, improve expenditure management, and increase access to finance for better service delivery.



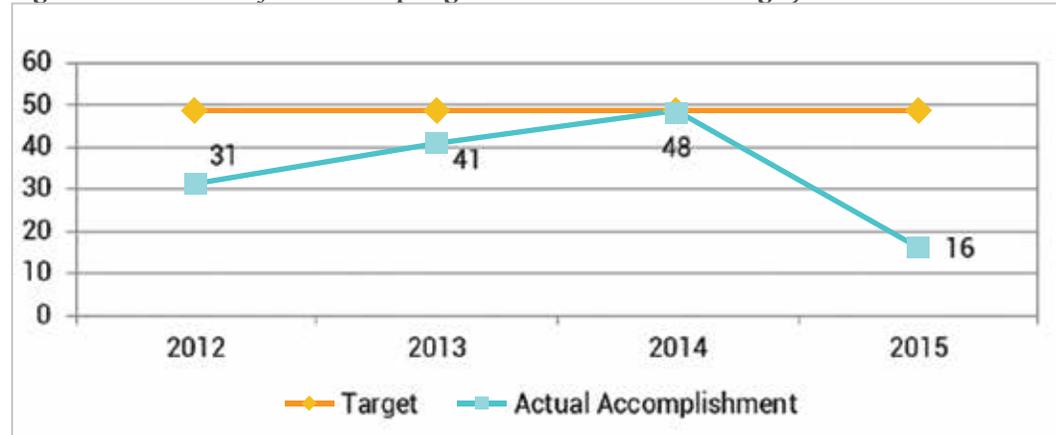
**Awarding of Davao Region Best BPLO**

During the period 2012–2015, LGUs that adopted BPLS numbered between 16 and 48 (Figure 5.8). These LGUs were assessed to have complied with some or all of the following streamlining standards: (a) five (5) steps; (b) five (5) days processing time for simple transactions; (c) ten (10) days processing time for complex transactions; (d) 1–2 signatories in the business permit;

and (e) use of a unified form.

The number of LGUs adopting the BPLS decreased by 67 percent between the years 2014 and 2015, from 48 it went down to 16 LGUs. A survey revealed that some LGUs that had already adopted the system returned to their old or usual business process flow.

**Figure 5.8 Number of LGUs Adopting Business Permit Licensing System**



Source of basic data: DTI XI

Having been fully compliant with the System in 2015, the following municipalities were awarded as *Best Business Permit and Licensing Offices (BPLO)*: Manay in Davao Oriental, Nabunturan in Compostela Valley, Hagonoy in Davao del Sur, and the City of Tagum in Davao del Norte.

To further enhance economic activities in the localities, all four (4) provinces and six (6) cities have designated their *Local Economic and Investment Promotion Officers (LEDIPOs)* to facilitate the implementation of local economic and investment promotion policies, projects, and activities of their provincial/local governments.

### On Competitiveness

The Region made headways in terms of competitiveness. In the measure of economic dynamism, government efficiency and infrastructure, out of the country's

68 provinces, Davao del Sur placed first as the *Overall Most Competitive Province*. Also, among the nation's 142 cities, Davao City ranked fifth place and among the 978 municipalities, Lupon in Davao Oriental ranked No. 15. In terms of the indicators common to these LGUs, they were ranked first in investment promotions, productivity, and compliance to national directives. They also ranked high in their capacity to generate employment, and access to basic services.

In the competitiveness rankings, the biggest gainers in Davao Region were the following: for the cities, the Island Garden City of Samal moved up from rank 98 to 73; for the municipalities, Lupon moved up by 230 rungs from rank 245 to 15, while the municipality of Compostela in Compostela Valley Province moved up by 107 rungs, from rank 266 to rank 159.

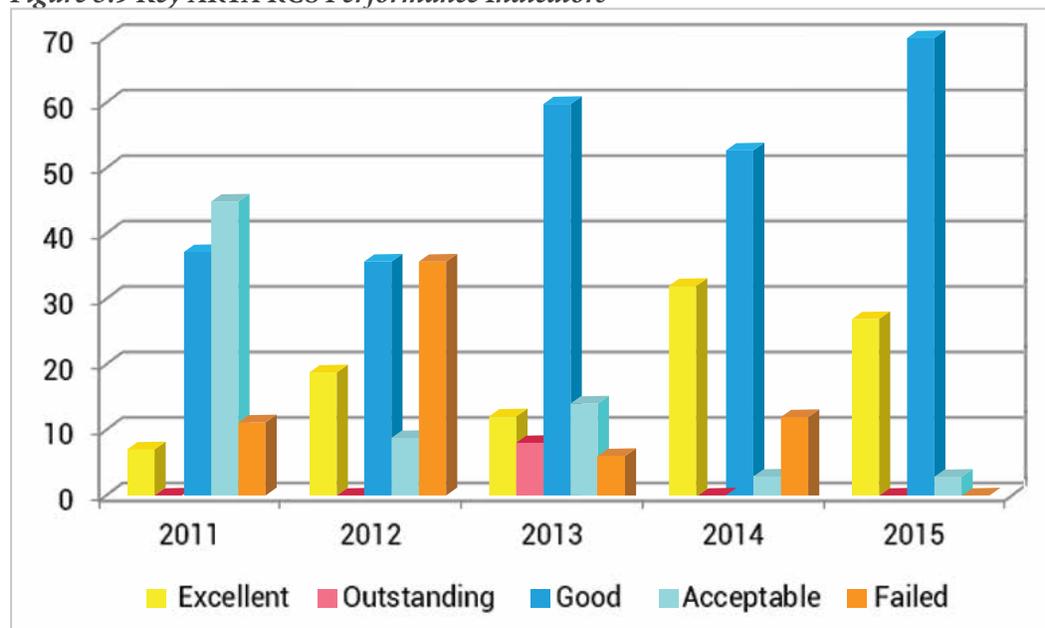
## On Advancing Transparency and Accountability in Government Service

### Report Card Survey Rating

In pursuit of good governance, measures were put in place, such as the Citizen's Charter particularly among those dispensing frontline services, to improve efficiency and transparency in the delivery

of government services to the public. In this regard, government offices were subjected to the Anti-Red Tape Act (RA 9485)-Report Card Survey (ARTA-RCS) to evaluate and assess the quality of their frontline services. The five (5) subject areas of RCS are (a) compliance with ARTA Provisions; (b) frontline service provider; (c) service quality; (d) physical working conditions; and (e) overall satisfaction.

Figure 5.9 Key ARTA RCS Performance Indicators



Source of basic data: CSC XI

During the period 2011 to 2015, results revealed that of the government offices administered their RCS, the most number received “good” ratings from 2012 to 2015; whereas in 2011, the most number of the

offices were given the lower “acceptable” rating only. The highest number of offices that received good ratings was recorded in 2015 with 70% (Table 5.4).

Table 5.4 Government Agencies’ Report Card Survey Descriptive Ratings

YEAR	NO. OF AGENCIES	EXCELLENT		OUTSTANDING		GOOD		ACCEPTABLE		FAILED	
		NO.	%	NO.	%	NO.	%	NO.	%	NO.	%
2011	27	2	7	0	0	10	37	12	45	3	11
2012	22	4	19	0	0	8	36	2	9	8	36
2013	50	6	12	4	8	30	60	7	14	3	6
2014	34	11	32	0	0	18	53	1	3	4	12
2015	37	10	27	0	0	26	70	1	3	0	0

Source of data: CSC XI

While the highest number of offices that received “failed” ratings (36 percent) was recorded in 2012, none was recorded in 2015. The high “good” rating and no “failed” rating in 2015 are attributed to the conduct of stakeholders’ dialogue with target offices to ensure commitment and monitoring of compliance with the provisions of the ARTA.

In 2016, 37 offices were targeted for RCS and of this number, 10 were already surveyed during the first semester. The ratings of these 10 offices have yet to be validated.

On advancing transparency and accountability in government service, all 53 of the Region’s LGUs were compliant with the full disclosure policy as of 2016. These LGUs publicly disclosed their financial documents and transactions, such as fund utilization and implementation of projects, by posting them in conspicuous places within their localities or publishing them in newspapers of general circulation and in their websites. This achievement can be attributed to the regular monitoring of compliance in the posting of financial documents that are required to be disclosed. While these LGUs had been compliant with this policy since 2013, their degree of compliance varied from full, high partial, and low partial. The documents to be posted in three (3) conspicuous places include the (a) annual budget; (b) statement of debt service; (c) statement of receipts and expenditures; (d) annual procurement plan or procurement list; and (e) annual GAD accomplishments.

## Challenges

### 1. Inability among NGAs to expend their entire annual budget

While the overall performance of the national government agencies is relatively high in their capacity to spend the entire budget released to them,

they have consistently not been able to reach the annual target of 100 percent utilization. The rates of utilization ranged from 94 percent to 96 percent during the period in review. Deviations were due to some agencies not being able to implement a number of their programs and projects for various reasons, lapses in the procurement process and lack of documentation with regard to disbursements of funds.

### 2. High number of LGUs not passing the *Seal of Good Local Governance*

The LGUs’ low performance in this program was due to the yearly upgrading of criteria per component of the SGLG, non-creation of the LDRRMO plantilla position, non-remittance of GSIS loan payments and premiums, the no Philhealth accreditation of the LGUs, and low compliance with BP 344 or the *Accessibility Law*. As regards the attribution of the low performance partly to the expanded SGLG criteria, the LGUs’ passing rate must not be tolerated given that the criteria mainly focus on matters that pertain to the LGUs’ regular deliverables.

### 3. Low number of LGUs with DRR-CCA-enhanced PDPFPs and CLUPs

Out of 53 LGUs, only 40 have DRR-CCA-compliant comprehensive PDPFPs and CLUPs. In view of this, around 809,653 of the Region’s population remain at risk from disasters and climate change as they reside in LGUs without DRR-CCA-enhanced CLUPs.

### 4. LGUs’ high dependency on IRA

The LGUs’ dependence on IRA has been high, with dependence rates at 68 to 74 percent level from 2010 to 2015. Compared to the Plan’s targets, the negative deviations were between 2 and 30 percent.

5. LGUs' low capacity to generate locally sourced revenues

Davao Region LGUs' capacity to generate locally sourced revenues grew at an annual average rate of 16 percent from 2010 to 2016. The contraction by 1.66 percent in 2013 was mainly due to the disruption of economic activities by Typhoon Pablo. While the LGUs' performance exceeded by 51 percent the target in 2014, performance was below target in all other years, registering 15 to 48 percent only.

6. A high number of LGUs are not compliant with the streamlined standards of the BPLS.

Out of 49 LGUs that adopted the BPLS, only 16 LGUs or 33 percent have been assessed as being compliant with the following streamlined standards: (a) 5 steps; (b) 5 days processing time for simple transactions; (c) 10 days processing time for complex transactions; (d) 1-2 signatories in the business permit; and (e) use of a unified form.

7. Government agencies' delinquent rating in the ARTA-RCS.

Non-compliance with ARTA provisions was the main reason for some agencies to have delinquent ratings in the RCS. These include posting of Citizen's Charter in conspicuous areas, posting of anti-fixer signs, a manned public assistance and complaints desk, observance of no-noon-break policy, no hidden cost in frontline transactions, and wearing of readable IDs or nametags by frontline personnel.

## Future Development Scenario

The Plan puts emphasis on restoring *faith and trust in government* and aims for a people-centered, clean and efficient delivery of public goods and services. Among others, the following shall be pursued under the Duterte Administration:

Public service shall be improved by making business registration easier and simpler. The average business registration process had been cut eight (8) days from 30 days. This shall be further reduced to three days and eventually to one day through automation. The local government units shall be required to adhere to a standard business registration form, as well as standard number of signatories, among others.

Moreover, the *Public Employment Service Office Act of 1999* was amended in 2015 to transform PESO into a modern public employment service intermediary that provides multi-dimensional employment facilitation services. It will now be community-based and maintained largely by LGUs, accredited NGOs or community-based organizations (CBOs), and SUCs. It shall require establishments and enterprises operating in a locality to submit to the concerned LGU relevant labor market information, such as present number and nature of jobs, and projection of jobs that the establishments will offer in the next five years. Strengthening the PESOs' capacity will contribute toward productive employment facilitation and better employment services at the grassroots level.

In a further effort to restore faith in the government, the *Freedom of Information* decree was issued by the President. This would promote transparency and strengthen public participation in governance as this would require all government offices under the executive branch to disclose details of

their transactions. The FOI will cover all government offices under the executive branch, including the national government and all its offices, departments, bureaus, offices and instrumentalities. It will also be implemented in state-run firms, universities and colleges.

with the problem and effectively implement laws meant to exact public accountability. Graft and corruption counter-measures shall be implemented at all levels of the government.

The government shall continue to pursue its campaign against graft and corruption through its anti-corruption bodies to deal

## II. Strategic Framework

Figure 5.10 Strategic Framework



### Goal

High trust in public institutions through people-centered, clean and efficient delivery of public goods and services, and heightened citizen participation in government processes.

### Strategic Outcomes

1. Duty bearers' efficient delivery of entitlements to claim holders improved
2. Graft and corruption reduced
3. Citizens' participation strengthened

### III. Targets

*Table 5.5 Plan Targets to Ensure People-centered, Clean, Efficient, and Effective Governance*

INDICATOR	BASELINE (2015)	END OF PLAN TARGET
Sector Outcome: Duty Bearers' efficient delivery of entitlements to claim holders improved		
No. of LGUs passing the Seal of Good Local Governance	8 LGUs	32 LGUs
Ratio of expenditure to total budget of agency regional offices	93.55%	100%
Level of LGU expenditure for social services	17%	20%
Sector Outcome: Graft and corruption reduced		
No. of LGUs compliant to full disclosure policy	50 LGUs	54 LGUs
Citizens' participation strengthened		
No. of LGU that conducted citizen satisfaction survey	6 LGUs	43 LGUs

### IV. Priority Strategies

#### Improving efficiency of duty bearers' delivery of entitlements to claim holders

- 1) Strengthening the linkage between planning and budgeting through the regular updating of local development plans and investment programs. A tighter linkage between the development plan and investment program shall guide duty bearers toward a more responsive delivery of entitlements to the claim holders. The programs and projects that are appropriated annual budgets for implementation have the development plan as basis, which is in turn reflective of the LGU's vision and goals. This shall involve a participatory process to ensure that all concerns are being addressed in the Plan.
- 2) Advancing LGUs' preparedness to adapt and reduce risk to disaster and climate change by mainstreaming DRR concepts in development plans to raise awareness and ensure allocation of resources. This details the overall strategy toward the LGUs' achieving resiliency against disaster and climate change, and shall

include the communities' participation to bring to their awareness government's efforts and shared accountability.

- 3) Improving fiscal management to harness the LGU's role in stimulating progress as it shall be able to support delivery of entitlements toward improving quality of life in the communities. With the regular updating of LGUs' revenue code every 5 years and real property tax assessment every 3 years, the LGUs shall be able to widen their tax base, thus, increase real property tax collection. Parallel tax efforts shall be pursued to improve collection, such as information and education campaigns, and efficient distribution of notices of delinquencies and tax incentives (e.g. discounts).
- 4) Pursuing internal control in duty bearers' processes and transactions to safeguard government assets, check accuracy and reliability of data, ensure economical, efficient and ethical operations, comply with laws and regulations and adherence to managerial policies. This shall promote effective governance as it is built on duty bearers' integrity, stronger accountability, better systems for responding to needs of claim

holders, and better quality outputs and outcomes.

- 5) Strengthening the performance management, particularly in public resource management, results delivery, and frontline services. This shall be achieved through strict implementation of the results-based performance management system in all duty bearers' actions to heighten their sense of accountability for bringing effective and efficient entitlements to claim holders' satisfaction. The results-based performance shall also clearly bring across/communicate to the claim holders the level of the public institution's performance through the performance targets using verifiable and credible indicators, thus promoting transparency.
- 6) Achieving gender equality and women empowerment through the active participation of women in development initiatives. This shall ensure that all gender concerns are addressed, such as eliminating discrimination against women, empowerment of women and promoting equality between men and women as beneficiaries of development, and peace and security.

## Reducing graft and corruption

- 1) Adherence to the *Anti-Red Tape Act* by all duty-bearers, particularly those dispensing frontline services, to make delivery of such services more efficient. This is a potent law to deterring corrupt practices as the Act mandates all government agencies to, among others, regularly improve their system, prescribe processes for accessing frontline services, and establish a feedback mechanism. The agencies are required to set up a service

known as the Citizen's Charter to guide the transacting public in availing of services of government agencies, thus addressing the "fixer" system in government transactions.

- 2) Promotion of transparency in duty bearers' transactions, decisions, documents and expenditures through regular disclosure of these documents and processes. These shall be publicly accessible through organizational websites and publications.
- 3) Enhancing sanctions for corruption and fast-tracking the successful prosecution of cases of suspected grafters. Capacities of anti-corruption agencies may be continually upgraded to effectively implement their mandate of bringing to justice corrupt officials.

## Strengthening citizen's participation

- 1) Engaging civil society as partners in serving the public through their engagement with the LGUs, and by representing public interest. They shall be sharing responsibility for development through their involvement in local development planning and other government activities, thus promoting participatory governance.

## VI. Priority Legislative Agenda

1. Regular updating of local revenue codes and property assessment sCHEDULEs
2. Review of the Government Rationalization Program toward a more responsive governance
3. Recommend amendments to the Government Procurement Reform Act

## VII. Priority Research Agenda

1. Study on the impact of the local government code/decentralization policy on local development
2. LGUs' financial management practices/strategies in identifying allocation priorities
3. Effectiveness of the Anti-Red Tape Act
4. Impact of governance structure on corruption
5. Sustainability of tax collection even in the aftermath of disaster

## VIII. Priority Programs, Activities and Projects (PAPs)

1. Local Governance Performance Management Program-Performance-Based Challenge Fund for Local Government Units
2. Conduct of report card survey
3. Updating of local development plans
4. Conduct of capability enhancement trainings
5. Provision of service delivery entitlements
6. Updating of revenue code and real property assessment
7. Civil Society Organization/People Participation Partnership Program



06

Pursuing Swift and  
Fair Administration  
of Justice



# Pursuing Swift and Fair Administration of Justice

A swift and fair administration of justice, especially for the poor and marginalized, is essential in restoring and sustaining the public's trust in its justice and legal institutions. This Plan emphasizes the strong linkage between inclusive development and an effective and efficient justice system. Development requires a justice and legal institutional system that is accessible, equitable, and prompt.

An assessment is provided on the administration of justice in the Region and lays out a strategic framework, draws out strategies and identifies priority programs for the next six years. In particular, this section focuses on the five pillars of the criminal justice system: law enforcement, prosecution, courts, corrections, and community.

## I. Assessment and Challenges

### Assessment

#### Prosecution Pillar

Composed of the National Prosecution Service (NPS) and the Public Attorney's Office (PAO) of the Department of Justice, and the Office of the Ombudsman (OMB), the prosecution pillar's main task is the speedy investigation and disposition of criminal complaints and successful prosecution or acquittal in the courts.

The NPS of Davao Region has diligently and competently strived to respond to the hectic and growing case load over the years. In 2015, the DOJ-NPS XI had a total case load of 13,456 under preliminary investigation, which was higher by 3,399 cases from the 10,057 recorded in 2010 (*Table 6.1*). Preliminary investigation constitutes the bulk of the workload of prosecution officers. Each prosecutor in Davao Region was handling, on the average, 207 cases in 2015—a relatively significant increase from

the 142 cases per prosecutor in 2011. The increased number of case assignment over the period in review was partly attributed to a higher turnover and vacancy rate 31 percent in the NPS XI prosecutorial staff.

**Table 6.1 NPS XI Preliminary Investigation Case Load and Disposition, Davao Region, 2011–2015**

	2011	2012	2013	2014	2015
<b>Case Load</b>					
Cases Handled (Total)	10,057	11,946	12,700	14,404	13,456
<b>Average per Prosecutor</b>	142	178	202	222	207
<b>Disposition</b>					
Resolved Cases (Total)	9,572	11,008	12,051	13,388	12,910
<b>Average per Prosecutor</b>	135	164	191	206	199
Pending Cases	485	938	649	1,016	546

Source: DOJ-NPS XI

Notwithstanding the lack of personnel, the NPS XI was able to successfully improve its performance on resolved cases for the period 2011 to 2015. Figure 1 below shows that the 95.94 percent disposition rate of cases recorded in 2015 was the highest in the last 5 years. In fact, the disposition rate in 2015 was a notable improvement from 92.95 percent recorded for 2014. The higher disposition rate also left a manageable number of pending cases, with 546 cases in 2015 being almost a fifty percent reduction from the 1,016 pending cases recorded for 2014. The NPS XI attributed the notable performance on the appointment of additional prosecutors in the various field offices and its regular performance review and monitoring of its provincial and city offices. However, the disposition rate in 2015 was 2.5 percentage points below the

2015 target of 98 percent. The fluctuating performance in case disposition rates and in pending cases, was not only attributed to inadequacies in support staff but also in office equipment and space, appropriate systems for efficient operations, as well as absence of computer and information systems that will facilitate case management processes, including transmission of relevant information and documents.

The Public Attorney’s Office XI, another important actor in justice administration, was able to serve 224,493 indigent clients in 2015, and handled a total of 21,880 cases. The number of cases handled by the PAO in 2015 was the highest in the last five years and was approximately three times more than the 7,457 cases handled in 2014 (Figure 6.1). Each PAO lawyer handled an average

**Figure 6.1 Disposition Rates of Cases, Davao Region, 2010–2015 (DOJ-NPS XI)**



Note: Disposition rate of cases in this figure refers to cases under preliminary investigation  
Source: DOJ-NPS XI

of 534 cases in 2015, which was significantly higher than the 166 case allocation per lawyer in 2014. The higher allocation of cases in 2015 reasonably coincides with the

higher number of cases handled by the PAO. Of the 21,880 cases handled, 7,855 cases or 35 percent was terminated.

**Table 6.2 Clients Assisted and Cases Handled, PAO XI, Davao Region, 2011–2015**

YEAR	2011	2012	2013	2014	2015
Number of Indigents Client Served	255,888	266,165	190,896	172,555	224,493
Number of Cases Handled	17,758	18,136	19,301	7,457	21,880
Average Number of Cases Handled by Each Lawyer	404	412	420	166	534
Number of Cases Terminated	7,756	8,022	8,362	7,457	7,855

Source: PAO XI

As part of the PAO’s mandate to serve communities by serving indigent clients experiencing legal predicaments, and to promote an informed society with a respect for the legal justice system, PAO XI conducted outreach programs throughout the region aimed at decongesting jails and provide legal information and mediation services. The Jail Decongestion Program increased its number of detainee beneficiaries from 4,335 in 2011 to 6,995 in 2015. The beneficiaries or clients in the

Barangay Legal Outreach Program also increased significantly with over 9,789 clients in 2015—a notable difference from the 1,240 beneficiaries in 2011. However, PAO’s clients in mediation and conciliation services have been declining over the years.

**Table 6.3 Number of Beneficiaries of PAO XI Outreach Programs, Davao Region, 2011–2015**

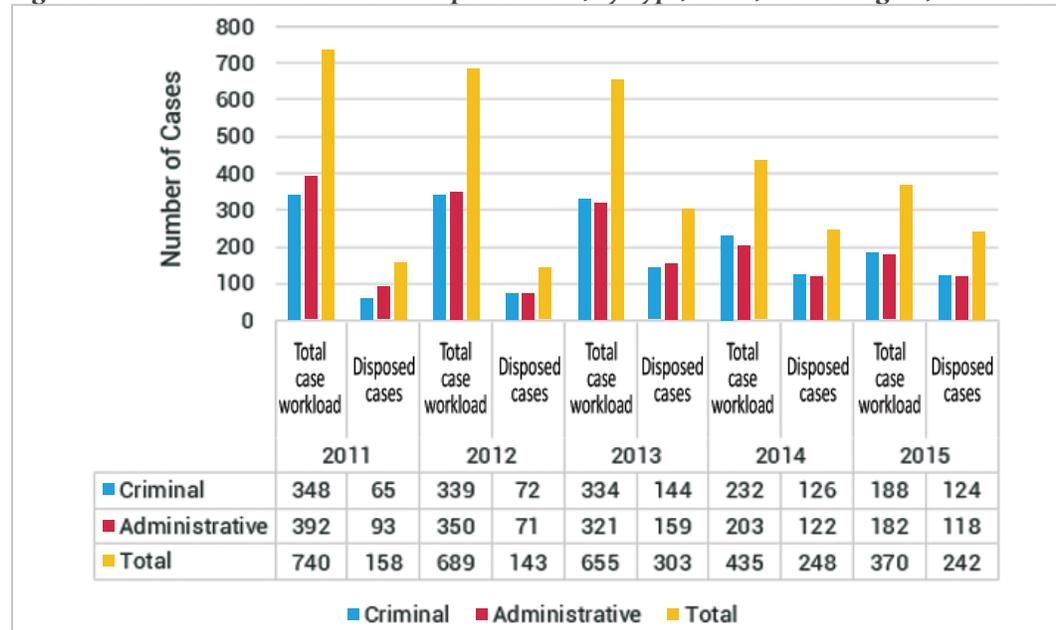
YEAR	2011	2012	2013	2014	2015
Jail Decongestion Program	4,335	4,455	4,877	6,960	6,955
Barangay Legal Outreach Activities	1,240	1,850	1,284	3,991	9,789
Mediation and Conciliation	4,055	3,798	1,717	1,717	1,627

Source: PAO XI

The Office of the Deputy Ombudsman-Mindanao’s primary responsibility is to act on complaints filed against officers or employees of the government, and enforce appropriate criminal, civil or administrative sanctions, if warranted. Davao Region, which is under the jurisdiction of the Ombudsman for Mindanao, has seen a continuous improvement in the management and disposition of cases in the last five years. The total case workload handled by the OMB for Davao Region in 2015 was 370 cases, which is a significant decrease from the 740 cases handled in 2011 (Figure 6.2). Both criminal

and administrative cases were reduced over the last five years. This is an indication that the good governance reform and anti-corruption efforts of the past administration has been bearing fruit.

Figure 6.2 Total Case Workload and Disposed Cases, by Type, OMB, Davao Region, 2011–2015

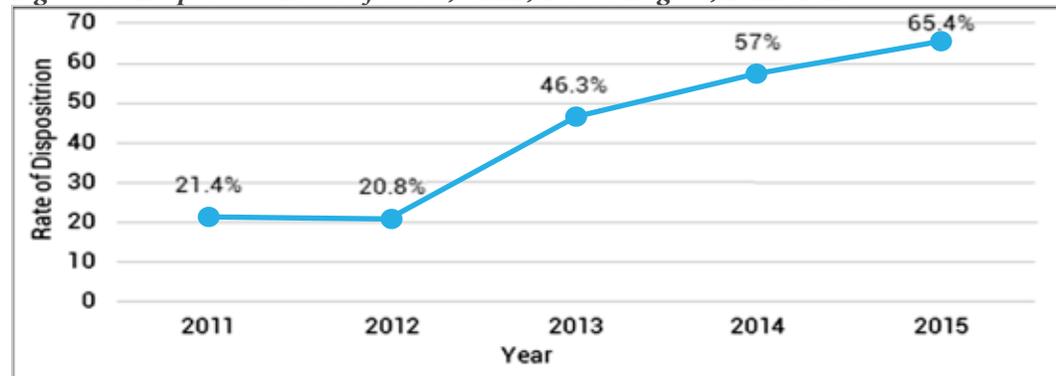


Source: OMB-Mindanao

The reforms also resulted in the significant improvement in the disposition rates of cases (Figure 6.3). In 2011, the OMB-Mindanao had a disposition rate for cases in Davao Region of only 21.4 percent. Beginning 2013, the disposition rate improved at 46.3 percent, increased to 57 percent in 2014,

then further improved to 65.4 percent in 2015. The improved rate of disposition was attributed to the stronger implementation of the Ombudsman’s comprehensive National Anti-Corruption Strategy.

Figure 6.3 Disposition Rates of Cases, OMB, Davao Region, 2011–2015



Source: OMB-Mindanao

The main role of the courts in the criminal justice system is to provide the venue to resolve disputes, and mete out and enforce the law. As of 2015, Davao Region had a total of 123 courts, composed of 60 first

level courts, and 63 second level courts (Table 6.4). The first level courts consist of Metropolitan and Municipal Trial Courts and second level courts are composed of Regional Trial Courts. The number of first

level courts has remained at 41 courts since 2011, while the number of second level courts increased from 41 in 2011 to 63 in 2015. This increase suggested that more cases were being handled by regional trial courts. As for vacancy rates, there was a vacancy rate of 57.1 percent for second level judge positions, while there was as 26.6 percent vacancy rate for first level judges in 2015. In actual numbers, 36 judge positions

in Regional Trial Courts were unfilled, and 16 judge positions were also unfilled in first level courts. The high vacancy rates, especially for the second level courts, likely contributed to the limited performance of the courts in dispensing cases, since an inadequate number of judges led to docket congestion and ultimately, even the slow delivery of justice.

**Table 6.4 Number of Courts and Vacancy Rates of Judges (First and Second Level), Davao Region, 2011–2015**

YEAR		NUMBER OF COURTS	TOTAL JUDGE POSITIONS	TOTAL INCUMBENT JUDGES	TOTAL VACANCIES	VACANCY RATE
2011	Second Level	41	41	32	9	21.3%
	First Level	60	60	38	22	36.6%
2012	Second Level	41	41	32	14	34.1%
	First Level	60	60	38	23	38.3%
2013	Second Level	50	50	36	14	28.0%
	First Level	60	60	38	22	36.6%
2014	Second Level	63	63	41	22	34.9%
	First Level	60	60	37	23	38.3%
2015	Second Level	63	63	27	36	57.1%
	First Level	60	60	44	16	26.6%

Source: Supreme Court-Court Management Office

By the end of 2015, the courts handled a total of 26,889 cases with an average disposition rate of 36.18 percent. Of the number of pending cases of 2015, 17,482 are lodged in second level courts, and 9,407 are docketed in first level courts. However, the 2015 disposition rate declined from

the rates recorded for the past few years. The higher number of cases was due to an increase in newly filed cases, as well as the decrease in archived cases. Newly filed cases for both levels of courts had been increasing annually from 12,573 in 2011 to 16,161 in 2015.

**Table 6.5 Summary Report of Cases (First and Second Levels), Davao Region, 2011–2015**

YEAR	CASE INFLOW				CASE OUTFLOW				
	PENDING BEGINNING	NEWLY FILED CASES	REVIVED/ REOPENED CASES	CASES RECEIVED FROM OTHER SALAA/ COURTS	DECIDED/ RESOLVED CASES	ARCHIVED CASES	CASES TRANSFERRED TO OTHER SALAS/ COURTS	PENDING END	DISPOSITION RATE
2011	20,021	12,573	868	671	10,096	3,621	765	19,707	43.34%
2012	19,707	13,372	1,051	906	10,110	3,682	822	19,979	42.29%
2013	19,979	14,926	1,031	1,189	10,317	4,157	1,063	21,855	42.83%
2014	21,885	16,019	1,277	902	10,500	5,505	1,062	22,974	43.97%
2015	22,974	16,161	1,263	1,014	9,934	3,385	1,166	26,889	36.18%

Source: Supreme Court-Court Management Office

The poor disposition rates in the courts and fluctuations in case disposition performance in the prosecution pillar also pointed to coordination gaps among the agencies in the justice sector. The *Medium-Term Development Plan for the Pillars of the Philippine Criminal Justice System, 2011–2016*, identified inter-pillar coordination as one of the key areas for improvement and strengthening, since the justice sector is operating in an inter-dependent system.

### Corrections Pillar

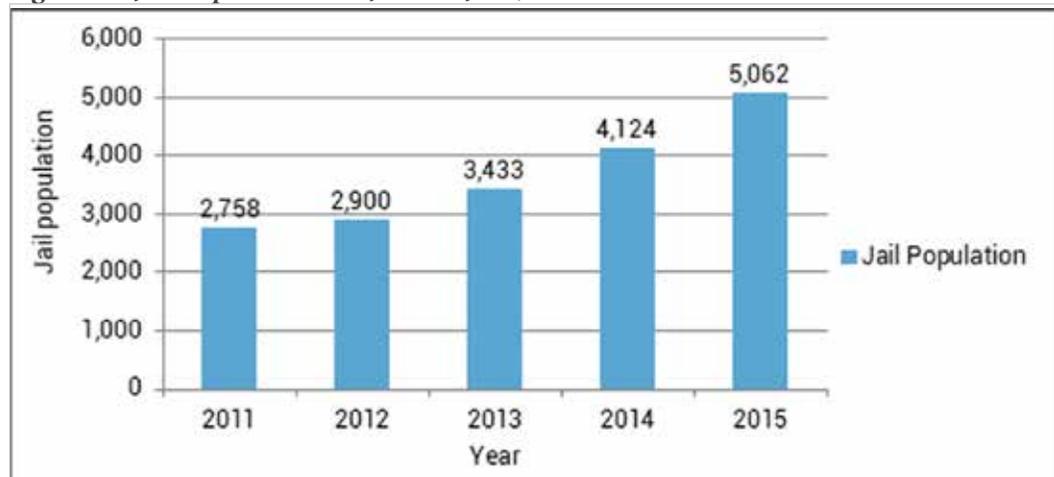
The corrections pillar is concerned with the management of jails and prisons, as well as the confinement and rehabilitation of detainees and convicted offenders, respectively.

As of 2015, there were 14 jails managed by the Bureau of Jail Management and Penology in Davao Region, although only 12 are operational. The 12 jails in operation held a total of 5,062 persons—4,949 of whom were detainees, while the rest are convicted inmates. The increase in jail

population was attributed to the increase of commitment of drug-related cases. The total figure represented a 541 percent congestion rate, since the capacity of BJMP jails in the Region is only 759 prisoners or detainees. In the period of five years, the jail population increased from 2,648 in 2011 to 5,062 in 2015 which was higher by 91 percent or 2,304 prisoners (*Figure 6.4*). The Region’s jail population has been growing at an annual average rate of 16.6 percent. In 2015 also, there were 383 Jail Officers, which means that there is one Jail Officer for every 13 detainees.

The current number of detainees, and their expected increase over the next few years due to intense law enforcement campaign against criminality and illegal drugs will further congest the jail facilities of the BJMP XI. Increasing the number and capacity of jails is crucial, while a parallel effort on hastening disposition of cases, including the creation of more drugs courts, will be critical to decongest jails and other detention facilities.

**Figure 6.4 Jail Population in BJMP XI Jails, 2011–2015**

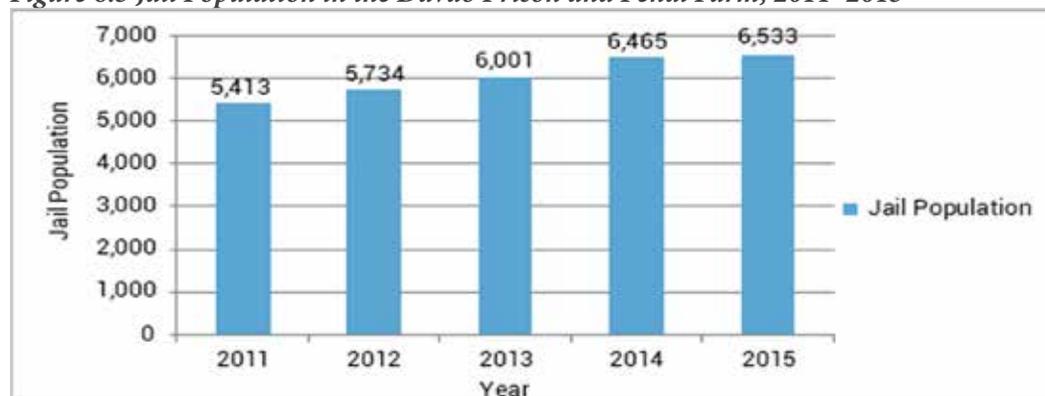


Source: BJMP XI

The Davao Prison and Penal Farm (DPPF) and the Correctional Institution for Women-Mindanao (CIWM) are the two national penitentiaries in the Region managed by the Bureau of Corrections. As of 2015, the

DPPF had a total inmate population of 6,533 (*Figure 6.5*), with a 218 percent congestion rate and the CIWM had 331 inmates against the capacity of the CIWM at 372 inmates.

**Figure 6.5 Jail Population in the Davao Prison and Penal Farm, 2011–2015**



Source: BuCor-DPPF

As of 2015, the DPPF had a total of 295 jail guards, translated to 1 jail guard for 22 inmates. The high level of congestion rates and the low number of jail guards and other non-custodial personnel are some of the constraints faced by the Davao penitentiary.

The DPPF also implements prisoner rehabilitation and reformation programs, as well as trainings and education for

inmates. Table 6.6 below shows the number of enrolled inmates to the various programs of the BuCor-DPPF. In 2015, the program with the most number of enrollees was the Sports and Recreation Program, the Moral and Spiritual Program, and the Work and Livelihood Program.

**Table 6.6 Number of Enrollees for Trainings and Reformations Programs of the DPPF, 2011–2015**

	2011	2012	2013	2014	2015
Education and Trainings	74	92	157	152	181
Work and Livelihood Program	103	108	271	5,363	3,074
Moral and Spiritual Program	254	296	1,777	6,394	6,238
Sports and Recreation Program	121	146	257	6,633	6,207
Health Care Program	254	296	303	316	331

Source: BuCor-DPPF

### Community Pillar

The community pillar plays a critical role in the criminal justice system because of its broad reach at the communities, and works to ensure that citizens are duly involved in the administration of justice. It is there to help maintain law and order and public safety, assist in the rehabilitation of offenders, as well as help victims recover, and even assist and provide a venue in the amicable settlement of domestic disputes.

The Department of Social Welfare and Development has a core function in the community pillar, especially in responding to cases involving children and women. The DSWD XI served 122 cases of child abuse, 141 cases of children in conflict with the law (CICL), and 12,803 cases involving women in especially difficult circumstances (WEDCs). The reported child abuse cases had been decreasing over the last five years, while WEDC cases have increased substantially. The high number of cases served was partly attributed to the stricter monitoring and

evaluation of cases by different regional bodies, such as the IACAT-VAWC, RJJWC, and RSCWC. Moreover, the DSWD XI

coordinated closely with LGUs in handling CNSP, WEDC, and CICL cases.

**Table 6.7 Cases served, by type, DSWD XI, 2011–2015**

YEAR	2011	2012	2013	2014	2015
Total Number of Child Abuse Cases Served	296	203	161	235	122
Total Number of CICL Served	125	147	169	155	141
Total Number of WEDCs Served	3,382	1,433	1,525	7,622	12,803

Source: DSWD XI

One of the community pillar’s major avenues for amicable settlements of disputes at the community level is the Barangay Justice System (BJS) or the *Katarungang Pambarangay*. It operates and seeks to resolve disputes at the lowest level of the political subdivision, thereby preventing cases to congest the court dockets. The *Katarungang Pambarangay* ensures that justice can be delivered and met at the level of communities and promotes citizen participation and involvement in justice delivery.

The Department of Interior and Local Government XI monitors the performance of the *Katarungang Pambarangay* throughout the region, and also estimates government savings realized from cases

resolved at the barangay level. In 2015, 10,216 cases were resolved through mediation, 1,156 cases resolved through conciliation, and 163 cases through arbitration in Davao Region (Table 6.8). These amicably resolved disputes resulted to approximately P109,630,000 in government savings. Previous years have even seen larger government savings realized from cases not being elevated to the courts. From 2011 to 2015, the total number of settled cases stood at 63,816 cases, with government savings amounting to P484,812,500. In contrast, the total unsettled cases for the same period were 8,452 cases, of which 2,191 cases were certified by the *Katarungang Pambarangay* for elevation to the courts.

**Table 6.8 Number of Cases handled through Katarungang Pambarangay, Davao Region, 2011–2015**

SETTLED CASES	2011	2012	2013	2014	2015
Mediation	11,000	11,366	9,806	12,849	10,216
Conciliation	1,600	2,133	1,503	1,632	1,156
Arbitration	168	120	81	76	168
Total Unsettled Cases	546	938	649	2,878	546
Certified Cases	343	689	348	373	343
Estimated Government Savings (in PhP)	118,888,500	119,428,000	108,205,000	138,291,000	109,630,000

Source: DILG XI

While some of the statistics are encouraging, there are still constraints that impede the full efficiency and effectiveness of the Barangay Justice System, such as lack of incentives for members of the justice councils in

the BJS, and functional or administrative inconsistencies, such as when the role of the *Punong Barangay* as mediator is sometimes being delegated to the officer of the day in the barangay, even though the latter is not

authorized or sometimes is not trained for mediation. The concept of inhibition due to relationship or interest in the *Katarungang Pambarangay* system has not been formally institutionalized, hence poses a problem with the regard to the impartiality of the community justice mechanisms. Instituting reforms and safeguards will be important to sustain the effectiveness of the *Katarungang Pambarangay*

## Challenges

While the justice system showed improvements in some areas, there were still inefficiencies and incapacities that hindered a swift and fair administration of justice in the Region. Among the challenges that constrain the sector are the following:

### 1. Congested court dockets and delays in promulgation

The sheer volume of cases handled by the limited number of courts in Davao Region impeded the realization of an efficient justice system. The low disposition rates at the first and second level courts in the Region are indications of an overburdened court system. With the increasing number of case filed every year, the courts will continue to be strained and will ultimately lead to further delays in the administration and dispensation of justice. The slow pace of the creation of new courts and allocation of judgeship positions also contributed to this challenge.

### 2. Excessive caseloads in the prosecution pillar

The fluctuating performance of case disposition rates is an effect of the heavy caseloads of both prosecutors and public attorneys in the prosecution pillar. While there are years when disposition of cases improved, these

were not consistent over the years. The heavy caseloads are also aggravated by considerable vacancy rates in lawyer positions, especially in the NPS where there are attendant risks involved in prosecutorial work. Lack of sufficient support staff in the regional operations also hampers the effective operations of the prosecution offices in the region. Moreover, alternative mechanisms to settle legal disputes have not been fully exploited, adding to the heavy caseloads.

### 3. Insufficient number and capacity of detention and correctional facilities

Congestion rates in the Region's jails and national penitentiaries have already reached alarming levels. The congestion rate among BJMP jails is at 541 percent, while the DPPF has a congestion rate of 218 percent. The Region's facilities for detainees and inmates are overstretched due to the high volume of prisoners, either sentenced, awaiting or under trial. The pace of disposition and resolution of cases likewise greatly affects the capacity and condition of jails and prisons in the Region. The number of internees to the Region's facilities will continue to grow in the coming years, greatly outpacing the capability of the government to provide decent and sufficient jail and prison facilities.

### 4. Limited adoption and upgrading of technology and other modern systems in the justice system

Modern technologies, facilities, and systems in courts, prisons, and offices of the prosecution offices are still limited, with many offices relying on outdated methods of case management, inmate management,

and courts administration. Moreover, dilapidated equipment and facilities inhibits efficiency. The limited capacity to administer justice in the modern and more technologically efficient way impacts on the ability of the justice system to swiftly deliver justice. This constraint is also partly attributable to the limited resource to allow timely upgrading in facilities and equipment.

### 5. Weak and limited coordination and collaboration among offices in the criminal justice system

Limited coordination and collaboration among the offices in the justice pillars often result in the inconsistent performance in justice delivery and administration. The slow pace of justice in the country and in the region, is partly attributed to coordination gaps and the broader fragmentation in the justice sector. The *Medium-Term Development Plan for the Pillars of the Philippine Criminal Justice System, 2011–2016* examines the existing strengths and capacity gaps of the criminal justice system and has stressed that the for the Philippine criminal justice system to be effective, coordination between and among the different pillars must be strengthened. Because the mandates and work in the criminal justice system is sequential and interdependent, it becomes necessary that the mechanism to coordinate should be further established and consequently strengthened.

## Future Development Scenario

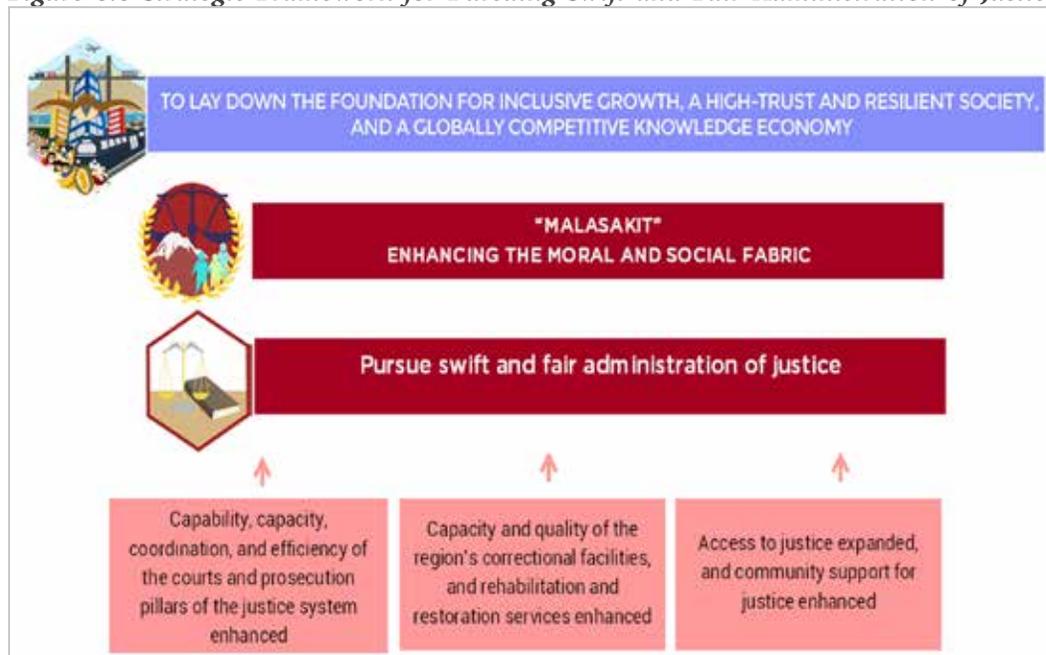
The Duterte Administration places peace and order at the front and center of its 0-10-point socioeconomic agenda. A fundamental component of the law and order mission is the efficient administration

of justice, and the next six years will put a heightened emphasis on the pillars of the justice system. This reinvigoration of the role of justice in inclusive development coincides with the global commitment on the Sustainable Development Goals, specifically Goal 16: to promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

With these prime objectives on law and order of the current Administration, there will likely be a surge in both number of detainees and legal cases that will surface across all pillars of the justice system, from courts to corrections. The likely scenario could lead to unsustainable congestion and overloading of the current capacities of the pillars of the justice system. Along with the country's pledges to the SDGs, the resources will be stretched to the limits if the commitments to law and order will be pursued without a parallel commitment to improve and increase the capability and capacity, as well as the scale and scope of the criminal justice system. Hence, the preferred development scenario over the next six years is to develop a criminal justice system that has adopted modern systems and technologies to increase its efficiency, that has improved its capacity and capability to swiftly and equitably administer justice through the 5 pillars, and that has maintained full confidence and trust of the people as a justice system that is inclusive and effective.

## II. Strategic Framework

Figure 6.6 Strategic Framework for Pursuing Swift and Fair Administration of Justice



### Strategic Outcomes

Swift and Fair Administration of Justice Ensured

*Katarungang Pambarangay*, with higher savings targeted as a result of a more functional and effective community-based justice system.

### Targets

The performance of the Region's justice pillars shall be continually monitored and improved. The disposition rates of the National Prosecution Services XI shall be sustained, while both terminated cases and resolved disputed handled by the Public Attorney Office XI shall be increased. Moreover, the number of beneficiaries of the PAO XI's mediation and conciliation services shall be increased to 2,555 by end of plan target. For the Region's correctional facilities, the number of jail guards, and ideal capacity of jail and prison facilities shall be increased. Finally, more cases shall be settled at the barangay level, through the

**Table 6.9. Plan Targets to Pursue Swift and Fair Administration of Justice, 2017–2022**

INDICATORS	BASELINE (2015)	END OF PLAN TARGET
<b>Intermediate Outcome 1: Capability, capacity, coordination, and efficiency of the courts and prosecution pillars of the justice system enhanced</b>		
Disposition Rate	95.94%	95%
Number of Cases terminated	7,855	13,915
Number of Disputes Resolved	1,442	2,555
Number of Beneficiaries of Mediation and Conciliation Services	1,627	2,882
<b>Intermediate Outcome 2: Capacity and quality of the region's correctional facilities, and rehabilitation and restoration services enhanced</b>		
Congestion Rate in BJMP XI Jails	541%	171%
Number of BJMP Jail Officers	383	573
Number of Davao Penal Prison Farm Jail Guards	295	1,150
<b>Intermediate Outcome 3: Access to Justice expanded, and community support for justice enhanced</b>		
Number of Indigents Served by PAO XI	9,789	17,432
Number of Child Abuse Cases Served by DSWD XI	122	321
Number of Settled Cases through Mediation	10,216	60,000
Estimated government saving from settled cases through the Katarungan Pambarangay	P 109.6 million	P 720 million

*Source: NPS XI, PAO XI, BJMP XI, BuCor-DPPE, DILG XI*

### III. Priority Strategies

**Intermediate Outcome 1:** Capability, capacity, coordination, and efficiency of the courts and prosecution pillars of the justice system enhanced

1) *Intensify reforms to decongest court dockets, eliminate case backlogs, and improve case management.* The efficiency of the courts and prosecution pillars is hampered by a variety of challenges that leads to justice being delivered at a snail's pace. To address these challenges, reforms—from the institutional down to the procedural—shall be intensely pursued. More courts, including specialized courts, along with judge positions, shall be created to decongest court dockets and speedily resolve cases. Increasing the number of special drugs courts in the Region should be prioritized to adequately respond to the increasing drugs cases. As a parallel effort, court processes and

their management shall be streamlined and harmonized to accelerate the movement of all types of cases—civil, criminal, commercial or administrative cases—through the halls of the justice system, as well as significantly reduce delay. The improvement in court processes shall include the expansion of the continuous trial system, and the roll out of the automated hearing systems, which is platform that allows courts to issue real-time orders and processes, including *eWarrants* and *eSubpoenas* to facilitate preliminary judicial processes. The *Expanded Wheels on Justice Program* shall also be sustained to aid in the speedy resolution of cases in the Region.

The number of prosecutors and public attorneys shall also be increased to reach the proper attorney-to-court ratio. For the prosecution pillar,

prosecutorial and case management processes shall be streamlined and enhanced to increase prosecutorial effectiveness. Moreover, more capacity enhancement among all the pillars of the justice systems, including procedural reforms and process harmonization, to speed up case processes and improve coordination measures, shall be pursued to enable a more seamless flow and management of cases. In relation, adoption of alternative modes of legal dispute resolution shall be reinforced to enable a speedier disposition of cases, while other non-judicial mechanisms, such as indigenous dispute resolution methods shall be explored.

- 2) *Enhance coordination and collaboration between and among justice sector agencies to address fragmentation and gaps in administration of justice.* Addressing gaps in inter-pillar coordination is crucial for administration of justice to be swift and fair. Improved coordination and collaboration between law enforcement and prosecution, and between prosecution and courts shall be one of the flagship strategies of the justice sector. For this objective, the Justice Sector Coordinating Council (JSCC) shall be strengthened to improve sector-wide coordinative efforts, including expansion of the justice zones and justice hubs projects in the regions. Davao City is identified to be one of the justice zones to be established in the next few years. A *Justice Zone* is an area or locality where a minimum number of inter-agency coordinative reforms are present, while a *Justice Hub* refers to an infrastructure in a local government unit that will house courts, prosecutors, public attorneys, the police and a jail. The Justice Hub will serve as a one-stop venue that seeks to improve the convenience and ease of administration of justice.

The ICT infrastructure of the courts and prosecution pillars shall be upgraded and expanded to improve collaboration and coordination, as well as aid in making case management processes more efficient, from case start-up to adjudication. This ICT infrastructure shall likewise be scaled-up to cover sector-wide processes during the Plan period. Key to this reform are efforts to enhance information-sharing between and among the justice sector agencies, as well as the establishment of integrated and accessible data repositories, particularly on evidence.

**Intermediate Outcome 2:** Capacity and quality of the Region's correctional facilities, and rehabilitation and restoration services enhanced

- 1) *Upgrade the capacity and quality of correctional facilities.* Congestion rates in the region's jails and prisons are unsustainable unless expansion is pursued. Construction of additional jails cells of decent quality, along with improvements in facilities, shall ensure that detainees and prisoners are provided with humane treatment and sufficient means to be rehabilitated and reformed. The national government shall also work with local government units, as well as civil society organizations, to address the insufficient number of jails. The number of jail and prison guards shall be increased to adequately manage increasing population in the Region's correctional facilities. A key program under this strategy is the BJMP's *eDalaw* Program, which helps offenders to communicate virtually with their families and legal counsel, especially if the correctional facility is far or inaccessible. The corrections pillar shall also fast-track the release process of qualified inmates, and likewise coordinate with the prosecution and courts pillar to aid in the quicker

movement of cases, especially its resolution. The Department of Justice shall also pursue bail reforms, including updating the 2000 DOJ Bail Bond Guide in order to rationalize and institute equitable and reasonable amounts and procedures to aid jail decongestion, as well as support more efficient processes in law enforcement and in prosecution itself.

- 2) *Improve prisoner rehabilitation and reformation programs.* Restorative justice is an important component of the justice system. The Region's jails and prison should not only be the institutions where convicted persons serve their sentences or await trial, but should also be avenues where they can be reformed, rehabilitated, and restored to allow them to return or resume their normal productive lives after completing their sentences or when they are acquitted. Hence, the conduct of development programs, such as livelihood, skills development, and education programs for prisoners and detainees, shall be expanded and strengthened. In the case of detainee reform and rehabilitation, a notable example for replication throughout the Region is that of the *Gawad Kalinga Ray of Hope Village*, which is Davao City's jail facility for women. In the *Ray of Hope Village*, female detainees are provided with skills development programs and livelihood opportunities that enables them to continue being productive members of society while undergoing or awaiting trial. The same programs can be adopted or expanded in correctional facilities for male detainees or prisoners.

Efforts to upgrade the living conditions of prisoners and detainees, and provide their basic needs shall be sustained, while jail decongestion programs, including the *Task Force Katarungan*

at *Kalayaan* shall likewise be scaled up. *Task Force Katarungan at Kalayaan* tracks the progress of criminal cases of all detained persons within the courts' jurisdictions by gathering information to support actions that should be undertaken to speed up the trials, and thus decongest detention facilities. Moreover, the After-Care Services for released inmates program shall be strengthened to prevent recidivism. Finally, the Victims Compensation Program shall be intensified to increase the compensation of unjust imprisonment and violent crimes.

**Intermediate Outcome 3:** Access to justice expanded, and community support for justice enhanced

- 3) *Widen access to justice for indigents, vulnerable and marginalized groups.* The poor and other vulnerable groups—women, children, persons with disabilities, indigenous peoples, etc.—are often the main victims if a justice system is unreliable, slow, and partial. Hence, improved and expanded legal services shall be prioritized for the poor and other marginalized groups. More indigent clients shall be catered and offered free legal services, while more social and domestic issue cases involving women, children, etc. shall be served and responded to by the community pillar of the criminal justice system.
- 4) *Promote better community and civic engagement in law and order and justice delivery.* Public support and engagement to promote justice shall be ensured by launching information, education, and communication (IEC) campaigns to improve awareness and appreciation of the justice system. IEC campaigns shall also empower citizens to be active supporters of justice by offering advice and other information on how they

can help justice sector agencies prevent crime, resolve disputes, and deliver justice in their communities.

- 5) *Strengthen community-based justice.* The Barangay Justice System or *Katarungang Pambarangay* is an alternative, community-based mechanism for dispute resolution of conflicts between members of the same community. It enables disputing parties to amicably settle and attain justice without need to seek resolution from the courts. This system ensures that justice can be swift, without further burdening the prosecutions courts with more cases. The *Katarungang Pambarangay* has likewise proven to bring government

savings, mainly realized from cases settled. The Plan shall seek to strengthen the *Katarungang Pambarangay* by pursuing and expanding intensive capacity building trainings for barangay personnel in dispute resolution, especially mediation, conciliation, and arbitration, and also other alternative dispute resolution mechanisms. Provision of appropriate and adequate incentives for the members of the *Katarungang Pambarangay* shall also be prioritized in order to empower this community-based justice delivery mechanism.

## IV. Priority Legislative Agenda

**Intermediate Outcome 1:** Capability, capacity, coordination, and efficiency of the courts and prosecution pillars of the justice system enhanced

1. Support the creation of additional courts in the Region, including special courts, such as infrastructure courts, small claims courts, cybercrime and commercial courts
2. Support the creation of additional prosecutor and public attorney positions
3. Support legislation of the Criminal Investigation Bill
4. Support the amendment of the Whistleblower Protection Act
5. Support the amendment of the Dangerous Drugs Act of 2002

**Intermediate Outcome 2:** Capacity and quality of the region's correctional facilities, and rehabilitation and restoration services enhanced

1. Support the establishment of the Unified Penology System

**Intermediate Outcome 3:** Access to justice expanded, and community support for justice enhanced

1. Support the passage of the Positive and Non-Violent Discipline of Children Act
2. Support the amendment to the Special Protection for Children in Situations of Armed Conflict (CSAC) Act
3. Support the amendment of the Local Government Code, to strengthen and improve *Katarungang Pambarangay*

## V. Priority Research Agenda

**Intermediate Outcome 1:** Capability, capacity, coordination, and efficiency of the courts and prosecution pillars of the justice system enhanced

1. Study on the impact of the Alternative Dispute Resolution mechanism on case decongestion.
2. Study/Problem Analysis to determine bottlenecks in case management in courts, prosecution and recommend action points/solutions
3. Study on the impact of ICT systems to administration of justice
4. Study on how to modernize the criminal justice system

**Intermediate Outcome 2:** Capacity and quality of the region's correctional facilities, and rehabilitation and restoration services enhanced

1. Predictors of Adaptation to Jail Management and Penology Roles among the Personnel of BJMP Region XI
2. Predictors of Adaptation to imprisonment among male inmates of Region XI
3. Attachment Style utilization by the Custodial personnel towards the inmates detained in the different jails of BJMP Region XI
4. Correlation between Inmates with history of Drug Abuse and/or Drug Pushing to other Crimes among the inmates of BJMP Region XI

5. Identifying the Educational Profile of the Inmates of BJMP Region XI

**Intermediate Outcome 3:** Access to justice expanded, and community support for justice enhanced

1. Study on the Effectiveness of the *Katarungang Pambarangay*
2. Study the establishment of a "Rewards for Justice Program"
3. Evaluation of programs and services of CICL, CNSP, and WEDCs in residential-based and community based.

# VI. Priority Programs, Activities, and Projects (PAPs)

**Intermediate Outcome 1:** Capability, capacity, coordination, and efficiency of the courts and prosecution pillars of the justice system enhanced

1. Institutionalization of the Justice Sector Coordinating Council (JSCC)
2. Intensify implementation of zero backlog policy in the courts and justice department offices, including crafting of case decongestion plans
3. Implement and expand the Automated Hearing System, eCourts, eWarrant, and eSubpoena system
4. Implementation of Continuous Trial System
5. Expansion of the Justice on Wheels program in Davao Region
6. Establishment of a Justice Zone and Justice Hubs in Davao Region
7. Sustain the Hustisyeh! (Case decongestion program)
8. Improvement of the NPS Case Management System
9. Develop and establish the National Justice Information System
10. Review and rationalize legal fees
11. Implementation of the Recognizance Act
12. Sustain the DOJ Action Center

13. Creation of a DOJ Academy
14. Creation of Central Repository or Database of Evidence
15. Implementation of the NBI Modernization Law
16. Improvement of the ICT infrastructure of the courts and prosecution pillars
17. Harmonization and streamlining of procedures and documentary processes for seamless case management
18. Adopt uniform templates for court-bound and court-issued papers to reduce time gaps to the minimum

**Intermediate Outcome 2:** Capacity and quality of the region's correctional facilities, and rehabilitation and restoration services enhanced

1. Expansion of BJMP's eDalaw Program
2. Implementation of the BuCor Modernization Act
3. Construction of additional dormitories (5) at the DPPF
4. Expansion of perimeter fences at the DPPF
5. Construction of water utility and drainage and sewerage system at the DPPF

6. Construction of a power rehabilitation project at the DPPF
  7. Oplan R.O.D.Y.
    - Removal and punishment of scalawags and personnel/ officers involved in illegal drug trade and corruption,
    - Offensive operations versus Illegal Drugs inside Jail Facilities,
    - Decongestion of jails and disbandment of Inmates' gangs protecting drug lords
    - Yes to discipline and control of inmates through effective classification and segregation of inmates and adoption of a unified jail system
  8. S.P.B. Program (Supilin, Putulin at Baguhin ang maling sistema ng pamamahala ng mga piitan)
  9. Additional Construction of fifty-one (51) cells for BJMP XI pending approval of the Department of Budget and Management
  10. Completion of provincial rehabilitation centers of BJMP XI
  11. Expansion of the Task Force Katarungan and Kalayaan
  12. Site development plan of all jail facilities up to 2021
  13. Construction of additional dormitories, and expansion and improvement of perimeter fences, drainage and sewerage system, water system, and power rehabilitation project at DPPF.
  14. Continuing program for the Inmates Welfare and Development.
  15. Specialized Training/Seminars for Personnel (Hostage Negotiation, Firearms Proficiency, Gender Sensitivity and Refresher Courses)
  16. Full computerization of inmate records and other prison management processes (Inmate Management Information System)
- Intermediate Outcome 3:** Access to justice expanded, and community support for justice enhanced
1. Conduct of IEC Campaigns to increase citizen engagement and promote swift and fair administration of justice
  2. Formulate an incentives framework for the *Katarungang Pambarangay*, including strengthening the *Lupong Tagapamayapa Incentives and Awards (LTIA) Program*
  3. Strengthen and expand capability building programs for members of the *Katarungang Pambarangay*
  4. Sustain the Integrity Management Program of the Ombudsman
  5. Extended Assistance in Crisis Situation (E-AICs)
  6. Temporary Shelter and Livelihood Program of DSWD XI





07

Promoting  
Philippine Culture  
and Values



# Promoting Philippine Culture and Values

Cultural diversity is any collective mixture of people set apart by similarities and differences. It is expressed most notably in culture, arts, music, folklore, literature and skills practiced by different ethno linguistic groups which, over periods of cohabitation, created what has become the distinct cultural features of the regions and provinces of the country where they live. From the point of view of the government, the focus on cultural diversity is on the acceptance and respect of the uniqueness of all groups and their primary need for growth and development.

The Davao Regional Development Plan (RDP), 2017–2022 gives importance to building better relations among people for social cohesion and more and better interactions among members of a society where different cultures thrive and flourish. Culture provides people with a sense of identity, purpose and belonging. It offers a summation and distillation of the past that provides sound basis for living in the present and marching into the future.

## I. Assessment and Challenges

### Assessment

There are more than one hundred ethno linguistic groups in the Philippines (NCIP, 2010), about 61 percent of whom are in Mindanao, 33 percent in Luzon, and 6 percent in the Visayas. Ethno linguistic groups in Mindanao is divided in three main groups. These are the *Lumads* composed of the 18 ethnically distinct groups of indigenous peoples; the Moros, who are indigenous groups that embraced Islam and their inhabitants are mostly located in Bangsamoro areas; and the Christian Filipino settlers.

In Davao Region, the Lumads include the B'laan-Tagacaolo, Ata Manobo, Bagobo-Tagabawa, Dibabawon, Mandaya, Mangguwangan, Mansaka, Guiangan/Klata, Matigsalog, and Ovu Manuvu. The Moro or Islam ethnic group include the Sama, Iranun, Kagan, Maguindanaon,

Maranao, and Tausug. These ethnic groups speak different languages. Based on the *Listahanan* of the Department of Social Welfare and Development (DSWD) in 2015, about 44.14 percent or 681,972 of the total poor population in Davao Region are indigenous peoples (IPs). Fifty-three percent of these IPs group are male and 47.7 percent are females.

The United Nations Educational, Scientific and Cultural Organization (UNESCO) provided a comprehensive conceptual framework for describing and analyzing the multifaceted relationship between culture and development. This framework includes seven (7) interconnected policy dimensions, as follows: economy, education, governance, social participation, gender equality, communication and heritage.

## Culture-Responsive Education

The government follows a traditional approach to basic education which is “equal education for all” within a single national secular educational system. Ethno linguistic groups must be “absorbed” into the national system, with a standard curriculum. In later years, the Department of Education (DepEd) implemented the Madrasah education, which prescribes Arabic and Islamic values. In 2012, DepEd instituted a National Indigenous Peoples Education (IPEd) Program to make the curriculum culturally responsive to the specific community context of IP learners.

In Davao Region, public school enrolment in the IPEd program had increased, from 120,308 enrolled learners recorded in SY 2011-2012 to 219,242 in SY 2015–2016 for elementary, and 23,303 in SY 2011-2012 to 58,864 in SY 2015–2016 for the secondary level. In SY 2013-2014, Madrasah Programs through Arabic Language and Islamic Values Education (ALIVE) in public schools had 11,979 enrolled learners for elementary and 243 for secondary learners.

Aside from the Madrasah and IPEd, the government also provided scholarship programs to IPs and Moro students for tertiary and technical vocational education. However, there were issues on difficulty of competing with thousands of applicants in view of qualification requirements of scholarship-granting agencies. On December 15, 2015, the Regional Development Council (RDC) XI passed Resolution No. 82 creating a Technical Working Group to study scholarship concerns of IPs. Another issue is the lack of public schools in geographically isolated and disadvantaged areas (GIDA) in Davao Region. As of the first quarter of 2016, NCIP XI, in coordination with DepEd XI and DSWD XI, identified 72 school sites for the construction of school buildings for the IPs. Of the total, 33 school sites are proposed

to be located in Davao del Norte, 10 in Compostela Valley, 17 in Davao Oriental, 5 in Davao del Sur, 2 in Davao Occidental and 5 in Davao City.

## Relevance of Communication in Cultural Development

Communication plays a vital role in ensuring pluralism by allowing a diversity of voices to express themselves and be accessible to others. Freedom of thought, expression and information, as well as, diversity of the media and access of digital technologies, such as the Internet enable cultural expressions to flourish within societies (UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions, October 2005).

Coverage on cultural diversity in television, radio and newspapers including social media is limited. On the other hand, members of the IP and Moro communities have also expressed their apprehension over the commoditization of their cultural knowledge. There is also the issue on intellectual property rights involving customs and traditions. NCIP XI came up with its official publication called *Bal’law*” which publishes cultural stories and rights issues of IPs, among other concerns.

## Cultural Governance

Cultural governance deals with regulations, policies, measures, institutional mechanisms and cultural infrastructures put in place by public authorities to strengthen cultural processes, and protect and promote cultural diversity in all its forms, including the exercise of cultural rights (*UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions, October 2005*).

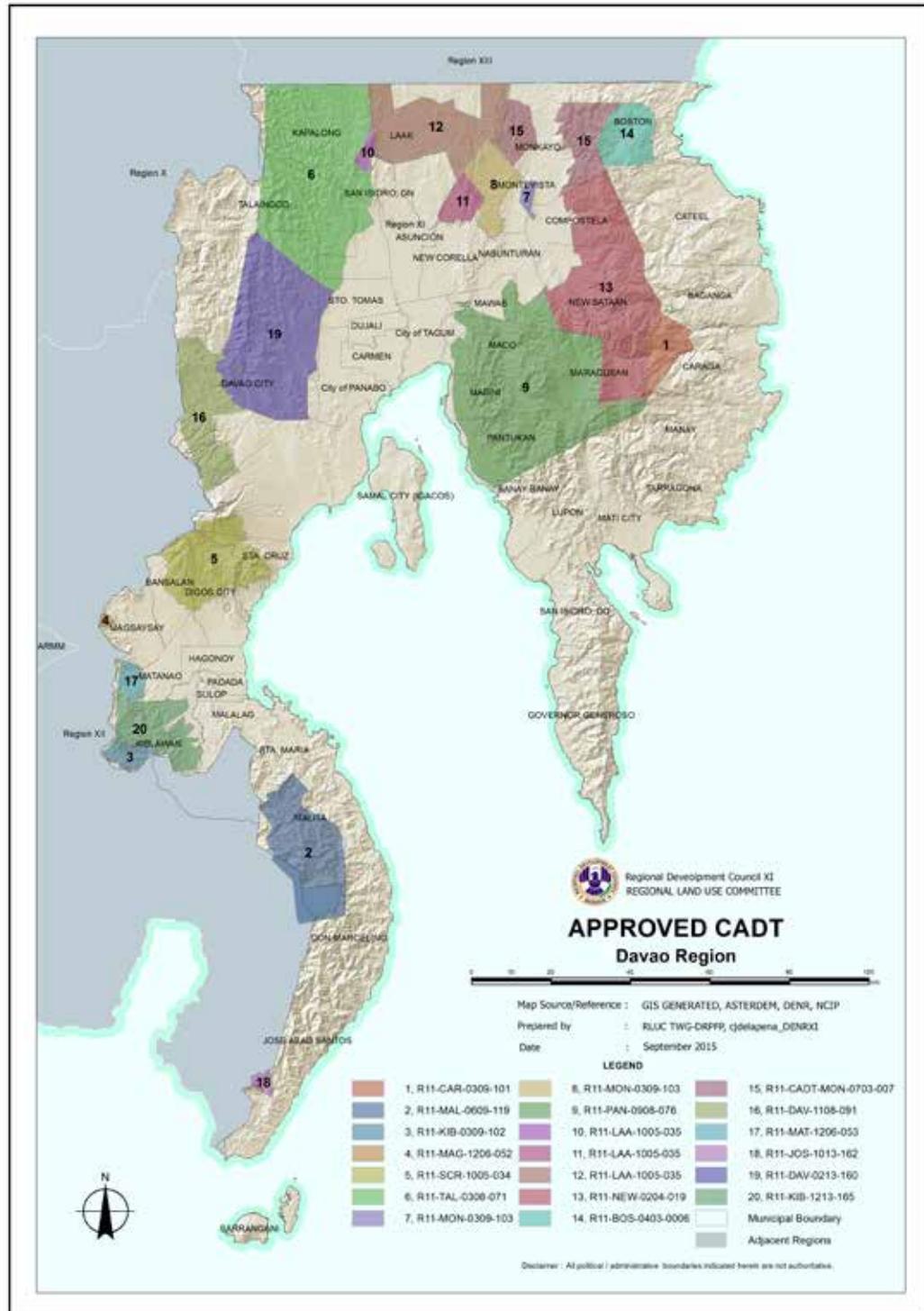
The Indigenous Peoples Rights Act (IPRA) provides the principal framework in which indigenous peoples rights must be

considered. The Certificate of Ancestral Domain Title (CADT) is considered by IPs/Indigenous Cultural Communities (ICCs) to be a step forward for more secure community property rights. From 2003 to 2013, NCIP XI has awarded twenty (20) CADTs to 182,376 indigenous peoples beneficiaries covering 746,734.06 hectares of land (*Figure 7.1*). In 2015, an additional three (3) CADTs were approved by the Commission En Banc, with 42,362 hectares of ancestral domain lands delineated and titled. Based on the Updated Davao Regional Development Plan, 2014–2016 end-of-plan target, 55.4 percent or 52,638 hectares of land still need to be delineated and titled up to 2016. The region was also able to prepare and turnover sixteen (16) Ancestral Domain Sustainable Development and Protection Plans (ADSDPPs) in the 1<sup>st</sup> semester of 2016 to 16 IP communities. However, the programs and projects of IPs in the ADSDPPs were not integrated in the local plans of the concerned LGUs, as well as in the plans and programs of regional line agencies.

There were other laws enacted by the government which impact on ancestral lands, such as the Philippine Mining Act of 1995, the National Integrated Protected Areas System (NIPAS) Act, Forestry Code of the Philippines, Renewable Energy Act of 2008 and the Comprehensive Agrarian Reform Program (CARP). Joint DAR-DENR-LRA-NCIP Administrative Order No. 01, s. 2012 was issued on January 25, 2012 to clarify, restate and interface the respective jurisdictions, policies, programs and projects of the Department of Agrarian Reform (DAR), Department of Environment and Natural Resources (DENR), Land Registration Authority (LRA), and the National Commission on Indigenous Peoples (NCIP) in order to address jurisdictional and operational issues between and among the agencies. However, there are still rampant mining operations and other projects in ancestral

domain lands, particularly agrofuel plantations, construction of large dams, logging, renewable energy projects and new forms of land grabbing such as the use of priority and usufruct rights to privatize and commercialize indigenous lands and non-compliance to the Free and Prior Informed Consent (FPIC) by national government agencies (NGAs) and other private groups. The RDC XI passed Resolution No. 35 on June 24, 2015 creating a TWG to address the prevailing issues and concerns in the implementation of the Joint DAR-DENR-LRA-NCIP Administrative Order No. 01, s. 2012. There was also the issue on human rights violation among cultural minorities.

Figure 7.1. Certificate of Ancestral Domain Titles, Region XI, 2013



## Cultural Heritage

Cultural heritage is, in its broadest sense, both a product and a process which provides societies with a wealth of resources that are inherited from the past, created in the present and bestowed for the benefit of future generations. Most importantly, it includes not only tangible, but also natural and intangible heritage (*UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions, October 2005*).

Davao Region had some of the famous museums in the country, such as the Museo Davaoeño and the Davao Museum, both located in Davao City, and the Subangan Museum in Davao Oriental. These museums showcase the rich history and diverse cultural heritage of the people of Davao Region. The Region has also a cultural Village known as the *Tribu K' Mindanawan Cultural Village* located in the municipality of Sta. Cruz, Davao del Sur. The cultural village showcase the Bagobo and Kalimudans native tribes of the region. This village best represents the Bagobos' and Kalimudans' genuine desire to unify their people and preserve their culture. This desire has become so moving that they have built a growing tribal village with landscapes and lifescapes of the ancestral homeland of the indigenous peoples. To support this cultural village, the Department of Tourism (DOT) has offered tourists immersion packages in the Tibolo Cultural Village known as Volun-Tourism. This package promotes learning experiences for both the traveling tourists and the local communities. It ensures that both parties are mutually benefited from such cultural exchange.

The Region has one of the six (6) *UNESCO World Heritage Sites*, which is the Mount Hamiguitan Range Wildlife Sanctuary located in Davao Oriental. It is the only mountain range heritage site in the country. Although the LGU of Davao Oriental

has allotted funds for the protection, conservation and safeguarding of the natural heritage site, particularly threatened species in Mt. Hamiguitan, reports on poaching persisted. The Region also celebrates annual cultural festivities such as the Kadayawan Festival of Davao City, the Musikahan Festival of Tagum City, which is held every February; the Kadagayaan Festival of Davao del Norte, which is celebrated every June; the Bulawan Festival in Compostela Valley; the Lubmahuma Festival in Davao Oriental, and Bansaulog in Davao del Sur.

Although NCIP has started data collection and documentation of IP customary laws, dialects and practices, there are still numerous tangible, intangible and natural heritage that were not yet documented and preserved. Government and stakeholders' commitments are critical factors for the protection, safeguarding, sustaining and valorization of these cultural heritage.

## Economic

Over the years, culture as a productive sector has played an important role in national, regional and local economies. Cultural activities and industries are becoming drivers for growth, enabling the diversification of economies, generating income and creating employment in the localities.

One example of cultural economic activities of the IPs is the production of the famous Mansaka wine in Maragusan, Compostela Valley. The Mansakas are the best producers of "bya-is wine"; their skills and technology are passed on through generations. Bya-is is part of the Mansaka's culture and identity. Through the help of NCIP and the local government of Compostela Valley, the Micro-Enterprise Center and Incubation Project for Mansaka Wine Production was established in December 2015. Another initiative is the mining industry in Compostela Valley which is a viable source

of income for the IPs in the area. To ensure the IPs' group receive just share of revenues of the mines extracted from the ancestral domains, NCIP, in coordination with the Local Government Unit of Compostela Valley, initiated the crafting of a local policy that advocates for the compliance of the Extractive Industry Transparency Initiative (EITI).

The demand and consumption of cultural and creative products are high, however, there is no data to support the contribution of the private and formal cultural activities to Davao Region's GRDP, including persons engaged in cultural occupations within the total employed population, as well as the household final consumption expenditures on cultural activities, goods and services set against the total household consumption expenditures.

### *Social Participation*

The right to participate in cultural life is a universal human right enshrined in the Universal Declaration of Human Rights, which states that "Everyone has the right to freely participate in the cultural life of the community, to enjoy the arts and to share its scientific advancement and its benefits" (Art. 27). Moreover, the International Covenant on Economic, Social and Cultural Rights calls on states to recognise the right of everyone to take part in cultural life (Art. 15.1.a).

The Local Government Code (LGC) provides for sectoral representation in local legislative bodies. Rule IV, Section 6 of the Indigenous Peoples' Rights Act (IPRA) of 1997 provides for the mandatory representation of ICCs/IPs in all policy making bodies and in local legislative councils. The RDC XI, the highest policy making body in the region, has an IP private sector representative (PSR). However, as of December 2016, not all the Provincial/ City/ Municipal Development Councils in Davao

Region have IP representatives.

To provide a venue for representation and discussion of IP issues and concerns, NCIP conducted its 7<sup>th</sup> Mindanao Cluster Conference on April 20–23, 2016. The conference was called amidst prevalent issues of Lumad killings, discrimination, abuse and participation of IPs in rallies organized by the militant groups. As a result of the conference, IP leaders, elders, women and youth shall be given the opportunity to participate in information in information education campaigns, dialogues and capacity building, as well as involve them in the planning process and implementation of programs and projects. This kind of social participation will strengthen their capacity to decide and govern their own activities.

### *Gender Equality*

Indigenous women are protected by the provisions of the UN Declaration in 2007, which calls upon States to take measures to ensure that indigenous women enjoy full protection and is guaranteed against all forms of violence and discrimination. As in other parts of the country, the experiences and challenges faced by the indigenous women in Davao Region are often similar in terms of poverty, human rights violations, lack of access to education, health care and socio-economic development.

Among the basic issues confronting indigenous women in Davao Region are: high maternal mortality due to lack of access to pre-natal care, delivery and post-partum services due to poverty, cultural beliefs and low awareness on the part of pregnant women; poor health due to poor sanitary facilities; lack of clean drinking water; and other basic needs for sustaining healthy life. The implementation of the Mindanao Indigenous Peoples Maternal, Neonatal and Child Health and Nutrition (IP-MNCHN) in 2012 has significantly led to the formulation of programs and policies

that address the maternal, neonatal, and child health and nutrition needs of ICCs/IPs in the region. In Davao Region, this project was piloted in the province of Compostela Valley. The government also had a program for the IP civil registration since many of the IPs in the region do not have birth certificates, provision of Certificates of Confirmation (COCs) of bonafide IPs and Tribal Membership Certificates for Muslims, as well as the conduct of annual Regional IP Women Summit and Regional Youth Development.

## Challenges

The following are the challenges besetting the promotion of cultural diversity in the Region:

1. Lack of data on the demographic profile of IPs and Muslim tribes in Davao Region, including the contribution of cultural activities to the GRDP of the Region, persons engaged in cultural occupations and household final consumption expenditures on cultural activities, goods and services.
2. Lack of documentation of cultural heritage, be it tangible, intangible and natural, including IP customary laws, dialects and practices.
3. Low access to basic social services of the government, particularly education where there is shortage of teachers, classrooms and other facilities in geographically isolated disadvantaged areas (GIDA).
4. Delayed issuance of CADTs.
5. Slow implementation of ADSDPPs, including the the lack of integration of ADSDPP programs and projects in the local plans of LGUs, as well as in the plans and programs of the regional line agencies.

6. Lack of promotion and conservation of cultural heritage, which include media exposures and publications for IPs' stories, culture, struggles and triumphs, including the interpretations and values of cultural customs and traditions, dances, songs and folklores, as well as issues on poaching and piracy of cultural heritage.
7. Conflict among Cultural Heritage Law, IPRA, Mining Act, NIPAS Act and CARP in the use of ancestral domain and cultural heritage resources.

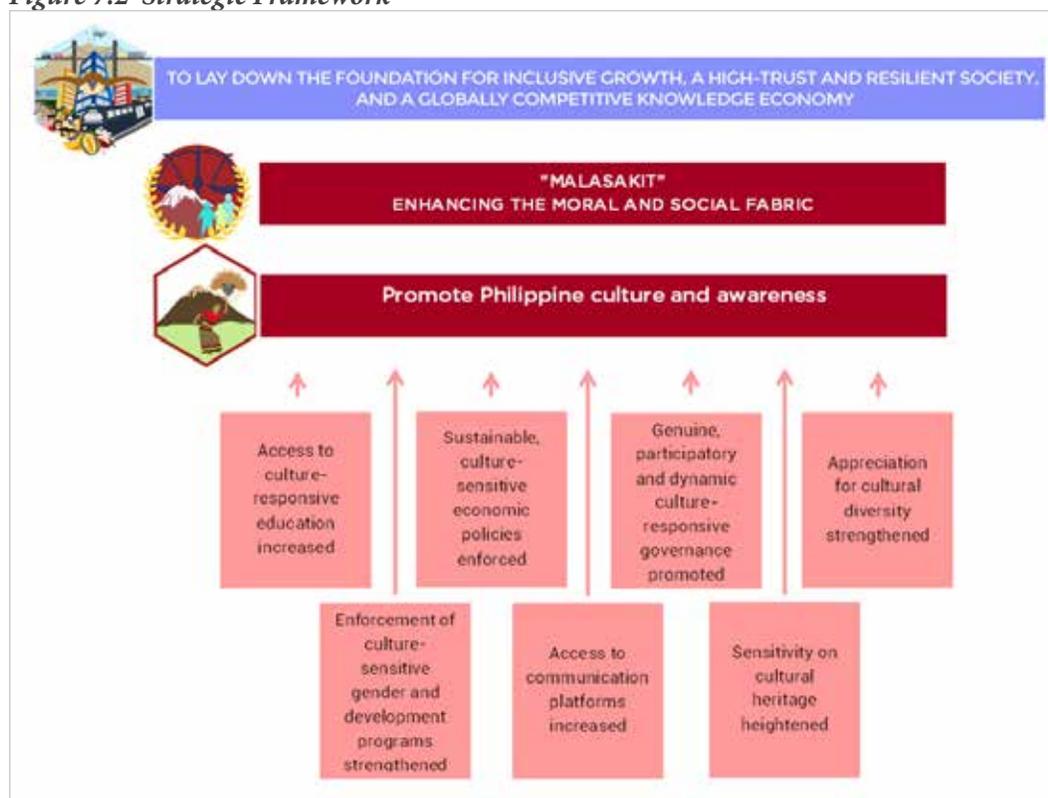
## Future Development Scenario

Some possible scenarios that may have impact on the Region's cultural resources over the next planning period are the following:

1. The UNESCO's 2005 Convention on the Protection and Promotion of the Diversity of Cultural Expressions will promote pluralism and cultural diversity in the region
2. Promotion of IP culture and arts, especially dances, could be a good entry point for the growth and development of IP cultures.
3. The conduct of festivals will provide venue for indigenous peoples to celebrate the richness of their cultures; allow cultural exchanges that will foster deeper cultural understanding to sustain a culture of peace; provide opportunity to discuss IP rights; give students and other people a chance to deepen their awareness and appreciation of indigenous cultures; recognize the expertise and contributions of indigenous communities; and, advocate for the preservation as well as integration of traditional culture into the national cultural mainstream.

## II. Strategic Framework

Figure 7.2 Strategic Framework



### Goal

The Region shall safeguard cultural diversity through culturally-sensitive and responsive governance.

### Strategic Outcomes

The Region shall pursue the following strategic outcomes:

- 1) Access to culture-responsive education increased
- 2) Access to communication platforms increased
- 3) Genuine, participatory and dynamic culture-responsive governance promoted

- 4) Sustainable and culture-sensitive economic policies enforced
- 5) Appreciation for cultural diversity strengthened
- 6) Sensitivity on cultural heritage heightened
- 7) Enforcement of culture-sensitive gender and development programs strengthened

### III. Targets

*Table 7.1 Plan Targets to Promote Philippine Culture and Values, 2017–2022*

Indicators	Baseline		End-of-plan Target
	Year	Value	
Increased IP enrollees in Indigenous Education (IPEd) Program in elementary level	2015 M	114,923	141,341
	F	104,319	128,299
Increased IP enrollees in Indigenous Education (IPEd) Program in secondary level	2015 M	27,494	36,180
	F	31,370	41,281
Increased Muslim enrollees in Madrasah Program thru Arabic Language and Islamic Education (ALIVE) in elementary level	2015	11,979	15,032
Increased Muslim enrollees in Madrasah Program thru Arabic Language and Islamic Education (ALIVE) in secondary level	2015	243	299
Increase IP scholars in tertiary education	2015	760	2,922
Increase IP scholars in TechVoc education	2015	1,560	2,764
Increase documentation of customary practices, laws, traditions, beliefs and dialects	2015	3	15
Number of culture sensitive PAPs integrated in the local plans of LGUs (including PAPs in the ADSDPP)	2015	20	60
Number of IP Mandatory Representatives (IPMR) in local legislative councils	2015	249	350

*Source: DepEd XI, NCIP XI, TESDA XI*

### IV. Priority Strategies

#### Strengthening cultural responsive education and communication program

This strategy aims to make cultural education accessible to all sectors, particularly the IPs and Muslims, as well as cultural workers, teachers, artists, among other stakeholders. This shall include (a) provision of teachers, classrooms, textbooks, and other facilities in the implementation of IPEd program and Madrasah program of DepEd, particularly in GIDAs; (b) conduct of trainings, workshops and conferences for teachers, supervisors and principals on culture-based teaching for K to 12 curriculum and instructional materials, as well as integration of culture-based contents and creative pedagogies in HEIs and TechVoc core subject areas; (c) promotion of Philippine culture images and symbols to serve as guide in the molding

of the Filipino national identity; (d) enhancement of IP and Muslim students' scholarship programs; (e) encourage capability skills training in the culture sector (e.g., archaeology, restorian, curating, digitizing, archiving, cataloguing, etc.); (f) recognition of artistic and creative talents in any form of cultural arts; (g) promotion of Schools of Living Traditions (SLT); (h) promotion of traditional Madrasah education; (i) integration of culture in school curriculum; and (j) ensuring freedom of thought, expression and information, as well as, diversity of the media and access of digital technologies, such as the internet and publications for cultural stories to enable cultural expressions to flourish within societies.

## Collaboration and networking among government, the academe, the business sector and civil society in the implementation of cultural diversity and creative arts

Strengthen collaboration and linkages among government, the academe, the business sector and civil society by encouraging the integration of culture-sensitive programs, projects and activities in their respective plans, including the conduct of research activities. This would make these entities more responsive to cultural needs, expectations and standards, particularly the implementation of the building code, land use laws, reclamation projects, local ordinances on heritage zones, national and local government projects that would traverse cultural heritage sites, tourism projects, use of alternative materials given the scarcity and protected character of indigenous building materials and issue of privacy and intellectual property rights in relation to Heritage Law (RA 10066, s. 2009).

## Generation of data on cultural heritage and creative arts

Conduct of cultural mapping, identification, classification and documentation of tangible, intangible and natural cultural heritage assets. *Other socio-economic information* to be gathered are disaggregated data on IPs and Muslim population, gender, age, educational attainment, among other population indicators, including disaggregated data on the contribution of the private and formal cultural activities to Davao Region's GRDP, as well as persons engaged in cultural occupations within

the total employed population, household final consumption expenditures on cultural activities, goods and services set against the total household consumption expenditures and the number of establishments engaged in cultural activities. Data gathering shall also involve periodic assessment of cultural resources, registry/database of heritage assets and regular updating of data. Financial and staff requirements, including capacity skills trainings are vital in data gathering. The LGUs together with the mandated agencies on cultural diversity and creative arts, including the Philippine Statistical Authority plays an important role in the generation of data.

## Strengthening culture-sensitive governance and gender equality

This involves mainstreaming cultural diversity in policies, provisions and practices in government departments and agencies in order that ethnic minorities (IPs and Muslims) have equal access to public services, which is based on gender equality, respect, trust and acceptance of these groups as equal partners in the development process. The FPIC process must be streamlined and mainstreamed in programs and projects. Such changes in governance and public administration, if adopted widely in the bureaucracy, can lead, directly or indirectly, to improving the status of IPs and Muslims. This shall also fast track the implementation of CADTs and ADSDPP, which shall strengthen cultural governance of IPs over their resources. Issues on gender equality and human rights violation among IPs and Muslims shall be reduced, if not avoided, with the implementation of these strategies.

## Conserving and promoting Davao Region's historical and cultural heritage

Cultural heritage is an essential part of the nation's identity. This would involve retrieval and conservation of artifacts of Filipino culture and history; establishment and preservation of cultural and historical monuments, markers, names and sites; recognition and preservation of endangered human cultural resources, such as weavers, chanters, dancers, and other craftsmen; conservation and development of artistic, linguistic and occupational skills that are threatened with extinction; establishment and maintenance of the region's museums, libraries, archives as repositories of cultural and historical artifacts and artistic creations, printed works, archival records, and all other materials indispensable to the study and evaluation of Filipino culture and history; documentation of cultural traditions, arts and crafts, as well as significant cultural movements, achievements and personalities especially in the literary, visual and performing arts, and in mass media.

This entails strict enforcement of key policies and measures to protect and safeguard heritage from damage (e.g. natural disasters and climate change) or illegal activity (e.g. theft of cultural objects), and elimination of poaching and piracy of natural heritage, such as flora and fauna, among others. This would also involve promotion of culture and the arts, such as mounting of events and festivals.

## Promoting voice and participation

Participation of ethnic groups in the affairs of local communities, as well as in local, regional and national development councils, shall be strengthened. Cultural groups shall be encouraged to develop their own

internal institutions; monitor and sanction compliance with their own rules based on customary laws; and establish consensus-based assemblies where individual and household voices can be heard. Cultural groups shall be involved in planning, development of programs and projects, particularly large-scale projects such as mining and dams, among others. Cultural groups must be allowed to participate fully in local, regional, national and international gatherings where issues directly affecting them are being discussed. The government shall provide capacity and skills training to empower cultural groups and help uphold their rights and increase their capacity to participate and negotiate.

## Promoting culture as a productive sector in the economy

Culture plays an important role in national, regional and local economies, hence there is a need to promote cultural activities and industries in the provinces and municipalities of the region to support economic growth and development of local economies, generate income and create employment in the localities. Production shall be enhanced in farms, fishing, weaving and handicraft making, as well as creative activities, such as cultural shows and festivals, and production of symbolic products and equipment, and other supporting materials. Support for local artists, weavers, craftsmen and cultural establishments shall be supported by incentivizing talents and production outputs.

## Promoting volunteerism in building strong diverse communities

Volunteerism is a powerful means for bringing diverse cultures into community

service. It is about people's need to participate in the development of diverse cultures, particularly IPs and Muslims in societies and to feel that they matter to others. Volunteerism in relation to cultural diversity is usually motivated by values like justice, equality and freedom to help eliminate poverty and to improve basic health and education, to tackle environmental issues to reduce the risk

of disasters or to combat social exclusion and violence/conflict. These shall create an inclusive environment, strengthen positive relationships with the local community, reinforce the innate character trait of "bayanihan" of the Filipinos and promote participation among cultures. In line with this, IP and Muslim professionals shall be engaged in leading community service and volunteerism activities.

## IV. Policy Legislative Agenda

- Harmonization of laws on cultural heritage with other laws, such as IPRA, CARP, Mining Act, Building Code, among other laws
- Modifications of Maternal, Neo-natal, Child Health, Nutrition Policies for IPs
- Integration of Ancestral Domain Sustainable Development Programs and Projects (ADSDPP) in the Comprehensive and Land Use Plans of LGUs
- Support the selection of Indigenous Peoples Mandatory Representatives (IPMRs) in the legislative branch of the LGUs
- Creation of Local Culture and Arts Council in the LGUs as mandated per DILG MC 2002-81
- Integration of cultural heritage in the national, regional and local land use plans

## V. Priority Research Agenda

- Mapping of Cultural Resources
- Baseline survey on demographic characteristics of IPs & Muslims
- Assessment of existing policies, laws, guidelines on IPs and Muslims in terms of their responsiveness to indigenous knowledge systems and practices (IKSPs)
- Creation of a Unified Cultural Statistics Database (Cultural contribution to GRDP, production, employment, household expenditures, education, etc.) disaggregated by gender and by province, among others
- Expansion of Shariah Court in Region XI
- Creation of IP Research Center

## VI. Priority Programs, Activities and Projects (PAPs)

- Indigenous Peoples' Education (IPEd) Program
- Madrasah Programs thru Arabic Language and Islamic Values Education (ALIVE)
- National Integration Scholarship Program (NISGP)
- Selected Ethnic Group Educational Assistance Program (SEGEAP)
- TechVoc scholarship Program for Cultural Minorities
- Schools of Living Tradition Program
- Construction of school buildings, classrooms and other school facilities in Geographical Isolated Disadvantage Areas (GIDA)
- Data collection and documentation of customary laws, dialects and practices of IPs and Muslims in Davao Region
- Culture and Sustainable Economic Development Program
- Indigenous Peoples' Maternal, Neonatal and Child Health and Nutrition (IP-MNCHN) Program
- Cultural heritage conservation program
- Creativity and artistic development program



PART III

**INEQUALITY-  
REDUCING  
TRANSFORMATION  
("PAGBABAGO")**





08

Expanding Economic  
Opportunities in  
Agriculture, Forestry,  
and Fisheries



# Expanding Economic Opportunities in Agriculture, Forestry and Fisheries

While Davao Region's economy is largely agriculture-based, the growth of its Agriculture, Forestry and Fisheries (AFF) remained to be the slowest among the sectors and its farmers and fishermen remained to be the poorest among the basic sectors. Thus, intensifying efforts to uplift the AFF sector would mean greater opportunities for Davao Region's populace and would lead to a more vibrant manufacturing and services sector.

Fourteen (14) out of the eighteen (18) priority industry clusters of Davao Region are agriculture and fisheries-based. Improving the productivity and quality of the agricultural and fisheries produce are expected to spur the development of the agribusiness industries and shall open up wide opportunities for the industry clusters to engage in the global value-chains.

## I. Assessment and Challenges

### Assessment

The development objectives for the agriculture, forestry and fisheries sector by 2016 were the following: increased production and labor productivity, improved food security, increased resilience to climate change risks and external shocks; and improved agricultural governance.

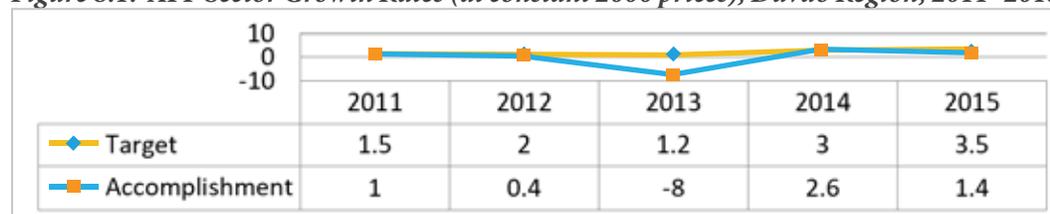
### *Production and Productivity Increased*

#### **Gross Value Added (GVA) of the Agriculture, Hunting Forestry and Fishery (AHFF) Sector**

The Agriculture sector had been performing below targets during the period 2011–2015. From a baseline of 2.7 percent in 2010, the AFF sector has slowed down in the succeeding years, hitting negative 8 percent in 2013 (*Figure 8.1*).

The negative growth of 8 percent in 2013 was largely attributed to the onslaught of Typhoon Pablo in December 2012, which damaged agricultural production areas and critical infrastructure, such as irrigation facilities and farm-to-market roads.

**Figure 8.1. AFF Sector Growth Rates (at constant 2000 prices), Davao Region, 2011–2015**



Source: PSA XI

Aside from Typhoon Pablo, the Region was also affected by Typhoon Crising and low pressure area (LPA) Agaton in the early part of 2013. The Region’s agricultural production was also badly affected by the El Niño Phenomenon in 2015.

The closed fishing season implemented in Davao Gulf also affected the performance of the AHFF Sector.

Similarly the poor performance of the forestry sub-sector pulled down the overall performance given the continuing decline in log production. From a log production of 101,583 cu.m. in 2013, it dropped by 54.7 percent in 2014 to 45,980 cu.m. and further reduced by 37 percent in 2015 or a production of about 28,946 cu.m.

The decrease in production was brought about by the strict implementation of Executive Order (EO) No. 23, series of 2011 which declared a moratorium on the cutting and harvesting of timber in the natural and residual forests. The EO likewise directed the

Department of Environment and Natural Resources (DENR) to close and prohibit the operation of sawmills, veneer plants and other wood processing plants that are unable to present proof of sustainable sources of legally cut logs for a period of at least five (5) years from the issuance of the Executive Order.

While Davao Region is largely agriculture-based, the sector’s contribution to the Region’s total output is consistently the lowest among the sectors. On the average, the AHFF sector’s contribution to the Gross Regional Domestic Product (GRDP) is lowest at 17 percent from 2010–2015, compared to the Services sector’s 52 percent and Industry sector’s 31 percent (*Table 8.1*).

**Table 8.1. Gross Regional Domestic Product, By Industrial Origin  
2010 to 2015, Percent Distribution at Constant 2000 prices, Davao Region**

INDUSTRY/YEAR	2010	2011	2012	2013	2014	2014	AVERAGE
AHFF	10.8	19.2	17.9	15.4	14.5	13.6	16.7
Industry	29.5	28.6	29.3	31.8	33.2	34.3	31.1
Services	50.7	52.2	52.8	52.8	52.4	52.1	52.2

Source: PSA XI

In terms of agricultural labor productivity, Davao Region was unable to hit targets for

2011 to 2013. An improvement, however, was noted from 2014 to 2015. (*Figure 8.2*)

**Figure 8.2. Labor Productivity (AHFF sector), Davao Region 2013–2015 (Target vs. Actual)**



Source: PSA XI

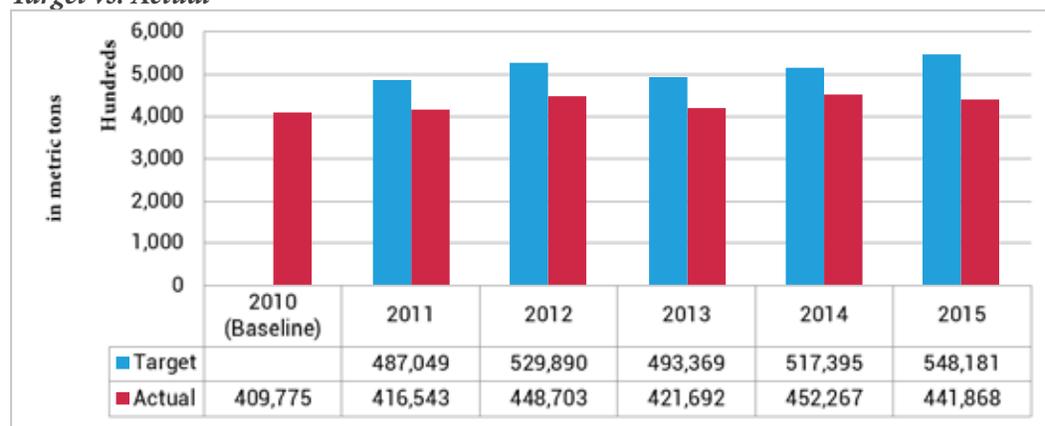
### Crop Production

#### a) Palay

The Region was unable to hit production targets for palay for the period 2011–2015. During the same period, production levels for palay were fluctuating. Among other reasons, the drop-in production was attributed to delayed cropping in Davao del Norte, Compostela Valley and Davao del Sur, late onset of rainfall, and conversion to cacao farming in Davao City. Area

harvested/planted to rice decreased from 103,822 hectares in 2014 to 97,789 hectares in 2016 or a reduction of 6,033 hectares. The dry spell brought by El Niño and other weather disturbances during the period also affected overall production (Figure 8.3).

**Figure 8.3 Volume of Palay Production (mt), Davao Region, 2010–2015 Target vs. Actual**

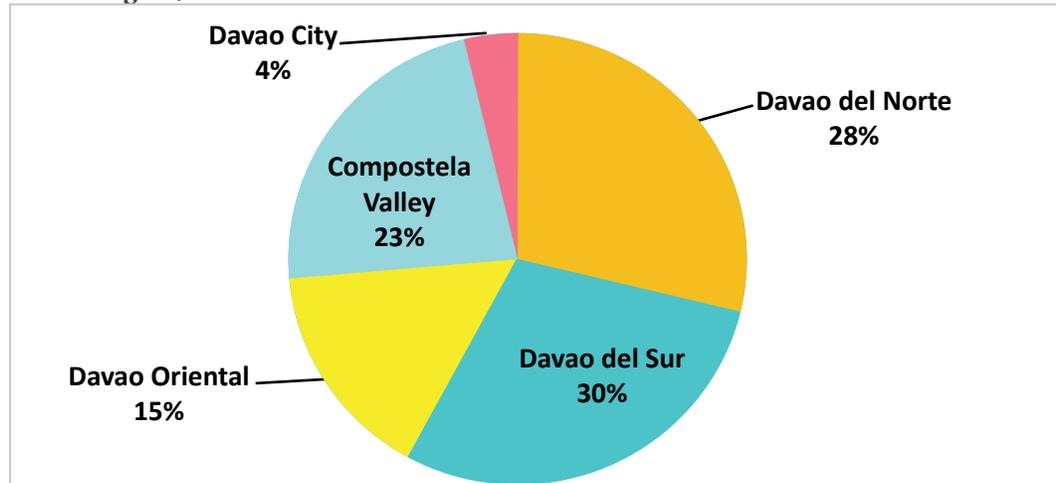


Source: DA XI

Davao del sur was the top producer of palay, contributing an average of 30 percent to total production, followed by Davao del Norte and Compostela Valley with 28 percent and

23 percent, respectively. Davao City was the lowest contributor with a 4 percent share (Figure 8.4).

**Figure 8.4. Share of Provinces/City to Total Palay Production (mt) Davao Region, 2010–2015**



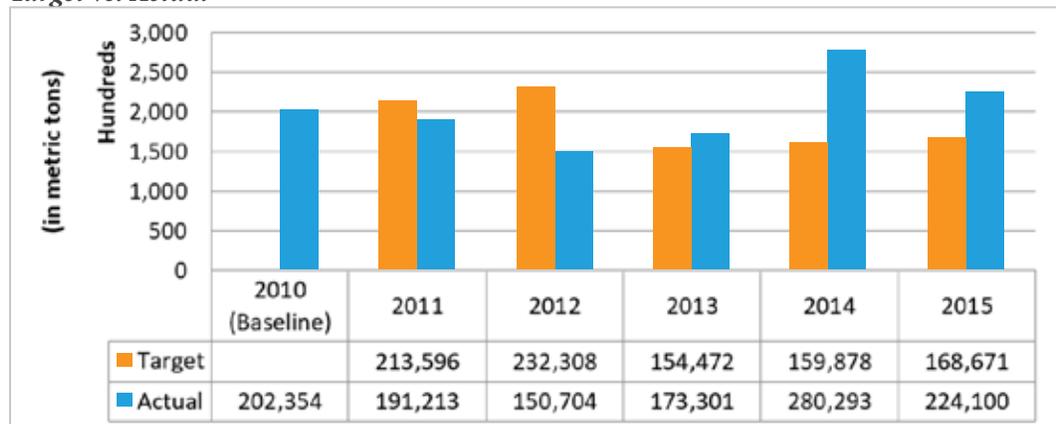
Source: PSA XI

**b) Corn**

Corn production grew at an average of 2.1 percent from 2010 to 2015. Target production levels were achieved from 2013 to 2015. The highest production level was registered in 2014 with 280,293 metric tons but dropped by 20 percent the following year although still above the target level in

2015. Among the reasons for the decline in production in 2015 were the following: decline in area harvested, hot weather, insufficient rainfall, dry spell, delayed cropping in Davao del Norte and Oriental, less LGU seed subsidy in Davao del Sur and Davao City (Figure 8.5).

**Figure 8.5. Volume of corn production (mt), Davao Region, 2010–2015 Target vs. Actual**

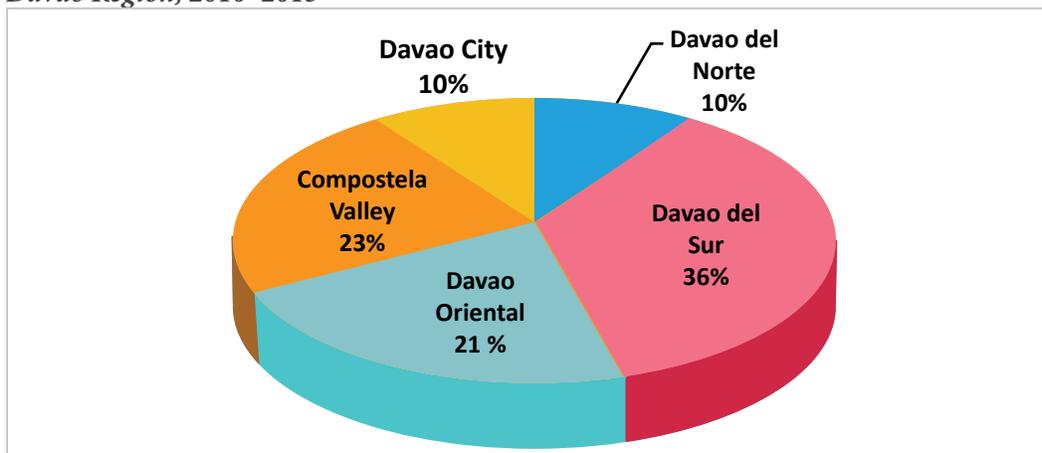


Source: PSA XI/DA XI

On the average, Davao del Sur was the top producer of corn, contributing 36 percent of the region's total production, followed by Compostela Valley and Davao Oriental.

(Figure 8.6). Areas harvested to corn also reduced from 146,983 hectares in 2014 to 136,381 hectares in 2016, a reduction of 7 percent or an estimated 10,602 hectares.

**Figure 8.6. Share of Provinces/City to Total Corn Production (mt)  
Davao Region, 2010–2015**



Source: PSA XI/DA XI

### c) Major Crops

Except for cacao, Davao Region was unable to meet its production targets for major crops, including banana, durian, coconut, coffee and abaca for the period 2011 to 2015 (Table 8.2).

Region exported 1.54 million kilos of cocoa beans valued at approximately 4.5 million US dollars, a significant improvement of 780 percent from the 195,482 thousand kilos of cocoa beans exported in 2010 and 890 percent higher than the 503,065 US dollars in export earnings.

Cacao production has been steadily increasing since 2010, growing at an average of 6.7 percent from 2010 to 2015. The Region was consistently the top producer of cacao, contributing approximately 80% of the total output.

There has been renewed interest in the cacao industry given the increasing demand for cocoa beans, a significant raw material in the processing of value-added cocoa-based products in the food, cosmetics, and pharmaceutical sectors.

The huge demand in cacao worldwide and the increasing trend in farm gate prices over the years encouraged the establishment of new cacao communities and existing cacao farming communities to expand. In 2015, the

**Table 8.2. Volume of Production of Major Crops (mt), Davao Region, 2010–2015**  
*Actual vs. Target*

	Banana	Durian	Cacao	Coconut	Coffee	Abaca
<b>Baseline (2010)</b>	3,939,600	49,834	3,550	2,712,766	26,154	9,842
<b>2011</b>						
Actual	3,854,845	50,851	3,617	2,627,248	20,465	9,226
Target	4,139,044	58,002	3,591	2,733,790	26,625	10,176
Actual vs. target %	93	88	101	96	77	91
<b>2012</b>						
Actual	3,785,422	67,780	3,763	2,715,089	18,950	8,577
Target	4,348,586	67,509	3,633	2,754,977	27,104	10,522
Actual vs. target %	87	100	104	99	70	82
<b>2013</b>						
Actual	3,146,641	70,064	3,844	2,265,374	12,389	7,223
Target	3,823,276	68,479	3,838	2,744,955	19,139	8,663
Actual vs. target %	82	102	100	83	65	83
<b>2014</b>						
Actual	3,368,176	62,768.76	4,365.90	2,336,584	11,792	7,481
Target	3,861,509	69,231	3,934	2,777,894	19,369	8,923
Actual vs. target %	87	91	111	84	61	84
<b>2015</b>						
Actual	3,455,014	67,697	4,920	2,289,943	11,681	8,300.21
Target	3,900,124	70,062	4,052	2,816,785	19,620	9,280
Actual vs. target %	89	97	121	81	60	89
<b>AAGR</b>	-2.6	6.3	6.7	-3.3	-14.9	-3.4

Source: PSA XI/DA XI

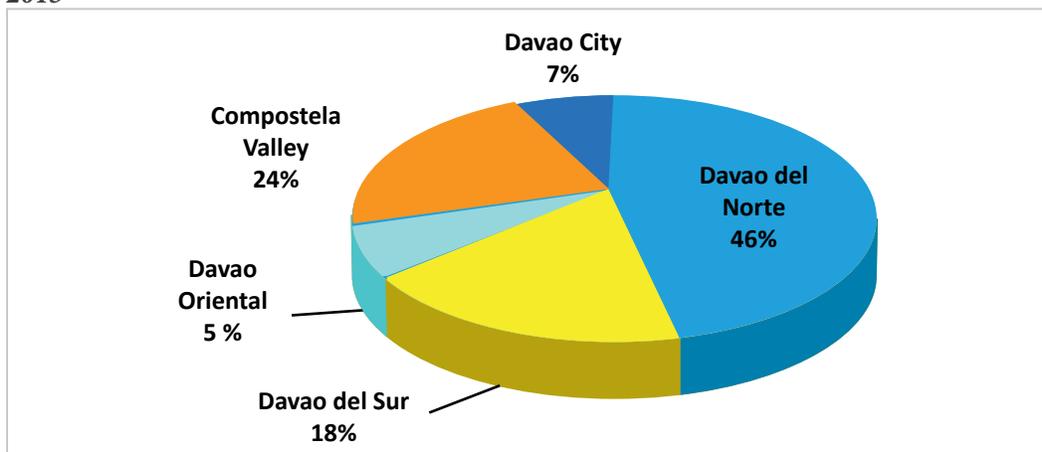
The Region also failed to achieve its banana production targets for the period 2011–2015, although remaining as the country’s top contributor to national production at 40 percent. The biggest drop in banana production was 16.4 percent in 2013. The decline was attributed largely to Typhoon Pablo which damaged agricultural areas.

However, the Region was able to recover from the devastation, posting 6.43 percent and 2.58 percent growth in production levels in 2014 and 2015, respectively. The growth was attributed to the increase in bearing hills and area harvested in all provinces.

Among the Region’s provinces, Davao del Norte was the biggest producer of banana contributing 46 percent to the Region’s total output in 2015, followed by Compostela

Valley and Davao del Sur contributing 24 percent and 18 percent, respectively (*Figure 8.7*). Among the varieties grown in the Region are Cavendish and Saba/Cardaba. Cavendish Banana is being produced mainly for export to countries like Japan, Iran, China and Korea. Cardaba bananas, on the other hand, are being processed into banana chips and crackers for Vietnam, China and the USA while dried bananas are for the Vietnam, Japan and Saudi Arabia markets. Banana remained one of the Region’s top export commodities, generating earnings amounting to US\$392 million in 2015. However, this was 63 percent lower than the export earnings generated in 2014 at US\$1.05 billion.

**Figure 8.7. Share of Provinces/City to Total Volume of Banana Production, Davao Region, 2015**



Source: PSA XI/DA XI

Coconut was also one of Davao Region’s major crops and top export commodities. The Region contributed an average of 17 percent to the country’s total production.

However, it was unable to meet its production targets for the period 2011–2015. As with other commodities, the biggest drop in production was noted in 2013 due to Typhoon Pablo, which devastated the Region’s biggest coconut plantations in Davao Oriental. Durian, known as the king of fruits, is also prominently produced in Davao Region. Fresh durian has gained popularity in the domestic and export markets. Davao Region contributed an average of 80 percent to the country’s total production from 2011 to 2015. Durian production in the Region grew at an average annual rate of 6.3 percent throughout the five-year period.

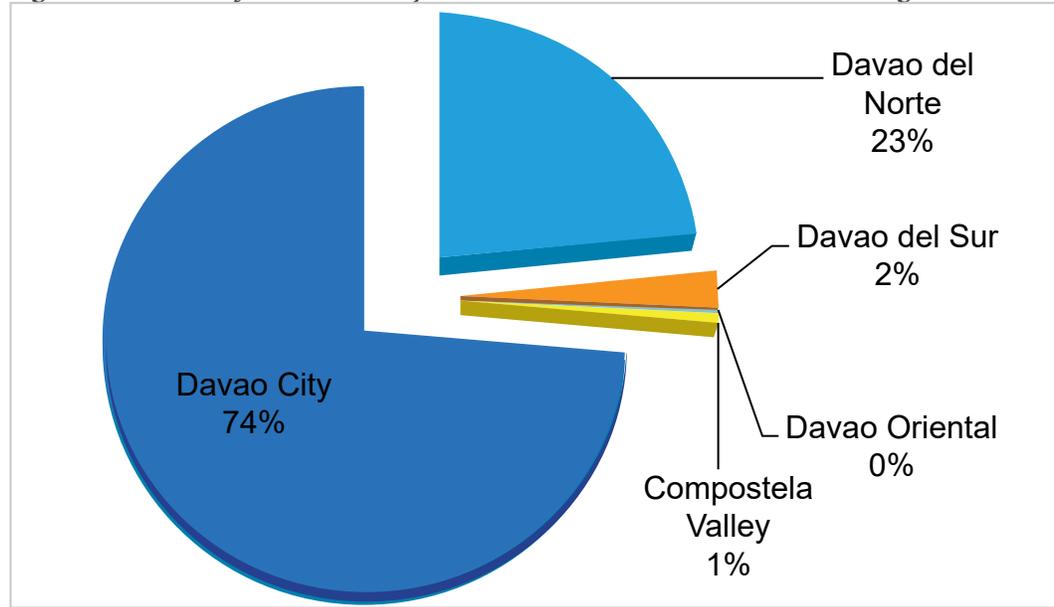
However, despite the growth, the Region fell short of its target production volumes for the same period due to less fruiting and

cyclical change in production in Davao City. Davao City was the top producer of Durian, contributing 74 percent to the Region’s total production in 2015, or an estimated 49,831 metric tons (Figure 8.8).

The Region did not also meet its coffee production targets. Among the reasons for the decline in coffee production was shifting of farmers to banana production in Compostela Valley and Davao City and pruning of some trees in Davao Oriental.

Similarly, abaca production posted an average rate of negative 3.4 percent from its baseline of 9,842 metric tons in 2010, to 8,300 metric tons in 2015. As with other crops, Typhoon Pablo affected abaca-producing areas in the Region. The situation improved in 2014 and onwards due to increased area harvested in Davao del Sur and Davao Oriental. Further, production areas in Compostela Valley were able to recover from the effects of Typhoon Pablo.

Figure 8.8. Share of Provinces/City to Total Durian Production, Davao Region, 2015



Source: PSA XI/DA XI

Other factors that affected production include issues on land tenure, specifically the low rate of completion in the distribution of CARP areas to agrarian reform beneficiaries, as well as, delineation of ancestral domain lands and issuance of CADTs.

There are also some issues that need to be addressed to fully tap the export market for Davao Region's agricultural produce, particularly on access to market information which may be addressed through the agricultural attaches.

#### d) Livestock and Poultry Production

In general, the volume of livestock and poultry production has improved over the 2010 baseline, although plan targets were not achieved for certain years. Average annual growth rates for the period 2010 to 2015 were 2.3 percent for pork, 2.2 percent for beef, 0.5 percent for carabeef and 3.9 percent for chicken (Table 8.3).

The improvement in the production of carabeef was brought about by increased slaughtering activities in Davao City, Davao Oriental, and Davao del Norte. The

increased production of beef, on the other hand, was attributed to the intensified dispersal in Davao del Sur as a result of increase in slaughtering activities and larger outflow volume of live cattle to supply Davao City's huge requirement.

The Increase in swine production was attributed to farm expansion in Davao del Sur and from backyard farms in Davao City. On the other hand, the increase in chicken production was attributed to the expansion of broiler farms, more layers and less culling.

**Table 8.3 Volume of Production of Livestock and Poultry (mt) Davao Region, 2010–2015, Actual vs. Target**

	Pork	Beef	Carabeef	Chicken
<b>Baseline (2010)</b>	127,702	11,437	12,617	60,741
<b>2011</b>				
Actual	130,895	11,814	13,248	62,891
Target	132,103	11,724	12,677	62,677
Actual vs. target (%)	101	99	96	100
<b>2012</b>				
Actual	134,167	12,204	13,910	67,423
Target	134,605	11,441	12,213	64,227
Actual vs. target (%)	100	94	88	95
<b>2013</b>				
Actual	136,624	11,492	12,335	66,154
Target	133,847	11,854	11,740	67,381
Actual vs. target (%)	98	103	95	102
<b>2014</b>				
Actual	138,947	11,544	12,520	68,337
Target	136,239	12,445	11,985	68,424
Actual vs. target (%)	98	108	96	100
<b>2015</b>				
Actual	141,726	11,596	12,771	70,729
Target	143,308	12,747	12,943	73,582
Actual vs. target (%)	101	110	101	104
<b>AAGR</b>	2.3	2.2	0.5	3.9

Source: PSA XI/DA XI

### e) Fisheries and Aquaculture Production

In general, Davao Region failed to achieve its targets for commercial, municipal and aquaculture production during the period 2011 to 2015, although there were certain years when targets were achieved for commercial and aquaculture production (Table 8.4).

A drop in commercial fisheries production was observed in 2014 and 2015. The low production was attributed to the closed season implemented in Davao Gulf, reduction in the number of fishing boats in Davao del Sur and decrease in the volume of fish catch in Davao Oriental.

In 2014, municipal fishing dropped to its lowest level due to decreases in both marine and inland fishing. For marine municipal

fisheries, there was less fish catch due to the tropical storm in Davao Oriental and southwest monsoon in Compostela Valley during the third quarter, as well as, strong winds in Davao del Sur and Davao City. For inland municipal fisheries, there were less fishing activities because some fishermen engaged in better income-generating activities such as farming and mining in Compostela Valley. Aquaculture production in the Region, on the other hand, was better off due to increased marine and brackish water fishcages, marine fishpens, and seaweed farms.

**Table 8.4. Fish Production (mt), by Type of Production, Davao Region Actual vs. target, 2010–2015**

	Aquaculture	Commercial	Municipal
2010 (Baseline)	28,003	12,778	28,085
<b>2011</b>			
Target	30,244	13,417	28,928
Actual	26,130	13,858	24,261
Actual vs. target (%)	86	103	84
<b>2012</b>			
Target	32,027	13,817	30,376
Actual	31,600	14,997	20,871
Actual vs. target(%)	99	109	69
<b>2013</b>			
Target	33,180	15,597	21,497
Actual	34,675	15,893.92	19,490.00
Actual vs. target(%)	105	102	91
<b>2014</b>			
Target	35,005	16,221	22,142
Actual	27,820	10,342	16,157
Actual vs. target(%)	79	64	73
<b>2015</b>			
Target	37,105	16,869	22,806
Actual	32,536	7,301	19,660
Actual vs. target(%)	88	43	86
<b>AAGR</b>	3.0	-10.6	-6.9

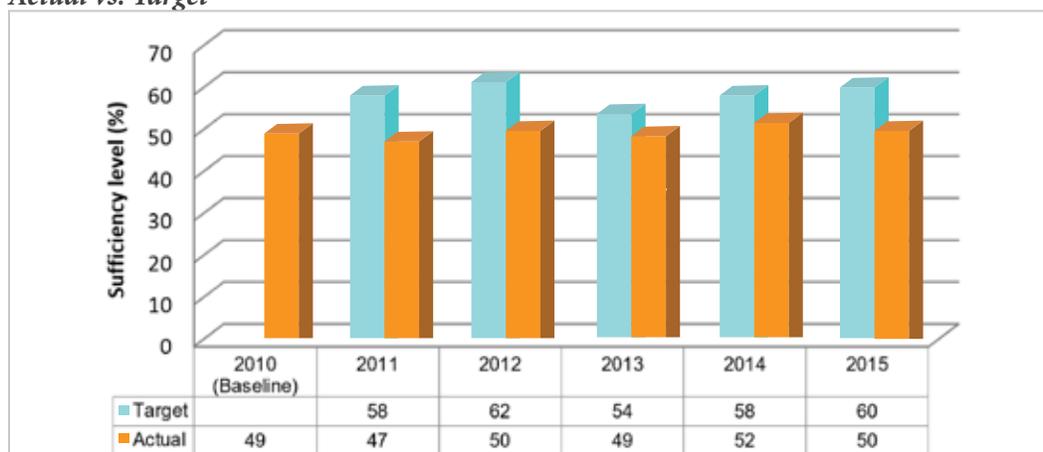
Source: PSA XI/BFAR XI

### Food Security Levels Improved

For the past five (5) years, Davao Region was not able to achieve its rice-sufficiency targets as stipulated in the RDC XI-approved Davao Region Rice Self-Sufficiency Plan, 2014–2016. Sufficiency level has barely improved since 2010. Given the trend, it is

unlikely for the Region to achieve the 84% self-sufficiency rate by the end of 2016. The Region was unable to achieve sufficiency targets since target palay production levels were not met during the period 2011–2015 while consumption has increased (Figure 8.9).

**Figure 8.9 Davao Region Rice Sufficiency Level, 2010–2015**  
Actual vs. Target



Source: DA XI

Similarly, target sufficiency levels for corn were not met. Corn sufficiency level dropped from 144 percent in 2012 to 114 percent in 2013 although there was an increase in corn production. The lower sufficiency level was caused by an increase in per capita consumption (Table 8.5).

The region, however, was able to surpass its sufficiency level targets for pork, beef, carabeef and chicken due to increased production levels.

Target fish sufficiency levels for 2014 to 2015 were not achieved due to lower production brought about by the closed fishing season implemented in the Davao Gulf.

**Table 8.5 Self-sufficiency levels (%), Davao Region, 2013–2015, Actual vs. Target**

INDICATORS/ UNIT	2013		2014		2015	
	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
Corn	146	114	148	138	154	111
Pork	195	233	195	234	195	242
Beef	73	352	73	78	73	78
Chicken	133	170	135	170	138	181
Carabeef	271	3,803	271	258	271	274
Fish	28	28	29	21	29	23

Source: DA XI/BFAR XI

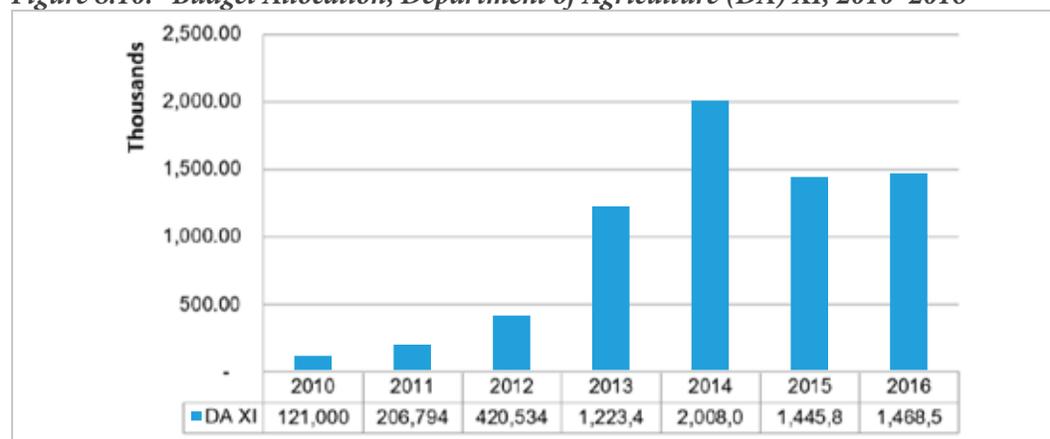
### Public Investments in Agriculture Increased

The Department of Agriculture’s budget allocation for Davao Region has increased from PhP121 million in 2010 to PhP1.4 billion pesos in 2015 or an average annual growth rate of 51.6 percent. The noticeable increase in 2013 can be attributed to the elimination of lump sum appropriations which were often lodged at the DA Central Office. In 2013, roughly 36 percent of the one (1) billion pesos allocation for Davao Region was programmed for the agency’s Farm-to-Market Road Development Program (FMRDP) and this allocation accounted for the considerable increase in the agency’s budget for the year. The rest were for the Rice, Corn, High Value Commercial Crops (HVCC) and Livestock Development Program, Davao Integrated Development Program (DIDP), among others. (Figure 8.10)

DA’s allocation further increased in 2014 due to the 87 percent increased allocation for FMRDP and 184 percent increase in allocation for PAMANA projects. The allocation for 2015 based on the General Appropriations Act (GAA) amounted to PhP1.44 billion pesos, lower than the 2 billion pesos allocation in 2014. Among other reasons, the decrease was brought about by the cessation of DA XI’s financial support to DIDP.

From 2013 to 2015, the average budget utilization rate (BUR) of DA was pegged at 91 percent. Despite the increased public investments in agriculture and the relatively high BUR of the DA, this was not able to offset the impacts of the major calamities that affected the Region during the period, viz: Typhoon Pablo, low pressure area Agaton, typhoon Crising, pests and diseases and the El Niño phenomenon which resulted to damages in crops, as well as, infrastructure and agricultural facilities.

Figure 8.10. Budget Allocation, Department of Agriculture (DA) XI, 2010–2016



Source: DA XI

### Critical infrastructure and logistics support provided

There was a noted improvement in the irrigation rate of NIA service areas in Davao Region from 2013 to 2015. NIA XI reported an irrigation rate of 61.36 percent in 2014

in NIA-service areas, an improvement from the 59.58 percent level posted the previous year, but 4.85 percentage points short of the agency’s target for 2014 of 66.21 percent.

In 2015, the irrigation rate was reported at 62.41 percent, covering 72,882 hectares. This was a slight improvement from the

61.36 percent irrigation rate posted the previous year, but short of the revised target for 2015 at 66.04 percent. The target

for 2015 was revised, taking into account the actual budget allocation of the agency (Figure 8.11).

Figure 8.11. Irrigation rate (NIA service area), Davao Region, 2013–2015



Source: NIA XI

There were, however, initiatives undertaken to improve irrigation services. One of the major infrastructure projects completed in 2014 was the Cateel Irrigation Project in the Municipality of Cateel, Davao Oriental. The Php281.5-million infrastructure project funded under the Mindanao Rural Development Program (MRDP) provides sustainable irrigation water to around 2,200 hectares of suitable lands covering 11 barangays of the municipality, benefiting around 1,000 farm households. However, there are some issues in terms of the contamination of water used for irrigation, such as in Naboc River.

Major programs and interventions for the agriculture sector were also introduced during the period, particularly the Philippine Rural Development Program (PRDP) of DA and the Mindanao Sustainable Agrarian and Agriculture Development (MinSAAD) of DAR. The PRDP is a six-year national project under the DA that aims to establish a modern, value-chain oriented, and

climate resilient agriculture and fisheries sector. In partnership with LGUs and the private sector, the project provides key infrastructure, facilities, technology and information to raise incomes, productivity and competitiveness in targeted areas.

MinSAAD, on the other hand, aims to increase agricultural productivity, product value, and income of agrarian reform beneficiaries (ARBs) and other small-scale farmers through the provision of small-scale infrastructure and agricultural support systems including organizational capacity building support. As of 2015, a total of 14 sub-projects have been approved for funding with a total amount of Php29.7 million covering ARB areas in Compostela Valley and Davao del Sur.

## Resilience to Climate Change Increased

The number of farmers insured in various crop insurance lines provided by the

Philippine Crop Insurance Corporation (PCIC) has been on an increasing trend since 2013. From a total of 21,716 farmers insured in 2013, the number of insured farmers in 2015 had already reached 39,478 or an 82 percent increase (Table 8.6).

**Table 8.6 Insurance Coverage, Number of farmers and area covered, 2013–2015**

	2013	2014	2015
No. of Farmers covered	21,716	37,069	39,478
Area (hectares)	18,256	46,119	47,781

Source: PCIC XI

The increase has been attributed to the following reasons:

- Heightened awareness among farmers on crop insurance
- Poorest of the Poor Program (PPP) for 100 percent free premium subsidy from the national government
- Renewed participation of PCIC partners from the various cooperatives, farm financiers and the rural banking sector
- Installation of a Registry System for Basic Sectors in agriculture

## Challenges

Based on the foregoing assessment, Davao Region, in general, failed to achieve its development objectives for the agriculture sector. Despite the increased public investments, growth of the sector has been slow and the sector remained to be the lowest contributor to the Region's total economic output. The calamities, especially the typhoons and El Niño that affected the region were considered to be among the major factors which hampered the productivity the sector's productivity.

While initiatives have been undertaken by both the national and local governments, it appears that these were not sufficient enough to improve the productivity of

the AFF sector. This has resulted to low quality of products and loss of market opportunities. As a consequence, farmers and fisherfolk remained the poorest among the basic sectors.

The following have been the recurring challenges confronting the agriculture sector, to wit:

### a) Inadequate logistics and infrastructure support for the agriculture sector

Lack of storage, handling, processing and other post-harvest equipment, poor farm-to-market roads (FMRs), poor banana packaging plants, inadequate irrigation facilities, and poor port facilities are some of the issues and concerns that have been hounding the AFF sector. Inadequate power supply and poor internet connectivity have also been identified as deterrents to fully maximize the potentials of the sector.

### b) Inadequate delivery of services

Gaps in terms of delivery of agricultural and fisheries support services have been identified as among the reasons for the poor performance of the agriculture sector. For instance, technical assistance/extension services to small farmers have remained wanting and there is an apparent lack of awareness on national and local government programs and projects for the agriculture

and fisheries sectors. Other disparities in terms of delivery of services that have been identified include the following:

- Lack of initiatives or capacity building activities to strengthen farmers' organizations;
- Lack of monitoring of government PAs,
- Lack of capacity among government agencies to enforce agricultural policies and standards due to limitations in terms of mandates; and
- Inability of the government sector to address farmers' lack of access to credit.

#### c) *Inadequate capacity to cope with climate change risks*

During the period 2011 to 2015, the Region was affected by major weather disturbances such as Typhoon Pablo, Typhoon Crising and low pressure area Agaton. These weather disturbances, as well as the occurrence of El Niño in 2015, and the changes in weather patterns, were also cited as the most common reasons for the dismal performance of the agriculture sector.

#### d) *Unsustainable fishery practices*

There were cases of illegal, unreported and unregulated (IUU) fishing, including overfishing, which has resulted in the depletion of fishery resources. Also, the increasing number of fishcages has resulted to pollution of water bodies.

#### e) *Contamination of river water for irrigation*

Economic activities, such as mining, have also affected water quality. For instance, in the Diwalwal Mineral Reservation Area, mercury has been used in the recovery of free gold by artisanal and small-scale gold mining activities. This activity has resulted to mercury contamination of Naboc River,

which is being used as a source of irrigation water.

#### f) *Issues on land use and tenure*

Productivity of the agriculture sector is likewise affected by issues on land use and tenure. Issues such as on land ownership, unresolved boundary conflicts, court cases and other agrarian conflicts affecting land distribution should be resolved to provide security to farmers.

Conversion of agricultural lands to non-agricultural uses and unclear land use plans are also seen as threats to the agriculture sector's productivity.

#### g) *Inadequate market linkages*

Lack of market information and the farmers' inability to market their produce at the right price are the factors that hamper their development. Farmers are vulnerable to traders who manipulate them due to their lack of access to information.

Also, without the guidance/information on the appropriate variety and quality of products that the market requires, local producers find it difficult to directly penetrate both the domestic and export markets. Relevant information on import and export protocols should be widely disseminated.

Given that previous efforts did not work well for the betterment of the AFF sector, the need for reforms in the agriculture and fisheries sector is deemed imperative. The national government should allow wider flexibility in terms of customizing programs and projects to suit the requirements and priorities of each region. The local government unit should likewise strengthen its function on agricultural extension services to provide the much needed support to farmers and fisherfolk. More investments on research and development

by the academe/research institutions, private sector, national government and LGUs should be pursued to pave the way for a more innovative and efficient AFF sector.

Unless the foregoing actions are undertaken, the AFF sector shall remain inefficient and less productive. This shall lead to losses in terms of market opportunities given the inability of the Region to produce the needed volume, quality, and type of products.

The influx of cheaper food commodities as a result of trade liberalization and other free trade agreements (FTAs) entered into by the country shall also pose disadvantages to less competitive producers, majority of whom are the small farmers and fisherfolk. If farmers/fisherfolk continue with their traditional roles in subsistence-oriented production instead of engaging in value-adding and entrepreneurial activities that could make their products command higher market prices and ensure their gainful participation in the global market, the agriculture sector in general will remain uncompetitive and poverty shall persist among the region's farmers and fisherfolks.

## Future Development Scenario

The following scenario may affect the sub-sector over the Plan period:

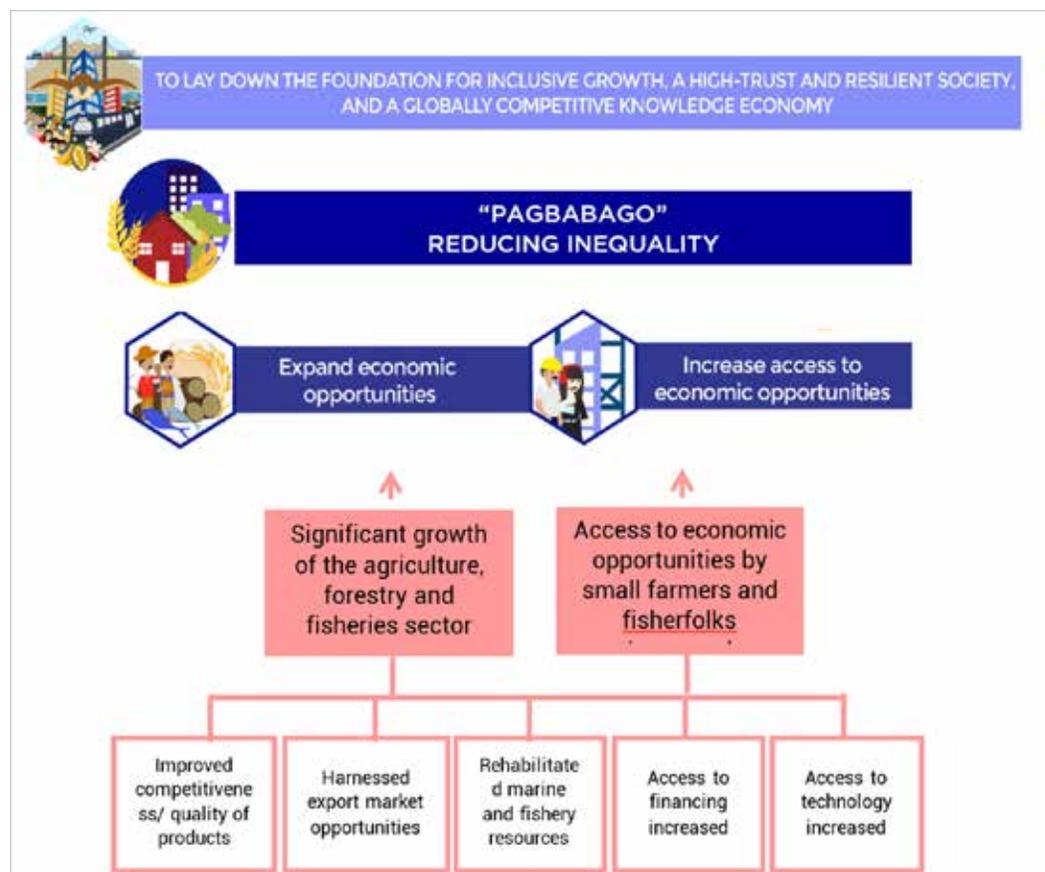
1. The roll-out of the results of the National Color-Coded Agricultural and Fisheries Survey and Map shall allow for better planning and programming of investments for the agriculture, forestry and fishery sectors, leading to greater productivity. Through this tool, farmers are better informed of the crops that are suitable in their respective areas. Fishermen, on the other hand, get to receive updates on the weather as well as possible risks and hazards when they go out to sea.

2. Davao Region's banana industry, the Region's top earner, shall benefit from the lifting of phyto-sanitary restrictions on Philippine banana by China. Better prospects also await the cacao industry given the active private sector players, as well as the increased financial support extended by DA. The industry's tie-up with the academe on research and development is also expected to boost the quality of cacao products.

3. The AFF sector, in general, is expected to grow faster given the Duterte Administration's thrust of pursuing agricultural development through intensive technology updating and sharing, modernization and mechanization program. The improvement in the forestry subsector shall be attributed to DENR's aggressive pursuit of environmental integrity through rehabilitation and reforestation.

## II. Strategic Framework

Figure 8.12 Strategic Framework



## III. Targets

Over the plan period, the main target is to increase GVA in AFF from the baseline value of 1.4 percent in 2015 to 1.5 to 2.5 percent. Increased production levels of major agricultural commodities shall also be

sustained throughout the five-year period. Table 8.7 presents the key indicators for the agriculture sector.

**Table 8.7. Plan Targets to Expand Economic Opportunities in Agriculture, Fisheries, and Forestry, 2017–2022**

INDICATORS	BASELINE		End-of-plan TARGET
	Year	Value	
Gross Value Added (GVA) Growth Rate of the Agriculture, forestry and fishery sectors at constant 2000 prices (%)	2015	1.4	1.5-2.5
Rice Sufficiency level (%)	2015	50	52
Corn Sufficiency level (%)	2015	111	128
Forestry production (in cubic meters)	2016	11,115.17	74,053.20
Volume of Crop production (in metric tons)			
Palay	2015	441,868	2,917,992
Corn	2015	224,100	1,600,940
Banana	2015	3,455,014	22,567,848
Coconut	2015	2,289,943	23,638,880
Mango	2015	54,335	343,030
Cacao	2015	4,920	48,496
Coffee	2015	11,680	74,304
Abaca	2015	8,300	100,948
Durian	2015	67,697	479,046
Rubber	2015	11,406	69,322
Volume of livestock production (in metric tons)			
Hog	2015	143,308	912,275
Chicken	2015	73,582	482,135
Beef	2015	12,747	80,480
Volume of fisheries production (in metric tons)			
Aquaculture	2015	32,536	303,753
Municipal	2015	19,661	123,386
Commercial	2015	7,301	54,750
Agricultural Labor Productivity	2015	10.5	10
Crop Insurance Coverage			
Number of hectares covered (farms, fishponds, etc.)	2015	45,332.75	70,000
No. of farmers covered	2015	31,709	53,500

## IV. Priority Strategies

Consistent with the Duterte Administration’s thrust of pursuing agricultural development, Davao Region shall strive to achieve a significant growth of the agriculture, forestry and fisheries sector and ensure that this shall redound to improved access to economic opportunities by small farmers and fisherfolk.

Along this line, Davao Region shall promote value-chain development, improve competitiveness/quality of products, harness export market opportunities, productivity within ecological limit improved, increased access to technology and increased access to financing. Among the major strategies that the Region shall pursue are the following:

## Strengthen research and development and extension services and pursue commercialization of R & D outputs

One important measure is to increase investments in research and development and pursue commercialization of outputs to facilitate modernization of the AFF sector. Investing in R & D shall significantly lower production costs and increase the competitiveness of commodities. It shall also allow the development of climate-smart technologies that will make farms resilient to severe and extreme climate conditions.

Technology transfer through provision of appropriate and timely extension services shall be afforded by both the national and local governments in order to fast track the development of the agriculture sector. The institutionalization of barangay agri-technicians shall be pursued to reach out to poor and far-flung areas. To strengthen extension services, transfer of supervision of agricultural extension workers from the LGUs to the DA shall also be undertaken. State Universities and Colleges (SUCs) will also be tapped to hasten the transfer of technology on good farm and fishery practices.

## Roll-out of the National Color-Coded Agriculture and Fisheries Map

The National Color-Coded Agriculture Guide-Map (NACCAG) is derived from combining factors affecting agri-fishery production such as soil properties, water availability and climate topography, as well as economics and demography at the regional level. This shall enable farmers to know the suitable commodities that they should plant in their respective areas.

Fishermen will also receive updates on the weather as well as possible risks and hazards when they go out to sea. With the tool, farmers and fisherfolk are better informed and investments are made rationally.

## Pursue massive investments in logistics and infrastructure

The Region shall pursue massive investments on FMRs, irrigation facilities, and post-harvest facilities to lower production costs, generate higher income for farmers and fisherfolk and improve overall productivity of the sector. The Region shall support mechanization of the AFF sector to be more competitive. The region shall implement a strategic and effective post-harvest, storage and processing facilities. Access to a centralized drying and storage facility shall be provided to enable farmers to avoid wastage and to maximize benefits from production.

## Provide simplified credit facility for farmers and fisher folks

The inability of farmers/fisherfolk to access credit has been the long-standing problem of the agriculture sector. This has been partly attributed to the inability of the farmers/fisherfolk to comply with the qualifications and requirements for credit availment. To address this, an easy access financing program for farmers, fishermen and agriculture and fisheries stakeholders shall be provided. Thru the Agricultural Credit Policy Council, funds shall be downloaded to reliable non-government organizations (NGOs) or LGUs for relending to farmers/fisherfolks in the provinces.

## Capacity building to strengthen farmers and farmers' organizations

The Region shall endeavor to transform farmers' organizations into viable organizations that are capable of entrepreneurial ventures. This shall be done through capacity building activities to be undertaken by both the national and local governments. Among the capability—building activities to be pursued are on Good Agricultural Practices (GAP) and Good Aquaculture Practices to ensure safety and reliability of products.

## Provision of weather index based insurance and crop insurance for all product lines

To protect farmers from losses due to calamities, provision of weather index-based insurance and crop insurance for all product lines shall continuously be provided. Along this line, the Region shall endeavor to institutionalize the subsidized/free crop insurance premium. Updating of the list of the Registry System for Basic Sectors in Agriculture (RSBSA) shall also be undertaken to ensure that all marginalized farmers and fisherfolk shall benefit from agricultural insurance.

## Establishment and implementation of quality standards in agriculture and fishery products

The Region shall ensure production of high quality products. Along this line, the Region shall establish and enforce technical standards such as on size and texture of products. The Region shall also conform

with the Philippine National Standards for Agriculture and Aquaculture Products which provide, among others, the code of practices on production, handling, storage and packaging of agri-fisheries products.

## Strengthen enforcement of agricultural and fisheries laws to ensure the sustainability of crop production and fisheries

The Region shall strengthen enforcement of policies such as on organic agriculture, good agricultural practices (GAP), good aquaculture practices, among other issuances. The Region shall preserve its marine and fishery resources by strictly enforcing policies on overfishing or unregulated fishing activities. The Region shall also regulate the number of fish cages which have resulted to pollution of water bodies. Strict enforcement on water quality standards shall likewise be pursued.

Closed fishing season shall be continuously implemented but alternative livelihood activities shall also be provided to fisherfolk during the period when they will not be allowed to fish in the protected areas.

Further, as a means to encourage engagement of communities in preserving marine and fishery resources, incentives shall be given to outstanding coastal communities based on the following criteria: no illegal fishing activities, shall observe a 3-month closed fishing season, no garbage in front of their coastal waters, with protected marine sanctuaries and sustainable mangrove protection and rehabilitation programs.

## Strengthen the capacities of the agriculture and fisheries sector on Disaster Risk Reduction and Mitigation and Climate Change Adaptation

Massive orientation and training on DRRM-CCA especially in vulnerable communities shall be undertaken. Coordination among government agencies such as the Department of Agriculture (DA), Bureau of Fisheries and Aquatic Resources (BFAR), Department of Environment and Natural Resources (DENR), among other agencies, shall also be pursued to ensure the protection and preservation of the environment and natural resources.

## Fast track resolution land tenure issues

There is a need to fast track the resolution of agrarian-related cases involving farmers. Timely and free legal assistance shall be provided to ARBs, including counseling and representation in judicial and quasi-judicial bodies.

## V. Priority Legislative Agenda

- Mandated budget allocation for agriculture (similar to GAD)
- Land administration reform
- Creation of special boards to focus on specific, major/high value crops
- Law to harmonize overlapping rights claims
- Further amendment of the Cabotage Law
- Establishment of a Banana Research Institute
- Passage of SB 3093 (National Land Use Act)
- Establishment of Cacao Research and Development Center

## VI. Priority Research Agenda

- Development, testing and evaluation of new and improved farming technologies
- Science and Technology-based production and processing systems
- Pesticide and antibiotic residue testing and evaluation
- Economic valuation of pollution of rivers from mine tailings. Determine impacts on irrigated rice lands.
- Continuous market research to determine market-driven agricultural products to produce/development for a particular industry

- Strengthen mitigating measures on the climate change impact on agri-fisheries sector
- Organic technology results on agriculture and fisheries production

## VII. Priority Programs, Activities and Projects (PAPs)

- Rice Program (DA)
- Philippine Rural Development Project (PRDP)
- High Value Crops Development Program (DA)
- Farm-to-Market Road Development Program (DA)
- Provision of Infra facilities and equipment for fishery industry (BFAR)

09

Expanding Economic  
Opportunities in  
Industry and Services  
through *Trabaho* at  
*Negosyo*



# Expanding Economic Opportunities in Industry and Services through *Trabaho* at *Negosyo*

In order to sustain the gains of the industry and services sector, the Region should be able to maintain the trust and confidence of the society, as well as, enhance and level up the global competitiveness of the Region's priority industries in order to compete in the international market.

Likewise, expanding access to economic opportunities for micro, small, and medium enterprises (MSMEs), cooperatives and other business ventures, is necessary in order to reduce inequality and poverty of the constituents in Davao Region. Efforts towards the aforementioned shall take into consideration the Region's current and potential comparative advantage, environmental protection and climate resilient industries among others.

## I. Assessment and Challenges

### Assessment

The assessment of these Sectors' performance shall be based on the following objectives of the Davao Regional Development Plan, 2011–2016:

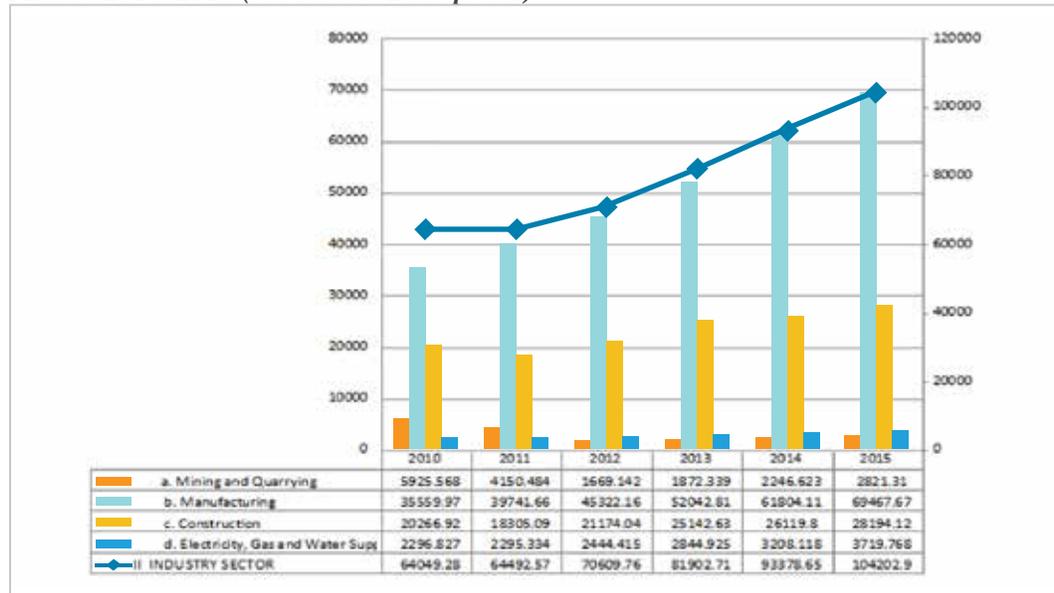
- Increasing investments and employment opportunities in the Region
  - Improving business environment
- Increasing productivity
  - Expanding industry support base services on ICT, research and development, marketing and trading, infrastructure and logistics facilities, human resources and financing facilities
- Enhancing consumer welfare

### *Increasing investments in the Region*

#### **a. Industry Sector Gross Value Added**

The Region's Industry Sector recorded a total output of PhP104.2 billion in 2015, from PhP64.0 billion in 2010 posting an average annual growth rate (AAGR) of 10.2 percent (*Figure 9.1*) for the six-year period, making it the fastest growing sector in the Region.

**Figure 9.1 Gross Value Added, Industry Sector and its Subsectors, Davao Region, In Php Million 2010–2015 (at constant 2000 prices)**

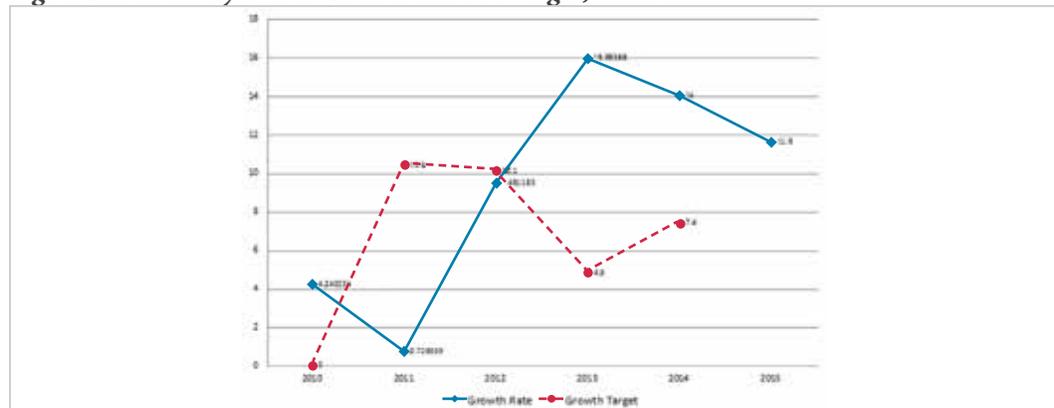


Source: PSA XI

The remarkable growth of the industry sector is mainly attributed to the double-digit growth of the manufacturing industry sub-sector at 14.3 percent. It may be gleaned from Figure 9.2 that the performance of the industry sector was largely dominated by

the manufacturing subsector contributing 62–67 percent of the total industry sector output from 2011–2015. The manufacturing subsector had been one of the major growth drivers of the Region in 2011–2015 with an overall share to GRDP of 18–23 percent.

**Figure 9.2 Industry Sector Growth Rate vs target, 2011–2015**



Source: PSA XI

### b. Services Sector Gross Value Added

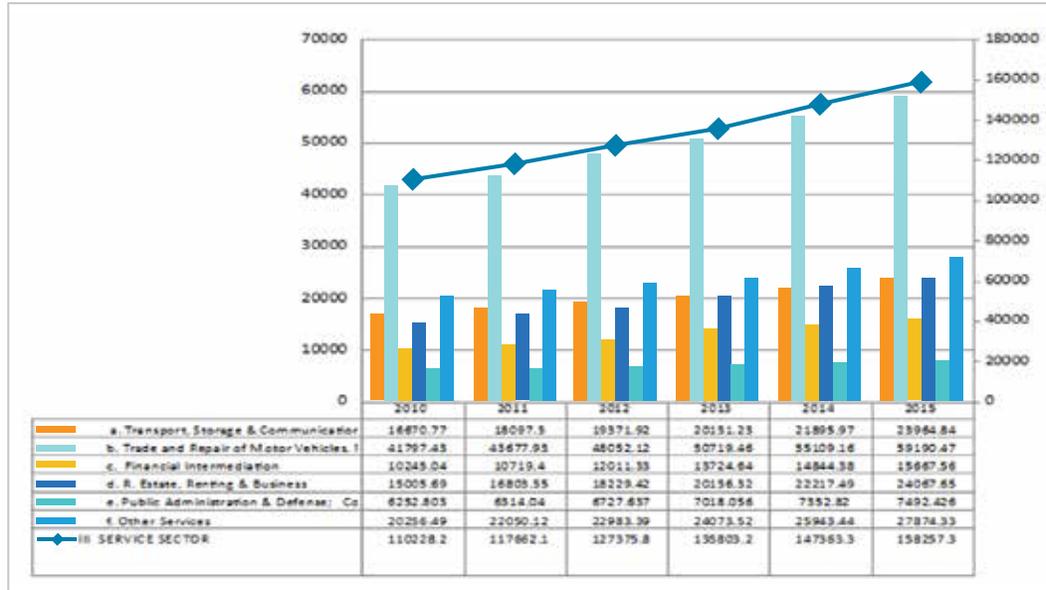
The Region's Services Sector posted an increasing growth trend from P110.2 billion

in 2010 to P158.3 billion in 2015 with AAGR of 7.5 percent (Figure 9.3).

Among the fastest growing subsectors for the six-year period were the Real Estate, Renting & Business and the Financial Intermediation subsectors with 9.9 and 8.9 percent AAGRs, respectively; although

all throughout the said period, the sector was dominated by the Trade and Repair of Motor Vehicles, Motorcycles, Personal and Household Goods with about 37–38 percent share.

**Figure 9.3 Gross Value Added, Services Sector and its Subsectors, Davao Region, in PhP Million 2010–2015**

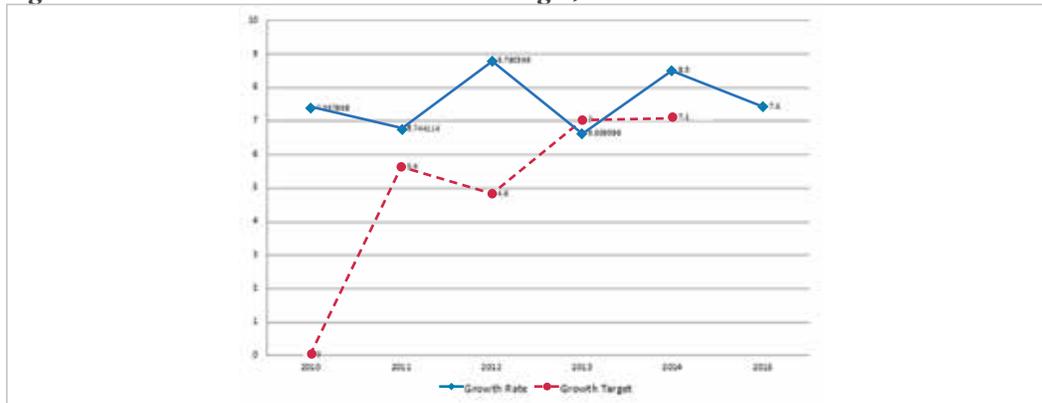


Source: PSA XI

The services sector’s growth had an irregular trend as shown in Figure 9.4. This Sector’s growth was highest in 2012 with 8.8 percent and lowest in 2013 with 6.6 percent.

Relatedly, this sector’s growth rates for 2013 and 2015 were within the vicinity of the targets, missing only by a measly 0.4 percent for both years. The non-achievement in 2013 was brought about by the decline in

**Figure 9.4 Services Sector Growth Rate vs target, 2011–2015**



Source: PSA XI

some of the services subsectors' output, particularly trade and transport, storage & communication. In 2015, on the other hand, financial intermediation and public administration were the bottom performers attributed to the slower growth in banks and insurance such as lower insurance premiums, loan deposits, among others; and rationalization of some government agencies.

### c. Investments

Investments pouring in the Region from 2014 to the first Semester of 2016 reached PhP24.65 billion (Table 9.1) ranking second highest in investment inflows in Mindanao, and absorbing 18 percent of project commitments, next to Region 10.

The years 2011 and 2013 recorded the highest inflow of investments in the Region with PhP32 billion and PhP31.7 billion, respectively, due to large investments for energy facilities, such as: Therma South, Inc. 300MW Coal-Fired Power Plant in Brgy. Inawayan, Sta. Cruz, Davao del Sur and Brgy. Binugao, Toril, Davao City amounting to PhP25 billion in 2011; and coal-fired power plant in Malita, Davao del Sur by San Miguel Consolidated Power Corporation with total project cost of PhP26 billion; Hydroelectric power plant in Sta. Cruz, Davao del Sur by Hedcor Sibulan costing PhP1.3 billion in 2013.

**Table 9.1 BOI-Registered Investments in Mindanao, by Region, 2014–2016, in PhP Million**

REGION	2014	2015	2016*	Grand Total	%Share
REGION 09	1,471.13		664.26	2,135.39	2%
REGION 10	51,679.46	22,631.61	12,686.52	86,997.58	64%
REGION 11	12,544.50	4,708.14	7,394.36	24,647.00	18%
REGION 12	2,250.05	7,650.57	6,113.60	16,014.22	12%
REGION 09	5,213.09			5,213.09	4%
REGION 09	73,158.23	34,990.31	26,858.75	135,007.28	100%

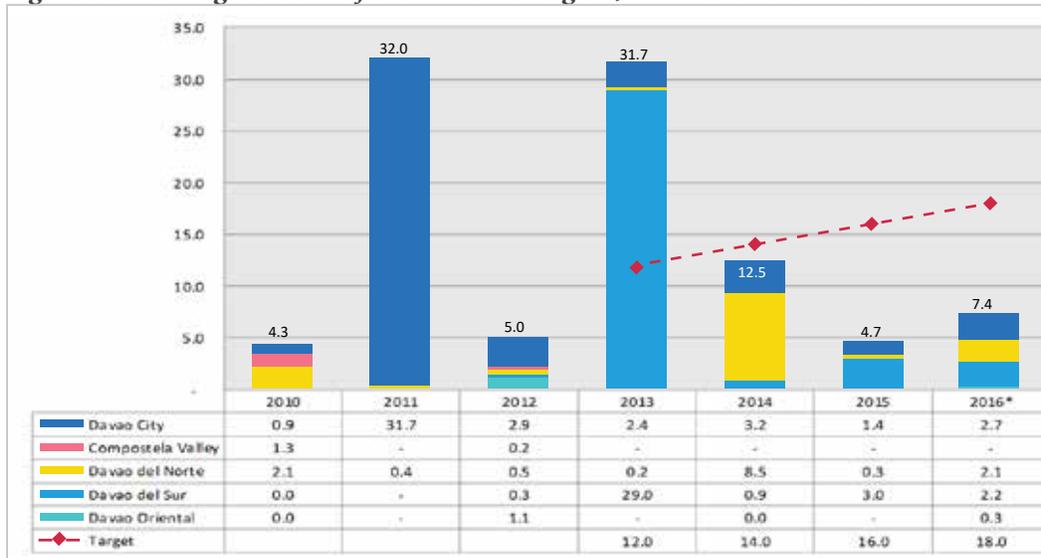
Source: BOI XI; \*1<sup>st</sup> Semester

Other major investors in 2013 which contributed to the 532 percent increase from 2012 were the low cost mass housing project amounting to PhP860 million in Catalunan Grande by Villa Monte Maria; and the coco water concentrate manufacturing worth PhP392 million in Sta. Cruz, Davao del Sur by Franklin Baker Company of the Philippines. The Region surpassed by 164 percent its total investment targets for the same year.

In 2014, a total of PhP12.5 billion worth of project commitments was registered at the BOI XI with Davao Region generating the highest number of project commitments

in Mindanao. The 2014 investment performance was 61 percent lower than the total project commitments registered in 2013; and was also 11 percent short of the Region's target in 2014 (Figure 9.5). The huge investments recorded in 2014 for seaport facilities were expected to propel the Region towards better market access and competitiveness. Noteworthy of these investments are from new operators of seaports and container yards; the San Vicente Terminal and Brokerage Services, Inc. and the Hijo International Port Services, Inc. (HIPSI) with investments amounting to PhP2.7 billion and PhP5.7 billion, respectively.

Figure 9.5 BOI-registered Projects in Davao Region, in Billion 2010–2016



Source: BOI XI \*1<sup>st</sup> Semester 2016

In 2015, despite the number of project registrants, the Region’s investment performance was 62 percent lower than the previous year and 71 percent below the target of PhP16 billion. The biggest investment poured in the Region for the year was from Enfinity Philippines Renewable Resources Fourth Inc. in Digos City, Davao del Sur with project cost of PhP2.56 billion.

As of the first semester of 2016, the value of BOI-registered projects in Davao Region had reached PhP7.4 billion, which constitutes about 41 percent of the full year target for 2016. Most of the investments were poured in Davao City, Davao del Sur and Davao del Norte. Two major investors for the year were San Miguel Foods, Inc. with PhP2.24 billion; and Davao International Container Terminal, Inc. with PhP1.89 billion.

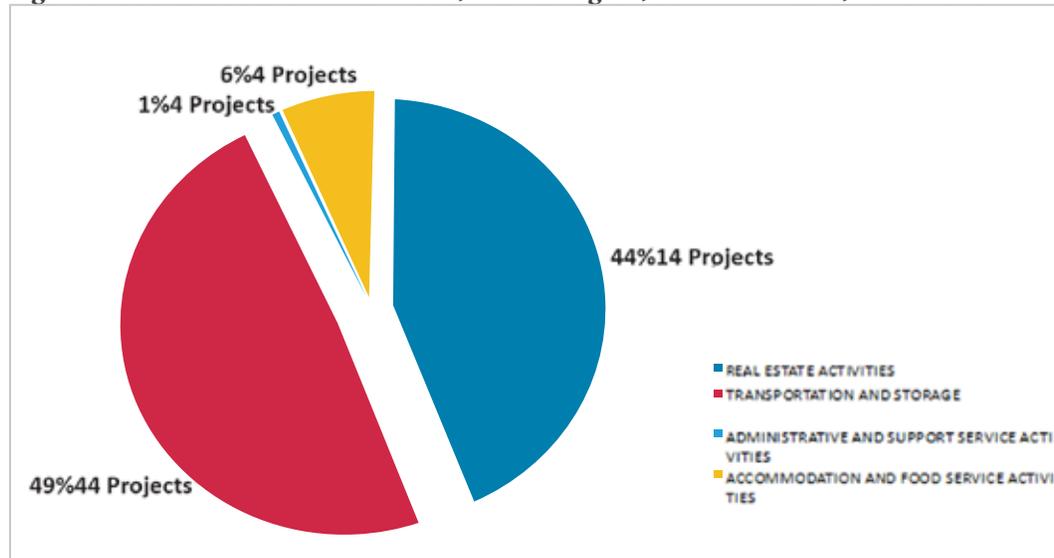
It may also be noted that investments pouring into the Region measured by projects registered with the Board of Investments (BOI) XI, have dominantly been coming from the Services sector, particularly real estate activities; transportation and storage;

administrative support service activities; and accommodation and food service activities.

Figure 9.6 shows that from 2010–2016, majority of the services sector investments poured in the region were from transportation and storage at 44 percent, followed by Real Estate Activities at 49 percent.

However, in terms of number of projects, the real estate industry was the main contributor to services sector investments with 44 projects from 2010–2016.

Figure 9.6 Services Sector Investments, Davao Region, in PhP Millions, 2010–2016\*

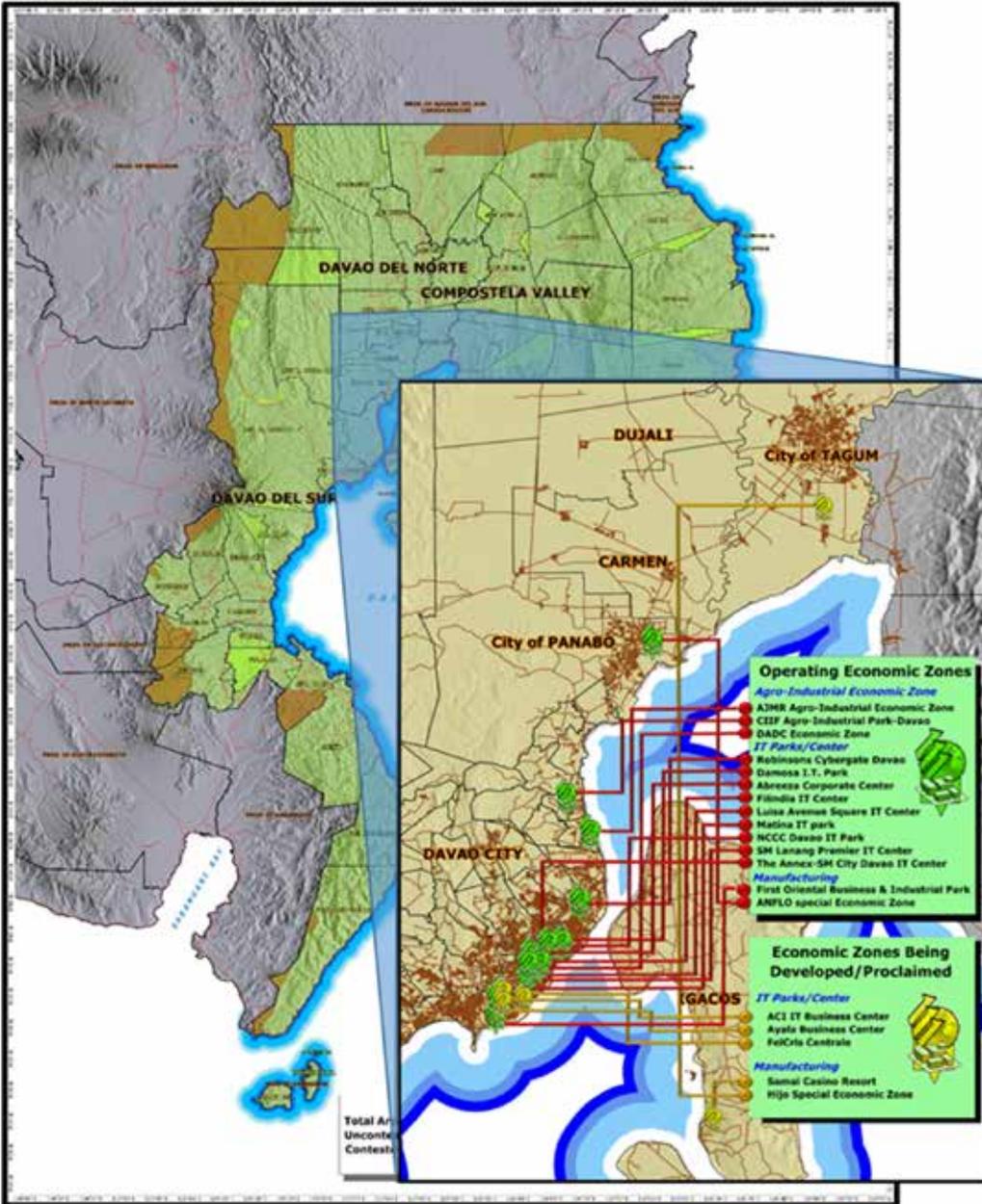


Source: BOI XI \*January–October 2016

Meanwhile, to facilitate increase in trade activities, investments and job creation, the Region advocated for the development of more economic zones (Ecozones) which are designed to effectively attract domestic investors and legitimate and productive foreign investments. The Philippine Economic Zone Authority (PEZA) reported that as of April 30, 2016, the Region had nineteen (19) proclaimed and operating ecozones which surpassed the end-of-plan target of 12 ecozones by 58 percent. The Matina IT Park was added to the operating

ecozones in 2015 and among the newly proclaimed ecozones were the Hijo Special Economic Zone in Madaum, Tagum City, Davao del Norte; Felcris Centrale in Barangay Bucana, Davao City; and Ayala Business Center in Matina Town Square, Matina, Davao City. Figure 9.7 shows the list and locations of ecozones in Davao Region registered with the PEZA.

Figure 9.7 List of Operating and Being Developed Economic Zones in the Region, as of April 2016



Source: PEZA XI \* April 30, 2016

#### d. Export Performance

Figure 9.8 shows that the Region's export performance has been on an increasing trend since 2010 and was recorded highest in 2014 with US\$2.2 billion, which surpassed the Region's target of US\$ 1.8 billion. This was mainly attributed to the 147 percent increase in banana export (fresh or dried) in 2014 from its 2013 levels. However, it drastically contracted in 2015 by 44 percent due to the declines in the demand for major export products such as desiccated coconut, bananas, pineapples, copra, coconut and crude oil.

The Region surpassed its export targets for the years 2011–2015, despite the sluggish performance in 2015.

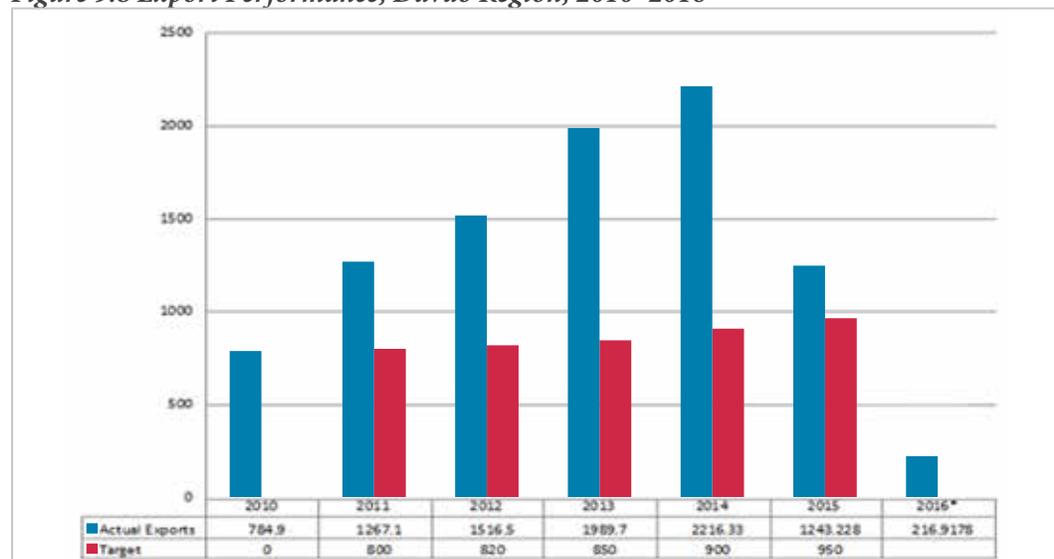
One possible scenario which shall have a huge potential impact on the Region's trade performance is the ongoing negotiations by the Government of the Republic of the Philippines (GRP) through the Department of Trade and Industry – Industry Development Group with the Government of Japan on the reduction/elimination of

tariff for banana exports to Japan under the Philippines-Japan Economic Partnership Agreement (PJEPA). Prompted by the issuance of RDC XI Resolution No. 51, series of 2015, “*Endorsing to the Tariff Commission and the Department of Trade and Industry the Recommendation to Fast Track the Negotiation for the Elimination of Tariff Imposed on Fresh Banana Exports from the Philippines*”, the elimination of tariff on fresh bananas to Japan, as a top export destination, has been consistently pushed as the Country's priority offensive interest under the General Review of the PJEPA. This development shall highly facilitate heightened competitiveness of the Region's banana industry.

#### e. Employment levels generated from the Industry and Services Sector

The employment levels in the Region slightly improved in 2015 with 94.4 percent employment rate relative to the previous year's 94.2 percent. This was the second highest performance from 2010 to 2015 next to the year 2011 when employment rate for the Region reached 94.6 percent. Among

Figure 9.8 Export Performance, Davao Region, 2010–2016



Source: PSA XI  
\*1<sup>st</sup> Quarter 2016

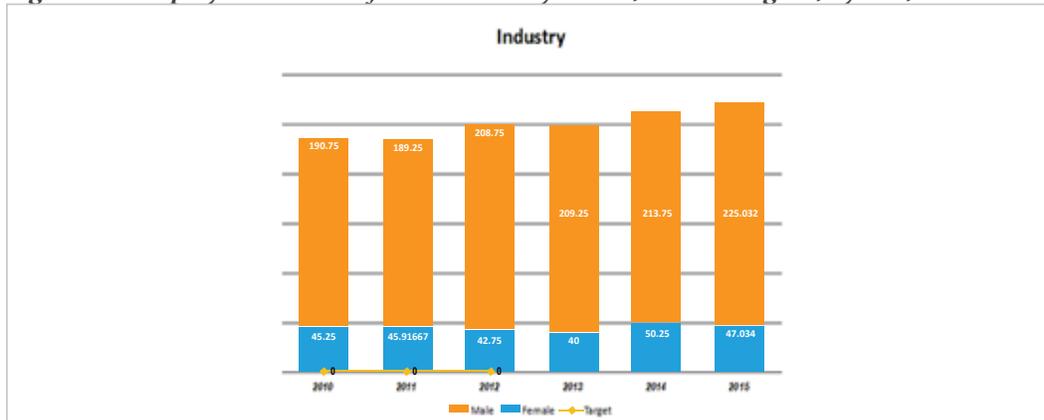
the employed persons, the percentage of underemployed also went down over the years and was lowest in 2011 at 16.5 percent. This means that fewer workers had expressed their desire for additional hours of work in the present job, or to have an additional job, or to have a new job with longer working hours.

Over the six-year period, employment levels generated from the industry sector have increased gradually from 234,000 employed persons in 2010 to 271,000 in 2015 or an average annual growth rate of 3.0 percent. The distribution of employed persons by gender also varies for the industry and services sectors. Figure 9.9 shows that more men were engaged in work

under the industry sector, which covers more labor intensive work like mining and quarrying and construction, among others. Women engaged in this sector only ranged from about 16 to 20 percent for the six-year period.

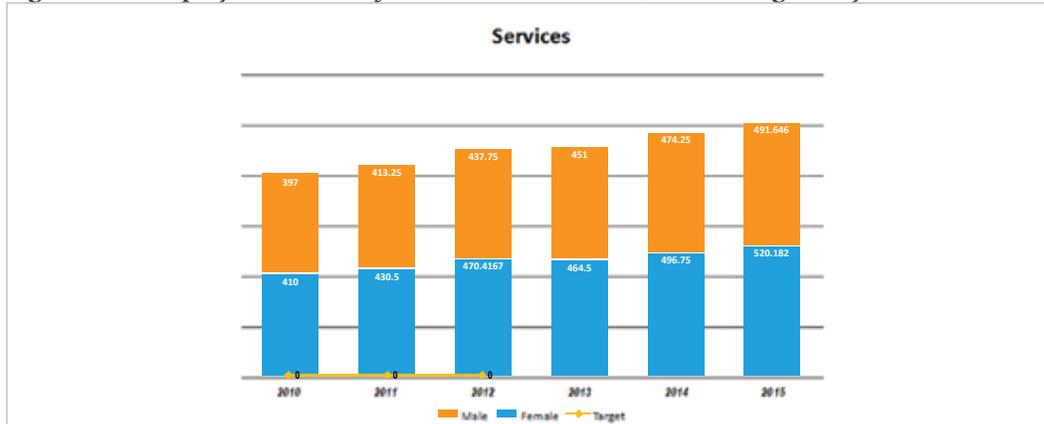
Meanwhile, Figure 9.10 shows that employment in the services sector was largely dominated by women with a little over 50 percent from 2010 to 2015. Among the services subsectors which mostly employed women were wholesale and retail trade; human health and social work activities; and of course, activities of households as employers; undifferentiated goods and services-production subsector.

**Figure 9.9 Employment Levels for the Industry Sector, Davao Region, by Sex, 2010–2016**



Source: 2011–2015 RSET

**Figure 9.10 Employment Levels for the Services Sectors, Davao Region, by Sex, 2010–2016**

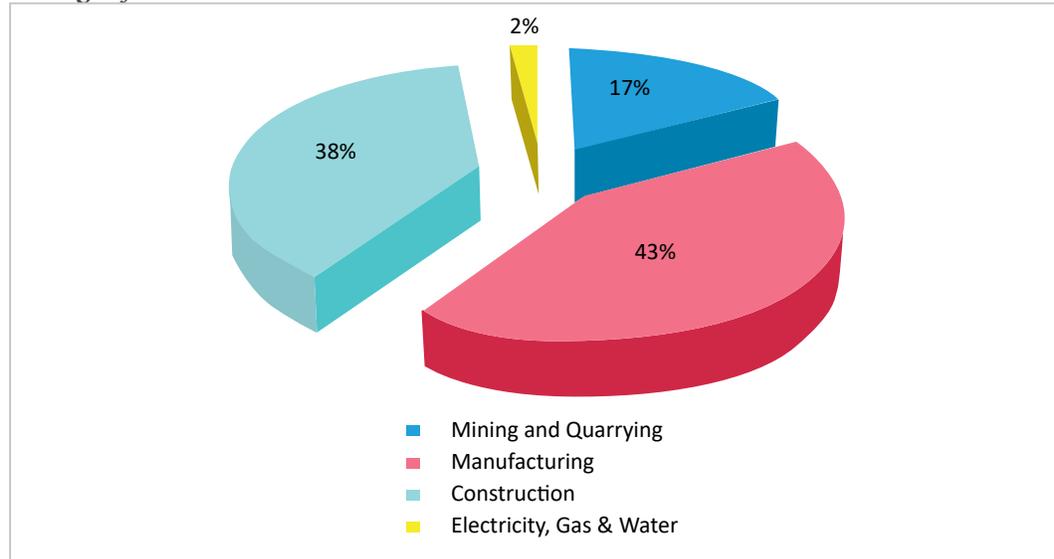


Source: 2011–2015 RSET

Figure 9.11 shows that the highest source of employment for the industry sector, on the average, for the six-year period was the manufacturing subsector at 43

percent. This shows that the manufacturing sector provides a large potential to absorb employment from the agriculture sector.

**Figure 9.11 Distribution of Employed persons for the Industry Sector, Davao region, Average of 2010–2015**



Source of basic data: PSA XI

#### f. Improving business environment

To address the binding constraints related to the improvement of the overall business environment in the Region, advocacy on the adoption of the Business Process Licensing System (BPLS) was heightened across all LGUs. The BPLS enjoins LGUs to follow service standards in processing business registration applications, both for new and renewals, i.e.: 1) adopting a unified form, and reducing the 2) number of steps, 3) processing time, and 4) the number of signatories in securing business permits/renewals. As of 2015, the number of LGUs

adopting the BPLS has reached 49 LGUs, or a 100 percent completion of target for the said period after the adoption of Sta. Maria, Davao del Sur of the BPLS.

In consonance with the adoption of the BPLS, the LGUs likewise targeted to reduce the turnaround time in business permits/licenses, particularly business name registration, from 30 minutes in 2010 to 10.5 minutes in 2015, surpassing the target of 15 minutes; and shop accreditation maintaining the 3-day processing time from 2010 to 2015, among others (Table 9.2).

**Table 9.2 No. of LGUs adopting Business Permit Licensing System (BLPS), Davao Region, 2011–2015**

ITEM	2011	2012	2013	2014	2015
Target	n/a	n/a	39	47	49
Actual	31	31	48	48	49

Source: DTI XI

In addition to improving the business environment, the Department of the Interior and Local Government carried out the Seal of Good Local Governance (SGLG) measuring the LGUs performance in six basic elements, to wit: 1) good financial housekeeping, 2) disaster preparedness, 3) social protection, 4) business friendliness and competitiveness, 5) environment management, and 6) peace and order. All of Davao Region's four provinces and Davao City were recipients of the SGLG with the distinction of Montevista, Sulop, and Boston as among the municipalities that received the same award in 2015.

The Region further pushed local competitiveness as measured by the Cities and Municipalities Competitiveness Index (CMCI) with Davao del Sur bagging the most competitive province in the country in

2015 (Figure 9.12). For the same year, Davao City earned the fifth place for the Most Competitive City in the Highly-Urbanized category, maintaining the same spot from the 2014 CMCI. Based on the framework of the index, these LGUs were ranked on three pillars—economic dynamism, government efficiency, and infrastructure.

Other competitiveness awards bagged by the Region's LGUs during the Cities and Municipalities Competitiveness Index Roadshow held on April 6–7, 2015 were Lupon, Davao Oriental as third place in Economic Dynamism among 1<sup>st</sup> to 2<sup>nd</sup> class municipalities; and Tagum City as 3<sup>rd</sup> in Economic Dynamism among component cities.

Figure 9.12: Top 10 Most Competitive Provinces, Philippines, 2015

RANKINGS

Rankings of Cities and Municipalities are based on the sum of their scores on 3 Pillars: Economic Dynamism, Government Efficiency, and Infrastructure. Provincial rankings are based on population and income weighted average of the Overall scores of cities and municipalities under a province.

2016 Rankings | 2015 Rankings | 2014 Rankings

Provinces | (All) Cities | Highly Urbanized Cities | Component Cities | (All) Municipalities | 1st & 2nd Class Municipalities | 3rd to 6th Class Municipalities

Show 10 entries Search:

Rank	Score	Province	Region
1	38,914,891	Davao del Sur	Region VII - Davao Region
2	38,906,933	Misamis Oriental	Region X - Northern Mindanao
3	36,654,289	Cebu	Region VII - Central Visayas
4	36,423,788	South Cotabato	Region XII - SOCCSKSARGEN
5	35,886,617	Zamboanga del Sur	Region IX - Zamboanga Peninsula
6	35,726,916	Rizal	Region III - CALABARZON
7	35,702,055	Agusan del Norte	Region XIII - Caraga Region
8	35,102,705	Benguet	Cordillera Administrative Region
9	34,550,368	Cavite	Region III - CALABARZON
10	34,211,184	Compostela	Region X - Northern Mindanao

Source: National Competitiveness Council

## Increasing productivity

The Region's labor productivity<sup>1</sup> in the industry and services sectors yielded a positive Annual average growth rate (AAGR) of 7.0 and 2.7 percent for the years

2010 and 2015 respectively (Table 9.3), translating to an average of PhP317,506.00 industry sector and PhP131,952.00 services sector labor productivity for the six-year period.

**Table 9.3 Labor Productivity, Davao Region, 2010–2015, in Pesos**

	2010	2011	2012	2013	2014	2015	AAGR, 2010–2015 (in%)
Industry	273,715	275,609	282,439	331,590	357,773	383,910	7.0
Mining and Quarrying	128,817	92,233	35,514	41,608	53,427.74	81,423	-8.8
Manufacturing	335,471	371,417	444,335	542,113	570,182.82	601,452	12.4
Construction	259,832	234,681	220,563	251,426	250,636.80	240,103	-1.6
Electricity, Gas and Water	574,207	573,834	488,883	474,154	482,133.75	966,174	11.0
Services	136,760	139,245	140,282	148,744	152,000	156,535	2.7
Transportation, Storage &	135,535	145,946	139,366	140,778	153,109.06	155,615.82	2.8
Trade and Repair of Motor Vehicles, Personal and Household Goods	128,213	123,384	134,224	147,013	151,394.64	156,789.05	4.1
Financial Intermediation	602,649	595,522	632,176	686,232	724,443.13	678,249.26	2.4
Real Estate, Renting and Business	394,886	373,408	479,722	503,408	462,801.68	463,062.15	3.2
Public Administration & Defense, Compulsory Social Security	78,160	83,079	81,056	84,555	79,451.94	72,077.21	-1.6
Other Services (health, education, recreation, community, household)	91,245	96,711	84,810	85,367	86,066.66	91,646.65	0.1

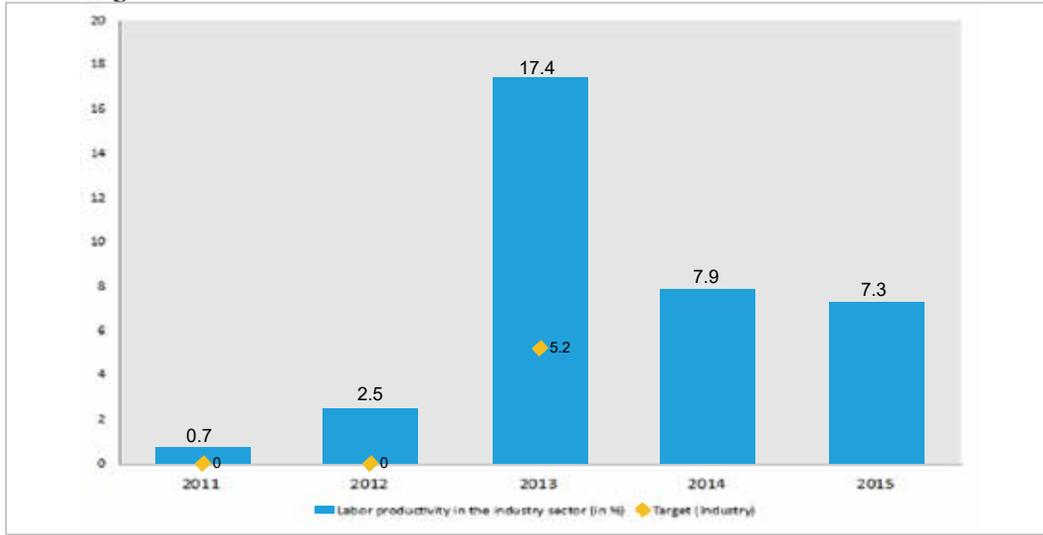
Source of basic data: PSA XI

As against the growth rate target, labor productivity for the industry sector consistently surpassed targets as shown in Figure 9.13 with the highest growth rate recorded in 2013. The services sector on the other hand, lagged behind targets in 2014–2015 and surpassed the target by a mere 0.1 percentage point in 2013. The laggard labor productivity for the services sector (Figure 9.14) was mainly due to the increase in

the number of employed persons for Real Estate, Renting and Business and Public Administration and Defense subsectors while maintaining almost the same level of output for the said years.

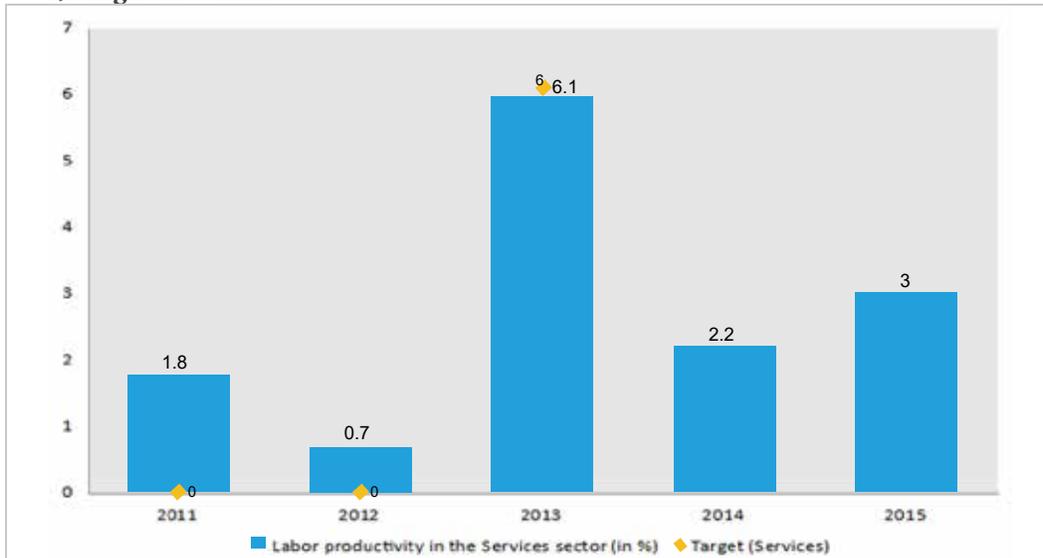
<sup>1</sup> Computed based on the 2015 GRDP performance vis-à-vis the average total employed persons for the Sectors in the same period

**Figure 9.13 Labor Productivity (Industry Sector), Davao Region, 2010–2015, Growth Rate, Target vs. Actual**



Source of basic data: PSA XI

**Figure 9.14 Labor Productivity (Services Sector), Davao Region, 2010–2015, Growth Rate, Target vs. Actual**



Source of basic data: PSA XI

**a. Expanding industry support base services on ICT, research and development, marketing and trading, infrastructure and logistics facilities, human resources and financing facilities**

In terms of industry support, the Regional Development Council XI initiated the formulation of the Davao Region Industry

Clusters Roadmaps (DR-ICR), 2014–2030. The Roadmap Compendium contains the roadmaps of fifteen priority clusters with detailed action plans and strategies to implement the Industry Clustering Strategy of the Region which is the RDP’s platform for promoting exports, generating jobs and accelerating agro-industrialization towards more value-adding activities

and diversification. The Roadmaps also complement the Region's strategies towards seizing the opportunities presented by the ASEAN Economic Community Integration.

Among the Region's priority industry clusters falling under the industry sector is the mining industry.

**Figure 9.15 Industry Cluster Private Sector Members during the aunching of the DR-ICR, 2014–2030**



Source: NEDA XI

### **b. Mining Industry**

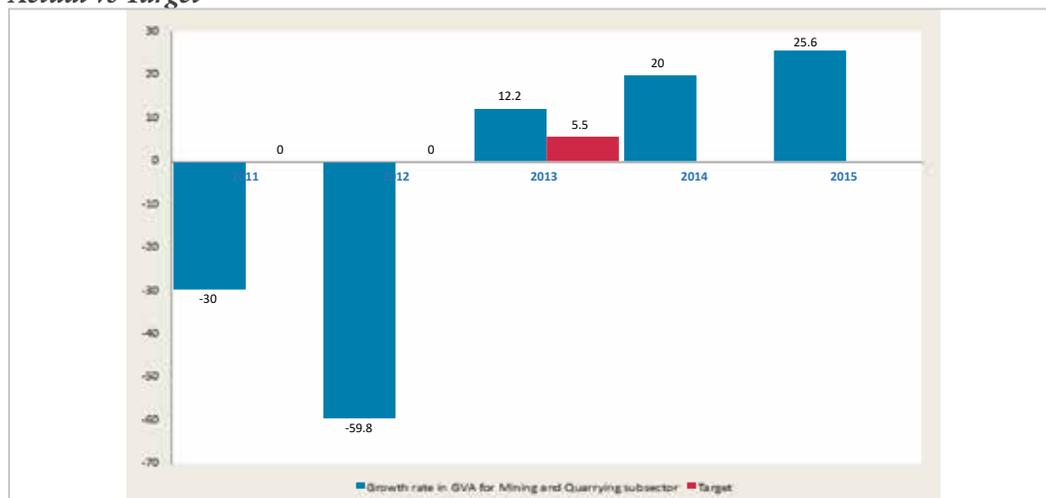
The mining and quarrying industry initially had a bumpy start in 2011-2012, but it rebounded in 2013 with a growth of 12.2 percent from negative 59.8 percent in 2012. It continued to increase in 2014 and 2015 with 20 percent and 25.6 percent growth rates, respectively, exceeding targets for the said years (*Figure 9.16*). This was mainly attributed to the increased amount of investments for mining exploration amounting to 5.5 billion in 2013 compared to only 334 million in 2012. Based on the Mines and Geosciences Bureau's report, the amount of investments in mining exploration also exceeded the target by 1,659 percent in 2013.

Davao Region has a vast deposit of metallic and non-metallic minerals. Gold mining is the main contributor to the Region's mining and quarrying subsector. It represents more

than 90 percent of the subsector's output.<sup>2</sup> At present, the biggest gold producer in Davao Region is the APEX Mining Company Inc., a large-scale company operating in Compostela Valley. Several small-scale mining companies also operate in the Region.

<sup>2</sup> PSA XI

**Figure 9.16 Mining and Quarrying Subsector Growth Rates, Davao Region, 2011–2015, Actual vs Target**



Source of basic data: PSA XI

Table 9.4 shows the performance of the mining industry in the Region in 2013–2015. The total value of gold exports (including gold plated with platinum unwrought or in semi-manufactured forms, or in powder forms) increased from PhP1.53 billion in 2013 to PhP2.7 billion in 2015. The increase was due to high metal prices in the world

market, and increased gross weight of gold exported (produced regionwide) from 835.2 kg in 2013 to 1,205.97 kg. in 2015. Despite the said increase, the RDP target on volume of gold exports was missed by 0.4 percent in 2014. The value of gold exports was only surpassed in 2015.

**Table 9.4 Performance of the Mining and Quarrying Subsector, Davao Region, 2013–2015**

	2013 TARGET	2013 TARGET	2014 TARGET	2014 TARGET	2015 TARGET	2015 TARGET
<b>Volume of Mineral Exports</b>						
Gold (kg)	817.363	835.2	899.4	895.9	989.34	1205.97
Silver ('000 kg)	3.76	4.69	4.14	4.97	4.55	6.75
Other Minerals ('000 mt)	208.19	65.57	229.00	20.64	251.90	217.00
<b>Value of Mineral Exports</b>						
Gold (PhP Bilion)	1.68	1.53	1.68	1.61	1.68	2.7
Silver (PhP Milion)	153.76	147.1	169.13	134.00	186.05	150.30
Other minerals (PhP Milion)	128.62	521.19	141.48	31.8	155.63	91.3

Source: MGB XI

Other mineral products that could be found in Davao Region are limestone, magnesite, lime, shale, silica, chromite, pozzolan, pebbles, earth fill, boulders, and sand and gravel. For other minerals, both volume and value targets were not achieved in 2013–2015. The reason cited for the non-achievement of targets was the non-renewal of small scale mining permits (SSMP) in view of the implementation of Executive Order No. 79.<sup>3</sup>

### c. ICT Industry

ICT products and services are categorized based on eight segments: 1) Broadcast Media; 2) Computer Hardware; 3) Semiconductors and Electronics; 4) ICT-Enabled Creative Services; 5) IT Services; 6) IT Business Process Outsourcing (IT-BPO); 7) Software and Applications; and 8) Telecommunications. Of the eight segments, Davao Region has major players for IT - BPO, Software and Applications, ICT-Enabled Creative Services, and IT Services.<sup>4</sup> The IT-BPO industry is one of the major job providers in the Region, especially for fresh graduates ranging from Customer care; Technical support; and Sales for the Voice services; and Finance and accounting transactions and payroll processing; Specific industry processes such as medical or legal transcription, legal research, and analysis; and Animation and other high-end processes for the Non-voice services.

The Region is endowed with a pool of young, English speaking, talented workforce as higher-education institutions use English as the principal medium of instruction; and also cater to the human resource development for ICT. This is

complemented by the presence of various training institutes for National Competency (NC) certifications. These resources make the Region an attractive BPO location.

For 3 cycles in a row, Davao City had consistently topped the Next Wave Cities benchmarking study of Information Technology and Business Process Association of the Philippines (IBPAP) and Department of Science and Technology (DOST). Currently, Davao City is ranked 66<sup>th</sup> in the Tholon's Survey of Top 100 Outsourcing Destinations, and is in the top 70 Outsourcing Destinations Worldwide as of first quarter 2016.

The ICT industry generated annual compensation revenue of at least 2 billion pesos, while employing at least 33,000 Full-Time Employees (FTEs) as of 2014 estimate. In addition, a number of investment locators poured into the Region for the said period, particularly Flatworld Solutions (Philippines), Inc. employing about 349; and Cybercity Teleservices (Phils.), Inc. with about 2,102 employees based on the Bureau of Investment data.

### d. Tourism Industry

Davao Region's tourism industry performed well and remained vibrant in terms of domestic and foreign tourist arrivals which grew at 27 percent and 24 percent, respectively from 2010 to 2015.

The total inbound domestic tourist arrivals in Davao Region, including Balikbayan or Overseas Filipino Workers (OFWs), grew by 11.6 percent, from 2,387,116 visitors in 2014 to 2,664,324 visitors in 2015 (*Figure 9.17*).

<sup>3</sup> *Institutionalizing and Implementing Reforms in the Philippine Mining Sector, Providing Policies and Guidelines to Ensure Environmental Protection and Responsible Mining in the Utilization of Mineral Resources*

<sup>4</sup> *Davao Region Industry Clusters Roadmaps, 2014–2030, ICT Chapter*

On the other hand, the number of foreigners who have visited the Region increased by 26.5 percent from 137,679 foreign tourists in 2014 to 174,165 visitors in 2015.

Targets from 2012 to 2015 were likewise surpassed remarkably. Domestic travelers still account for 94 percent of the total tourist arrivals. Majority of the Region's foreign visitors hailed from the United States of America (USA), Japan, South Korea, China, Australia, Canada, Singapore, United Kingdom, India, and Germany.

The highest growth was recorded in 2012 when the number of domestic and foreign visitors remarkably grew by 82.2 percent and

55.7 percent, respectively. The remarkable increase in tourist arrivals can be attributed to the successful promotion of the country's tourism branding "It's more fun in the Philippines" and of Davao Region's "From Islands to Highlands" campaign through the conduct of major summer events (e.g. Davao Fun Sale and Visit Samal Islands, etc.), eco-adventure tourism and hosting of major meetings, incentives, conventions and exhibits/events (MICE).

Figure 9.17 Tourist arrivals in Davao Region, 2010–2015



Source: DOT XI

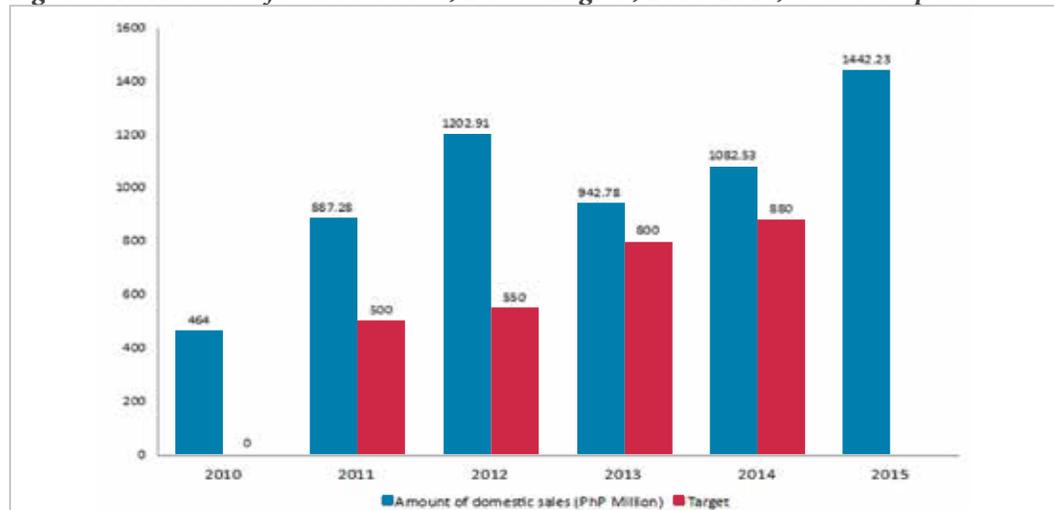
**e. Support to MSMEs**

Based on 2014 figures, there are 45,542 establishments in Davao Region. Of these, 90.22 percent (41,088) are micro; 8.93 percent (4,066) are small; 0.42 percent (193) are medium; and 0.43 percent (195) are large enterprises. This means that 99.57 percent of the Region’s total number of establishments is composed of micro, small, and medium enterprises (MSMEs).

A total of PhP1,442.23 million domestic sales was achieved in 2015, the highest

recorded since 2010 and 49 percent higher than the PhP968 million target (Figure 9.18). All the Region’s targets for domestic sales have been surpassed owing to various interventions provided by government to nurture MSMEs in the Region. The bulk or 74 percent of the domestic sales was generated through trade facilitation/monitored sales, 15 percent from market matching, 8 percent from trade fairs, and 3 percent from the Pasalubong Centers.

**Figure 9.18 Amount of domestic sales, Davao Region, 2010–2015, in million pesos**



Source: DTI XI

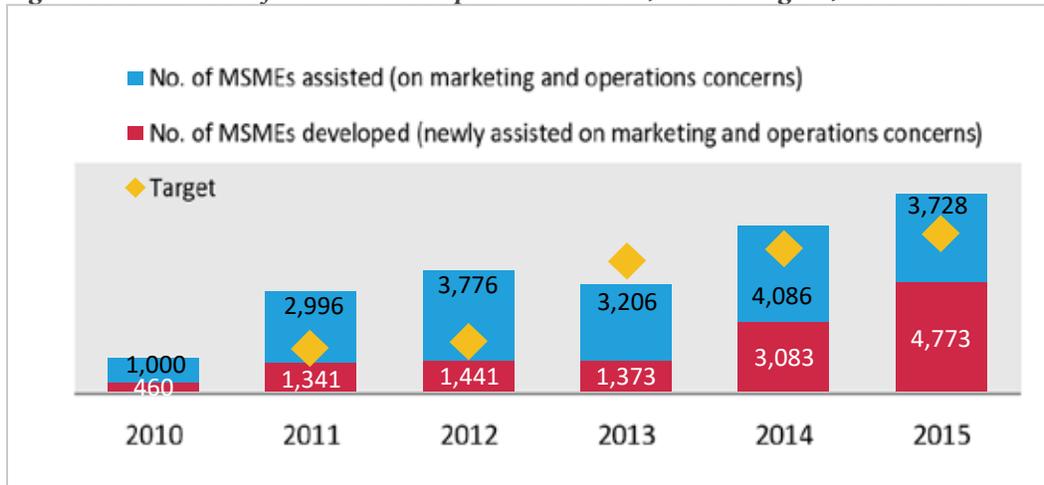
Figure 9.19 shows that the number of MSMEs assisted and developed was recorded highest in 2015 with 4,773 previously assisted and 3,728 newly assisted MSMEs on marketing and operations concerns. It consistently surpassed the Region’s targets in 2011–2015, except for the year 2013 where the accomplishment fell short by 20 percent with 4,579 total MSMEs assisted vis-à-vis the target of 5,720.

The MSMEs employ about 68 percent or 229,561 persons in the Region. As such,

various government entities focus their assistance on the MSMEs’ development. Among the services provided the MSMEs are shared service facilities and Negosyo Centers.

As of April 30, 2016, a total of 136 shared service facilities (SSFs) were established and maintained since its start-up in 2013. With a total project cost of PhP72.73 million, the SSF aims to improve the competitiveness of MSMEs by providing them with machinery, equipment, tools, systems, skills and

Figure 9.19 Number of MSMEs developed and assisted, Davao Region, 2010–2015



Source: DTI XI

knowledge under a shared system. In terms of project location, 35 projects were located in Davao City; 29 in Davao del Norte; 26 in Davao del Sur; 22 in Davao Oriental; and 24 in Compostela Valley. These SSFs benefitted 3,083 MSMEs and generated 12,902 jobs. Established SSFs (Figure 9.20) included processing facilities for meat,

bamboo, fish, abaca fiber, organic fertilizer, rubber sheets, fruit/food processing, sewing machines; vacuum sealing; product labelling; handicraft making and garments and upholstery, among others.

Figure 9.20 Shared Service Facilities distributed to Davao Region's provinces, 2013–2016



Source: DTI XI

Another form of support for MSMEs was through the establishment of Negosyo Centers within the Region. The Negosyo Centers, which emanated from the passage of Republic Act No. 10644 in 2014, are venues for promoting ease of doing business and facilitating access to services for MSMEs. Six (6) Negosyo Centers were

established in the Region in 2015, in Davao City; Digos City, Davao del Sur; Tagum City, Davao del Norte; Nabunturan, Compostela Valley; Mati City and Cateel, Davao Oriental. The operationalization of these six Negosyo Centers in Davao Region assisted 2,404 clients, rendered 2,490 services such as business registration assistance,

business advisory services, and business information and advocacy, disseminated 178 information, education and campaign materials, conducted 52 trainings benefitted by 1,498 participants, and 2 installed innovative system/ improvements.

The Region likewise exceeded targets for a number of products developed by 17 percent after having delivered 129 products versus the target of 110 in 2015. Product development initiatives undertaken were focused on packaging and labeling of processed food and up-cycled products for wearable and home style.

In terms of research support, the Regional Development Council has updated the Davao Regional Development Research Agenda, which aims to pool and gather researches needed by the Region's industries, as well as, provide a guidepost in the research gaps of these industries.

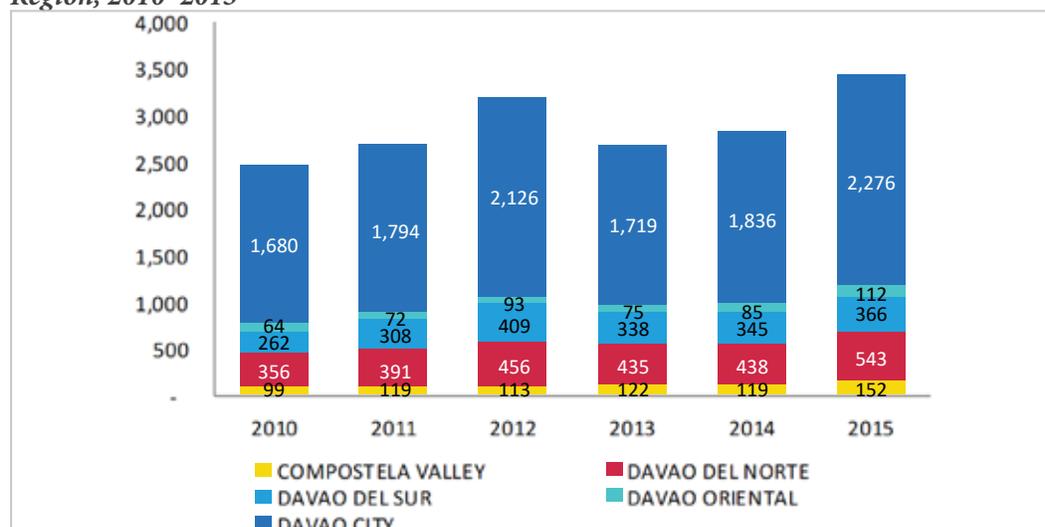
With respect to the much needed infrastructure to support the growing demand for a more sophisticated and sustainable logistics facilities, a major project approved by the NEDA-Board in 2015, the Davao City Bypass Construction Project with total estimated cost of PhP15.32 billion at 2014 price levels which has been identified as a core project in the Mindanao Spatial Strategy/Development Framework (MSSDF) recognizing that roads and traffic conditions, within and outside urban areas in Mindanao need to be continually improved to support the growth of tourism, industry and trade, as well as socio-cultural integration. The Davao City PPP Board likewise forged a joint venture agreement for the Davao Coastline and Port Development Project with project cost of PhP38.95 billion mainly to develop, operate and maintain a modern commercial port for containerized and non-containerized cargoes with cargo handling equipment and information technology infrastructure; and

undertake the development of new ancillary port facilities.

As a means for financial access facilitation for MSMEs, the RDC XI shepherded, in partnership with the Department of Trade and Industry and the Department of Agriculture the conduct of a Financing Forum cum launching of the Roadmaps. The Forum served as venue for matching Industry Cluster Projects with the government funding institutions (GFIs) and Islamic Banks for possible funding. Among the investment leads that directly resulted from this said financing forum were establishment of a Fishery Infrastructure (Fish Landing Center) for Sustainable Harvest worth PhP5 million; construction of Abaca Tissue Culture Laboratory in Mati City, Davao Oriental worth PhP10 million; and Biomass Production worth PhP125 million. The forum also served as a venue for information dissemination on other available funding windows which some private sector representatives were not yet aware of and may now access at their own convenience.

In terms of support for the Region's human resources, the Department of Labor and Employment has likewise commenced the updating of the Human Resource Development Plan (HRDP): 2020 and Beyond, which shall address the following challenges: a) relative slow growth of employment in the Region; b) jobless, high sustained economic growth; c) ASEAN Integration (its impact and the preparedness of the labor force in the Region); and d) K to 12 Implementation. The RDC XI passed Resolution No. 54, series of 2015, "Approving the Reactivation of the Davao Region Human Resource Development (HRD) Task Force and the Creation of a Technical Working Group to Undertake the Updating of the Davao Region HRD Plan Within a Period of Six Months to One Year." This HRD Plan shall enhance Davao

**Figure 9.21: Number of registered Filipino emigrants by province of origin in the Davao Region, 2010–2015**



Source: Commission on Filipino Overseas/ POEA XI

Region’s responsiveness to the local, national and global human resource requirements of industries, especially in consideration of the ASEAN Economic Community Integration.

### f. Export of Filipino Services

Recently, the major avenue for Filipinos to “export” services has been by working overseas rather than by delivering services from the Philippines. Overseas Filipino Workers (OFWs) have a wide variety of occupations including medical doctors; nurses; physical therapists; accountants; engineers; architects; seafarers; caregivers; physiotherapists; IT professionals and other technicians; teachers; journalists; artists; travel, restaurant, and hotel employees; and domestic helpers.<sup>5</sup> In Davao Region, the number of emigrants had been increasing by 7 percent in 2010–2015, and was recorded highest in 2015 reaching 3,449. The said figure represents about 4 percent of the overall emigrants in the Philippines for the same year.

The number of Filipinos working overseas has not only grown but has also changed structurally. While significant numbers work in low-end service jobs such as domestic helpers and general laborers, there has been a rapid expansion in the number of those higher education and professional skills. In fact, official data on Filipinos who emigrated in 2015 showed that about 30 percent were college graduates and about 18 percent were at least college level. Although there was no regional breakdown of data for the said statistics, it is important to note that with the continued rapid growth in IT-BPO, tourism, and other service industries, both in terms of exports and of services directed at local needs, job opportunities would continue to abound in the Region. Hence, it is important to retain useful talent and to entice those working overseas to invest and work at home as that could improve prospects for developing the IT-BPO industry, tourism, and other services.

<sup>5</sup> *Leveraging Service Sector Growth in the Philippines*, ADB Economics Working Paper Series, Raja Mikael Mitra, 2013

**g. Other support base for the Services sector:**

With respect to the much needed infrastructure to support the growing demand of the Services sector, the following major projects were approved by the NEDA-Board from 2011–2015, viz: the Davao International Airport Development, Operations and Maintenance Project under PPP scheme, with total project cost of PhP18.6 billion which shall facilitate the smooth connectivity of residents/ travelers to Davao City and Davao Region for business and tourism; the continued implementation of roads leading to tourism development areas (TDAs), among others.

Roads leading to TDAs, however, were not all implemented as programmed in the Regional Development Investment Program, 2014–2016. Table 9.5 below shows the programmed roads leading to tourist destinations, by Province, by District for the aggregate three-year amounts vis-à-vis the funds released in the General Appropriations Act.

**Table 9.5 Programmed vs Funded PAPs for Roads Leading to Tourism Development Areas, Davao Region, by Province, by Cong. Districts, 2014–2016, (in Thousands)**

Province/District	Programmed 2014–2016	Funded 2014–2016	% of funding	No. of PAPs implemented/ Proposed
Compostella Valley-1 <sup>st</sup> District	612,500.00	80,000.00	13.1%	2/5
Compostella Valley-2 <sup>nd</sup> District	1,175,000.00	40,000.00	3.4%	1/5
Davao del Norte - 1 <sup>st</sup> District	1,516,000.00	670,000.00	44.2%	3/8
Davao del Norte - 2 <sup>nd</sup> District	1,892,830.00	1,248,830.00	66.0%	2/2
Davao del Sur - 1 <sup>st</sup> District	702,312.00	511,594.00	72%	1/5
Davao del Sur - 2 <sup>nd</sup> District	1,679,584.00	467,500.00	27.8%	6/14
Davao Oriental - 1 <sup>st</sup> District	749,400.00	152,805.00	20.4%	1/3
Davao Oriental - 2 <sup>nd</sup> District	1,936,727.00	190,230.00	9.8%	2/4
Davao City - 1 <sup>st</sup> District	285,000.00	634,305.00	222.6%	4/4
Davao City - 2 <sup>nd</sup> District	50,000.00	87,880.00	175%	1/1
Davao City - 3 <sup>rd</sup> District	682,293.00	869,000.00	127.4%	4/5

Source: DPWH XI

Only about 43.9 percent of the proposed road projects leading to TDAs were actually funded and consequently implemented for the period 2014–2016. Davao City got the lowest amount proposed but was able to get 56 percent higher allocation for roads leading to TDAs implemented, followed by Davao del Norte and Davao del Sur.

In terms of human resources development, the Region is gearing up towards responding to the mutual recognition arrangements (MRAs)<sup>6</sup> between ASEAN member countries on tourism professionals. This shall provide opportunities for cooperation and capacity building across ASEAN member countries; and shall highly facilitate

<sup>6</sup> MRAs are arrangements between two or more parties to mutually recognise or accept some or all aspects of one another's conformity with assessment results

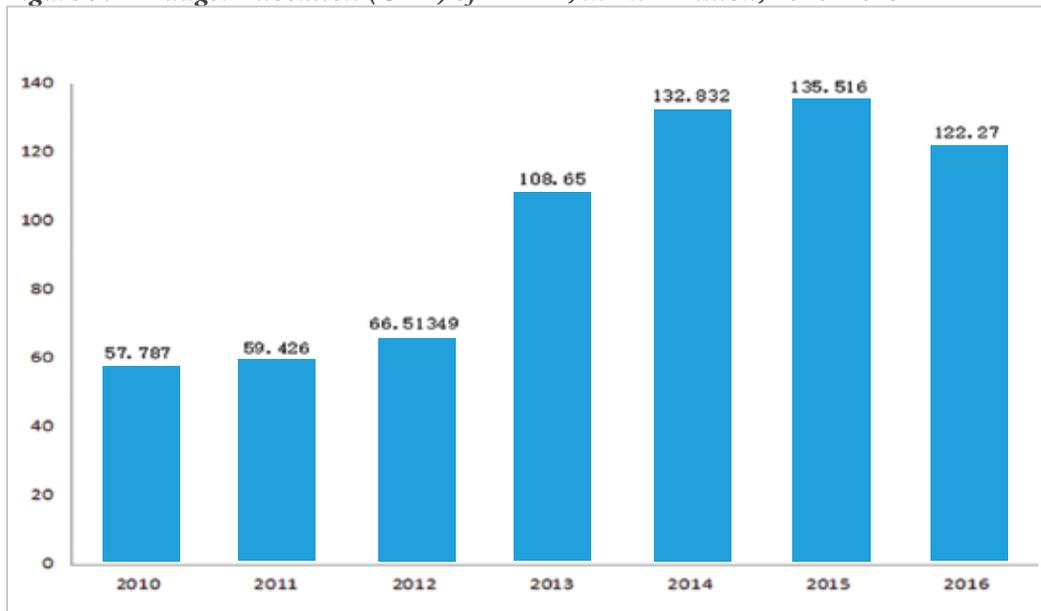
the mobility of tourism professionals/workers in the region.

#### **h. Budgetary support for major Government Agencies**

Budget appropriation for the Department of Trade and Industry XI (*Figure 9.22*), as the main agency carrying out investment facilitation services, industry development and consumer welfare, has considerably increased over the years and was recorded highest in 2015. The agency's budget

allocation grew by 112 percent from the baseline of PhP57.8 million in 2010 to PhP122.3 million in 2016. The noticeable increase can be attributed to the increase in the maintenance and other operating expenses allocated for the said agency, as well as, provision for capital outlay intended for the shared service facility project.

*Figure 9.22 Budget Allocation (GAA) of DTI XI, in PhP Million, 2010–2015*



*Source: FY 2010 to 2016 GAA and Agency/SUC reports during the annual RDC XI Budget Review Exercises*

#### **Enhancing consumer welfare**

Consumer protection and awareness is addressed through the Consumer Advocacy, Monitoring and Enforcement Program which aims to raise the level of awareness and understanding of consumers, as well as the business sector, on standards, prices, monitoring and enforcement activities, product quality and safety characteristics. Consumers who know their rights and

constantly assert them eventually raise the quality of products and services, thereby enhancing the industries' competitiveness and readiness for the demanding global market.

In 2015, the Region's target of 70 percent for level of consumer awareness on rights to safety, information and choice was missed by 17 percentage points as the DTI reported only 53 percent accomplishment.

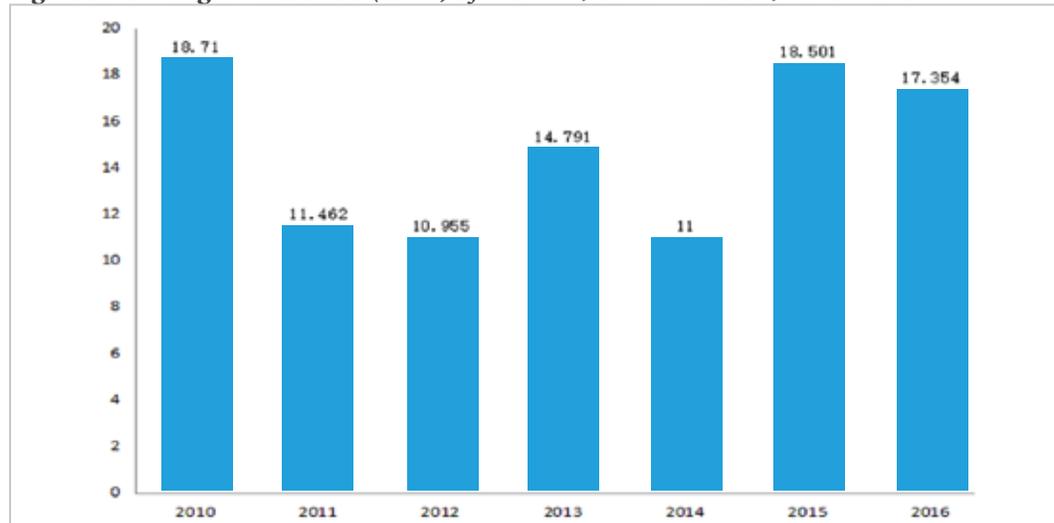
The percentage of consumer complaints resolved within prescribed time also fell short by one point pegged at 94 percent. However, in terms of foreign trade laws (FTL) compliance rate, no violation by firms noted by the DTI XI. Out of the 192 consumer cases/complaints received by DTI XI provincial offices for mediation, 180 or 94 percent were resolved within 10 working days. Likewise, 8 out of 9 or 89 percent consumer complaints received for arbitration were resolved within 20 working days. The nature of most complaints and violations were unfair and unconscionable sales acts and product and service quality imperfections.

Despite not hitting the target, intensified consumer education and advocacy activities in the form of lectures, print media releases, guesting in radio programs and distribution of info materials on consumer protection were successfully carried out. The government also awards the BAGWIS Award program to recognize business

establishments that uphold the rights of consumers, practice responsible business and give consumers best value for money. A total of 51 Bagwis awardees (i.e. 3 gold, 20 silver and 28 bronze awardees) were conferred by the Regional Certification Committee (RCC) in 2015.

The budget appropriation for the Department of Tourism XI, as the main agency carrying out tourism development promotion activities, had considerably increased over the years and was recorded highest in 2015<sup>7</sup>. The budget allocation to carry out tourism promotion activities ranged from PhP11 million to 18 million for the six-year period (*Figure 9.23*).

**Figure 9.23 Budget Allocation (GAA) of DOT XI, in PhP Million, 2010–2015**



Source: FY 2010 to 2016 GAA and Agency/SUC reports during the annual RDC XI Budget Review Exercises

<sup>7</sup> Excluding the base year 2010

## Future Development Scenario

The following scenario may affect the Industry and Services sub-sectors over the Plan period:

1. The manufacturing sub-sector shall continue to contribute the biggest bulk at 22.87 percent in the Industry sector due to the sustained performance of the processing industries, such as cement, food and beverages and steel billets. However, this sub-sector needs to level up in terms of product standards (both local and international) to compete with the global markets as well as to sustain its contribution to Davao Region's growth for the next six years.
2. Additional manufacturing industries are expected to further boost the Region's growth and these are: a) large-scale processing of animal feeds with a capacity of 204,201 metric tons per year for animal feeds and 2,969 MTPY for aqua feeds, with an anticipated investment of Php2.24 billion in Sta. Cruz, Davao del Sur in 2018; and b) manufacturing of packaging products with a capacity of 24,000 MTPY, with anticipated investment of Php500 million in Calinan, Davao City.
3. The full operationalization of energy projects established from 2013 to 2016 shall further push the growth of the Industry sector.
4. In terms of the output from the construction sub-sector, government spending on infrastructure projects is expected to increase by 5 percent annually given the national government's thrusts to hasten projects in Davao Region and Mindanao.
5. With the full integration of the ASEAN economic community (AEC), in order for the Industry sub-sector to sustain and compete with future demands (both for local and international markets) there is an urgent need to capacitate and equip the labor force with the latest skills and technical expertise to support the needs of the industry.
6. The strategic position of Davao Region as the financial, trade and services center of Southern Mindanao will sustain the robust activities brought about by the proliferation of shopping malls, bank and non-bank institutions, recreation, health and wellness and educational service establishments including ICT/BPO, and exports. The tourism-related services subsector shall benefit from the Philippines' hosting of the 2017 ASEAN Summit.
7. The uncertainty on the pronouncement of US President Donald Trump on his call for US companies to refrain from outsourcing jobs to other countries may have an effect on the Services sub-sector, especially for the BPOs since approximately 70 percent of the Region's earnings from this sub-sector comes from the US.
8. The Region, as the home of President Duterte, is attracting a lot of tourists, both domestic and international, which will have a notable increase in the influx of tourists, as already manifested in the 2016 figures. There is an urgent need therefore to level-up the Region's front liners (e.g. taxi drivers, sales clerks, security guards and front desk officers) and undertake talent/skills.

## Challenges

In spite of this sector's various achievements, seizing opportunities and pushing the Region's industry sector to global competitiveness has remained a challenge, particularly on the following:

### *Domestic industries' low level of readiness to participate in the ASEAN integration*

Increasing competitiveness of industries to cope with the rapidly liberalizing global economy, especially the ASEAN Economic Community (AEC) Integration, has never been more important. The Region has to be well-prepared to facilitate its gainful participation not only in the AEC's global production networks but also its skilled workforce.

In a scenario where the demand for the Region's products and services would be high, especially from the ASEAN neighbours brought about by the ASEAN Economic Community (AEC) Integration, the region would lose opportunities to expand its market or penetrate new markets if it does not scale up imperatives for readiness, such as investments in technology, research and innovation, logistics and its overall regulatory environment's compatibility with the ASEAN, among others.

In addition, majority of the Region's industry clusters, especially the agri-based clusters, have unmet production targets; and are yet to strengthen/establish institutional support to be able to participate in the global production networks through global value chains.

### *Limited capacity to comply with local and international standards*

Most of the region's industries are confronted with difficulties in complying

with standards both locally and internationally. Among the local standards that need to be satisfied in operating and/or exporting are Sanitary Phytosanitary Standards (SPS) including Maximum Residue Level (MRL) standards; Good Manufacturing Practices (GMP); Good Agricultural Practices (GAP); Occupational Health and Safety (OHS) Certifications; and those imposed by the Bureau of Agriculture and Fisheries Standards (BAFS); Bureau of Product Standards (BPS), among others. International standards, on the other hand, include the Hazard Analysis Critical Control Point (HACCP) Certification. The business establishments have found the region wanting of trained technical personnel that are capable of administering/providing HACCP certification, hence, businesses would resort to third party private certifying bodies which are very expensive.

Accessing technical assistance, extension services, R&D support, other forms of assistance and advisory services also surfaced as a major difficulty to most businesses due to the lack of knowledge on where to find these services.

Many Services sector entities, particularly the IT-BPO and Tourism subsectors, have not fully harnessed their competitiveness because of cumbersome business operating environment. The lack of government coordination, as observed from the involvement of too many agencies, resulting in cumbersome processes and redundant requirements is one of the major challenges confronting the sector. According to the Tourism sector study of DAP relative to the Modernizing Government Regulations (MGR) program, businesses argue that because of lack of coordination, it can be difficult to obtain incentives promised by an agency due to opposition/non-recognition of another agency. There also exists the attitude of "turfing" that sometimes result in an increase in cost due to the sudden introduction of one agency of regulations

that hurt the original terms of investment agreed upon with another agency. Moreover, sudden changes in regulations (new laws or ordinances, for example, on license fees and taxes) are not relayed to the businesses immediately and sometimes, agencies do not provide a sufficient transition period for the business to comply.<sup>8</sup>

### **Unstable policy environment**

The low compliance to standards is exacerbated by the prolonged bureaucratic processes brought about by too many requirements that need to be secured by businesses, including MSMEs. For the food industry alone, about 40 sets of requirements are required for starting, registering and pre-operating a food business while about 33 sets of requirements are needed for operating and maintaining a food business. According to the survey conducted by the Development Academy of the Philippines (DAP), the most difficult requirements are securing land conversion permits as this shall be processed by the DA Central Office and would take about 6 months to 1 year to be released. The same is true for obtaining a License to Operate (LTO) from the Food and Drug Administration (FDA) due to the centralized function of approval of the LTO. Another issue that surfaced was the lack of technical personnel in FDA Regional Offices. In particular, there are only two “job order” personnel in FDA XI in-charge of all the food-related establishments in the Region. Bureaucratic red tape and the lack of streamlining and automation of interrelated government procedures also need to be addressed.

*“Changing the rule in the middle of the game”* scenario of some government regulatory bodies, particularly in mining,

likewise hampers the flow of foreign direct investments in the Region. One major issue confronting the mining industry, particularly large scale mining companies, is on the inconsistencies in local and national policies where the local ordinances run counter to approved Environmental Compliance Certificates issued by the National government. Issues such as unresolved political boundary conflicts and overlapping tenurial claims are also major hurdles for potential investors in this subsector.

### **High vulnerability to external market shocks**

Any crises experienced by the Region’s external markets, e.g. financial, political or natural disasters such as in the United States, the Middle East and Japan will affect its domestic production. The said markets are the Region’s biggest clients for its export banana and coconut. Being part of the global chain, it is inherent for the Region to be affected by any changes experienced by its external trade partners. It is then significantly important for the Region to expand its external market base and intensify the diversification of its products to minimize any negative impact brought by its external markets.

### **Need to intensify assistance to SMEs in terms of marketing, promotion, access to technology and access to credit for MSMEs**

The linkages between SMEs and large enterprises have also remained weak. Hence, growth experienced by large enterprises has failed to spillover to the SME sector. SMEs have continued to face competitiveness problems and are continually beset by

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<sup>8</sup> DAP MGR Program Survey results

<sup>9</sup> *The Philippine Manufacturing Industry Roadmap: Agenda for New Industrial Policy, High Productivity Jobs, and Inclusive Growth*, Rafaelita M. Aldaba, 2014

difficulties in financing as well as technology and market access.<sup>9</sup>

A Study on MSMEs in the Philippines revealed that the MSMEs fare poorly in terms of access to credit, technology and skills compared with their ASEAN peers.<sup>10</sup> This affects the competitiveness and flexibility of MSMEs in moving towards a single market and production base. More specific issues on SME financing include slow loan processing, short repayment period, high interest rates, difficulties in loan restructuring, lack of start-up funds, and more importantly, lack of acceptable collateral. This is because despite being a growth area for banks, SME financing is still considered unattractive given the perceived risks, without traditional collateral such as land and other real property. However, MSMEs' assets are mostly personal in nature (equipment, inventory, motor vehicle, accounts receivable, etc.), making it difficult for MSMEs to meet bank requirements to get loan approvals.<sup>11</sup>

In addition, trade facilitation is one of the major considerations that need to be prioritized by the Region, particularly with the aim of mainstreaming the MSMEs into the international production networks.

### *Slow Infrastructure and logistics/ supply chain development*

Infrastructure problems include unpredictability of power due to inadequate supply; slow internet connectivity, especially in the rural areas; limited capacities of existing transport facilities, particularly ports and airports; and high cost of domestic shipping and logistics.

In the light of the ASEAN Economic Integration, it is imperative for the Region to improve its infrastructure and logistics

services, particularly the intermodal transport, to allow freer flow of goods, people and services as well as promote the development of special economic zones through the provision of off- and on-site facilities.

The increasing demand for power to support the commercial and industrial requirements of the Region should also be addressed by pursuing energy projects to allow a more conducive climate for investments and accommodate the envisioned faster growth of the industry sector, particularly manufacturing.

The Region still remains wanting in adequate physical and institutional infrastructure needed to support the services sector growth drivers, such as international airport infrastructure; fast and reliable internet connectivity and stable power supply, among others. Fast-tracking of the construction of roads leading to major TDAs also needs to be done in order to maximize the potential of these areas for development.

### *Weak research and development and technology adoption*

Weak research and development and technology adoption still remain a challenge for the Region. The priority industry clusters still need to access new technologies that will support their production and processing of high value by-products. There also exists a mismatch between R&D products and research needs of industries as many research products produced by local institutions lacked commercial value and have not been utilized.

Likewise, there is a relatively low level of commercialization of IT products. Products through research and development from the higher education institutions (HEIs)

<sup>10</sup> ASEAN Economic Community 2015 SME Development: Narrowing Development Gap Measure, Rafaelita M. Aldaba, 2013

<sup>11</sup> Senate Bill No. 354, 2016

are barely utilized and adopted. This can be attributed to the lack of incubation facilities, inadequate financing for product development, lack of promotion and marketing services to the ICT industry, and lack of professional services for product valuation and quality assurance.

### *Need to capacitate human resources to support industry needs*

Despite concerted efforts to address the mismatch between industry needs and available pool of human resources, the region still lacks various skilled laborers and expertise that are much sought after by priority industries. This includes, among others, Skilled laborers (e.g. Banana Chips-peelers, cooks); Agricultural Educators (Extension Work); Animal Geneticists; Food Technologists (Product Development-Processed Foods, Food Safety/QA); Designers; Craftsmen (for wood handicraft); Geographic Information System (GIS) Specialist; Mining Engineers; Geologists; Heavy Equipment Operators; and Metallurgical Engineers.

The job-skills mismatch still continues to beset the Region and with the steeper competition, employers are putting additional qualifications into the job descriptions, entailing additional trainings needed. The lack of, or little adjustments in learning institutions to fill the gaps caused by the heightened competitiveness in the job market has aggravated the problem.<sup>12</sup>

Although the Region is churning out enough graduates for employment, there is a low supply of qualified talents that may be attributed to weak computer literacy, communication and language barriers, negotiation skills, learning empathy, and service orientation.

With the increasing number of locators opting to operate in Davao, there is a prospective demand for qualified talents, which shall further increase due to the availability and need for home-based workers and developers. Hence, more capacity building interventions are needed to meet the growing demand for the Region's talent pool.

### *Need to sustain the growth in the Mining subsector*

The remarkable performance of the mining and quarrying subsector from a negative growth in 2012 to 20.25 percent growth rate in 2015 has immensely leveraged the performance of the industry sector, however, the challenge of sustaining the growth of this sector in the Region remains. Taking cognizance of the fact that although the growth of the mining industry may bring economic and employment opportunities to the Region, this may also give rise to problems on health, safety, sanitation and environment.

Moreover, proliferation of illegal mining activities, mainly for small-scale mining, which is linked to smuggling and declining volume of gold sold to the Bangko Sentral ng Pilipinas, hampers the productivity of the industry.

Finally, the issuance of Executive Order No. 79 spells out the government's policy to promote mineral processing instead of merely producing raw minerals. This policy challenges the mining cluster to up-scale its value-adding activities as well as further improve small-scale mining production, veering from crude mining techniques such as blow torching to more efficient mining production techniques. Consequently, jewelry-making as a value adding activity needs to be improved, particularly the skills

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<sup>12</sup> TUCB, 2014

and quality of craftsmanship, as they are not yet at par with those outside of Compostela Valley Province.

### Untapped potential of Halal Tourism Industry

Although there are already initiatives to tap the huge potential market of the Halal Industry for the ASEAN, more efforts still need to be done, especially on the part of the government, to assist this industry. Among these are the coordination and provision of halal-certifying bodies which are not visible in Davao Region.

### Insurgency and Peace and Order problems

The importance of ensuring the safety of investors and tourists in the Region, be they domestic or foreign, cannot be overemphasized. However, the Region continues to be tagged with the stigma of the Mindanao conflict. The recent bombing that occurred in Roxas Boulevard, Davao City, which took the lives of fourteen-night market visitors and service providers (massage therapists and vendors), have significantly affected the Region's tourism industry. There is also a need to address poor compliance with safety standards on destination/site security in the Region.

## II. Strategic Framework

Figure 9.24 Strategic Framework



### Goal

Globally competitive and innovative industry and services sectors

### Objectives

- To increase local and foreign investments
- To increase the Regions productivity

- To improve the SMEs' access to financing facilities
- To increase employment opportunities in the industry and services sectors
- To expand the support base of the industrial sector on ICT, research and development, marketing and trading, infrastructure, logistics and supply chain facilities, human resource and financing facilities
- To increase employment opportunities in the industry and services sectors
- To expand the support base of the industrial sector on ICT, research and development, marketing and trading, infrastructure, logistics and supply chain facilities, human resource and financing facilities
- To improve peace and order situation in the Region (discussed in separate chapter)
- To enhance Davao's position as a premier destination in the Philippines

### III. Targets

- Sustain an average growth in the Gross Value Added for Industry of 11.6 percent in 2015 to 14.0 – 15.0 percent in 2022.
- Sustain an average growth in the Gross Value Added for the Services of 7.4 percent in 2015 to 9.2 – 10.2 percent in 2022.
- Sustain growth in private investments, especially for the Region's 18 priority industries.
- Sustain the increase in the Region's productivity levels.
- Increase visitor arrivals and tourist receipts by an annual average of 10 percent.

### IV. Priority Strategies

Aligned with the National Government's development agenda of increasing competitiveness and the ease of doing business; as well as, promoting rural and value chain development toward increasing agricultural and rural enterprise productivity, the strategies to be carried out for this sector shall focus on fostering competitiveness for the Region's micro, small and medium enterprises (MSMEs) by way of product diversification and increased manufacturing resurgence initiatives.

The Region shall then strive to facilitate the rapid growth of its industry sector by addressing the binding constraints

relative to its competitiveness, such as infrastructure and logistics, weak research and development and technology adoption, the need for more skilled human resource base and its overall governance, among others, to wit:

## Pursuit of agro-industrial development, particularly the strengthening of the Manufacturing Subsector through the implementation of the Industry Clustering Strategy

Majority of the Region's poor are from the marginalized rural sectors, employed in agriculture. It is then imperative to increase the productivity of the agriculture sector and strengthen its linkages with the manufacturing industry towards the development of the agribusiness sector. If poverty is to be reduced, there is a need to develop the agriculture sector by transitioning from farming to agribusiness and product diversification. Rural transformation can only be attained through upgrading and restructuring of supply chain to gain competitive advantage in high-value agro-industrial products.<sup>13</sup>

The assessment reveals that the manufacturing subsector has the capacity to provide high-paying and more stable jobs to the less educated workforce, which is key to poverty reduction and faster, more inclusive growth. Manufacturing also has far more benefits than just employment opportunities as it has the highest multiplier effect to the economy compared to other sectors.

The manufacturing industry's backward linkages such as source of raw materials and inputs, primarily the agriculture sector, as well as its forward linkages covering logistics and other supply-side connections, have to be strengthened. The Manufacturing

Industry Roadmap aims to develop a globally competitive manufacturing industry supported by strong backward and forward linkages within the economy.

Toward this end, the Region shall pursue the full implementation of the Davao Region Industry Clusters Roadmaps, 2014–2030, which espouses shifting resources toward more product diversification and value-adding. This shall minimize production and market risks and shall foster the manufacturing subsector. In addition, through the clustering strategy, collaborative interventions on capacity building, technology infusion, and provision of shared service facilities to industries, especially the MSMEs, shall be carried out to enhance their productivity. This shall eventually enable firms to move up the technology scale, explore niche markets and define their position in order to plug into global/regional production networks.

## Pursue massive investments in logistics and infrastructure

Infrastructure and logistics that lower production cost and facilitate the easy supply chain management from the procurement of inputs to the export of outputs which are important for the operations of production networks, shall be prioritized. Included in this strategy is speeding up and facilitating the implementation of Private-Public Partnership programs to upgrade ports, airports, highways, electricity grids, telecommunications and other infrastructure along with the expansion of RoRo networks and building an integrated railway system all over Mindanao.

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<sup>13</sup> *Urgent: A road map for agro-industrial development in the Philippines*, Roehlano M. Briones, 2013

One of the priority projects of the national government is the Mindanao Logistics Infrastructure Network, which seeks to reduce logistic costs by improving linkage roads to key ports and other production areas in Mindanao. Furthermore, the government shall continue to pursue policies that would lower power and communication costs, provide sufficient port systems, reduce travel time, offer travel and shipment options, and promote/develop commercially viable potential renewable energy sources for operation of post-harvest facilities. The PPP scheme shall be pushed particularly in developing as well as modernizing the much-needed infrastructure facilities of the Region.

In addition, the Region shall also advocate for the integration of Persons with Disabilities (PWDs) in the industry sector workforce by ensuring compliance to the Implementing Rules and Regulations of Batas Pambansa 344.

There is a need to rapidly expand the capacity of the Davao International Airport, specifically to increase international connectivity. Roads leading to TDAs need to be fast tracked by DPWH and DOT, especially those identified in the terminating RDIP, 2011–2016 which were not funded and implemented.

There is also a need to implement a sustainable tourism destination infrastructure programs such as, but not limited to, the provision of water and water treatment facilities and solid waste management; design and construction of tourism information centers and support infrastructure; establishment of tourism sites access and visitor improvements.<sup>14</sup> The Region shall also endeavor to cater to the growing demand for cruise tourism, hence,

appropriate and relevant infrastructure facilities to support this industry shall likewise be pushed.

In addition, the creation of the Department of Information and Communication Technology (DICT) by virtue of Republic Act no. 10844, series of 2016, should ensure universal access to quality, cost-efficient, reliable and citizen-centric information and communications technology infrastructure, systems and resources as instruments of good governance and global competitiveness.<sup>15</sup>

## Reduce the cost of doing business and improve the business support environment

To continually promote an investor-friendly Region, and to ensure compliance of industries to standards, the Region shall fully support and advocate for the Modernizing Government Regulations (MGR) Program commissioned by the DAP and National Economic and Development Authority (NEDA) which aims to establish mechanisms toward a whole-of-government approach that will harmonize and improve the regulatory environment in the Philippines. Among the interventions targeted by the MGR is to address the difficulties imposed by existing regulations with recommendations on reducing unnecessary regulation burden by highlighting a more interactive and interagency regulatory review and management; developing a quality regulatory management system; and designing a Philippine Business Regulations Information System (PBRIS) which would serve as a library and an information dissemination platform and consultation

<sup>14</sup> National Tourism Development Plan, 2011–2016

<sup>15</sup> <http://newsinfo.inquirer.net/787103/aquino-signs-law-creating-department-of-information-and-communications-technology>

channel.<sup>16</sup> This shall readily address the clamor of industries to intensify advocacy on functions and requirements of regulatory agencies, as well as market requirements and available incentives.

Simplifying business rules and regulations to reduce the cost of doing business shall also be pursued by encouraging the LGUs to undertake policy and procedural reforms in processing the requirements of investors. Among these initiatives is the adoption of the revised standards on processing business permits and licenses in all cities and the municipalities per new Joint Memorandum Circular forged between the DTI, Department of Interior and Local Government (DILG) and Department of Information and Communications Technology (DICT).

Apart from that, automation of business procedures through the use of ICT or a one-stop online shop, e.g. development of a government portal (similar to gov.uk) which is user friendly; accessible; simple; and with clear rules that shall integrate and streamline all relevant government services, shall be advocated.

Finally, government offices, especially those issuing permits, shall move towards International Organization for Standardization (ISO) certification of their processes for transparency and quality services to clients.

## Develop Competitive and Resilient MSMEs

The Region is beset by the challenge of ensuring that microenterprises grow into small businesses; and small businesses develop into medium-sized enterprises.

Hence, there is a need to develop these enterprises to become more competitive and resilient by providing them with an enabling environment so they survive, grow, and expand.

To assist MSMEs, the Region shall establish more Negosyo Centers in the Region targeting all provinces to have at least one. Negosyo Centers shall likewise be equipped with appropriate facilities that can provide a headstart on available credit windows for MSMEs to improve their access to and capability to comply with financial agencies' requirements. Corollary to this effort is to capacitate more banks on extending flexible credit assistance to MSMEs. In this regard, the Region shall support the passage of the Secured Transactions Bill which seeks to enable financial institutions to rethink how they view collateral and reduce the perceived risks, by providing protection for framework to govern lending transactions that involve the use of personal property as collateral, as well as the design, establishment, and operation of a unified, centralized, online notice-based national collateral registry to assure banks that the collateral being submitted has not already been utilized for another loan. These reforms have the potential to increase credit access for women and small businesses, reduce the risks of non-satisfaction of debt and thereby lower the cost of borrowing, and reduce the rate of non-performing loans of financial institutions.<sup>16</sup>

## Strengthen the Role of Cooperatives in Addressing Inequality and Foster Economic Development

Pursuant to the fifth of the 0–10 Socioeconomic Agenda of the national

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<sup>16</sup> *Modernizing Government Regulations Program Briefer, Development Academy of the Philippines, 2016*

government to promote rural and value chain development toward increasing agricultural and rural enterprise productivity and rural tourism, the Region shall strengthen the role of cooperatives as instruments of equity, social justice and economic development. Cooperative development allows for complementation of efforts, maximization of use of limited resources and achieve greater strategic impact from collaboration.

The Region shall then advocate for building and promotion of cooperatives' information, and communication technology (ICT) capability; expansion of research and development and other extension services; and encourage access of cooperatives to global markets.

## Strengthen Research and Development (R&D) and technology adoption

There is a need to improve the linkages between the industry and academe in product development and R&D activities. The academe and industry shall also implement shop-floor industries which shall be supported with the needed research to be undertaken by the academe. Technological catch-up—Institutions that promote adaptive research & patent regime shall be explored.

The establishment of internationally accepted testing centers, particularly for Halal certification and HACCP shall be pursued. Efforts toward capturing the global Halal Industry shall likewise be undertaken. There is also a need to advance in information and communication technology, and innovative utilization of e-commerce to expand market outreach, expansion of networks, gaining access to information,

and participation in value chains.

In relation to the ICT sector, research and development adoption shall be intensified through the establishment of incubation facilities in HEIs in the Region. Once implemented, there is expected to be a more focused effort to promote technopreneurship through product development among students and faculty with the support of the ICT industry. As of 2015, four HEIs namely, the University of Mindanao (UM), the Ateneo de Davao University (ADDU), the University of Immaculate Conception (UIC), the University of Southeastern Philippines (USEP) and the University of the Philippines in Mindanao (UPMin) are in various stages of setting their ICT incubation facilities.<sup>17</sup>

## Capacitate the Region's Human Resource Pool and Undertake Talent/skills mapping to match industry needs

The Region is endowed with young, English-speaking and highly trainable workforce. However, there is still a need to enhance the trainings of the Region's human resource pool especially on ICT and technical-vocational courses. This strategy shall be undertaken by enforcing coordination between education institutions and industry stakeholders in identifying skill requirements vis-a-vis curricula, especially the Tech-Voc track of K-12. There is also a need to fast-track the formulation of a Roadmap/Human Resource Development Plan for the industry and services sectors as basis to improve/ customize training and education.

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<sup>17</sup> DR-ICR, 2014–2016, ICT Chapter

The academe and training institutions shall be encouraged to assist in this endeavour through enhancing their career guidance in schools. On the part of the private sector, the formation of industry-led skills development and training centers shall be a welcoming salvo.

To further create an environment conducive to improving competitiveness, strategies involving human resource development (HRD) are imperative for the Services sector to flourish.

For the ICT industry, the Region shall support the adoption of the Global Competitiveness Assessment Tool (GCAT) which is an industry-initiated assessment, spearheaded by IBPAP's Talent Development Team, to guarantee a continuous pool of qualified candidates for the IT-BPM industry and beyond. It is beneficial for students as it illustrates an individual's points of current skill and point for improvement; as well as, serves as a pre-employment screening tool for members of the ICT industry. GCAT candidates can attach their results to their resume, especially for applications to member companies in the IT-BPM industry.

As to its benefits for the HEIs, the GCAT shall provide an overview of the school's ranking as compared to industry standards, hence, helping the school develop and create bridging programs or interventions for skill and competency improvement.<sup>18</sup>

For the Tourism industry, the conduct of ASEAN Mutual Recognition Arrangement (MRA) on Tourism Professionals Awareness Seminars in the Region shall be pursued. This shall advocate the various standards and capacity building requirements for

the tourism industry to meet ASEAN standards, specifically the Memorandum of Understanding on Tourism Human Resource Development and Training by the DOT- TESDA - CHed- DepEd- Tourism Industry Board Foundation (TIBFI). The TIBFI has been designated as the National Tourism Professional Board (NTPB) for the implementation of the ASEAN MRA.

## Improve the business support environment by mandated agencies

As the tourism sector has likewise been identified as a priority industry in the DAP-NEDA convergence program on MGR, the next six years shall see improvements on the regulatory environment for this sector. In particular, this shall include an establishment of a one-stop-shop that will process licenses and permits; integration of local permits/accreditation with national requirements, if not the removal of local permits/accreditation (if there is already national permit) like the local licenses for a nationally- accredited tour guides; provision of regulatory kits from the start of doing business for businesses to be familiar with the necessary regulations; and possible amendments to some regulations to reduce costs such as lengthening the validity of the Department of Tourism accreditation.<sup>19</sup>

In terms of assisting MSMEs, especially in the services sector, to improve their access to credit and financial inclusion, there is a need to pursue the full implementation and heightened advocacy on Republic Act No. 10744, series of 2015 which was created to make credit more accessible to MSMEs by providing an efficient credit surety fund program.

<sup>18</sup> <http://www.ibpap.org/about-us/programs/global-competitiveness-assessment-tool>

## Level-up marketing and tourism promotion by Developing Competitive Products and Destinations

In order to enhance Davao's position as a premier destination in the Philippines, aggressive promotion of the Region in both local & international markets shall be undertaken which would also entail the need to develop diversified tourism products and destinations that engage local communities and includes Agriculture and Food Tourism; and development of cultural villages in every province.

The promotion of eco-tourism development shall also be pushed. Eco-tourism is a significant tool in sustainable development as it also advocates protection of the natural resources, the base from which the eco-tourism industry thrives. Eco-tourism activities improve the well-being of the native inhabitants through the provision of livelihood opportunities as well as encourage community involvement in development.

For the ICT industry, increased visibility internationally is necessary to enhance awareness of the range of non-voice, complex services delivered from the Region and drive investment.

## V. Priority Legislative Agenda

- Decentralization of services of regulatory bodies to the region/provincial local government units; putting in more people in the plantilla positions; and capacitating them
- Removal of burdensome domestic regulations that impede the movement of goods (ex. BIR import clearance certificate, centralized processing of FDA License to Operate and Certificate of Product Registration, PNP procedures for regulated chemicals, etc.)
- Establishment of satellite PPP centers in the region to make PPP-related assistance readily available to the LGUs and other stakeholders in the Region and to increase investments due to PPP
- Legislation on the following: i) requiring 2 – LGUs to settle political boundaries in a given period; ii) overlapping tenurial claims/instruments; iii) land conversion issues, among others
- Policy setting service standards to telecommunication companies and providing penalties therefor
- Require telecommunication companies to benchmark the minimum internet speed from 3mbps to 10mbps
- Further amendment of the Cabotage Law
- Passage of a Secured Transactions Act which shall facilitate access to finance by MSMEs at reasonable rates

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<sup>19</sup> DAP MGR Survey Results

- Establishment of a Government-accredited Halal certifying body in the Region to increase halal-certified tourist establishments in the Region
- Regionalization of the Philippine Tourism Satellite Accounts (PTSA)
- Creation of plantilla positions for tourism offices and workers
- Require the PSA to generate the much-needed data on the IT-BPO industry similar to the PTSA and with regional breakdown

## VI. Priority Research Agenda

- Impact/Benefits of Foreign Trade Agreements (FTAs) entered into by the Philippines to Davao Region's Micro, Small and Medium Enterprises (MSMEs)
- Market Preference on Eco-Tourism Sites of Davao Region
- Review/Study on existing and potential financial packages for SMEs
- Proliferation of gold smuggling in Davao Region
- ICT Industry Mapping and Monitoring
- Inventory of illegal small-scale mining operation in partnership with the mining industry
- Absorptive capacity of Region for extractive industry
- Competitive Edge of the Davao Region vis-à-vis other regions in terms of tourism

## VII. Priority Programs, Activities and Projects

- Product Development and Innovation
- Small Enterprise Technology Upgrading Program (SETUP)
- Capacity Enhancement for Competitiveness of SMEs
- Establishment and operationalization of Negosyo Centers all over the Region
- Davao Food Terminal Complex (Davao City)
- SME Roving Academy (SMERA)
- KAPATID: MENTOR ME
- Business incubation/Food processing & innovation Center
- Mindanao Logistics Infrastructure Network projects
- Free Wi-Fi Internet Access in Public Places
- Establishment of a Halal Certifying body in Davao Region
- Regionwide Visit Davao Fun Sale; and Let's Meet in Davao Activities
- Enhancing Tourism and ICT Industry Human Resources
- Implementation of the annual industry mapping and monitoring project
- Hosting of Association of Southeast Asian Nations (ASEAN) 50<sup>th</sup> Anniversary; and other International/National events
- Increase labor productivity in Industry and Services sector



10

Accelerating  
Human Capital  
Development



# Accelerating Human Capital Development

Human development is regarded as both an end itself and a means to an end. Being an end in itself, human development focuses on improving the lives of Filipinos as a fundamental right guaranteed by the Philippine Constitution, whereby the State protects and promotes the right to health of the people and instill health consciousness among them. The law also provides for the protection and promotion of the right of all citizens to quality education at all levels and takes appropriate steps to make such education accessible to all. As a means to an end, human capital development leads to economic growth and poverty reduction. Health and education are key determinants of economic growth as they provide bearers with greater chances for a better life. Investments in health and education, not only contributes to people's well-being, but also generates future higher income. Human capital development improves labor productivity, facilitates technological innovations, increases returns to capital, and makes growth more sustainable, which, in turn, supports poverty reduction. As articulated in AmBisyon Natin 2040, Filipinos aspire for a stable and comfortable lifestyle, to have enough for their daily needs and unexpected expenses and be able to plan and prepare for the future. A long, healthy life and good education are vital for people to realize their full potential and attain their 'ambisyon' for many years.

## I. Assessment and Challenges

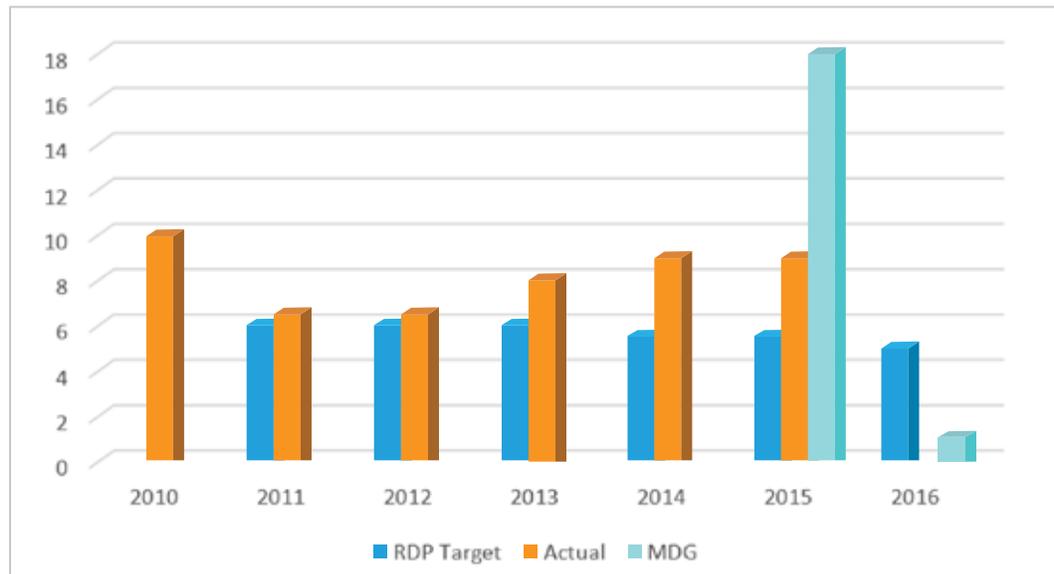
### Assessment

#### *Health and nutrition*

Davao Region's performance in terms of major health indicators from 2011 to 2015 was respectable insofar as achieving the targets of the Regional Development Plan and the Millennium Development Goals were concerned. In 2015, the Region's infant mortality rate (IMR) posted 9.7 deaths per 1,000 live births from 10 deaths in 2010. This was better than the MDG target of 18.7 deaths per 1,000 live births, though it was unable to meet the Plan target of 6 per 1,000 live births. Compostela Valley posted the highest IMR (15.5) followed by Davao City (13.3), Davao Oriental (9.3), Davao del Norte (5.6) and Davao del Sur (3.8).

The leading causes of infant deaths were prematurity, birth asphyxia or birth trauma and congenital malformations.

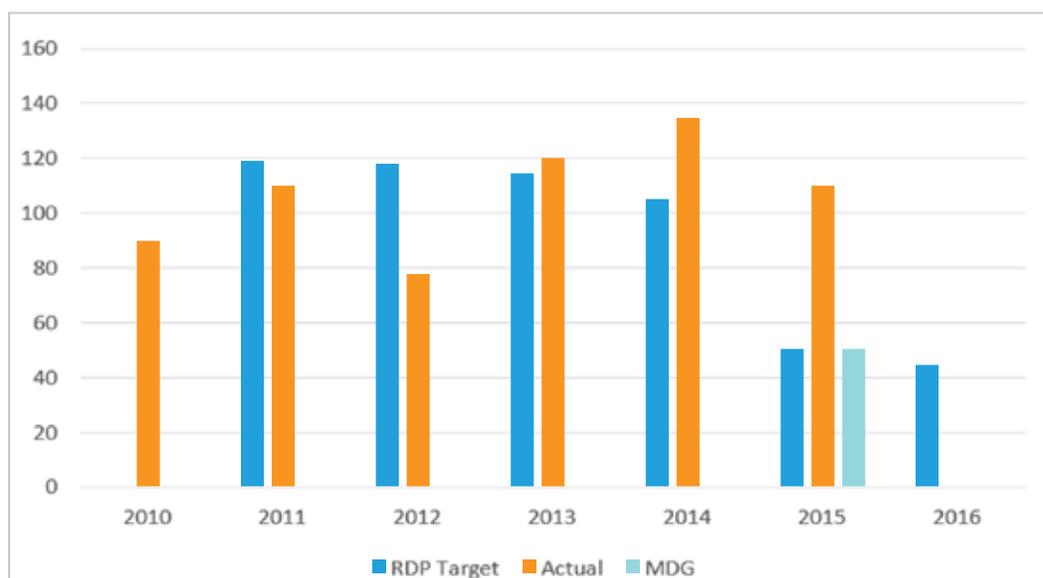
*Figure 10.1 Infant Mortality Ratio Target vs Actual, MDG, 2010–2016*



Under-5 mortality ratio was 11.3 deaths per 1,000 live births in 2015 from 12.6 deaths in 2010, thereby achieving the MDG target of 26 deaths per 1,000 live births. To promote child survival, concerned government agencies, LGUs and NGOs pursued strategies on integrated management of childhood illnesses, vitamin supplementation, immunization, deworming and nutrition programs. The Region’s performance, however, was still below the Plan target of 9.5. The proportion of underweight children below five years was 5.1 percent, which surpassed the MDG target of 18.6 percent, but slightly missed the Plan target of 4.7 percent.

The proportion of infants immunized against measles reached 77 percent in 2015, while fully immunized children posted 73 percent. These performances were lower than the Plan target of 95 percent and MDG target of 100 percent, respectively. Davao Oriental had the highest proportion of fully-immunized children at 79.6 percent followed by Compostela Valley (77.5), Davao del Norte (76.7) and Davao de Sur (75.7). Davao City had the lowest immunization rate at 65.3 percent. Despite the government’s expanded immunization program, the poor’s limited access to the program’s services have placed some infants at risk of contracting immunizable diseases.

Figure 10.2. Maternal Mortality Ratio - RDP Target, Actual, MDG, 2010–2016



There was no significant progress on the Region’s maternal mortality ratios (MMR) from 2010 to 2015. At 122 deaths per 100,000 live births in 2015, the Region failed to achieve its Plan and MDG targets of 52 deaths per 100,000 live births. Davao del Sur posted the highest maternal mortality ratio at 184 per 100,000 live births, followed by Davao del Norte (174), Davao Oriental (139), Davao City (92) and Compostela Valley (21). The top causes of maternal deaths were bleeding, hypertensive disorders and infection. Major contributory factors were lack of access to pre-natal, delivery and postpartum services due to poverty, low awareness on the part of pregnant women and cultural beliefs. It can be noted that 40 percent of total maternal deaths were delivered at home, while 27 percent were delivered in DOH-retained hospitals and 19 percent in core referral hospitals.

Skilled birth attendance and facility-based deliveries improved consistent with Plan targets. The proportion of births by skilled health personnel reached 84.4 percent in 2015 from 68.2 percent in 2010, albeit lower than MDG target of 100 percent. This was highest in Davao City (89.3 percent) and lowest in Davao del Sur (70.7 percent). Facility-based deliveries, likewise, increased to 85 percent from 61 percent in 2010. Davao Oriental (91 percent) was highest while Davao del Sur (73 percent) ranked lowest.

**Table 10.1 Leading Causes of Morbidity, Davao Region, 2015**

	DISEASES	MALE	FEMALE	TOTAL
1	Acute Upper Respiratory Tract Infection	28,379	33,140	61,519
2	Pneumonia	14,655	14,262	28,917
3	Disease of the Urinary System	6,573	10,799	17,372
4	Acute Respiratory Infection	6,995	7,798	14,793
5	Essential Hypertension	4,624	7,484	12,108
6	Diarrhea and Gastroenteritis	6,906	6,749	13,655
7	Wounds, all types	5,689	4,027	9,716
8	Acute bronchitis/ bronchiolitis	4,028	4,066	8,094
9	Other viral disease	2,276	2,237	4,513
10	Disease of the heart	2,575	2,792	5,367

Source: DOH

On reproductive health, the Region's total fertility rate was 2.9 in 2015 based on the National Demographic and Health Survey. Regionwide, the contraceptive prevalence rate decreased from 65 percent in 2010 to 53.8 percent in 2015. This was highest in Compostela Valley (72.9 percent) and lowest in Davao City (34 percent). The Regional Implementation Team on the RPRH Law was established in 2015 to manage the implementation of RA 10354 or the Responsible Parenthood and Reproductive Health (RPRH) Law.

On occurrence of diseases, tuberculosis prevalence was 244 per 100,000 population. This was highest in Davao del Norte (258) and Davao City (257). Meanwhile, Davao Region was the fifth highest among regions in terms of reported HIV-AIDS cases at 1,606 from January 2010 to November 2015. The incidence of malaria reaCHED 2.43 in 2015, which was highest in Davao del Norte (10.94). Compostela Valley, Davao Oriental and Davao del Sur had zero incidences of malaria. Meanwhile, the Region's top causes of morbidity in 2015 were acute upper respiratory tract infection, pneumonia, disease of the urinary system, essential hypertension, diarrhea and gastroenteritis.

**Table 10.2. Leading Causes of Mortality, Davao Region, 2015**

	DISEASES	MALE	FEMALE	TOTAL
1	Pneumonia	1,457	1,043	2,500
2	Diseases of the Heart	1,423	1,041	2,464
3	Cerebrovascular disease	1,017	770	1,787
4	Diabetes Mellitus	423	409	832
5	Hypertensive diseases	439	333	772
6	Diseases of the arteries, arterioles and capillaries	297	447	744
7	Renal failure	334	208	542
8	Chronic lower respiratory diseases	327	128	455
9	Septicemia	211	201	412
10	Tuberculosis	271	115	386

Source: DOH

On the other hand, the leading causes of mortality were pneumonia and heart and cerebrovascular diseases. It can be noted that the number of affected females was higher compared to males in terms of

morbidity or incidence of diseases, whereas the males had higher mortality rates or are more susceptible to death from such diseases than females.

**Table 10.3. Ratio of Health Workers to Population, Davao Region, 2015**

HEALTH WORKER	ACTUAL RATIO	IDEAL RATIO
Doctors/Physicians	1:59,484	1:20,000
Dentists		1:20,000
Nurses	1:34,050	1:10,000
Midwives	1:6,810	1:5,000
Bgy. Health Workers	1:451	1:5,000
Doctors/Physicians	1:59,484	1:20,000

Source: DOH

On health human resource, the Government continued to mobilize health workers to ensure better quality of health services for the population. The number of health workers, however, has remained below the ideal ratio, except for barangay health workers. On health financing, Philhealth

reported 91 percent coverage in 2015 involving about 4.5 million Davaoños. This fell short of the Plan target of 100 percent. The largest coverage was for 2.1 million indigents or 46 percent, based on the Listahanan of DSWD, followed by the formal economy at 30 percent.

## Basic education

**Table 10.4 Basic Education Key Performance Indicators, Davao Region 2010–2016**

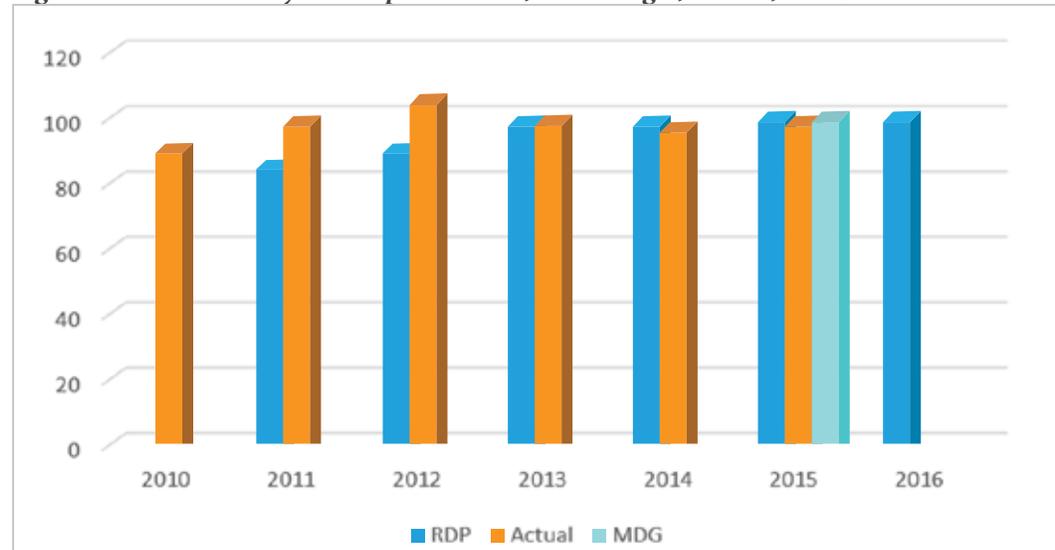
KEY PERFORMANCE INDICATORS	ACCOMPLISHMENTS (%)						END OF PLAN TARGETS (2016)
	SY 2010–2011	SY 2011–2012	SY 2012–2013	SY 2013–2014	SY 2014–2015	SY 2015–2016	
<b>Elementary</b>							
Participation Rate	93.6	96.4	102.7	97.8	96.1	96.7	100.0
Cohort Survival Rate	57.1	63.5	66.1	77.6	84.1	86.7	91.0
Completion Rate	56.2	61.0	64.5	75.6	83.3	86.1	86.0
Achievement Rate	67.2	67.9	71.4	74.5	73.7	75.1	89.0
Dropout Rate		0.7	1.1	0.4	1.5	1.3	0
<b>Secondary</b>							
Participation Rate	44.7	44.8	56.8	57.6	57.0	63.3	71.0
Cohort Survival Rate	53.7	69.6	76.6	75.9	81.3	83.1	89.0
Completion Rate	47.4	64.1	72.2	71.3	79.8	80.4	86.0
Achievement Rate	47.2	48.1	52.9	55.8	51.6	56.5	78.0
Dropout Rate	5.87	4.6	3.6	1.8	2.8	2.3	0

Source: DepEd

Overall, Davao Region's performance on basic education (*Table 10.4*) made progress from 2010 to 2016 in terms of key indicators for elementary and secondary level, such as participation rate, cohort survival rate, completion rate, and achievement rate. However, some of these accomplishments fell short of the Region's Plan and

Millennium Development Goals targets. In terms of enrolment, there were 859,357 learners in elementary education and 295,130 in secondary education for 2015. Participation rate in elementary education improved from 93.6 percent in 2010 to 96.7 percent in 2015, but did not meet the RDP and MDG targets of 100 percent.

**Figure 10.3. Elementary Participation Rate, RDP Target, Actual, MDG 2010–2016**

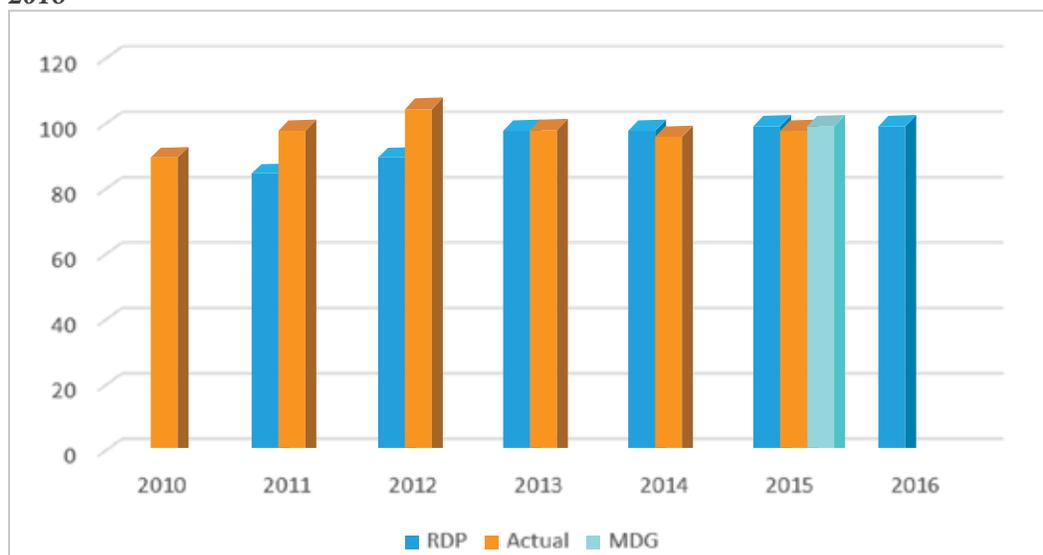


Source: DepEd

Secondary education participation rate increased from 44.7 percent in 2010 to 63.3 percent in 2015, vis-à-vis Plan target of 67 percent. Elementary cohort survival rate substantially improved from 57.1 percent in 2010 to 86.7 percent in 2015, surpassing the Plan target of 85 percent, although MDG target of 100 percent was unmet. For secondary education, cohort survival rate increased from 53.7 percent in 2010 to 83.1 in 2015 percent vis-à-vis the Plan target of 85 percent. The 86.1 percent elementary education completion rate surpassed the Plan target of 81 percent in 2015. Secondary education completion rate of 80.4 percent barely reached the Plan target of 81 percent. Elementary and secondary dropout rates were 1.3 and 2.3 percent, respectively, which were slightly below Plan targets. Even as the government had succeeded to bring school children to the next level and to eventually

graduate, the difficult challenge was to improve the quality of basic education. The results of the National Achievement Tests (NAT) only slightly improved. Elementary NAT score posted 67.2 percent vis-à-vis Plan target of 85 percent, while secondary NAT score was 56.5, which was below the Plan target of 72 percent.

**Figure 10.4. Distribution of SHS Students in Public and Private Schools, Davao Region, 2016**



The implementation of Senior High School (SHS) Program started in 2010 with the announcement on the transformation of the Philippine Basic Education from the 10-year to the 12-year basic cycle of education. This was supported by the passage of RA 10157 in January 2012 institutionalizing Kindergarten into the basic education system. The significant milestone was the signing of RA 10533 or the Enhanced Education Act of 2013 (K to 12 Law) in May 2013. Enrolment for Senior High School started in May 2016. A total of 494 schools in Davao Region offered the SHS Program in SY 2016-2017, categorized into 298 public schools, 194 private schools and 2 state colleges and universities. There were 65,719 Grade 10 completers from public and private schools in SY 2015–2016, while total enrollees in Senior High School reached 67,257 as of September 2016. Fifty-four percent were females while 46 percent were males.

Almost half of the SHS enrollees took up the Technical-Vocational Livelihood (TVL)

track compared to other tracks and strands offered by both public and private schools.

Other than formal basic education, inclusive education was in place with substantial public school enrolment in the Indigenous Peoples Education. The elementary IP enrolment increased 82 percent from 120,308 in 2011 to 219,242 in 2015; while IP secondary level enrollees increased 153 percent from 23,303 in 2011 to 58,864 in 2015.

Madrasah Programs through Arabic Language and Islamic Values Education (ALIVE) had 11,979 elementary learners and 243 secondary learners in 2013. Meanwhile, there were 4,374 Special Education learners in elementary and 1,830 in secondary public schools. ALS accreditation and equivalency test results posted 69.75 percent passers in 2015, which was higher than the national average of 52 percent.

## Higher education

There was a significant increase in the number of enrollees in Davao Region's ninety-six (96) higher education institutions in Academic Year 2015–2016, with 189,921 enrollees. This was 57.5 percent higher than the AY 2010–2011 level. The growing enrolment resulted from increased efforts on improving access and quality of the Region's higher education institutions, especially with the implementation of various

scholarship programs of the Government through CHED, such as the Student Financial Assistance Program (StuFAP) and the Expanded Students' Grant-in-Aid Program for Poverty Alleviation (ESGP-PA). The total number of beneficiaries of StuFAP was 16,584 in AY 2015–2016, which was 7 times higher than the 2,135 end-of-plan target. The number of graduates also increased from 16,479 in AY 2010–2011 to 22,792 in AY 2015–2016.

**Table 10.5. Higher Education Subsector Performance, AY 2010–2011 to AY 2015–2016**

KEY PERFORMANCE INDICATORS	ACCOMPLISHMENTS (%)						END OF PLAN TARGETS (2016)
	SY 2010–2011	SY 2011–2012	SY 2012–2013	SY 2013–2014	SY 2014–2015	SY 2015–2016	
No. of Higher Education Enrollees	120,576	122,012	130,469	134,268	162,177	189,921	141,365
No. of Higher Education Graduates	16,479	16,529	19,100	23,395	20,937	22,792	21,924
No. of Beneficiaries in Student Financial Assistance Programs	2,206	2,570	1,775	2,078	15,351	16,584	2,135

Source: DepEd

The courses with the most number of graduates in AY 2014–2015 were business administration and related courses, education, information and communication technology, hotel and restaurant management, criminology, nursing, accounting, arts and marine transportation.

In its quest to provide better access to quality education, the Regional Development Council XI endorsed the Davao Regional State University System (DRSUS) in 2011 to support the rationalization of the country's public higher education institutions through amalgamation of state universities and colleges into a state university system to achieve greater educational equity, access, quality, efficiency, relevance and responsiveness to regional and national development thrusts.

The system shall address the proliferation of duplicative programs of state universities and colleges (SUCs) and local universities and colleges (LUCs) and the decreasing government subsidy for public higher education institutions (HEIs) that have contributed to the overall decline in the quality of education. This was the first-ever initiative in the country and Davao Region was tagged as CHED's pilot region for possible replication of the system nationwide. This led to Congressman Isidro Ungab's filing of DRSUS bills, the latest of which was House Bill 4412 and Senator Ralph Recto's Senate Bill 2292 in 2014, which sought to integrate the Region's five state colleges and university and four local colleges into a Regional University System. A DRSUS Manual of Operations was formulated to guide the operations of the system.

## Technical and vocational education

Performance of technical and vocational education training (TVET) was positive indicating the attainment of 2015–2016 targets, which even exceeded the end-of-plan targets. In 2015, the number of TVET graduates reached 81,881 from 22,330 in 2010, exceeding its 2015 target of 36,506 by more than 200 percent. This was due to the bulk of scholarship slots allotted to Davao Region. Also, the number of TVET graduates certified posted 68,767 in the

same year from 23,269 in 2010, exceeding the 2015 target of 31,030 graduates. The full implementation of the National TVET Competency Assessment and Certification starting 2014, offered to the public for free, may have resulted in this performance. Further, the number of TVET students who were employed increased from 15,085 in 2010 to 56,131 in 2015, which also exceeded its 2015 target by about 181 percent. This was because more establishments preferred to hire TVET graduates, based on the results of the FGD on the Employability of TVET Graduates in 2014.

**Table 10.6. Technical and Vocational Education Subsector Performance SY 2010–2011 to SY 2015–2016**

KEY PERFORMANCE INDICATORS	ACCOMPLISHMENTS (%)						END OF PLAN TARGETS (2016)
	SY 2010–2011	SY 2011–2012	SY 2012–2013	SY 2013–2014	SY 2014–2015	SY 2015–2016	
No. of TVET enrollees	34,964	42,370	73,984	90,130	81,834	86,562	61,940
No. of TVET graduates	22,330	33,383	55,365	66,281	59,009	81,881	40,156
No. of TVET graduates certified	23,269	23,275	31,494	38,417	50,332	68,767	34,132
No. of TVET graduates employed	15,085	17,698	21,038	31,939	31,124	56,131	22,770

Source: TESDA

Meanwhile, the top 10 TVET courses in 2015 in terms of graduates were computer hardware servicing, automotive servicing, food and beverage services, housekeeping, shielded metal arc welding, bread and pastry production, computer programming, consumer electronic servicing, bartending and front office services. As of August 2016, the Region's 428 TVET accredited assessment centers assessed a total of 81,881 graduates, of which 68,767 graduates were certified with competency standards on productivity, quality and global competitiveness as middle-level workers. An estimated 56,131 graduates found gainful employment between 2015 and 2016.

## Job generation

The Region's labor force comprised 2.06 million workers as of second quarter of 2016 with employment rate of 94.7 percent or 1.95 million workers. An estimated 16.1 percent of the employed workers were considered underemployed, which was composed of highly-skilled workers who worked in low paying low-skill jobs, as well as part-time workers who preferred to work full time. Moreover, there were 71,310 overseas workers in 2015 based on the Survey on Overseas Filipino Workers.

To further employment opportunities for the Region's workforce, the Department of Labor and Employment (DOLE) XI conducted 146 job fairs in 2015. A total of 91,812 workers were placed in local and

overseas employment. A total of 8,438 youths were provided with jobs under the Special Program for the Employment of Students (SPES). Moreover, DOLE XI provided 205,622 jobseekers and employers with access to its Labor Market Information System. A total of 234 career and employment guidance/coaching advocacies were conducted for the students and their parents.

Said accomplishments were attributed to the strong support of Public Employment Service Office (PESO) managers, intensified tri-media advocacy and forged partnerships with employers, LGUs, academe and private sector. Moreover, DOLE's Project Jobs Fit continually promoted gainful employment opportunities by identifying the preferred skills in priority industries in the region. In 2015, the RDC XI issued Resolution No. 54, which reactivated the Davao Region Human Resource Development Task Force for the updating of the region's HRD Plan which is expected to provide directions to further address jobs-skills matching in the Region.

## Future Development Scenario

### Health and nutrition

- 1) Environmental effects of climate change, such as extreme heat waves, rising sea-levels, changes in precipitation resulting in flooding, droughts, storms and degraded air quality may affect directly and indirectly the physical, social, and psychological health.
- 2) President Duterte's directive on the full implementation of RA 10354 or RPRH Law shall boost efforts to enable couples to make informed choices on financial and family planning
- 3) Utilization of technology and e-health

strategies shall improve the access, efficiency, effectiveness and quality of clinical and business processes of healthcare organizations, practitioners, patients and consumers

### Education

- 1) Increase in enrolment may be expected given the roll out of more higher education degrees, coupled with several education and scholarship related laws passed in 2014 and implemented in 2015, such as the Iskolar ng Bayan Act of 2014 (RA 10648) and the Fast-Tracked Science and Technology Scholarship Act of 2013 (RA 10612).
- 2) Further rapid growth and access of information through the Internet

### Job generation

- 1) The prospective completion of the RDC XI-commissioned Human Resource Development Plan led by DOLE XI shall help address job-skills mismatch in the region.
- 2) The ASEAN Qualifications Reference Framework as a translation device shall enable comparisons of qualifications shall facilitate free movement of labor in participating ASEAN countries.
- 3) The passage of the Philippine Green Jobs Act shall usher in more environment-friendly jobs and grant fiscal incentives to individuals and enterprises who participate in the creation of green jobs, use green technologies, and produce green goods and services.

## Challenges

### Health and nutrition

- 1) Adverse health consequences of climate change
- 2) Slow decline in maternal mortality ratio
- 3) Low coverage of child immunization
- 4) Rising incidence of non-communicable diseases, such as cancer, diabetes, heart disease and their risk factors, such as obesity, smoking, poor diet and sedentary lifestyle
- 5) Problems related to globalization, urbanization and industrialization, such as injuries, drug abuse, mental illness, pandemics, travel medicine
- 6) High HIV-AIDS cases
- 7) Emergence of new strains of diseases
- 8) High incidence of teenage pregnancy
- 9) Low health worker-to-population ratio
- 10) High out-of-pocket expenses on health care and medical costs
- 11) Supreme Court Temporary Restraining Order on RPRH Law

### Education

- 1) Unmet targets on participation, dropout and achievement rates in basic education
- 2) Poor access among children in rural communities to education facilities
- 3) Increasing cost of higher education
- 4) Ineffective career orientation and guidance

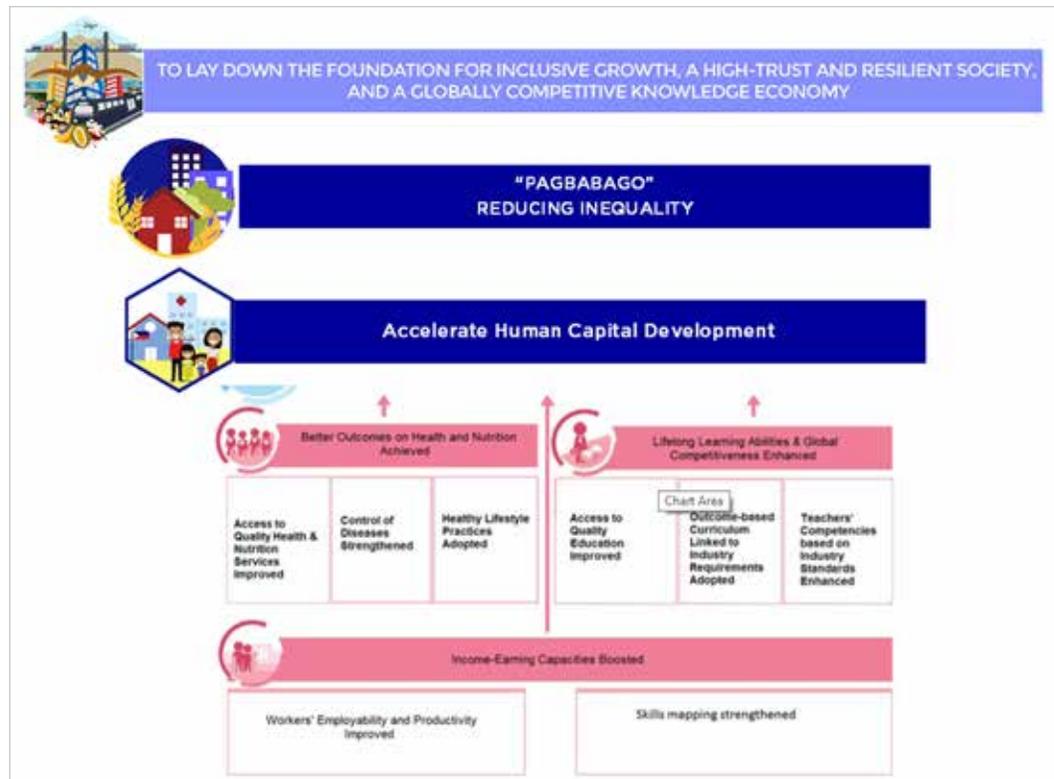
- 5) Insufficient teacher training on practical and technical skills enhancement
- 6) Weak culture in the area of research and development
- 7) Higher education curriculum not yet outcome-based

### Job generation

- 1) Need to strengthen job-skills matching that would focus tertiary education and manpower competencies on industrial requirements and higher demands of global competitiveness, especially in the light of the ASEAN Economic Integration.
- 2) High youth unemployment

## II. Strategic Framework

Figure 10.5. Strategic Framework



### Goal

Human capital development accelerated

### Strategic Outcomes

- 1) Better outcomes on health and nutrition achieved
- 2) Lifelong learning abilities and competitiveness enhanced
- 3) Income-earning capacities boosted

### Intermediate Outcomes

- 1) Access to quality health & nutrition services improved

- 2) Control of diseases strengthened
- 3) Healthy lifestyle practices adopted
- 4) Access to quality education improved
- 5) Outcome-based curriculum linked to industry requirements adopted
- 6) Teachers' competencies based on industry standards enhanced
- 7) Market driven research on skills matching institutionalized
- 8) Skills mapping strengthened

## III. Targets

### Health

*Table 10.7. Health Targets*

INDICATOR	2015 BASELINE	2022 TARGET
Total fertility rate (%)	2.9	2.1
Infant mortality rate (per 1,000 live births)	9.7	15
Fully-immunized children (%)	73	95
Maternal Mortality Ratio (per 100,000 pop)	122	90
Skilled birth attendance (%)	84.4	99
Contraceptive Prevalence Rate	53.8	65
Incidence associated with TB	244	225
Malaria prevalence per 100,000 population	7.7	<1

### Education

*Table 10.8. Health Targets*

INDICATOR	2015 BASELINE	2022 TARGET
Net enrolment in elementary educ.	96.7	100
Net enrolment in secondary educ.	63.3	100
Completion rate in elementary educ	86.1	100
Completion rate in secondary educ.	80.4	83.48
Achievement rate in elementary	75.1	91.32
Achievement rate in secondary	56.5	84.99
No. of higher education enrolees	189,921	200,376
No. of higher education graduates	22,924	32,331
No. of TVET enrolees	86,562	21,682
No. of TVET graduates	81,881	21,682
No. of TVET graduates certified	68,767	21,161
No. of TVET graduates employed	6,940	12,295

### Job generation

*Table 10.9. Job Generation Targets*

INDICATOR	2015 BASELINE	2022 TARGET
No. of LGUs with skills profiling registry system for their constituents	49	49
No. of jobseekers placed in local employment	91,812	76,944
No. of jobseekers/employers provided access to DOLE – Labor Market Information System	205,622	137,676
No. of job fairs conducted	146	107
No. of Youth/Beneficiaries under the SPES Program	8,434	6,135

## IV. Priority Strategies

### Health and nutrition

#### 1) *Implementation of the 2016–2022 Philippine Health Agenda*

This shall address the unfinished business of the MDGs while simultaneously finding solutions for emerging health issues that are interlinked with poverty, lifestyle, climate, and demographic changes and ensuring that all have access to quality health care regardless of ability to pay. In addition, the 2016 health agenda shall address not just the universal and equitable provision of health care but also the social, economic, and environmental dimensions of health concerns.

#### 2) *Increased access to health interventions through functional service delivery networks*

This consists of primary care networks linked to Level 3 hospitals and specialty care to ensure well-equipped and fully-staffed network of health facilities; services that are compliant with clinical practice guidelines and expanded access to specialty services.

#### 3) *Full Implementation of the RPRH Law*

DOH and its attached agencies shall lead the full implementation of the RPRH Law in coordination with local government units. This shall focus on more access to information, stability and sustainability of health programs, institutionalization of productive partnerships among national and local governments and recognition of the key roles of CSOs, basic sectors, academe and private sector on reproductive health.

#### 4) *Construction and upgrading of health facilities and services*

This shall further improve the delivery of essential and specialized health services by upgrading primary health care facilities and rationalizing various hospitals to decongest end-referral hospitals. Sufficient number of day care centers shall be constructed as well as massive implementation of Early Childhood Care and Development programs. Standardization of day care teachers compensation and benefits shall be considered.

#### 5) *Financial risk protection for the population*

This includes the National Health Insurance Program, which covers a comprehensive range of services and becomes the main revenue source of public health care providers.

#### 6) *Adoption of policies and initiatives on healthy lifestyle*

The government shall implement a holistic approach to helping residents adopt and sustain healthy lifestyles in order to continue to meet the Region's health needs. This includes the conduct of advocacy and awareness campaigns on disease prevention, proper nutrition physical activity among the general public, imposition of taxes on sugar-based products to dampen consumption and channel proceeds for health interventions. Policies on healthy lifestyle shall be institutionalized in the workplace and home settings.

#### 7) *Improvement in performance monitoring and evaluation of the health system*

Given the importance of addressing health challenges, the Region shall pursue measures to strengthen results monitoring

and evaluation of the health system. This shall include establishing a database and information system. Core indicators shall enable policy makers to track progress and performance, evaluate impacts, and determine accountability

## Education

### 1) Construction and upgrading of education facilities

For the education sector, there shall be fast-tracking in the construction of classrooms, school buildings and other facilities to ensure a conducive learning environment.

### 2) Strengthening K-12 and inclusive education

This shall involve provision of appropriate infrastructure, financial subsidies and service delivery to address the diverse learning needs of all kinds of learners. The Region shall reach out to excluded groups and go beyond providing physical access to learning institutions to encompass academic and instructional access to learning concepts.

### 3) Provision of greater access to higher education

Scholarship programs shall be expanded to enable greater access to quality K-12 and higher education. This includes the availment of Study-Now-Pay Later Program for tertiary and graduate students. Likewise, other inputs like classrooms, textbooks, libraries and other school infrastructure shall be sufficiently provided. A better system of testing that focuses on skills and competencies to properly gauge outcomes is also essential. Access to foreign study exchange programs and online education shall also be promoted. On-line education shall be strengthened.

### 4) Inclusion of drug abuse prevention program in curriculum

This involves the mainstreaming of drug abuse prevention in the school curriculum at the elementary and high school levels. The ultimate goal is to prevent and eliminate drug abuse in society. Research has shown that preventing or delaying initiation of alcohol or other drug use during early adolescence can reduce or prevent substance abuse and other risk behaviors later in adolescence and into adulthood.

### 5) Capacity building of teachers on industry requirements and standards

Enabling inputs are critical determinants to achieve quality K to 12 schooling and higher education. Teachers, who are considered as the most important enabling inputs, shall acquire better pre-service and regular in-service trainings. These include faculty immersion programs in the industries. Through this capacity-building, teachers shall have concrete understanding and appreciation of industry demands to equip them in preparing students for future employment. The program shall also serve as avenues for teachers to evaluate competencies in specific industries. Moreover, teachers' extended industry exposure will enable them to accurately describe and demonstrate the kind of work ethics needed to succeed in the workplace. Necessary support from the academe shall be solicited to address any need for additional training. Furthermore, there shall be an increase in qualifications for teachers and institution of merit-based system along with higher salaries to attract the best and the brightest.

### 6) Curriculum review for matching industry requirements

Mechanisms for school-to-industry linkages

will be instituted that focus on curriculum review for matching industry requirements. These shall include: identifying essential skill requirements within industries and occupations; providing a business-oriented framework for developing learning objectives; supplying content for enriching instructional materials; providing a resource for instructional designers to tailor courses to specific student populations or industry needs; reducing the development time of instructional materials, courses and program curricula; establishing common terminology for use by business and education communities to facilitate collaboration on technical education projects; promotion of a culture of self-productivity and entrepreneurship among students, financial literacy, and highlighting gaps in current training offerings. Moreover, higher education institutions and programs shall be at par with international standards and graduates and professionals highly competent for recognition in the ASEAN Economic Community.

### *7) Strengthening Research and Development among Educational Institutions*

The academe shall be urged to strengthen their R&D programs and become key players in making science and technology a driver of development, particularly in the production of excellent research outputs that help accelerate economic growth down to the grassroots level. Government shall also encourage and support academe-private sector partnerships for R&D initiatives for the development and adoption of knowledge technologies for improving productivity.

## **Job generation**

### *1) Formulation of active labor market policies*

Specific government programs shall intervene in the labor market to help the unemployed find work. These include public employment services, such as job centers and labor exchanges for skills mapping and helping the unemployed improve their job search effort by disseminating information on vacancies and by providing assistance with interview skills and writing a curriculum vitae; training schemes, such as classes and apprenticeships to help the unemployed improve their vocational skills and increase their employability; and employment subsidies, either in the public or private sector that directly create jobs for the unemployed. These are typically short-term measures designed to allow the unemployed to build up work experience and prevent skill atrophy. Equal opportunities for men and women in the provision of jobs shall also be ensured.

### *2) Implementation of the Philippine Green Jobs Act*

This shall focus on strengthening the workers' and business capacity to prevent, manage, mitigate and adapt to, the adverse impact of climate change and disasters and continue to create, sustain or expand opportunities for employment, by improving business climate and working conditions. To carry this out, the government shall identify needed skills and develop programs for research and the training of workers.

## V. Priority Legislative Agenda

### Health

- 1) Prevention of Adolescent Pregnancy Act
- 2) Law on the establishment of government specialty hospitals in the provinces to increase access to specialized medical care
- 3) Increase in plantilla positions in LGU hospitals and rural health units
- 4) Magna Carta for Day Care Workers Education

- 2) Adoption of a national selection mechanism for career paths
- 3) Establishment of the Davao Regional State University System (DRSUS)

### Job generation

- 1) Enhanced labor contractualization law
- 2) Establishment of a National Career System

### Education

- 1) Amendment to RA 7880, 'An Act Providing for the Fair and Equitable Allocation of DepEd budget for Capital Outlay'

## VI. Priority Research Agenda

### Health

- 1) Responsiveness of government policies in curbing maternal deaths: The case of Davao Region
- 2) Exploring factors on the prevalence of teenage pregnancy in Davao Region
- 3) E-health strategies and innovations: challenges and opportunities in Davao Region
- 4) Mapping of infectious diseases in Davao Region based on geographical and seasonal factors
- 5) Effects of climate change on the health and well-being of the population

### Education

- 1) Industry profiling of competencies/skills requirements
- 2) Impact of government policies on the quality of education in Davao Region
- 3) Assessment of basic education curriculum
- 4) Comparative assessment of achievements in basic education among private and public schools in Davao Region
- 5) Study on the access and challenges of indigenous people's education and Madrasah education program

- 6) Alignment of the curriculum with the ASEAN Economic Community (Regional/Global/Mutual)

## Job generation

- 1) Industry profiling of competencies/skills requirements

## VII. Priority Programs Activities and Projects

### Health

- a) Philippine Health Agenda
- b) Family Planning Program
- c) Supplemental Feeding Program
- d) Health Facilities Enhancement Program
- b) Competency Assessment and Certification for Skilled Workers
- c) Training for Work Scholarships/PESFA/StuFAPs
- d) JobStart Philippines for At Risk Youth
- e) Davao Region Human Resource Development Plan Updating

### Education

- a) School-Based Feeding Program
- b) Alternative Learning System
- c) Establishment of SPED Centers
- d) Capacity Building for IP Teachers to Teach IP Learners
- e) Scholarship and Financial Assistance Program
- f) HEI-Research and Development Program
- g) Strengthened Technical-Vocational Education Program

## Job generation

- a) Special Program for Employment of Students

11

Reducing  
Vulnerability of  
Individuals and  
Families



# Reducing Vulnerability of Individuals and Families

It is necessary to change the way we address the consequences of disasters on reducing the underlying causes of vulnerabilities and enhancing the preparedness and resilience of people and communities. While traditionally, people were assisted to withstand the consequences of disaster, we should now take a new approach which invests more in building the capacities of individuals and communities<sup>1</sup> to reduce their vulnerability and adapt to existing and emerging risks in normal times so that they can bounce back from crises they encounter, and hopefully improve their lives. All these demonstrate that prevention saves lives and money.

This is the Region's direction for moving forward to prevent natural hazards from becoming disasters. Reducing risks and strengthening resilience, together with sustained decline in poverty incidence, preferential access of the poor and the disadvantaged to social welfare services, housing for informal settlers and urban poor, livelihood and microfinance opportunities for the poor and disadvantaged sectors, land tenure of farmers and ICCs/IPs and reducing environmental natural risks. This agenda and its implementation for local development, should be truly owned by, and largely carried out by the people themselves. When people become more resilient and no longer live from one emergency to the next, they will be able to make choices that help them develop and grow to a point where aid will hopefully become a thing of the past.

## I. Assessment and Challenges

### Assessment

#### *Sustained Decline in Poverty Incidence*

Poverty incidence in Davao Region continuously declined for the past 3 poverty surveys in 2009, 2012 and 2015. From 2009 to 2012, the decrease in poverty incidence surpassed target by 0.5 percentage points, while in 2015, poverty incidence went down

by 8.4 percentage points at 16.6 percent, also surpassing the target (*Table 11.1*).

Among the provinces of Davao Region, Davao del Sur posted the lowest poverty incidence in 2012 and 2015 with 20.0 and 12.0, respectively. On the other hand, Davao Oriental posted the highest decrease in poverty incidence in the 2012 with 37.8 percent and Davao del Norte having the highest poverty incidence in 2015 with 26.1 percent.

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<sup>1</sup> [ifrc.org/en/news-and-media/opinions-and-positions/speeches/2013/reducing-vulnerability-improving-capacities-and-building-resilience-of-the-communities/](http://ifrc.org/en/news-and-media/opinions-and-positions/speeches/2013/reducing-vulnerability-improving-capacities-and-building-resilience-of-the-communities/)

**Table 11.1 Poverty Incidence, Davao Region, by Province, 2009, 2012 and 2015**

PROVINCE	2009 (BASELINE)	End-of-plan TARGET (2016)	2012		2015		% POINTS CHANGE	
			TARGET	ACTUAL	TARGET	ACTUAL	2009- 2012	2012- 2015
Philippines	20.5			19.7		16.5	-0.8	-3.2
Davao Region	25.5	23.3	25.6	25.0	23.0	16.6	1.7	-8.4
Davao del Norte	27.7	-	-	26.7	-	26.1	-1.0	-0.6
Davao del Sur	19.3	-	-	20.0	-	12.0	0.7	-8.0
Davao Oriental	44.3	-	-	37.8	-	21.3	-6.5	-16.5
Compostela Valley	31.0	-	-	30.7	-	22.0	-0.3	-8.7

Source: PSA, DRDP RMs, 2011–2016

The reduction in poverty incidence has been attributed to the massive rehabilitation program after Typhoon Pablo struck the provinces of Davao Oriental and Compostela Valley in December 2012. People in the communities were hired for cash-for-work in the reconstruction of school and public buildings, roads and bridges, and district hospitals, as well as, irrigation projects. The provision of shelter assistance has created employment opportunities for affected communities. Intensified livelihood assistance was also extended to Typhoon Pablo survivors.

The recent release of the 2015 Listahanan or the National Household Targeting System for Poverty Reduction (NHTS-PR), a data bank and an information management system that identifies who and where the poor families are, covered 15.1 million households and identified 5.1 million targeted poor households nationwide. This translates to 5.5 million targeted poor families or 28.7 million individuals.

**Table 11.2 Household Assessment Result (Listahanan) 2015, Davao Region, by Province**

PROVINCE	TARGET HHs	ASSESSED HHs	NON-POOR HHs	POOR HHs	PERCENTAGE (of total poor HHs)
Compostela Valley	140,843	153,767	100,956	52,811	18.84%
Davao Oriental	113,363	116,193	63,651	52,542	18.74%
Davao City	180,767	198,952	152,353	46,599	16.62%
Davao del Norte	182,255	180,149	135,460	44,689	15.94%
Davao Occidental	176,542*	68,074	25,620	42,454	15.14%
Davao Del Sur		119,432	78,202	41,230	14.71%
Total	793,770	836,567	556,242	280,325	33.51%

\*Davao Occidental was part of Davao del Sur, before RA10360 was approved last Jan. 14, 2013; total target was identified earlier than the stated date

Source: DSWD XI

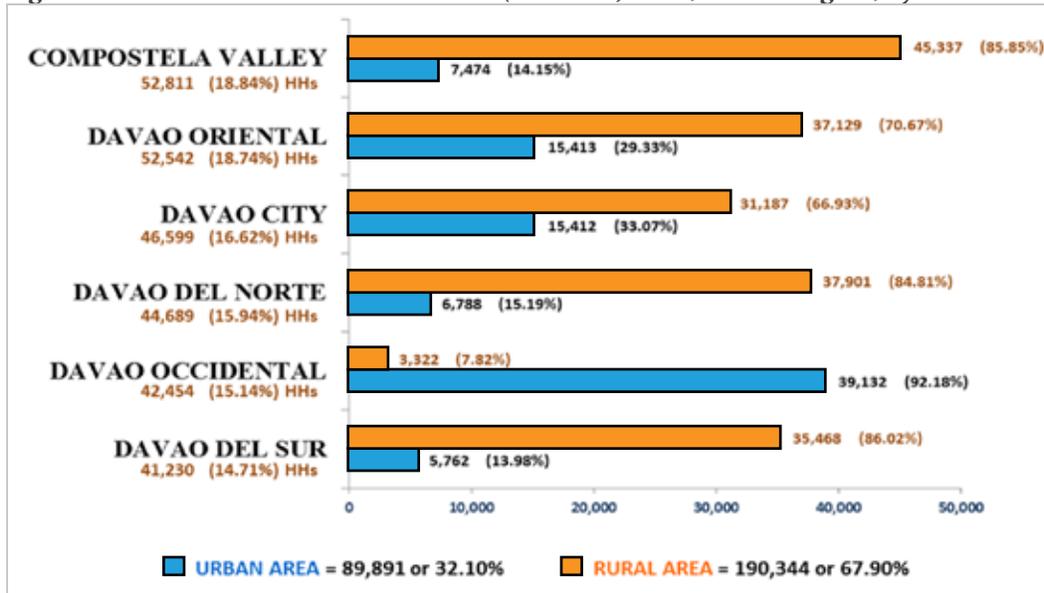
Of the 4.89 million total population of Davao Region, about 836.6 thousand households were assessed, through the Listahanan, of which 556 thousand households or 66.5 percent are non-poor while 280 thousand households or 33.5 percent are poor (Table 10.2). About 32 percent or 89.9 thousand

poor households come from the urban areas of the region while 68 percent or about 190 thousand are from the rural areas (Figure 11.1). This translates to about 1.54 million individuals, which comprises 89 percent male and 11 percent or 30 thousand female individuals. The poor households

also comprise 18 percent 0–5 years old children, 34 percent 6–17 year olds while there are about 4 percent who are aged 60 years old and above. Further, 1 percent are persons with disability (PWD), 44 percent are Indigenous Peoples (IPs) and 9 percent

are poor farmers and fisherfolks. The total assessed households is 5.39 percent more than the targeted 793,770 target households. DSWD is monitoring its implementation for future enhancements.

Figure 11.1 Household Assessment Result (Listahan) 2015, Davao Region, by Province



Source: DSWD XI

## Preferential access of the poor and disadvantaged to social welfare services

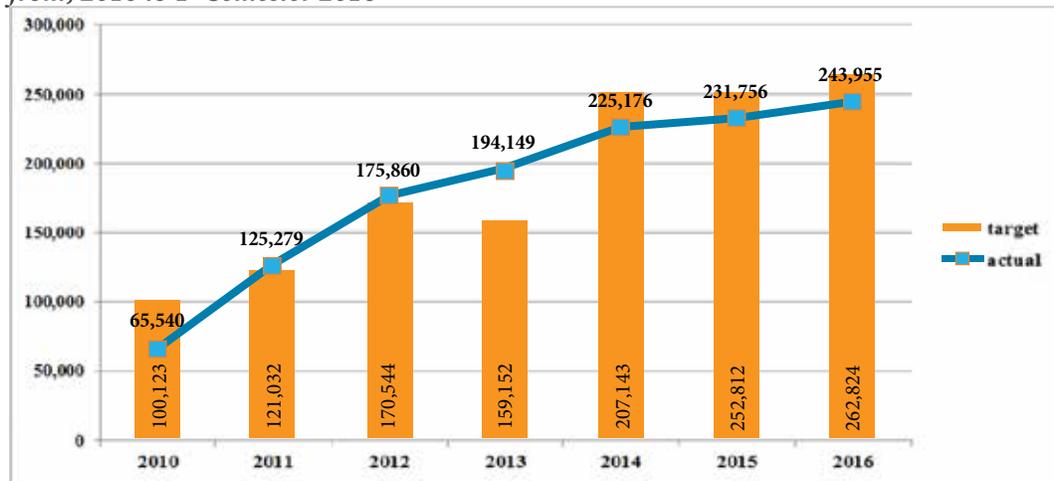
### Social welfare and development services

In Davao Region, the social welfare programs have been implemented well with beneficiaries of Pantawid Pamilyang Pilipino Program or 4Ps reaching its targets from 2010 to 2014. As of second quarter of 2016 though, 4Ps beneficiaries recorded a 2.8 percent decline (Figure 11.2). The decreases in recorded 2015 and first semester 2016 are attributed to the exclusion of households which no longer have children 0–18 years old, commonly referred as households with no eligible children for monitoring under the Health and Education Compliance; some beneficiaries have transferred to

other regions while others can no longer be located in the community and were tagged as missing or have moved-out of the area. Some beneficiaries were also tagged as non-poor through the Eligibility Check Routine, hence delisted from the program.

The performance of the Region in the implementation of 4Ps indicated that the conditionalities set for the continued availment of the Program were achieved and the grantees used the money for the intended purposes of said assistance. DSWD is continually monitoring its implementation for future enhancements in the program.

**Figure 11.2 Pantawid Pamilyang Pilipino Program (4Ps) Beneficiaries in Davao Region, from, 2010 to 1<sup>st</sup> Semester 2016**



Source: DSWD XI

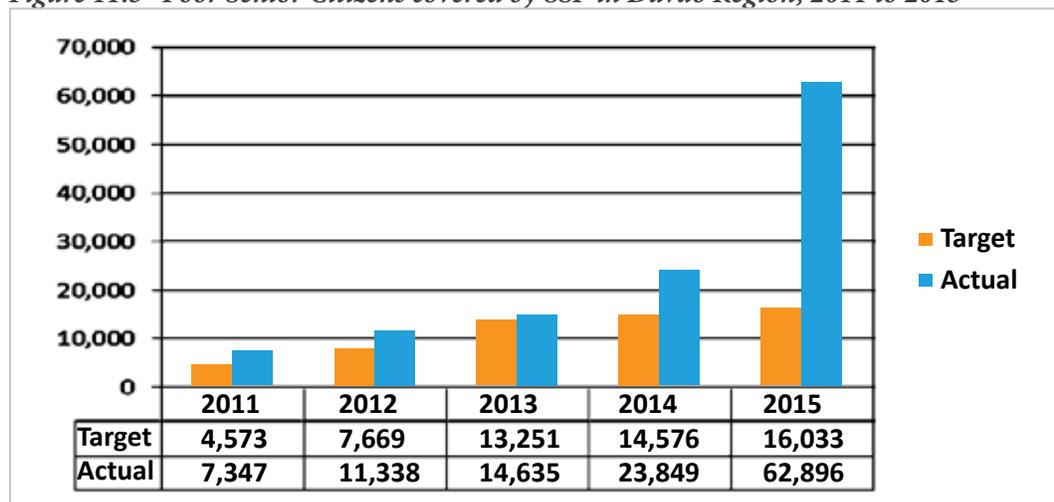
As of 2015, the Social Pension Program (SPP) has covered 62,896 poor senior citizens, which exceeded the 2015 target by 47 thousand or 64 percent (Figure 11.3). The number of poor elderly pensioners served is beyond the target number due to the increase of fund allocation in the recent years.

In terms of services for victims of calamities, about PHP10.5 billion worth of PAPs was provided to Davao Region as of December 2015. Various assistance were provided to the 140 affected families from

the provinces of Compostela Valley and Davao Oriental to address the ill-effects brought by Typhoon Pablo in December 2012. With the formulation of the Early Recovery and Rehabilitation Plan, PAPs were implemented in said provinces that included relief assistance, cash for work, educational assistance, emergency shelter assistance, core shelter assistance, livelihood assistance, and provision of bunk houses.

It is worth noting that in line with efforts towards providing social protection to the poorest segment of the Region's population,

**Figure 11.3 Poor Senior Citizens covered by SSP in Davao Region, 2011 to 2015**



Source: DSWD XI

the RDC XI entered into a pioneering memorandum of agreement with DSWD on data sharing of the National Household Targeting System for Poverty Reduction (NHTS-PR) in October 2011. This initiative also supports Executive Order No. 867, dated 9 March 2010, which provides for the adoption of the NHTS-PR as the mechanism for identifying poor households that will be recipients of social protection programs nationwide. Starting in 2012, 35 NGAs and LGUs have been provided easier access and have utilized information from the NHTS-PR through this RDC XI process. Before this RDC XI collective initiative, requesting offices needed individual MOAs with the DSWD Central Office before access to the same data was allowed. The adopted process ensures a convergent and more effective implementation of poverty alleviation programs and projects in the region by the RDC XI member agencies/LGUs.

### *Housing for informal settlers and urban poor*

One hundred (100) permanent housing units were also provided to the IPs of Brgy. Paiton, Talaingod, Davao del Norte. In 2015, the SHFC registered more than 600 beneficiaries who were assisted in the take-out and Letter of Guaranty (LOG) under the Community Mortgage Program (CMP). In addition, the Municipality of Sta. Cruz, Davao del Sur was accredited as partner-LGU under LCMP, extending its financial assistance to address the housing needs of its constituents.

### *Livelihood and microfinance opportunities for the poor and disadvantage sectors*

The number of beneficiaries under the Sustainable Livelihood Program (SLP), formerly the Self-Employment Assistance - Kaunlaran (SEA-K) Program, has reached 15,658 due to increase in fund allocation. There was an inclusion of the

Pantawid Pamilya families from Set 1 & 2 as additional target beneficiaries of the program. This resulted to a performance rating of 233% based on the original target of 5,347 program beneficiaries provided with livelihood assistance. The SLP adopted livelihood strategies rooted in the context of the community. In 2015, about 26,273 beneficiaries were served under the SLP Micro Enterprise Development while a total of 5,189 beneficiaries were provided assistance through the Employment Facilitation. This totals to 31,462 SLP beneficiaries for 2015 alone.

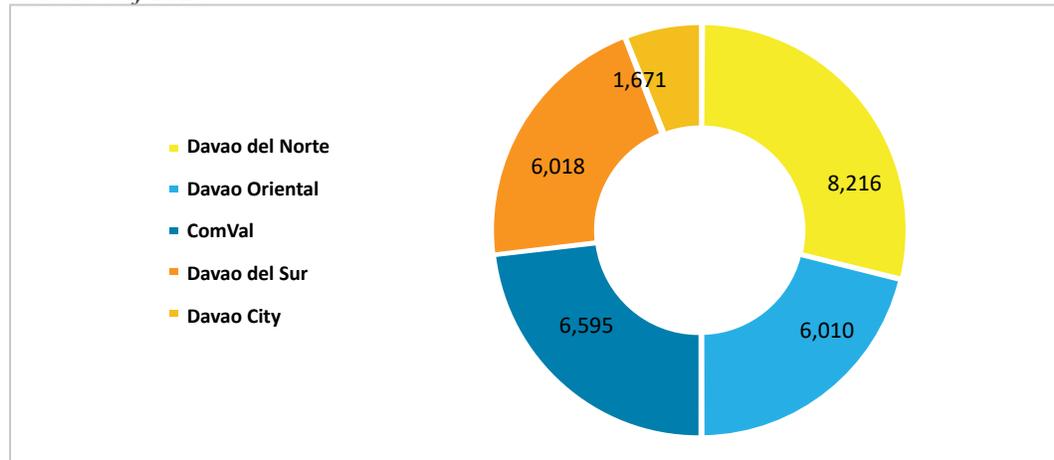
The Kapit-Bisig Laban sa Kahirapan-Comprehensive and Integrated Delivery of Social Service (KALAHI-CIDSS), which is now called KALAHI-CIDSS National Community-Driven Development Project (NCDDP), is implemented by DSWD in partnership with the LGUs, covering 72 barangays in 2010. The program adopted a community-driven development or people-centered approach that aims to motivate the citizenry to join efforts in fighting poverty and influence other poor municipalities not previously covered by KALAHI-CIDSS. As of 2015, the Program has covered a total of 299 barangays in the region.

A total of 18.5 Million funded livelihood projects were implemented through the DOLE Integrated Livelihood and Emergency Employment (DILEEP), a project designed to provide assistance to the informal sector for income augmentation. A total of 3,758 beneficiaries were reached, higher than the 3,293 target for 2015.

### *Land Tenure of Farmers and ICCs/IPs*

As of first semester of 2016, about 28,510 hectares were distributed through the implementation of the CARPer Law in Davao Region since 2010, which is only 43 percent of the targeted 49,474 hectares of land to be distributed under the program in the region (*Figure 11.4*).

**Figure 11.4** Number hectares distributed under CARP in Davao Region, 2010 to First Semester of 2016



Source: PSA XI/DA XI

The setback of the CARP implementation was attributed to some areas having pending cases, others were difficult to access due to peace and security concerns, while some affected landowners resist the conduct of land surveys.

Since 2010, about 17,751 beneficiaries were reached by the Program, which is only 51 percent of the targeted 34,533 beneficiaries by end-of-plan period. In terms of land dispute resolution, about 5,798 agrarian reform adjudication cases were resolved or 74 percent of the target for the period 2010 to 2016 while only 10 percent or 380 agrarian reform judicial cases were resolved as against the 3,931 cases targeted to be resolved by the regular courts in the same period.

In 2015, about 42,362 hectares of Ancestral Domain lands were delineated and titled serving the tribes of Sama, Mandaya and the Bagobo-Tagabawa in Davao Region. The accomplishment is only 44.6 percent of the target 95,000 hectares of lands to be delineated and titled for the year. On the other hand, there were 3 Certificates of Ancestral Domain Titles (CADTs) approved by the Commission En Banc (CEB) in 2015. This is only 75 percent of the 2015 target of 4 CADTs to be issued. As

to the completion of the Ancestral Domain Sustainable Development and Protection Plans (ADSDPPs) in the region, there were 16 ADSDPPs completed in 2015, which is four times higher than the 2015 target of 4 ADSDPPs.

### Environmental and Natural Risks

In 2015, a number of relocation programs were undertaken and resettlement areas were developed across the Region, amounting to more than 144 million pesos, and generating a total of 2,013 housing units in Davao del Sur, Davao del Norte, Davao Oriental, and Compostela Valley, covering more than 320 thousand square meters. Most of these housing projects are attributed to the assistance for Typhoon Pablo-affected areas in the region.

## Future Development Senario

Possible senarios that may have impact on the future social protection services provision in the next planning period are as follows:

- The implementation of the 0 to 10 socioeconomic agenda of the Duterte Administration that intends to pursue inclusive development and promote cultural diversity, particularly, on expanding and improving the CCT, addressing bottlenecks in land reform and management systems, and promoting law and order
- Pursuing federalism/stronger autonomy
- The proposal for the removal of stock distribution option (SDO) scheme to the ARBs
- Consequences of climate change that may affect the physical, social, psychological and environmental conditions of the vulnerable sector
- (SP) programs and projects to address the needs of the vulnerable sector
- Low rate of completion in the distribution of CARP areas to agrarian reform beneficiaries, as well as, delineation of ancestral domain lands and issuance of CADTs
- The need to integrate IP concerns (as contained in the ADSDPPs) in the local development plans
- Lack of regular data generation system/ mechanism for vulnerable groups (especially PWDs, IPs, and informal sector), including profile and status of migrant workers and their children
- Many LGUs do not have updated Shelter Plans and relocation programs for informal settlers
- Natural and man-made calamities

## Challenges

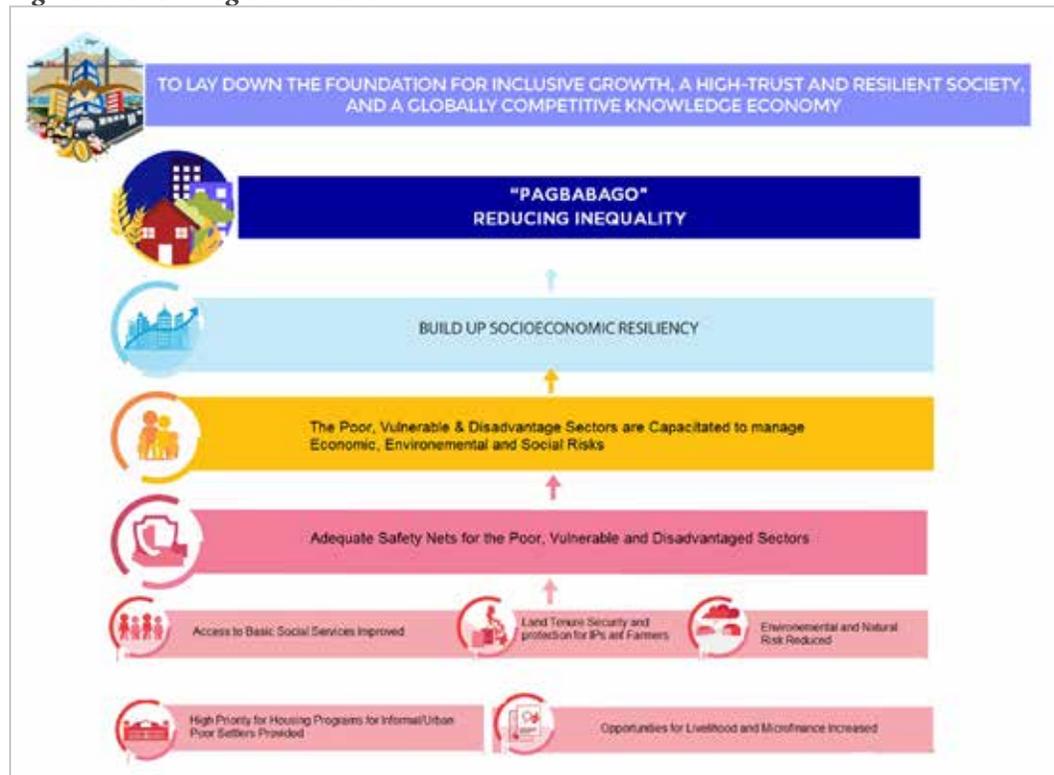
The region continues to pursue efforts of protecting the poor and the vulnerable which includes children, women, senior citizens, persons with disabilities, indigenous peoples, farmers & fisherfolks, migrants workers, among others. However, much still needs to be done for their protection, as well as in strengthening their resilience to adjust to shocks.

The major challenges that need to be addressed relative to the implementation of social protection programs include the following:

- Insufficient budget for Social Protection

## II. Strategic Framework

Figure 11.5 Strategic Framework



### Societal Goal

The poor, vulnerable and disadvantaged sectors are capacitated to manage economic, environmental and social risks by reforming, strengthening, and expanding social protection programs and policies. *(To reduce vulnerability of individuals and families).*

### Sectorial Goals

Adequate safety nets for the poor, vulnerable and disadvantaged sectors.

### Objectives

- To improve access to basic social services
- To increase the opportunities for Livelihood and Microfinance
- To provide high priority for Housing Programs for Informal/ Urban Poor Settlers
- To ensure land tenure security and protection for IPs and farmers
- To reduce environmental and natural risks

### III. Targets

*Table 11.3 Targets for Reducing Vulnerability of Individuals and Families*

INDICATORS	END OF PLAN TARGET
<i>Improving access to basic social services:</i>	
<b>Increase in number of poor households covered by CCT:</b>	
• <i>Regular Pantawid beneficiaries</i>	231,925
• <i>MCCT-IP beneficiaries</i>	29,556
<b>Increase in number of poor senior citizens covered by social pension</b>	118,767
<b>Number of children served by Supplementary Feeding Program</b>	509,066
<b>Disadvantaged groups with protective services:</b>	
• <i>Children/youth in need of special protection</i>	1,128
• <i>Women in difficult circumstances</i>	118
• <i>Older persons</i>	1,388
• <i>PWDs</i>	TBD
<b>Victims of illegal recruitment assisted</b>	1,448
<b>Victims of human trafficking assisted</b>	TBD
<b>Number of scholarship grants provided under various programs:</b>	
• <i>Students Grants-in-Aid Program for Poverty Alleviation</i>	2,028
• <i>IPs</i>	TBD
• <i>OFWs</i>	1,767
<b>Number of Beneficiaries trained under GAD-related programs</b>	6,450
<i>Increasing Opportunities for Livelihood &amp; Microfinance:</i>	
<b>Number of beneficiaries provided with micro-financing support</b>	8,415
<b>Number of beneficiaries provided with livelihood assistance:</b>	
• <i>Sustainable Livelihood Program (SLP)/4Ps</i>	96,179
• <i>DOLE Integrated Livelihood and Emergency Employment Program (DILEEP)</i>	39,182
• <i>Livelihood Program – NCIP XI</i>	TBD
<b>Workers affected by economic crisis and natural/ man-made disasters, assisted thru emergency employment program</b>	1,149
<b>Youth provided with bridging employment</b>	
• <i>Special Program for the Employment of Students (SPES)</i>	8,438
• <i>Government Internship Program (GIP)</i>	1,502
<b>Disadvantage workers provided with rural emergency employment</b>	8,365
<i>High Priority for Housing Programs for Informal/Urban Poor Settlers:</i>	
<b>Number of housing sites developed for resettlement programs</b>	TBD
<b>Number of housing beneficiaries</b>	TBD
<b>Number of beneficiaries under the Community Mortgage Program (CMP)</b>	TBD
<i>Ensuring Land tenure security and protection for IPs and farmers:</i>	
<b>Number of ARB beneficiaries under GAD related programs of CARP</b>	6,450
<b>Number of hectares of lands distributed under CARP</b>	1,811
<b>Increase number of beneficiaries reaCHED under CARP</b>	1,485
<b>Agrarian reform adjudication cases resolved</b>	865
<b>Number of Agrarian reform judicial cases submitted for resolution</b>	45
<b>Number of hectares of ancestral domain lands delineated and titled</b>	1,240
<b>Number of ADSDPPs completed (hectares)</b>	35
<b>Increase in number of CADTs/ CALTs issued (hectares)</b>	340
<i>Reducing Environmental and Natural risks</i>	
<b>Proportion of families affected by natural and human-induced calamities provided with relief assistance</b>	100%
<b>Number of deaths due to disaster per 100,000 population</b>	0
<b>Emergency shelter assistance provided</b>	100%
<i>Cross-cutting</i>	
<b>Number of drug rehabilitation centers constructed</b>	TBD
<b>Number of volunteer service groups who provided various assistance to victims of calamities, marginalized and disadvantaged groups</b>	TBD

Sources: DSWD XI, DOLE XI, DAR XI, HUDCC XI, NCIP XI, DTI XI, OCD XI, DOH XI

## IV. Priority Strategies

### Improving access to basic social services

To improve access to basic social services, there is a need to set up convergence mechanisms at all levels that depict the multi-level and multi-program convergence in implementing programs according to the SP needs of target areas or sectors. The public-private partnership for social welfare services delivery shall also be pursued to promote multi-stakeholder participation that would eventually lead to scaling up of SP programs and services.

A region-wide comprehensive database profiling of vulnerable groups, including IPs shall be established among the LGUs and other concerned entities as basis for validation of the NHTS-PR. Likewise, partnership among CSOs, LGUs and migrant groups shall be pursued for the establishment of a systematic database on the profile and status of migrants, including returning migrants, to improve mechanisms for assisting migrants needing protection.

The LGUs shall be encouraged to allocate physical rehabilitation and habitation services to cater to requirements of specific vulnerable groups (in a non-charity approach).

### Increasing opportunities for livelihood and microfinance

The government shall continue its efforts to enable the capacitation of individuals or groups through entrepreneurial development training and promotion of livelihood and microfinancing projects and activities. The financial inclusion among low-level income families shall

also be ensured, including consumption security (income creation), as well as future investment capacitation especially for families of migrants. Likewise, delivery of livelihood and micro-finance services shall be further explored to include more appropriate schemes customized for specific target groups.

There is a need to implement SP programs that support asset accumulation, enhance productive capacity and potential income diversification or those that may trigger new opportunities for farm and non-farm employment, and allow vulnerable sector to diversify income sources. A One-Stop Shop for accessing livelihood programs/services shall be sustained, especially among the LGUs.

To have resilient individuals and families, the government shall promote productive safety net programs that stimulate income diversification as main climate change adaptation strategy.

### Providing priority for housing programs for informal/urban poor settlers

The LGUs shall pursue the formulation of their respective local shelter plans (LSPs) to carry out the necessary steps towards the provision of housing to informal settlers and urban poor. Likewise, the LGUs shall pursue data banking of the homeless/informal settler families (ISFs) and land banking for relocation. Also, the key housing agencies, other concerned agencies and the LGUs shall undertake coordinated efforts in implementing housing projects for resettlement.

## Ensuring land tenure security and protection for IPs and farmers

To address rural poverty and landlessness, the government shall fast track implementation of the land reform program (CARPER Law) by strengthening interagency coordination among stakeholders. Likewise, ancestral domain tenurial claims shall be considered in efforts related to asset reform. This includes addressing idle ancestral domain land ownership by so-called “speculators.”

## Reducing environment and natural risks

It is important to create appropriate pro-active measures where community adaptation to climate change and to reducing exposure to environmental and natural risks lead to both a reduction in vulnerability and, consequently, a reduction in the scale of the socio-economic impacts which are evident today in poverty-stricken areas where disasters occur. Lessons must be learnt from disasters and the post-disaster period should be an opportunity to implement good practices in terms of land use and integrating flexible measures instead of rushing to rebuild on a huge scale which, in some cases, may increase the vulnerability of local communities to future events.<sup>2</sup>

## Human trafficking in disaster and conflicts

A response to human trafficking and related abuses against vulnerable populations should be considered as a life-saving

protection activity. And with this, fully operationalized and integrated before, during and after a crisis.<sup>3</sup>

## Screening/assessment/rehabilitation of voluntary reformist (drug surrenders)

An assessment process for voluntary reformists shall be done in collaboration with the PNP, health workers and LGUs in the various cities/municipalities. During the said process, a drug surrenderee shall undergo an initial drug screening and when indicated that drug use is the main concern for intervention, a more detailed drug use assessment shall be applied. Appropriate rehabilitation interventions shall then be undertaken.

## Promotion of volunteerism

The government will reinforce the practice of volunteerism in human and social capital formation, including the empowerment of the marginalized and disadvantaged groups, by harnessing the services of volunteers from the sectors of the academe, corporate, non-government, international volunteer service organizations, and government, in the delivery of social services, provision of technical assistance, responding to disaster and undertaking humanitarian efforts, especially in serving the needs in the remote and unserved areas in the country.

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<sup>2</sup> *Scielo.br/*

<sup>3</sup> *Reliefweb.int*

## V. Priority Legislative Agenda

- |                                                                                                                                                      |                                                                                                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>a. Passage of Notice of Coverage Extension Bill (HB 4292)</p>                                                                                     | <ul style="list-style-type: none"> <li>• Extension of maternity and paternity leave benefits</li> </ul>                                             |
| <p>b. Creation of Department of Housing and ensure annual budget through GAA</p>                                                                     | <ul style="list-style-type: none"> <li>• Mandatory establishment of women-child friendly spaces in all evacuation centers in the country</li> </ul> |
| <p>c. Departmentalization of NCIP</p>                                                                                                                | <ul style="list-style-type: none"> <li>• Evacuation Center Act</li> </ul>                                                                           |
| <p>d. Compulsory service to be rendered in local health institutions to derail professionals going abroad</p>                                        | <ul style="list-style-type: none"> <li>• BP 344 or Accessibility Law for Persons with Disability</li> </ul>                                         |
| <p>e. Passage of Senate Bill 3093 (National Land Use Policy Act)</p>                                                                                 | <ul style="list-style-type: none"> <li>• RA 9344, the Juvenile Justice and Welfare Act of 2006</li> </ul>                                           |
| <p>f. Creation of local committees and councils in support of M&amp;D concerns</p>                                                                   | <ul style="list-style-type: none"> <li>• Solo Parent Welfare Act</li> </ul>                                                                         |
| <p>g. Review existing laws and policies related to social services:</p>                                                                              | <ul style="list-style-type: none"> <li>• Positive and Non-Violent Discipline of Children Act</li> </ul>                                             |
| <ul style="list-style-type: none"> <li>• Philippine Adoption Act for Abandoned and Neglected Children and for Children with Special Needs</li> </ul> | <ul style="list-style-type: none"> <li>• Social Welfare Attaché Act</li> </ul>                                                                      |
| <ul style="list-style-type: none"> <li>• Anti-Senior Citizens Abuse Act</li> </ul>                                                                   | <ul style="list-style-type: none"> <li>• Special Protection for CSAC Act</li> </ul>                                                                 |
| <ul style="list-style-type: none"> <li>• An Act Establishing a Disability Support Trust Fund</li> </ul>                                              | <ul style="list-style-type: none"> <li>• Increasing the Age Statutory Rape</li> </ul>                                                               |
| <ul style="list-style-type: none"> <li>• Amend RA 8972 on Benefits and Privileges to Solo Parents and their Children</li> </ul>                      | <ul style="list-style-type: none"> <li>• Migrant and Overseas Workers Act of 1995 (RA 10022)</li> </ul>                                             |
| <ul style="list-style-type: none"> <li>• Social Security Initiatives</li> </ul>                                                                      | <ul style="list-style-type: none"> <li>• Magna Carta on Women up to the barangay level</li> </ul>                                                   |
| <ul style="list-style-type: none"> <li>• Amend Accessibility Law</li> </ul>                                                                          |                                                                                                                                                     |
| <ul style="list-style-type: none"> <li>• Unemployment insurance or involuntary separation benefit system</li> </ul>                                  |                                                                                                                                                     |
| <ul style="list-style-type: none"> <li>• Subsidy on social insurance for the informal sector</li> </ul>                                              |                                                                                                                                                     |

## VI. Priority Research Agenda

- a. Situation of the children of rebels
- b. Study on Situation of children in conflict with the law
- c. Protection issues of the disadvantaged and vulnerable sectors in times of calamities and emergencies
- d. Assessment of protection programs for abandoned families
- e. A phenomenological study of lived experiences of children of migrant workers
- f. Impact of international migration in the region, specifically in agriculture and other economic activities
- g. Impact of OFW remittances on regional development
- h. Assessment on LGUs fund allocation and utilization for disadvantaged sectors
- i. Impact of PPP on Strengthening LSWDO Programs
- j. Detailed study on the impact of the agrarian reform program
- k. Evaluation of programs and services of CICL/CNSP/WEDC (in residential-based and community-based)

## VII. Priority Programs, Projects and Activities

### *Improving access to basic social services*

- a. Pantawid Pamilyang Pilipino Program
- b. Social Pension Program for poor senior citizens
- c. National Household Targeting System for Poverty Reduction Program
- d. Supplementary Feeding Program for Children
- e. Kapit-Bisig Laban sa Kahirapan - Comprehensive Integrated Delivery of Social Services
- f. Kapit-Bisig Laban sa Kahirapan – Payapa at Masaganang Pamayanan

- g. Gender and Development-related programs

### *Increasing Opportunities for Livelihood & Microfinance*

- a. Micro-financing programs
- b. Sustainable livelihood program
- c. Child labor program
- d. Emergency employment program for workers affected by economic crisis and natural/ man-made disasters
- e. Livelihood assistance to parents of children prevented/removed from child labor

- f. Bridging employment program for the youth
- g. Rural emergency employment for the disadvantaged workers

*High Priority for Housing Programs for Informal/Urban Poor Settlers*

- a. Housing resettlement program
- b. Community Mortgage program

*Ensuring Land tenure security and protection for IPs and farmers*

- a. Comprehensive Agrarian Reform Program (CARP)
- b. GAD related programs of CARP

*Reducing Environmental and Natural Risks*

- a. Education and Information Campaign/ advocacy programs on disaster-risk reduction and climate change adaptation
- b. Various disaster relief programs
- c. Emergency shelter programs

*Other cross-cutting programs*

- a. Establishment of drug rehabilitation centers
- b. Programs against human trafficking in disasters and conflicts
- c. Linkage/networks/partnership program with various volunteer service groups for the vulnerable and disadvantaged groups.

# 12 Building Safe and Secure Communities



# Building Safe and Secure Communities

Everyone has a fundamental human right to housing, which ensures access to a safe, secure, habitable, and affordable home with freedom from forced eviction. It is the government's obligation to guarantee that everyone can exercise this right to live in security, peace, and dignity. This right must be provided to all persons irrespective of income or access to economic resources. Based on the results of the national survey for AmBisyon Natin 2040, safe and secure housing is even more significant.

As part of building socioeconomic resilience, the Philippine Development Plan (PDP) 2017–2022, provides a framework on “matatag, maginhawa at panatag na buhay,” which means strongly rooted, comfortable and secure communities for Filipino people, particularly the marginalized sectors.

## I Assessment and Challenges

### Housing Needs

The land market does not satisfy the needs of the poor for secure tenure. Prices of land in urban areas remain way beyond the means of families whose incomes fall within the bottom 30% of the income strata. The annual Poverty Indicator Survey (2004) revealed that four out of every 10 Filipino families do not own their house and lot. Such a scenario is evidenced by the proliferation of informal settlers in urban. In Davao City, the number of informal settlers has grown annually due to migration by people seeking better opportunities. While anti-squatting laws are in place to prevent illegal occupation of private and government lands by informal settlers, human considerations often prevent the LGUs from enforcing the law. Good urban land reform planning, however, is seen as a long-term solution to urban squatting.

Based on the 2010 housing census, the

number of unacceptable dwellings and makeshift units in Davao Region reached 285,630 of the total occupied housing units of 991,721. This was higher by 78 percent to the 2007 level of 160,034 dwellings. These households, usually referred as squatters or informal settlers, lived in houses made of light materials, such as bamboo, sawali, cogon, nipa and anahaw. Per preliminary housing needs data, about 321,153 housing units are required by 2024 to provide the housing needs for the homeless, households in danger zones, households affected by government infrastructure, households threatened by demolition/eviction, displaced families, increase in population and doubled up households.

### Local shelter plans

Most LGUs do not have shelter plans and programs that would facilitate pro-active planning and results-based targeting of their shelter concerns. This was

attributed to the confusing and unclear land use policies, which resulted to high transaction costs. In addition, the non-cooperation of land owners to engage in the Community Mortgage Program (CMP) and misinterpretation or non-implementation by LGUs of the Urban Development and Housing Act (UDHA) and its implementing rules and regulations resulted in non-appropriation of budgets, which led to increasing land and housing backlogs.

## Resettlement and housing projects under the Pablo Rehabilitation Program

The provinces of Davao Oriental and Compostela Valley were the hardest hit by

Typhoon Pablo on December 4, 2012. Total cost of housing damaged reached PhP4.8 Billion, of which Compostela Valley had the largest housing damaged at PhP3.2 Billion, while that of Davao Oriental was placed at PhP1.6 Billion.

As of 2016, 23 sites were identified for the construction of resettlement housing under the Pablo Rehabilitation Program, of which 2 sites were in Davao Oriental and 16 sites were in Compostela Valley. Of the 17,480 housing units targeted under the program, 91.4 percent or 15,979 units were already completed, of which 5,891 units were awarded to beneficiaries, with 3,696 units already occupied. The remaining 1,501 housing units were in various stages of development (*Table 12.1*).

**Table 12.1 Resettlement housing projects under the Pablo Rehabilitation Program, Davao Region, 2016**

PROVINCE/MUNICIPALITY	PROJECT COST (PhP'000)	TARGET	ONGOING/NOT YET STARTED	STATUS		
				COMPLETED	AWARDED	OCCUPIED
Davao Oriental	764.18	3,219	1,210	2,009	473	201
Compostela Valley	3,320.40	14,261	291	13,970	5,418	3,495
Total	4,084.58	17,480	1,501	15,979	5,891	3,696

Source: NHA XI

## Settlements in environmentally-critical areas

Davao Region has a total of 46,776 dwelling units located in danger zones. Most of these dwellings are occupied by informal settlers. Disasters that affect densely populated areas have the greatest potential for inflicting damage and widespread destruction. Not only are large numbers of people endangered, but the potential losses to homes, businesses and infrastructure facilities are also magnified.

In terms of flooding, Tagum City ranked first among the top ten most densely-populated

cities/municipalities of Davao Region at 1,240 persons per square kilometre, which at the same time ranked third in terms of areas prone to flooding at 64.439 square kilometer. Thirty-three percent (33%) of its population live within flood prone areas (*Table 12.2*). In terms of rain-induced landslide, among the top ten most densely-populated cities/municipalities of Davao Region, Digos City has the most number of people exposed to severe landslide at 41.31 percent, followed by Nabunturan at 30 percent, then Bansalan at 14.78 percent. On the other hand, Tagum City, which has the highest population density, has only 2 percent of its population exposed to severe landslide (*Table 12.3*).

**Table 12.2 Implications of Flooding to Most Densely Populated Settlements**

	TOP TEN MOST DENSELY POPULATED MUNICIPALITY/ CITY	PERSONS PER SQ. KM.	AREAS SUSCEPTIBLE TO FLOODING (SQ. KM.)	% POP. EXPOSED TO FLOOD PRONE AREAS
1	Tagum City	1,240	64.439	33.0
2	Panabo City	694	19.198	9.0
3	Davao City	593	n/a	n/a
4	Digos City	522	14.999	20.1
5	Sto. Tomas	492	25.920	12.0
6	Hagonoy	429	18.862	23.2
7	Carmen	416	76.885	46.0
8	Bansalan	358	0	0
9	IGACOS	318	0	0
10	Nabunturan	316	98.170	40.0

Source: Enhanced PDPFPs of Provinces

**Table 12.3 Implications of Rain-Induced Landslide to Most Densely Populated Settlements**

	TOP TEN MOST DENSELY POPULATED MUNICIPALITY/ CITY	PERSONS PER SQ. KM.	AREAS SUSCEPTIBLE TO FLOODING (SQ. KM.)	% POP. EXPOSED TO FLOOD PRONE AREAS
1	Tagum City	1,240	64.439	33.0
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3	Davao City	593	n/a	n/a
4	Digos City	522	14.999	20.1
5	Sto. Tomas	492	25.920	12.0
6	Hagonoy	429	18.862	23.2
7	Carmen	416	76.885	46.0
8	Bansalan	358	0	0
9	IGACOS	318	0	0
10	Nabunturan	316	98.170	40.0

Source: Enhanced PDPFP of Provinces

The following are the challenges besetting housing sector in the Region:

- Lack of resettlement/relocation sites/facilities for the informal settlers and slum upgrading for the urban poor
- LGUs do not have local shelter plans
- Settlements are located in environmentally critical areas

## Future Development Scenario

Some possible scenarios that may have impact on the next planning period are the following:

- Non-traditional development finance is an important emerging source of development financing, principally with the continuous growth of domestic credit extended by the banking sector, and the use of PPP schemes to finance and build infrastructure. If properly and effectively managed, PPP will address

the country's infrastructure lack and at the same time free up government resources that could be used for other development concerns.

- b) The Urban Land Reform Program (ULRP) has been strengthened with the participation of the Socialized Housing Finance Corporation (SHFC), which aims to absorb about 75 percent

of the cost of land purchases of local government socialized housing projects. The SHFC funding initiative under its Localized Community Mortgage Plan (LCMP) would quadruple the capability of the local government's Php100 million stand-by housing fund to serve more informal settlers and other qualified sectors.

## II. Strategic Framework

Figure 12.1 Strategic Framework



### Goal

The Region shall build up socioeconomic resiliency of communities.

### Strategic Outcomes

The Region shall pursue the following strategic outcomes:

1. To increase access to affordable, adequate and secure shelter and equitable land tenure
2. To build a safe and secure communities

### III. Targets

Table 12.4 Plan Targets to Build Safe and Secure Communities, 2017–2022

INDICATORS	BASELINE		End-of-plan TARGET
	Year	Value	
Increased number of LGUs with approved Local Shelter Plans	2016	5	49
Increased number of LGUs with Local Housing Boards	2016	5	49
Proportion of socialized housing target to housing needs improved (%)	2016	TBI	TBI
Proportion of urban population living in slums, informal settlements or settlements in danger areas decreased	2016	TBI	TBI

Sources: HUDCC XI and LGUs

### V. Priority Strategies

#### Addressing the housing needs and slum upgrading for informal settlers and urban poor

This includes providing security of tenure and decent housing to informal settlers occupying government and privately-owned lands through presidential proclamations, resettlement and social housing assistance programs. Local governments shall set aside lands for social housing programs to benefit informal settlers. There shall be initiatives from LGUs and housing agencies to institute programs for distributing legal occupancy rights to urban informal settlers. Resettlement shall be treated as an entitlement for families subject to eviction, as well as evicted informal settler families. Basic infrastructure, such as roads, electricity, water and sanitation facilities, schools and health centers in the resettlement sites must also be provided. Given that full security of tenure can only be guaranteed with the possession of land titles by the beneficiaries upon full payment of the land, a process which can take as long as 25–30 years, the government needs to introduce intermediate instruments of tenure security that would allow social housing beneficiaries to enjoy the benefits of secure land tenure even without a title.

#### Fast-track inventory of idle lands for socialized housing

The government will identify idle lands in the Region for socialized housing development. Memorandum Circular No. 87, s. 2015, provides for the full implementation of an integrated land and information system frontier (ISF) that will facilitate the process of identifying suitable lands for socialized and low-cost housing, as well as mapping out of government and forfeited properties, hazard areas and location of informal settlers.

#### Intensify the formulation of local shelter plans

Republic Act 7279, otherwise known as the Urban Development and Housing Act (UDHA) of 1992, underlines the responsibility of LGUs in providing a comprehensive and continuing Urban Development and Housing Program. UDHA obligates LGUs to plan for affordable housing, rational land use, regulation of urban growth, equitable land tenure, people’s participation in urban development, and the LGUs’ own capacity-building for urban development and housing programs and

projects. The preparation and updating of the comprehensive land use plans of the provinces, cities and municipalities is vital in the preparation of local shelter plans. The decentralization of housing and urban development efforts will be reinforced especially in local shelter planning.

### **Restrict settlements in environmentally critical areas**

Areas highly prone to flooding, earthquake and landslide and coastal zones exposed to tsunamis shall be restricted for building and settlements purposes because of the potential risks to lives and property. Expansion of settlement sites in protected, upland and coastal areas shall be limited and contained. It is the responsibility of the LGUs to redirect the development of settlements outside danger zones in their respective areas of jurisdiction. Government shall provide emergency response and evacuation plan for areas prone to disasters.

### **Promote disaster risk and climate proof housing and resettlement facilities**

Resilience in the context of the built environment means incorporating into the design of a building, aspects and features that allow the building to carry out its intended functions, now and in the foreseeable future. Specifically, this refers to the ability of a building to continue to function as intended in the face of environmental stresses imposed by climate change. Vital in the implementation of these facilities is to ensure linkages and access to public transport, health services, markets and schools. The Department of Public works and Highways (DPWH) developed guidelines for climate proof infrastructures and buildings.

### **Strengthen institutional arrangements in the housing sector**

The delineation of responsibilities between the key implementing agencies and the LGUs should be clearly defined. This would also include the operationalization of the Local Housing Boards (LHBs) of the LGUs. The LHBs are critical in the development of shelter plans of the LGUs.

### **Strengthen risk mitigation and emergency program**

This would include strengthening of emergency management capacity, through emergency communication systems, management information systems, and the disaster and emergency Directorate's institutional capacity, along with raising of public awareness and training. This would also involve seismic risk mitigation for priority public buildings, through retrofitting, reconstruction, and national disaster studies, as well as enforcement of building codes, through raising public awareness, developing a regulatory framework, encouraging voluntary accreditation and training of engineers, and streamlining of issuance procedures for building permits.

## VI. Priority Legislative Agenda

- Support the creation of the Department of Housing and Urban Development (DHUD)
  - This shall promote the productive use of land by rationalizing taxation of idle lands.
- The DHUD shall integrate all housing and urban development policies, plans, programs and projects. This department will be the sole planning and policy-making, regulatory, program coordination and performance monitoring entity of the National Shelter Plan.
  - Creation of Local Housing Boards (LHBs) in every city/municipality
    - This will strengthen the roles of the LGUs in the provision of shelter to the households through the mandatory establishment of local housing boards in every city and municipality.
- Support the passage of the Idle Lands Tax

## VII. Priority Research Agenda

- Assessment on the implementation of Local Shelter Plans of LGUs
- Efficiency slum upgrading program of LGUs
- Factors contributing to the affordability of socialized housing packages
- Designing climate proof housing for different types of disasters

## VIII. Priority Programs, Activities and Projects (PAPs)

- Land acquisition program of LGUs for informal settlers
- Abot Kaya Pabahay Fund
- Slum Upgrading Program
- Gawad Kalinga Housing project
- Habitat III
- National Shelter Program
- Community Mortgage Program
- Socialized Housing Development Loan Program



PART IV

# **INCREASING GROWTH POTENTIAL ("PATULOY NA PAG-UNLAD")**





# 13

Reaching for the  
Demographic  
Dividend



# Reaching for the Demographic Dividend

Demographic dividend is defined as “the accelerated economic growth that may result from a decline in a country’s birth and death rates and the subsequent change in the age structure of the population. With fewer births each year, a country’s young dependent population declines in relation to the working-age population. With fewer people to support, a country has a window of opportunity for rapid economic growth if the right social and economic policies are developed and investments made.<sup>i</sup>

Economies in East Asia (South Korea, Taiwan, and Hong Kong) began to reap the demographic dividend as early as the 1980s, Singapore and Thailand in the 1990’s and Indonesia and Malaysia in the early 2000s. It is noted that apart from good economic policies, all these countries had sustained modern family planning programs (FPs) starting from the 1960s–70s. On the other hand, the Philippines started its FP program in 1969, which was discontinued due to strong opposition from conservative groups. (PDP, 2017–2022)

Demographic transition refers to a change from a situation of high fertility and high mortality to one of low fertility and low mortality<sup>ii</sup>, which usually takes 20 to 30 years. The Philippines is still in the first phase of demographic transition, characterized by a large population under 15-years age bracket with households having a large dependency burden. The shift to the second phase, meaning a bigger proportion of working age population, vis-à-vis dependents—will depend on how the country’s population growth is managed and the crafting of right economic policies. This Chapter spells out how Davao Region shall strive to reach for the demographic dividend, as adopted from the Davao Regional Population Management Strategic Plan for 2017–2022<sup>iii</sup>.

## I. Assessment and Challenges

### Increasing number of Davaoeños and changing age structure

The 2015 census of population recorded about 4,893,318 Filipinos living in Davao

Region. Almost half a million Davaoeños were added every five years. The Region’s 2015 population was higher by 424,755 compared with the population of 4.47 billion in 2010, and by 1,217,155 compared with the population of 3.68 million in 2000. In terms of population growth rate (PGR),

<sup>i</sup> Factsheet: Attaining the Demographic Dividend, Population Reform Bureau.

<sup>ii</sup> High Fertility Rate and High Youth Unemployment: Twin Challenges to the Demographic Dividend for the Philippines, Dennis S. Mapa , Manuel Leonard F. Albis , Michael Dominic Del Mundo and John Carlo P. Daquis

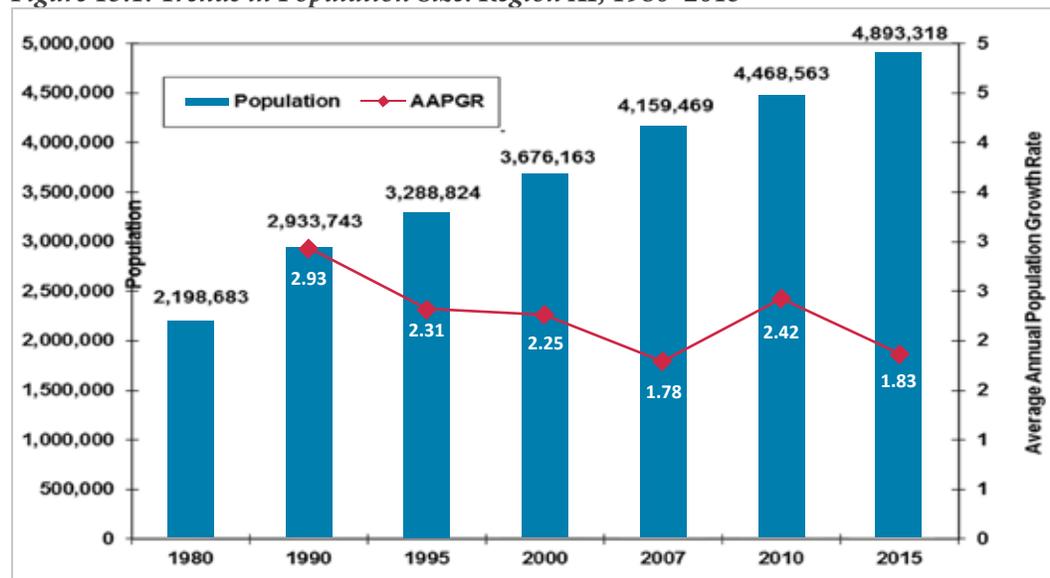
<sup>iii</sup> Commission on Population: Regional Population Management Program (PPMP), Davao Region

Davao Region decreased by 1.74 percent annually, on average, during the period 2010 to 2015.

By comparison, the rate at which the region's population grew during the period 2000 to

2010 was higher at 1.97 percent. The 2015 total population of Davao Region accounted for about 4.8 percent of the Philippine population and 20.3 percent of Mindanao's population.

Figure 13.1. Trends in Population Size: Region XI, 1980–2015



Source: PSA

Table 10.1 Trends in Population Size and Population Growth Rate, Davao Region

PROVINCE/HIGHLY URBANIZED CITY	POPULATION (in thousands)			POPULATION GROWTH RATE	
	2000	2010	2015	2010–2015	2000–2010
Compostela Valley	580	687	736	1.32	1.71
Davao del Norte	744	946	1,016	1.38	2.43
Davao del Sur	504	575	633	1.84	1.32
Davao City	1,147	1,449	1,633	2.30	2.36
Davao Occidental	255	294	316	1.42	1.44
Davao Oriental	446	518	559	1.47	1.50

Source: PSA XI

Among the five provinces, Davao del Norte had the biggest population with 1.02 million, and followed by Compostela Valley with 736 thousand, Davao del Sur (excluding Davao City) with 633 thousand, and Davao Oriental with 559 thousand. Davao Occidental had the smallest population with 316 thousand. Davao del Sur was the fastest growing with an average annual population growth rate (PGR) of 1.84 percent for the period 2010 to 2015.

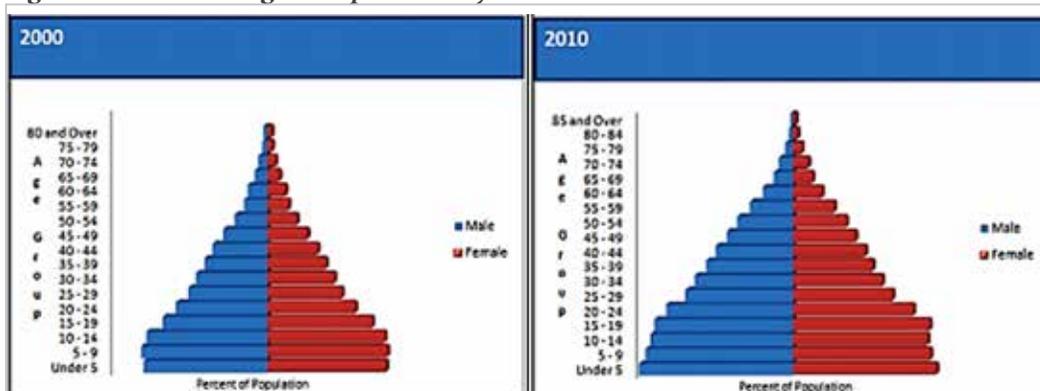
It was followed by Davao Oriental with a PGR of 1.47 percent, Davao Occidental (1.42 percent), and Davao del Norte (1.38 percent). Compostela Valley posted the lowest provincial PGR of 1.32 percent. Davao City, the only highly urbanized city in the region posted a population of 1.63 million in 2015, with an average annual PGR of 2.3 percent from 2010 to 2015. Following are the key characteristics of Davao Region's population:

## Davao Region's population is relatively young

Based on the 2010 population census, about 33.3 percent or 1.48 million Davaoenos were below 15 years old; 62.7 percent were between 15 to 64 years old (consisting the working or productive ages) and 4 percent were aged 65 and over. Young population means continuing increase in population due to large cohorts of young women who

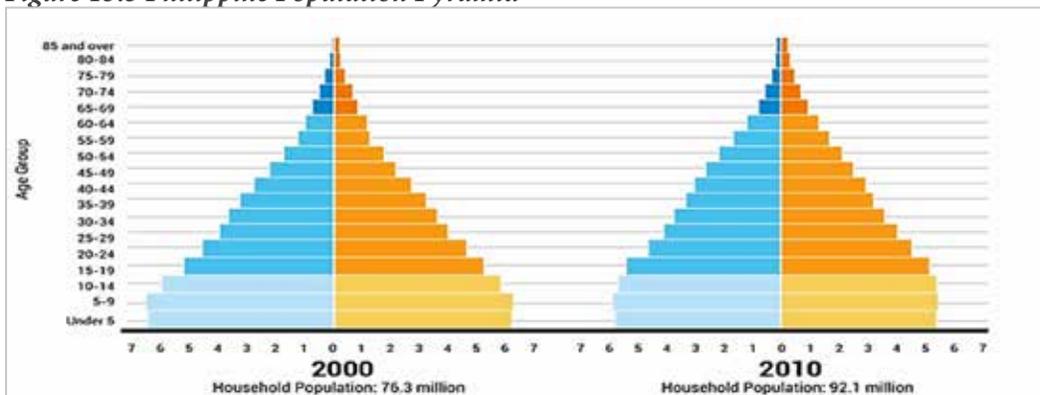
will soon enter the childbearing years and contribute to the fertility level in the country. It implies a large number of young dependents. The 2010 population estimate indicated about 53 young (14 years and below) and 6 old (65 years and above) dependents for every 100 working age (15 to 64 years old) persons. Since not all in the working ages were engaged in productive labor, dependency ratio would be much higher than the age dependency ratio.

Figure 13.2 Davao Region Population Pyramid



As shown in Fig. 13.2, an expansive pyramid with broad base is indicative of large young population in Region XI. This follows the pattern of Philippines (Figure 13.3)

Figure 13.3 Philippine Population Pyramid



## High fertility level

As presented in Figure 13.4, Davao Region had a total fertility rate (TFR) of 2.9 in 2013, indicating a downward trend from 3.7 in 1998. It also showed that women in Region XI had 1 child more, on the average, than they intended to have. While the regional

TFR is below the national level (3.0), there is still a lot to work on in order to attain a replacement fertility of 2 children which is required to ensure that the population replaces itself in size in succeeding generations.

**Table 13.2 Trends in Contraceptive Prevalence Rate: Region XI, by province, 2011–2015**

CONTRACEPTIVE PREVALENCE RATE	2011	2012	2013	2014	2015
Davao Region	50.5	55.4	59.7	65.9	53.8
Davao City	59.4	60.4	62.4	64.1	33.9
Davao del Sur	40.9	48.9	61.8	71.4	65.7
Davao del Norte	51.4	53.6	57.0	65.6	60.67
Davao Oriental	48.4	44.8	44.6	52.6	53.0
Compostela Valley	44.3	62.7	66.5	73.0	72.9

Source: DOH XI

## High unmet need for modern family planning

Women in Davao Region who are fertile and sexually active but are not using any modern method of contraception and report not wanting any more children or wanting to delay the birth of their next child are considered to have an “unmet need” for family planning. There were an estimated 608,509 women of reproductive age in Region XI in 2015. The 2013 National Demographic and Health Survey (NDHS) reported 17.5 percent total unmet need for family planning, with 7.5 percent for spacing births and 10.0 percent for limiting births. The high fertility level especially among poor women may be attributed to the low level of access to family planning commodities.

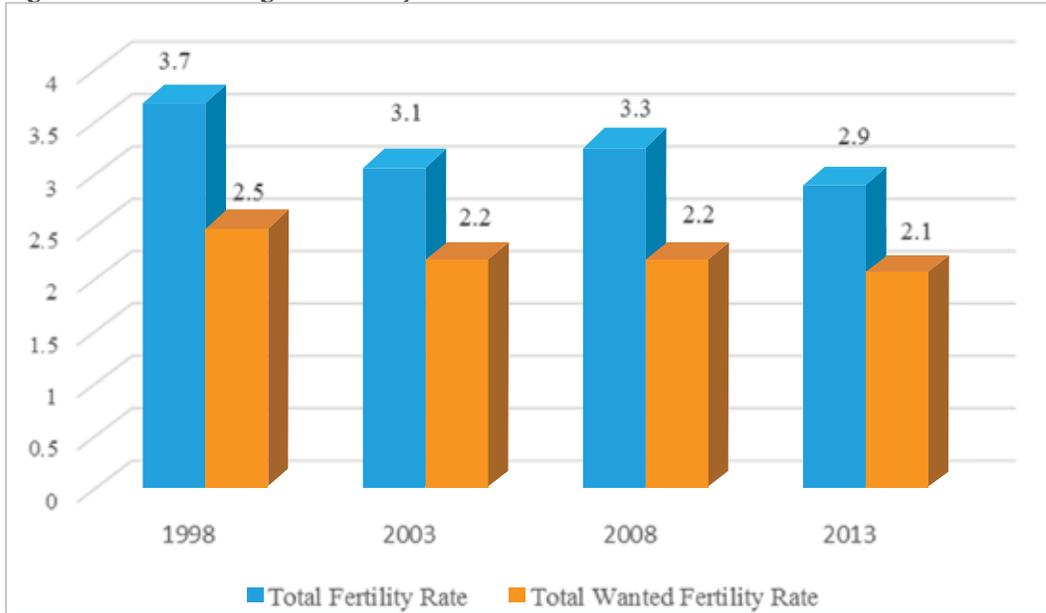
The contraceptive prevalence rate (CPR) in Region XI declined from 65.9 percent in 2014 to 53.8 percent in 2015, as presented in Table 13.2. The data also show that the trend was increasing from 2011 to 2014. However, in 2015 there was a sharp decrease of rate of women using such method specifically in Davao City where it registered 33.9 percent CPR. Considering some issues on data quality check, the data on CPR in our region may need further validation. The Supreme Court’s temporary restraining order (TRO) to prohibit DOH from procuring, selling, distributing and promoting hormonal contraceptive Implanon has a negative impact on women’s decision and choice,

hence, exacerbating the already high unmet need for modern family planning.

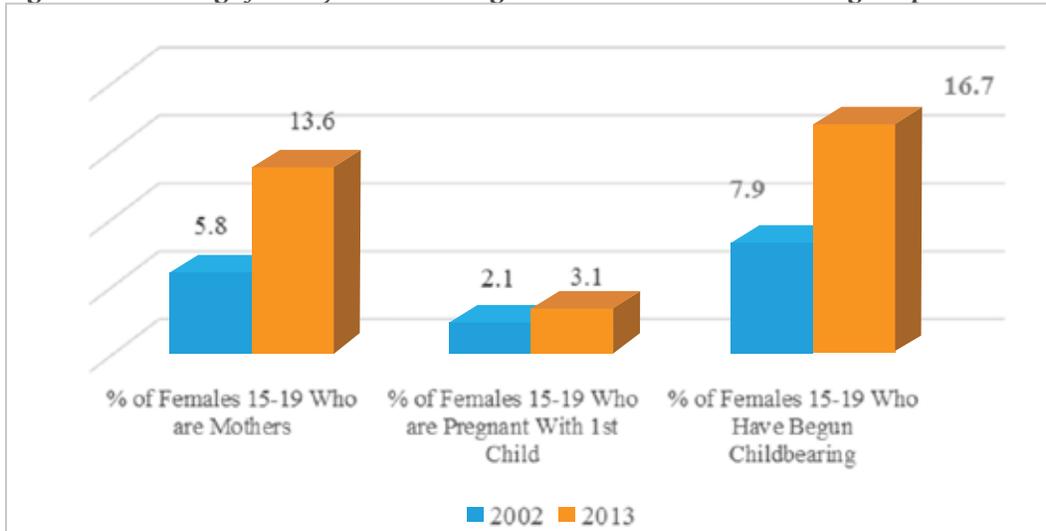
## Increasing adolescent fertility

According to the Young Adult Fertility and Sexuality (YAFS) 4 Survey, adolescents got pregnant too early in Davao Region. Teenage fertility in Davao Region more than doubled in the past decade. The YAFS 4 survey also showed that there were 16.7 percent of women 15–19 year olds who have begun childbearing in 2013 while only 7.9 percent in 2002. This level made the region rank fifth in teenage fertility prevalence. The number of live births among women 15 to 19 years old reached 16,665 in 2015. The increasing adolescent fertility was mainly attributed to early sexual engagement of the youth in Region XI. YAFS 4 further reported that in 2013, 2 out of 5 youths had already engaged in premarital sex. Consequently, 8 out of 10 who have engaged in their first pre-marital sex were unprotected.

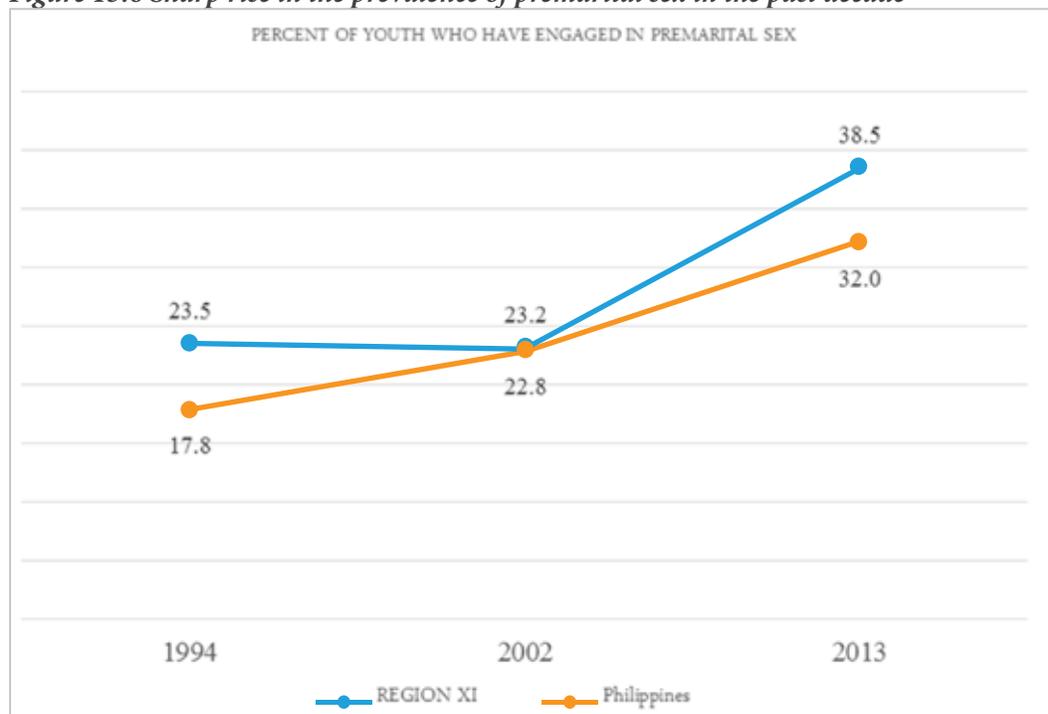
**Figure 13.4 Davao Region Fertility Rates**



**Figure 13.5 Teenage fertility in Davao Region more than doubled during the past decade**



*Figure 13.6 Sharp rise in the prevalence of premarital sex in the past decade*



*Table 13.3 Plan Targets to Reach for Demographic Dividend*

INDICATORS	BASELINE DATA 2013	2022 (LOW FERTILITY ASSUMPTION)
CPR	54% (2015 DOH-RHIS)	65%
Unmet need for Modern FP	17.5% unmet need for modern FP (2013 NDHS)	0 unmet need for modern FP
Population Outcomes		
TFR	2.9 (2013 NDHS)	2.1
PGR	1.97 (2000-2010)	1.04
Infant Mortality Rate (per 1000 live births)	9.7 (2015)	15
Maternal Mortality Rate (per 100,000 live births)	122	90

## Challenges

- 1) High unmet need for modern family planning
- 2) Increasing rate of teenage pregnancy
- 3) High maternal mortality rate
- 4) High youth unemployment

## II. Strategic Framework

Figure 13.7 Strategic Framework



### Goals

- 1) Demographic transition accelerated
- 2) Gains from demographic dividend maximized

### Objectives

- 1) Child and maternal mortality ratios reduced
- 2) Fertility rate reduced
- 3) Quality of human capital improved
- 4) Population and development integration improved

## III. Priority Strategies

### Full implementation of the Responsible Parenthood and Responsible Parenthood (RPRH) Law

RPRH priority strategies shall be geared toward assisting couples achieve their desired number and spacing of children within the demand of responsible parenthood through effective family planning. It aims to attain zero unmet need for modern family planning through increased access to FP information and services. Programs shall be pursued with relevant implementing

partners, i.e., Regional Implementation Team on the RPRH Law.

### Improved health and education service delivery

Increased investments in health and education shall be pursued to ensure that children become healthy and well-educated adults who shall reach their full potential. For health, the Philippine Health Agenda shall guarantee optimum healthcare in all life stages and triple burden of disease, service delivery and universal health insurance. The Government shall continue to implement

programs to reduce infant and child mortality, increase life expectancy at birth, and decrease fertility. Initiatives to improve quality of and access to education shall be implemented. Educational reforms shall be strengthened to ensure a high-skilled and competent workforce that meet the needs of labour markets. Improving education outcomes serves the dual purpose of human capital development for productivity and may also be a factor for late marriage having smaller families.

### Adolescent health and development

This includes promotion of comprehensive sexuality education in school curriculum, alternative learning systems, out-of-school youth and adolescents with special needs; optimizing ICT to reach out to adolescents; establishment of school/community based teen centers in LGUs; capacitating peer educators, teachers and other significant groups to partner with adolescents in making informed decisions; and addressing socio-economic, non-behavioral and institutional determinants of teenage pregnancy.

### Population and development (PopDev) integration

PopDev integration strategies shall be pursued towards realizing population outcomes that shall facilitate sustainable socioeconomic development. This

shall include integration of population dynamics and variables in development initiatives, such as policy, plan and program formulation. PopDev education in the school curriculum, PopDev integration component also includes special concerns of special group of populations, such as older persons, persons with disabilities, and indigenous peoples.

### Creation of job opportunities

A critical strategy for maximizing demographic dividend shall be the optimum use of quality human resource. To achieve growth in job creation, the government shall focus on business reforms in the sectors that have the potential to create large numbers of jobs, especially for the youth. This shall be done in collaboration with the private sector on both the supply and demand sides of the jobs equation. There is a need for a facilitative and conducive environment for private sector interventions. The Region shall also focus on good governance and strong macroeconomic management to ensure well-functioning labor and financial markets. Job generation strategies are also discussed in Chapter 10.

## IV. Priority Legislative Agenda

- a) Institutionalization of Local Population and Development Policy
- b) Policy on prevention of teenage pregnancy
- c) Strengthening of the National Population and Development Policy

## V. Priority Research Agenda

- a) Combating sexually transmitted infections and other gynaecological diseases
- b) Promoting sexual health
- c) Reproductive health of people with physical and mental disabilities
- d) Study on the determinants of teenage pregnancy in Davao Region
- e) Providing high-quality FP services, including infertility services

## VI. Priority Programs, Activities and Projects

- a) Development, coordination, monitoring and evaluation of population policies, programs and projects
- b) Safe motherhood program
- c) Provision of family planning logistics and supplies to hospitals
- d) Newborn screening
- e) Advocacy and IEC for population programs and projects
- f) Capacity-building/advocacy on men's/juniors'/senior citizens' responsibilities in gender and development
- g) RPRH advocacy and IECs for IPs



14

Vigorously  
Advancing Science,  
Technology and  
Innovation



# Vigorously Advancing Science, Technology and Innovation

Science, technology and innovation have been considered key driver to economic growth being a major support to the agriculture and fishery sector, as well as to the industry and services sector. It is relied upon to boost productivity through new value-adding technologies for efficiency, as well as, develop capacities to help the productive sectors compete in a knowledge-based global economy. The resulting productive practices generate better paying jobs and raise living standards, ultimately contributing to the reduction of poverty.

This chapter discusses the priority strategies and outcomes needed to increase the region’s potential growth through innovation, which will build the foundation for a globally competitive knowledge economy.

## I. Assessment and Challenges

### Assessment

The Region continuously improved its performance in science, technology and innovation. The sector met most of its targets for the 6-year period, though not without challenges.

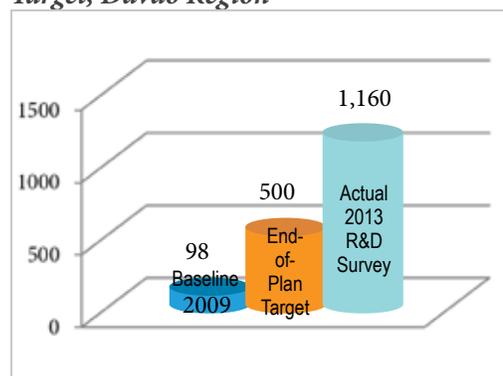
#### *Increasing appreciation for STI in schools, workplaces and business establishments*

Based on the latest R&D Survey in 2013, the proportion of R&D practitioners reached 1,160 practitioners per 1 million population. This is 1,085.7 percent higher compared to the 98 R&D practitioners reported in the 2009 R&D Survey conducted by the Department of Science and Technology (DOST). This is also higher by 132.4 percent compared to the end-of-plan target of 500 R&D practitioners. At the same time, this figure is way above the standard of 380 R&D practitioners per 1 million population of the UNESCO. The increase of R&D

practitioners was attributed to the increased number of researchers in the public and private higher education institutions and private industries (*Figure 14.1*).

From 2010 to 2016, S&T scholars in the tertiary education increased by 118.2 percent from 209 scholars in 2010 to 456

**Figure 14.1. Number of R&D Practitioners, 2009 and 2013 R&D Surveys, End-of-plan Target, Davao Region**



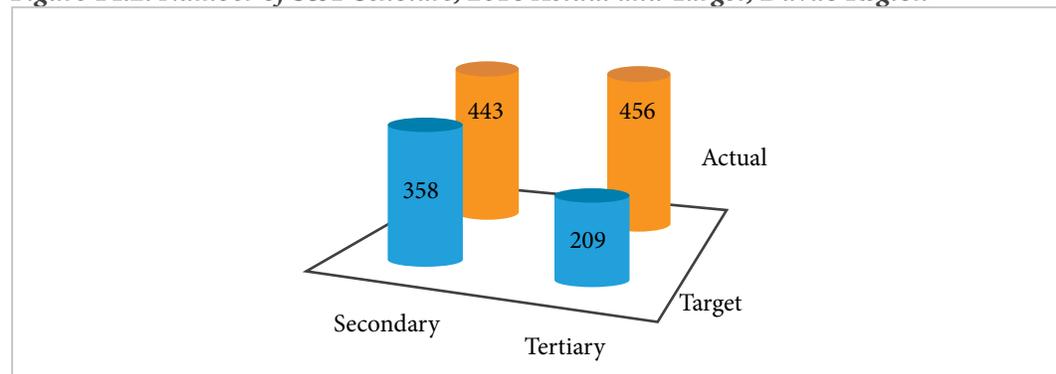
Source: DOST XI

scholars in the first semester of 2016. This is also higher by 49 percent compared to the end-of-plan target of 306 scholars. The increase was attributed to additional scholars for the Junior Level Science Scholarships (JLSS) Program which started in 2014. There are other scholarships offered by DOST, such as those under the DOST-SEI Merit Scholarship Program, RA 7687, also known as the “Science and Technology Scholarship Act of 1994”, and RA 10612,

also known as the “Fast-Tracked Science and Technology Scholarship Act of 2013.”

On the other hand, scholars in the secondary education increased by 23.7 percent from 358 scholars in 2010 to 443 scholars in the first semester of 2016. However, this is lower by 18.0 percent compared to the end-of-plan target of 540 scholars (*Figure 14.2*).

**Figure 14.2. Number of S&T Scholars, 2016 Actual and Target, Davao Region**



Source: DOST XI

From 2010 to 2016, appreciation for science and mathematics subjects among students has improved, with the 2015 national achievement tests (NAT) among elementary and secondary schools registering increases at an average of 73.7 percent and 51.6 percent, respectively. These results are higher by 9.7 percent and 9.3 percent compared to the NAT results in 2010, but these were lower compared to the end-of-plan targets of 89 percent for elementary and 78 percent for secondary levels.

In the same period, the region was able to conduct 47 S&T fairs and exhibits compared to the end-of-plan target of 6 S&T fairs and exhibits. S&T Fair is a venue for promoting technology transfer and commercialization, as well as provide exposure to the various stakeholders to research outputs of Davao Region’s scientists, technologists, researchers and inventors. These activities have generated considerable livelihood

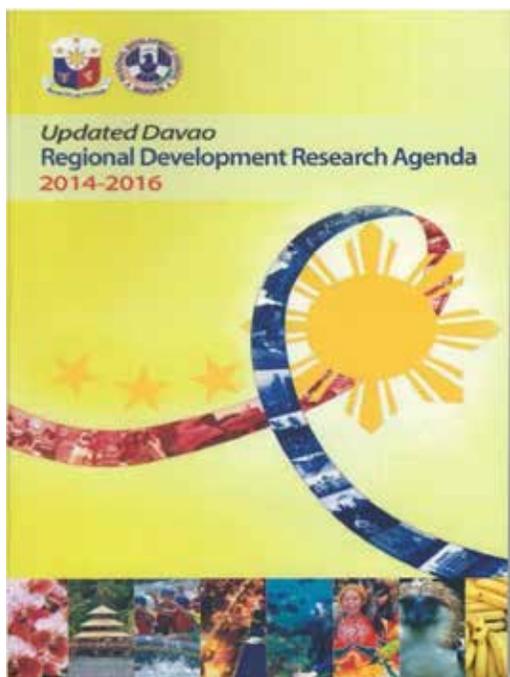
opportunities for small and medium-scale enterprises.

As of the first semester of 2016, there are 52 Science and Technology Academic and Research-Based Openly Operated Kiosks (STARBOOKS) installed in schools and Local Government Units in Davao Region. The upgraded version known as the Super STARBOOKS is already available. It is packed and filled with more content and videos, both for the students and for the entire community. At present, DOST hopes to upgrade those 52 STARBOOKS and add more units before the end of 2016.

### *Enhancing responsiveness of research products to market needs*

The Davao Regional Development Research Agenda (DRDRA) was formulated in 2011 in support to the research requirements of the Davao Region Development Plan

(DRDP), 2011–2016. With the updating of the DRDP in 2014, the DRDRA was also updated. Continuing advocacies of the research agenda resulted in 85 percent of the R&D consortia, SUCs and some private academe adopting the directions set forth in the updated DRDRA 2014–2016. However, this is lower by 15 percent compared to the end-of-plan target of 100 percent.



Six (6) R&D research consortia were strengthened and maintained. These are the Davao Region Industry, Energy and Engineering and Emerging Research and Development Consortia (DRIEERDC), Southern Mindanao Agriculture, Aquatic and Natural Resources Research and Development Consortium (SMAARRDEC), Regional Health Research and Development Consortium (RHRDC), HELP-Davao Network, Mindanao Science and Technology Centrum Foundation, Inc. (MSTCFI) and Mindanao Science and Technology Park Consortium (MSTPC). All of the 6 consortia and 22 out of 27 R&D higher education institutions (HEIs) adopted the DRDRA.

A total of 190 firms have been assisted through the Small Enterprise Technology

Upgrading Program (SET-UP) from 2011–2016. This is 726.1 percent higher compared to the 2010 level of 23 firms. However, this is lower by 3.1 percent compared to the end-of-plan target of 196 firms. The accomplishments would have been higher given enough resources and manpower, particularly in the conduct of product evaluation. SET UP is a nationwide strategy encouraging and assisting SMEs to adopt technology innovations to improve their operations and thus, boost their productivity and competitiveness.

In addition to the SET-UP, the Region through a collaborative undertaking by the Department of Science and Technology XI (DOST XI), Philippine Women's College (PWC) of Davao, Department of Trade and Industry XI (DTI XI), and the Food Processing Association of Davao (FPAD), Inc., launCHED the Food Processing and Innovation Center (FPIC) at PWC, Davao City on May 15, 2014. As a leading hub for innovations and technical support for the food industry in Davao Region, FPIC envisions transforming concepts into products. FPIC-Davao commits to provide innovative technologies and relevant support services to contribute to the inclusive and sustained development of the food industry in the Davao Region. The center will function as a common service facility for food innovation, processing, and packaging for SMEs.

In addition, the first intellectual property office in Davao Region known as Innovation and Technology Support Office (ITSO) was established at the University of the Southeastern Philippines (USEP), Davao City in August 2012. The process of applying for patents for Mindanao inventors, researchers, innovators, students and businessmen is now made easier with the launch of the ITSO. The ITSO will serve primarily as a patent library, with access to over 80 million patents from patent libraries in Japan, US, Europe, and Canada. In here,

patent applicants can do research on the patentability of their products. The ITSO will also provide other services to aid patent applicants such as patent drafting, patent prosecution, aid in patent application to other countries, education and training in the process of patenting, copyrighting, and trademarking of products, logos, brands and designs.

In terms of testing and calibration services, the region was able to conduct a total of 25,972 microbiological, chemical, volume, metal testing and calibration services from 2011–2016. This is 1,029.2 percent higher compared to the 2,300 testings and calibrations rendered in 2010 and 34.3 percent higher compared to the end-of-plan target of 19,335 testing and calibration services in 2016. This was due to expansion of DOST Regional Standards and Testing Laboratory (RSTL) services to SMEs/firms for this type of services.

On efforts to capacitate farmers and fisherfolks on new technologies in agriculture and fishery, as well as inform them on new market trends, the Region was able to establish 19 Farmer Information Training (FIT) Centers from 2011 to 2015 from 23 FIT Centers in 2010, for a total of 42 FIT centers. In December 2012, the FIT Centers were formally turned-over to the Agricultural Training Institute (ATI) from SMARRDEC. Years 2013-2014 is the transition period of which ATI laid-out plans to harmonize FIT Centers Techno Gabay activities with local extension programs of the LGUs.

### *Increasing R&D technology adoption and innovation by small farmers/fisherfolks and industries*

In the first semester of 2016, about 85 percent of the studies conducted were adopted and commercialized by our farmers/fisherfolks and industries. This is 75 percentage points higher compared to the 10 percent R&D

adoption and commercialization rate in 2010 and 100 percent of the end-of-plan target in 2016. Although the target for 2016 was achieved, the adoption and commercialization of the research studies conducted are still considered low. This was attributed to farmers' lack of knowledge and training, as well as lack of capital to adopt to new technologies. The adoption and commercialization rate of technologies may improve with the establishment of the Tech4ED Network of DOST-ICTO. The project will build a nationwide connectivity network that will open ICT-enabled gateways for education, agriculture, livelihood opportunities, services, markets to communities, including special sectors such as persons with disabilities, youth and women to enable them to join the country's growth mainstream.

Relatedly, the Region was able to package a number of big ticket research studies. Noteworthy is the 100 percent R&D technology adoption rate of some of these projects: a) S&T Management Approaches Against Fusarium Wilt on Cavendish in Mindanao is Government's response to the Fusarium wilt or Panama disease problem that posed serious threat to the banana industry; b) Development of Cocoa Sugar in Davao Region sustained the supply of coco sugar in the local and international markets, as well as created jobs in the localities (at present it has 30 farmer cooperators); and c) S&T-based Agriculture, Coastal and Rural Rehabilitation Program for Typhoon Pablo Victims in Davao Region, which was implemented to rehabilitate farming and fishing communities devastated by Typhoon Pablo in Davao Oriental and Compostela Valley.

In 2016, the Region was able to conduct 130 R&D extension reviews, mostly conducted by the consortia, SUCs and R&D agencies. This is higher by 983.3 percent compared to the 12 R&D extension reviews in 2010 and 28.7 percent higher compared to the end-

of-plan target of 101 R&D extension review. Sixty percent of the reviews conducted were in agriculture, fishery and forestry related R&D studies.

In the same period, a total of 123 proposals were funded by the Region's R&D consortia, agencies and SUCs, including PCAARRD and DOST-Grant in Aid (GIA). This is 1,266.7 percent compared to the 9 proposals in 2010. However, this is lower by 6.8 percent compared to the end-of-plan target of 132 proposals. About 77 percent of the proposals funded were in agriculture, fishery and forestry, disaster risk reduction and climate change and health related topics. The Region was also able to conduct 46 studies on value chain analysis, wherein almost half of the studies, 47.8 percent, were related to rice. Other value chain studies include livestock and poultry, durian, banana, coconut, seaweeds, cacao and rubber. The Region was also able to package/implement a total of 460 R&D studies/projects in support to other sectors, such as economic, social, infrastructure and governance. This is 1,252.9 percent higher compared to the 34 projects in 2010 and 15.9 percent higher compared to the end-of-plan target of 397 proposals.

### Increasing S&T infrastructure and human capital investments

Based on the latest survey in 2013, the R&D expenditures reached P220.319 Million. This was only 0.05 percent of the GRDP per 1 million population. This figure is lower by -0.06 percentage points compared to the 0.11 percent of the GRDP per 1 million population in 2009 R&D Expenditure Survey. Aside from underinvestment, R&D expenditures continuously declined over the years from both the public and the private sectors. UNESCO standard on R&D spending for developing countries is at least 1 percent of the GRDP.

In terms of Davao Region's public investments in STI, based on latest Regional Social and Economic Trends (RSET) data, about Php85.2 Million is allotted for R&D/S&T-related activities, programs and projects in 2014. This is higher by 102.4 percent compared to the R&D public spending in 2010 (Table 14.1).

**Table 14.1. Distribution of STI Public Expenditures, Davao Region, 2009–2014 (in P'000)**

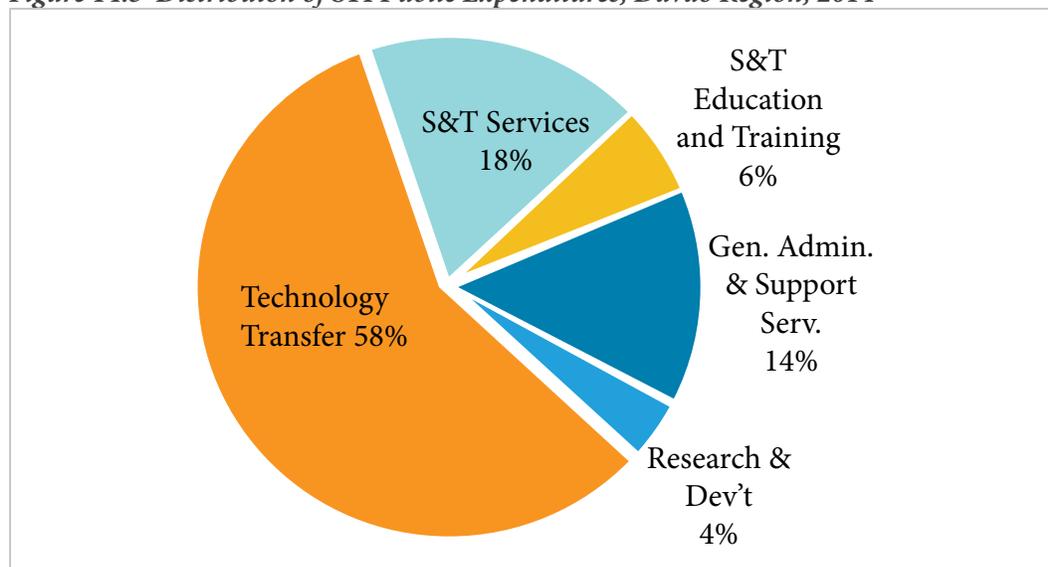
Type of Expenditure	2010	2011	2012	2013	2014	% Change 2010–2014
Research & Development	0.00	0.00	5,508	3,528	3,552	-34.5
Technology Transfer	25,468	28,439	40,529	35,416	49,063	92.5
S&T Services	5,231	7,932	13,104	13,788	15,613	200.0
S&T Education and Training	1,296	2,689	2,498	5,386	5,005	284.6
Gen. Admin. and Support Services	10,127	8,395	9,479	10,834	11,924	17.8
Total	42,122	47,455	71,189	68,952	85,156	102.4

Source: RSET, DOST XI

The bulk of the expenditures were spent for technology transfer at 58 percent share, followed by S&T services at 18 percent

share, while research and development had the least spending at 4 percent share (Figure 14.3).

**Figure 14.3** *Distributon of STI Public Expenditures, Davao Region, 2014*



Source: RSET

From 2010 to 2016, about 82 agromet weather stations were established. This is 1,266.6 percent compared to the 6 agromet weather stations established in 2010. This is also 36.7 percent higher compared to its end-of-plan target of 60 agromet/weather stations. More agromet weather stations were established in 2013 and 2014 due to the government’s effort to reduce disaster risk and climate change vulnerabilities in communities, particularly in low-lying areas.

From 2010 to 2016, the number of operational Community e-Centers (CeCs) were not maintained, hence pegged at only 26 CeCs as of 1<sup>st</sup> Semester 2016. This figure is lower by 39.5 percent compared to the 43 CeCs in 2010 and lower by 59.9 percent of the end-of-plan target of 54 CeCs. On the other hand, there are 52 Tech4ED Networks installed in selected schools and LGUs of Davao Region. The CeCs shall be later upgraded with their conversion to the Tech4ED Network which is currently being implemented by DOST-ICTO. The Tech4ED is expected to open rural communities to government services, learning channels, agricultural technology, employment and

product market opportunities.

Further, in terms of replicable technology on disaster risk reduction program, the province of Davao Oriental DRRM was adjudged as the Region’s 2014 most outstanding provincial Gawad Kalasag (Kalamidad at Sakuna Labanan, Sariling Galing ang Kaligtasan award). This award is given to individuals, non-government organizations, private sector and government organizations in recognition of their initiative in helping the government uplift the standard of disaster management in the country. Other top awardees included Davao City DRRMC as the most outstanding Gawad Kalasag for highly urbanized areas; Tagum City and Island Garden City of Samal DRRMCs as most outstanding Gawad Kalasag for component cities; and Kapitalong DRRMC as the most outstanding municipal DRRMC. Private volunteer organizations like the Davao Fire and Rescue Services of Davao City and the Ranger Volunteer and Dream 166 all based in Mati City, Davao Oriental were also acknowledged as most outstanding private sector on DRRM. Disaster preparedness and readiness of the San Pedro College (Davao City), Panabo National High School (Panabo City) and

Rocamora Rabat Elementary School (Mati City, Davao Oriental) were also given due recognition.

## Challenges

The following are the challenges besetting science, technology and innovation in the region:

- a) Low appreciation for science and mathematics subjects, particularly among students as shown in the results of the National Achievement Test, which were below the NAT passing average of 75 percent.
- b) Slow adoption of technologies and innovative practices because of the following factors: farmers lack knowledge and training, as well as capital to adopt new technologies; and most of the far-flung municipalities have not been served by FITs Centers or CeCs/Tech4Ed Centers.
- c) Low investments in science and technology projects, facilities and infrastructure. Based on the latest survey on R&D Human Resources and Expenditure in 2013, the average R&D spending for the Region has declined to only 0.05 percent of the Gross Regional Domestic Product (GRDP), which is below the average standard for developing countries of 1 percent of GRDP. The lack of funds impinges upon the quality of research studies.

## Future Development Scenario

Some possible scenarios may have impact on to the next planning period are the following:

- a) Creation of Davao Region Research and Development (R&D) Committee

in the RDC XI. Davao Region R&D Committee is among the policy agenda stipulated under the Science, Technology and Innovation chapter of the Davao Regional Development Plan (DRDP), 2011–2016 and the Updated DRDP, 2014–2016.

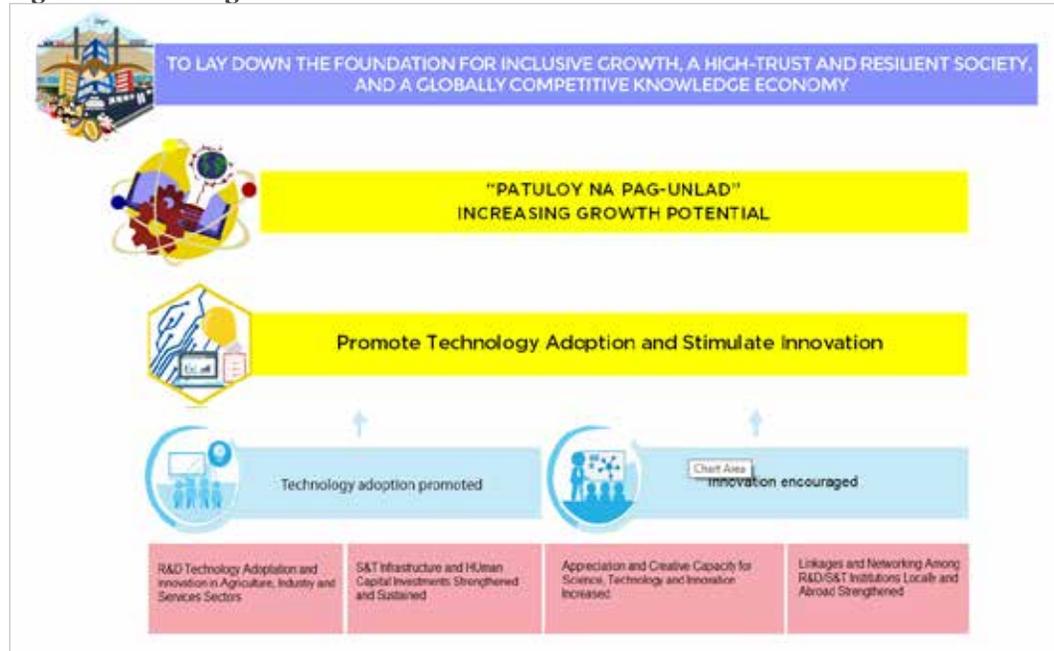
Specifically, the policy agenda calls for the creation of S&T/R&D committees at the regional, provincial, city and municipal levels to support STI efforts regionwide. These committees shall then serve as venues for deliberating S&T/R&D issues and concerns at the regional and local levels. The institutionalization of these committees is seen to strengthen the role of S&T/R&D in the region's development efforts.

- b) Implementation of the ASEAN Community Integration (AEC) for furthering research and innovation activities.

The AEC will spur the cross-border movement of researchers and greater specialization. This, in turn, should broaden co-operation in science and technology. The ASEAN Committee on Science and Technology launCHED the ASEAN Krabi initiative in 2010, which has since developed the ASEAN Plan of Action on Science, Technology and Innovation (APASTI) covering the period 2016–2020. APASTI was formally endorsed by ASEAN members in November 2015. APASTI seeks to raise competitiveness across the region by contributing to both social inclusion and sustainable development. The Plan identifies eight thematic areas focusing on global markets, digital communication and social media, green technology, energy, water resources, biodiversity, science and innovation for life.

## II. Strategic Framework

Figure 14.4 Strategic Framework



### Goal

Promote technology adoption and encourage innovation.

### Strategic Outcomes

The region shall pursue the following strategic outcomes:

1. R&D technology adoption and innovation in agriculture, industry and services sectors increased
2. S&T infrastructure and human capital investments strengthened and sustained
3. Appreciation and creative capacity for science, technology and innovation increased
4. Linkages and networking among R&D/S&T institutions locally and abroad strengthened

### III. Targets

**Table 14.2 Plan Targets to Leverage Science, Technology and Innovation, 2017–2022**

INDICATORS	BASELINE		End-of-plan TARGET
	Year	Value	
Increase R&D expenditure	2013	0.05%	0.09%
Number of R&D scientists/practitioners per 1 million population	2013	1,160	1,800
Number of S&T scholars	2016	403	440
Increased adoption and commercialization of technologies developed	2016	85%	90%
Increase number of SMEs assisted through SET-UP	2016	185	1,845
Number of S&T/R&D committees organized and maintained at the regional, provincial & city levels	2016	6	6

Source: DOST XI

### IV. Priority Strategies

#### Promoting the development, adoption & commercialization of technologies for the Regions priority industries

R&D agencies, SUCs and private HEIs and R&D consortia shall be encouraged to conduct researches on products and technologies that shall be required by the region’s industries, particularly the priority industry clusters of the region, as well as those researches that would mitigate the impact of disaster and climate change. Industries shall be capacitated to take a proactive role in STI, as well as for inventors and innovators to pursue the diffusion of institutional innovations to help the region’s human resource maximize the utilization and enhancement of existing technologies. Research students in the academe shall be tapped to do industry and environmental researches provided they will be given appropriate entitlements and recognition of their research products.

The application of these knowledge, technology, information, and processes to agriculture, industry, and services sectors will be given priority to improve productivity, which will translate to an increase in incomes and jobs, especially in the countryside. The government will also foster the development of networks and markets, and undertake effective marketing strategies through extensive use of quad-media and the organization of fora, fairs, and exhibits.

#### Strengthening Intellectual Property Rights certification and accreditation process

Institutionalization of certification and accreditation processes for products developed through intellectual property rights (IPR) shall be pursued. Advocacy to increase the appreciation and understanding of IPR shall be undertaken in order to leverage intellectual property protection as an essential component of the innovation

system. IPR is a key component under the ASEAN Economic Community Blueprint's competitiveness-related measures and its protection is the foundation for building innovative and competitive economic environment. At the same time, IP system is traditionally a sovereign system and will help improve not only the international trade system but regional economic integration, in general. This will also capacitate industries, particularly SMEs, in developing globally-competitive products and services.

### Promoting innovative financing scheme in enhancing the region's S&T infrastructure

Private sector participation, including venture capital, crowd fund-sourcing and public-private partnership (PPP) shall be adopted in the establishment of the region's requirements for science and technology infrastructure, particularly on the construction of science and laboratory buildings, upgrading of experiment/demonstration stations, establishment of digital infrastructures, including STI-based startups and capacity building and trainings for scientists and researchers.

### Modernization of existing R&D facilities and other STI infrastructures

Modernization of existing R&D facilities and other STI infrastructures, both in the public and private higher education institutions (HEIs), shall be pursued to enable them to carry out higher-level R&D activities. Improvement of internet connectivity by putting in place a regional broadband infrastructure shall be given priority to boost STI activities. The groundwork for the rollout of the fiber optic cable network under

the government's "Convergence Program" to link national government agencies in a fiber-optic network and through shared resources is ongoing.

### Establishing innovation centers in strategic locations of the Region

Innovation centers will be established to promote not only innovation, but also design and creativity, and to provide support for the creation of incubation centers for MSMEs and startups. This will be established in strategic locations in the Region in support to the priority industry clustering program, to include food innovation centers and shared service facilities.

### Promoting the culture of inventiveness and creativity

The rationale behind this encompassing approach is to ensure that the development of a scientific culture starts from a young age and is sustainable to meet society's future requirements for more scientifically and technologically skilled workers. The K-12 program of the government, particularly its science, technology, engineering and mathematics (STEM) strand and the creative arts courses shall boost the interest of young students to appreciate STI. This shall also include communicating STI to policy makers, government officials and employees for more effective decision making.

## Encouraging media and corporate CSR programs to promote science, technology and innovation consciousness among the region's constituents.

Involvement of media and private businesses is significant in the promotion of STI to help institutionalize STI mindset among the region's population. This may include tracking R&D/STI programs and projects, as well as investments of multinational companies and SMEs to have an overall picture of R&D/STI achievement in the region. This would involve massive use of tri-media and the web to broadcast R&D as a means to educate stakeholders in the region.

## Strengthening coordination and cooperation of academe, business sector, civil society and government

Efforts to strengthen and establish networks among government, the academe, the business sector and civil society shall be sustained. Likewise, international cooperation shall also be pursued more aggressively to enhance the flow of and benefit from a wide range of existing knowledge, and technologies that are being generated by other countries. Existing fora such as the ASEAN, Asia-Pacific Economic Cooperation and other similar platforms for dialogue and collaboration will be utilized.

## Promoting on-line livelihood exchange portal for products and services

On-line livelihood exchange portal serves as a link between people in search of specific products and services and the providers of those products and services on a global scale. Products, specifications, and other vital information, to include contact information of producers and buyers, will be provided on the web so that any individual, business or any other organization across the world will have easy access to these products and services. This shall facilitate easy access for trading and marketing of local products and services.

## V. Priority Legislative Agenda

- Creation of S&T/R&D committees at the regional, provincial, city and municipal levels to support STI efforts nationwide these committees will serve as venues for deliberating S&T/R&D issues and concerns at the regional and local levels. The institutionalization of these committees will strengthen the role of R&D/S&T in the region's development effort.
 

The amendment aims to establish a National Metrology Institute under the DOST, which shall provide capacity building programs through competency training to strengthen the local metrology authorities at the local level and set up a Metrology Training Program to undertake proficiency testing, advocacy education and training on metrology.
- Establishment of Climate Change Academy
 

The academy shall focus on courses/training and related S&T/R&D areas on disaster risk reduction and climate change mitigation measures.
- Support the passage of an Act Strengthening the National Measurement Infrastructure System amending RA 9236, also known as the National Metrology Act of 2003
 

The Bill aims to achieve a higher standard of S&T, by prescribing the basic policy requirements for the promotion of S&T and comprehensively and systematically promoting policies for the progress of S&T.
- Support the passage of an Act Establishing the Science for Change Program

## VI. Priority Research Agenda

- Effects of the K-12 STEM curriculum to the NAT results on science and mathematics
 

international trading, production and manufacturing standards, as well as in the AEC
- Effectiveness of the S&T Academic and Research-based Open Operated Kiosk Station in the promotion of R&D among students
 

Impact assessment on the implementation of the Magna Carta for scientists/R&D practitioners
- Innovation survey among SMEs
- Effectiveness of extension workers in the adoption of new technologies by farmers and fisherfolks
- Compliance of the Region's R&D infrastructures (laboratories) with

## VII. Priority Programs, Activities and Projects (PAPs)

- Scholarship program grants for elementary & secondary levels, graduate, undergraduate and bridging program on science and technology-related fields
- Small Enterprise Technology Upgrading Program (SETUP)
- Technology Innovation and Packaging Development Center
- Metrology and Metals Testing Laboratories
- Intellectual Property Rights (IPR) Assistance Program
- Nationwide Operational Assessment Hazards (NOAH) Project
- Disaster Information for Nationwide Awareness (DINA) Project
- Technology for Education (Tech4ED) Networks
- S&T Academic and Research-Based Openly-Operated Kiosk Station (STARLABS)
- S&T Experts Pool Volunteer Program
- Intelligent Operations Center Platform of Davao City



PART V

# **ENABLING AND SUPPORTIVE ECONOMIC ENVIRONMENT**





# 15

Ensuring Sound  
Macroeconomic  
Policy



# Ensuring Sound Macroeconomic Policy

The behavior of a regional economy is affected by vital sectors that provide macroeconomic stability, such as, employment, labor productivity, exports and investments. These can directly affect the region's capacity to achieve sustained high economic growth which lay the foundation for inclusive growth and high-trust society. Having stable fiscal and monetary sectors are favorable for investments as well as promote price stability that support growth and improve the access to economic opportunities.

## I. Assessment and Challenges

### Assessment

**Davao Region surpassed its targets and will likely sustain its lead in Mindanao's growth.** Davao Region's economic output grew from PhP217.3 billion in 2010, to PhP303.7 billion in 2015 or by an average of 7.1 percent annually. During the six-year period, Davao Region on the average, grew faster than the national's 5.9 percent and Mindanao's 6.3 percent. Davao Region has been leading Mindanao's economy for the last six years. In 2016, Davao Region recorded the highest growth at 9.4 percent, followed by Zamboanga Peninsula at 7.6 percent then by SOCCSKSARGEN at 5.0 percent (*Figure 15.1*).

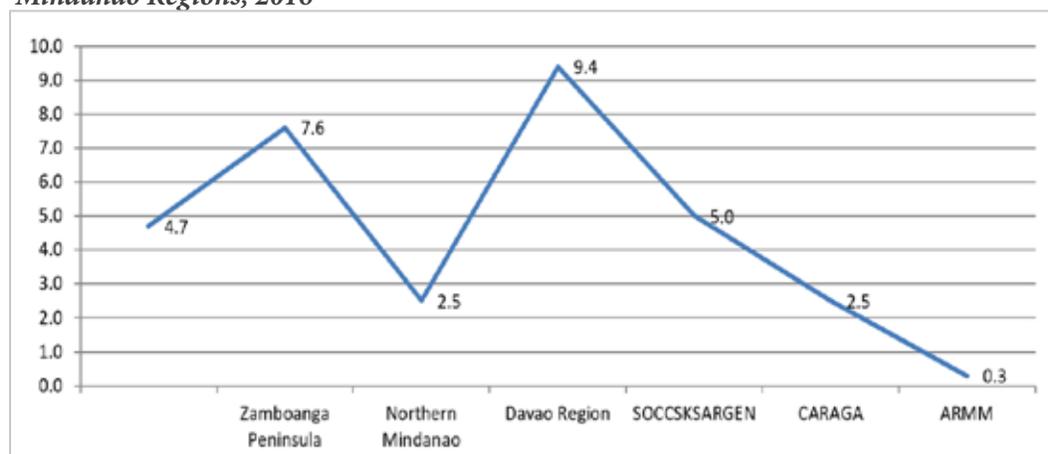
Similarly in terms of value, Davao Region topped other Mindanao regions with its PhP303.7 billion output making up 28 percent of the Island's total output. Northern Mindanao followed closely with PhP283.2 billion and a 26 percent contribution to Mindanao's output.

Davao Region's economy posted its strongest growth in 2014 when it topped all regions nationwide with 9.3 percent,

significantly higher than the national growth of 6.2 percent. In fact, the Region outpaced the national growth from 2011 to 2015, except in 2013 due to Typhoon Pablo which struck in December 2012. It posted the slowest growth in 2011, when the mining and quarrying and the construction sectors recorded lower outputs where public construction was lesser due to underspending by government for its infrastructure projects.

The Region's output was led by the services sector, contributing almost 53 percent on the average for the last six years. This sector was followed by the industry sector with a 34 percent share. The agriculture, hunting, forestry and fishery sector contributed 13.5 percent.

**Figure 15.1 Gross Regional Domestic Product (GRDP)  
Mindanao Regions, 2016**



Source: Philippine Statistics Authority (PSA)

The Region also consistently surpassed its targets from 2012 to 2015. In 2014 it surpassed its target by a very significant 2.4 percentage points. On the other hand, it was not able to meet its target in 2011 due to higher cost of energy and oil prices, small-

scale miners selling their gold produce to the black market, slower recovery of the U.S. and European economies that limited market options, and challenges in quality issues for the Region's banana exports (Table 15.1).

**Table 15.1 GRDP Growth Rates vis-a-vis Targets (at constant 2000 prices), Davao Region, 2011–2015**

INDICATOR	2011	2012	2013	2014	2015	2016
PHILIPPINES						
GDP Actual	3.6	6.8	7.2	5.9	6.1	6.9
DAVAO REGION						
GRDP Actual Rates	4.1	7.4	6.8	9.3	8.2	9.4
GRDP Targets	7.2	6.8	5.6	7.0	7.5	8.7

Sources: Philippine Statistics Authority (PSA)

Davao Region Development Plan (DRDP), 2014–2016

**Davao Region's growth was industry sector-led.** On the average, the Region's industry sector grew the fastest at 15.4 percent from 2011 to 2016. This sector accounted for the second biggest share to the Region's GRDP at 34.3 percent. This strong growth is mainly attributed to the surge in the manufacturing activities for processed foods, beverages, cement and steel billet, followed by increased output from the energy sector with private investments in power barges and a vigorous construction subsector due to continued

expansion of investments for private construction, particularly shopping malls, high-end residences, social housing and hotel-condominiums in the cities of Davao and Tagum.

**Services sector was the Region's main growth driver.** For the past four years, the services sector consistently recorded the highest output, from PhP117 billion in 2011 to PhP158.3 billion in 2015, grew annually by 9.2 percent. This sector accounted for the biggest share at 52.1 percent of the Region's

total output. Among its subsectors, the financial sector posted double-digit growth of 11.5 percent due to robust commercial activities and expansion particularly in the real estate, renting and business subsector. Davao Region's strong economic position as the financial and services center of Southern Philippines attracted people into setting up residence in the Region. This comparative advantage also paved the way for the proliferation of business process outsourcing (BPOs) which provided quality employment to about 35,000 full-time employees in the past 5 years.

**Agriculture sector produced the least output, slowest growth.** The agriculture, hunting, fishery and forestry (AHFF) sector continued to be laggard posting the least output of PhP41.3 billion in 2015 and contracted by 1.1 percent during the five-

year period in review. The fishing industry pulled down the performance of this sector contributing only 5 percent while the agriculture and forestry contributed 95 percent of the total AHFF output.

**Generation of quality jobs was not sustained.** From 2013 to 2015, employment grew by an average of 2.2 percent, which was below Plan targets. Employment hovered within the target in 2014 but the underemployment rates remained generally elusive to targets. The Region's ability to provide quality jobs has not been sustained as reflected in its underemployment rate from 2013 to the second quarter of 2016. The Region was only able to surpass its target in 2015 by posting the lowest rate of 14.8 percent during the period in review (*Table 15.2*).

*Table 15.2 Employment Statistics, Actual vs Plan targets, 2011–2015 Davao Region*

INDICATOR	2011	2012	2013	2014	2015	2016 2 <sup>nd</sup> QTR
Number of Employed Persons (in thousands) Period						End of Plan
Target	-	-	1,971	2,010	2,140	2,220
Actual	1,927	1,854	1,884	1,952	1,925	2,064
Employment Rate (in percent)						
Target	-	-	94.2	94.1	95.0	95.9
Actual		94.0	93.1	94.2	94.2	94.7
Underemployment Rate (in percent)						
Target	-	-	17.0	16.5	16.0	15.0
Actual		17.9	17.3	19.3	14.8	16.1

Source: *Philippine Statistics Authority (PSA)*

**Labor productivity was generally on the uptrend but rather erratic.** Overall regional labor productivity was generally on an uptrend but missing targets in the early years of the Plan period and surpassing targets in the latter years (*Table 15.3*). The services sector recorded the most erratic performance although remaining positive while the agriculture sector's performance rebounded in the latter years from the earlier years' negative growth but remaining generally laggard throughout the period in

review. Labor productivity grew annually at an average of 6.3 percent, spurred by the manufacturing, electricity, gas and water (EGW), financial intermediation, and real estate/renting/business subsectors.

The contribution of each worker increased from PhP126,052 in 2010 to PhP157,780 in 2015. During the latter year, industrial workers' productivity grew by 8.6 percent and the productivity of each worker in the EGW subsector reached PhP966,173.

Meanwhile, a worker in the agriculture subsector contributed the lowest at only PhP66,624 (refer to Chapter 9: Expanding Economic Opportunities in the Industry and Services sector).

In terms of performance vis-à-vis Plan targets, Davao Region was able to achieve its productivity growth targets in 2013, 2014 and 2015, surpassing its targets of 4.6 percent, 5.3 percent and 4.8 percent, respectively.

**Table 15.3 Growth in Labor Productivity by Major Sector vis-à-vis DRDP Targets Davao Region, 2011–2016 (in percent)**

SECTOR	2011		2012		2013		2014		2015		2016
	ACTUAL	TARGET	TARGET								
AHFF	(5.1)	2.7	-	3.3	(4.7)	2.0	8.4	4.3	10.5	3.5	4.5
Industry	8.4	4.2	-	4.5	17.4	4.3	8.4	5.2	7.3	6.0	9.7
Services	(2.8)	5.6	6.7	4.8	6.0	7.9	1.9	8.0	3.0	8.5	5.0
Regional Labor Productivity	3.0	4.0	3.8	5.0	7.6	4.6	6.8	5.3	8.3	4.8	6.5

Source: Philippine Statistics Authority (PSA)

From CY 2012 to 2014, the value of total export receipts increased from US\$1.5 billion to US\$2.2 billion. (Table 15.4) However, in 2015 and towards the first half of 2016, the value of exports has significantly declined by 43.9 percent due to the slowdown in international trade which lowered the demand for the Region's major export products as well as due in part to the adverse effect of El Niño that resulted in lesser production levels of major export commodities.

Consequently, the sluggish growth in exports was reflected in the Region's balance of trade. From a trade surplus in 2012–2014, a trade deficit was recorded in 2015 as the value of imports significantly surpassed the value of exports. Aside from surpassing exports, the value of imported goods was also observed to be on an uptrend while the value of exported goods went down. This scenario will likely continue should the global economy persist on a subdued outlook that may affect the Region's exports.

**Table 15.4 External Trade, Davao Region, 2012 to 2013**

INDICATOR	2012	2013	2014	2015	2016 (First Sem)
Exports (in S\$M)	1,516.57	1,989.71	2,216.25	1,243.22	473.3
Imports (in S\$M)	1,096.68	996.51	1,697.71	1,719.12	703.7
Balance of Trade	Surplus	Surplus	Surplus	Deficit	Deficit

Source: Philippine Statistics Authority (PSA)

**Investment was robust.** Davao Region has been enjoying investors' confidence as evidenced by the surge in project commitments registered in the BOI and the actual infusion or "on-the-ground" investments as shown in the value of private building construction. (Table 15.5) Although BOI project registration has gone

down, the trend for private construction has been sustained at an increasingly high level.

Prior to 2014, a coal-fired energy project generated about PhP24 billion in investments. This continued in 2014 for investments in international seaport and container terminal with a combined cost of

PhP8.3 billion. Project for a hydro power plant was also recorded valued at PhP3billion. In 2015 and 2016, project commitments declined dramatically, but not breaching

the PhP1 billion mark as the projects were for mass housing and expansion for banana plantation and food processing.

**Table 15.5 INVESTMENTS, Davao Region, 2014 to 2016**

INDICATOR	2014	2015	2016
BOI-Registered Projects (Cost) * (in million Pesos)	12,544.5	4,866.0	4,744.0 1 <sup>st</sup> to 3 <sup>rd</sup> Qtrs
Value of Private Building Construction ** (in million Pesos)	8,981.9	7,178.9	12,455.0

Source: Department of Trade and Industry (DTI)/Board of Investments (BOI) \*  
Philippine Statistics Authority (PSA) \*\*

**Inflation remained stable.** Prices of basic commodities in Davao Region has remained subdued due to the tempered price increases of utilities, electricity, gas and water and services such as, health, education, recreation, transport, communication. (Figure 15.2) In 2016, the regional average

was slightly higher than the national average but still within the DBCC target range of 3–4 percent. The price spike in 2016 was due to the gasoline prices as oil prices in the global market rose. On the average, the 3.7 inflation rate over the 6-year period was within target.

**Figure 15.2 INFLATION RATES, Davao Region, 2010–2016 (regional vs national)**



Source: Philippine Statistics Authority (PSA)

**High National Agencies’ absorptive capacity.** The national government agencies’ absorptive capacity or their ability to spend the entire budget released them was relatively high at 94 percent on the average in 2015. Agencies with lower absorptive capacities such as infrastructure agencies cited procurement and right of way issues as constraints in spending. The remaining six percent average in unexpended balance of said agencies translated to PhP4.4 billion. It is foreseen that the spending capacity of the

national government agencies will further increase due to the Regional Development Council’s heightened effort to increase the Region’s spending capacity to reach development targets.

**Low LGU capacity for local revenue generation.** The growth in locally-sourced revenues among the Region’s LGUs has declined from 19 percent in 2011 to 1.5 percent in 2015. The collection from real property tax was down by 40 percent during

the 3<sup>rd</sup> quarter of 2016 compared to its level in 2015. The LGUs spent 18 percent of their budget for economic activities while 17.7 percent for social services. Both expenditure levels did not reach the Plan targets of 20 and 30 percent, respectively.

**High LGU dependence on the Internal Revenue Allotment (IRA).** The LGUs' dependence on IRA remained high at 68–74 percent or at an average of 70.8 percent from 2010–2015. This was below the Plan target of 40 percent. The continued dependence on IRA will restrict LGU-initiated economic activities and continue to constrain local economic opportunities as financial resources generated from the IRA are not augmented.

**Poverty incidence significantly declined.**

Davao Region's robust economy during the years 2009–2015 significantly translated to a lower incidence of poverty among families as the rates declined by 8.9 percentage points. The Region's poverty incidence was the lowest among Mindanao regions and declined faster than the nation's, which went down by only 4.5 percentage points.

The Region was able to surpass its MDG target of 23.1 percent in 2015 with its lower poverty incidence of 16.6 percent, almost the same level as that of the country's (*Table 15.6*).

*Table 15.6 Poverty Incidences Among Families, Davao Region, 2006, 2009, 2012, and 2015 (in percent)*

INDICATOR	ACTUAL RATES						TARGETS		
	2006	2009	2012	2015	2012	2013	2014	2015	2016
DAVAO REGION	25.4	25.5	25.0	16.6	25.6	24.8	24.0	23.1 (MDG)	22.3
PHILIPPINES	21.0	20.5	19.7	16.5	-	-	23.0-25.0	20.0-23.0	18.0-20.0

*Source of basic data: Philippine Statistics Authority (PSA)*

Among the provinces of Davao Region, Davao del Sur (which includes Davao City) yielded the lowest poverty incidence in the last two poverty surveys in 2012 and 2015. On the other hand, Davao Oriental recorded the highest drop in poverty incidence within the same period at 16.5 percentage points (*Table 15.7*).

The significant reduction in poverty incidences of Davao Oriental and Compostela Valley has been attributed to the massive rehabilitation programs after Typhoon Pablo struck these provinces in December 2012. People in the communities were hired for cash-for-work in the reconstruction of schools and other public

buildings, roads and bridges, as well as district hospitals and irrigation projects. The provision of shelter assistance had created employment opportunities for affected communities. Intensified livelihood assistance was also extended to Typhoon Pablo survivors.

**Table 15.7 Poverty Incidences Among Families, Davao Region, 2009–2015**

PROVINCE	2009	2012		2015		% POINTS CHANGE	
	(BASELINE)	TARGET	ACTUAL	TARGET	ACTUAL	2009-2012	2012-2015
Davao Region	25.5	25.6	25.0	23.1	16.6	0.5	8.4
Davao del Norte	27.2	-	26.7	-	26.1	1	-6
Davao del Sur *	19.3	-	20.0	-	12.0	-0.7	-8.0
Davao Oriental	44.3	-	37.8	-	21.3	6.5	-16.5
Compostela Valley	31.0	-	30.7	-	22.0	0.3	- 8.7

\* Includes Davao City

Source: PSA

## Challenges

Davao Region continues to face the challenges of sustaining high economic growth to be able to rapidly generate quality employment, increase family incomes, and reduce poverty faster.

- 1) Unsustained high economic growth levels

The Region is unable to sustain a high economic growth due to the sluggish growth of the agriculture sector during the period in review. The Region's growth may also not be sustainable as it has been consumer-led rather than investments-led that would enable a balanced growth between the industry and service sectors. The services sector now accounts for 53 percent of the Region's total output while the agriculture sector continues to shrink.

- 2) Unsustained high productivity levels, particularly in the agriculture sector

The declining output from the agriculture sector has translated to an even slower growth in the agricultural workers' productivity. This situation has been attributed to three major factors, namely: a) the business sector lack competitive edge; b) limited value-adding activities in the agriculture sector; and c) contractualization or endo (end-of-contract) system, which

primarily affects the minimum wage earners.

- 3) Slow employment generation

Although the Region's economy posted instances of high growth in the past 4 years, these were not enough to generate massive employment that would result to higher family incomes and significantly reduce poverty. The following factors were attributed to the slow generation of employment due to slow rate of industrialization, jobs-skills mismatch, and weak industry-academe linkage on research and development.

- 4) Highly vulnerable to man-made disasters and climate change

The Region remains highly vulnerable to natural and man-made disasters and climate change. To a certain extent, measures on mitigating disasters and the effects of climate change are still inadequate, particularly on raising awareness on climate change in the agriculture sector, which is the most vulnerable as it continues to be adversely affected by the El Niño or La Niña phenomenon every three years. Moreover, tax collection which are used for development financing, often decrease in the event of a natural or man-made disaster.

- 5) Vulnerability to global economic

slowdown. The slowdown of global economies being the Region's major trading partners has prompted the need to tap other markets or undertake product diversification to sustain the growth of the export sector.

- 6) Low capacity of LGUs to generate locally-sourced income and high dependence on IRA

The slow growth in locally-sourced income of LGUs has a direct effect on the LGUs' dependence on the IRA. The high dependence on IRA rate is due to low economic development and limited local resource mobilization capacity.

- 7) Lack of disaggregated and timely statistics on regional development

The lack of disaggregated and timely data for GRDP, employment, poverty and income, among others, hampers efforts in coming up with a more accurate assessment of the Region's socioeconomic situation, particularly at the local level for planning and decision-making by both the government and private sectors.

## Future Development Scenario

### Growth Drivers for 2017–2022

Davao Region's growth drivers shall be led by the industry and services sectors. Under the industry sector, manufacturing and electricity, gas and water subsectors shall lead growth; while for the services sector, transportation, storage and communication; real estate, renting and business; financial intermediation; and trade subsectors shall grow the fastest.

The manufacturing subsector shall continue to contribute the bulk in the industry sector's

output due to the sustained performance of the processing industries, such as cement, food and beverages and steel production.

Based on BOI projects registered during the first semester of 2016, additional manufacturing industries that are expected to further boost the Region's growth are: a) large-scale processing of animal feeds with a capacity of 204,201 metric tons per year (MTPY) and 2,969 MTPY for aqua feeds, with anticipated investment of PhP2.24 billion in Sta. Cruz, Davao del Sur in 2018; and b) manufacturing of packaging products with a capacity of 24,000 MTPY, with anticipated investment of PhP500 million in Calinan, Davao City in December 2016.

The full operationalization of energy projects such as, Therma South Coal-Fired Power Plant with 300 MW capacity, SMC coal-fired with 300 MW, and Digos solar power with 20 MW capacity established in 2013–2016 shall further pull the growth of the Industry sector.

The mining and quarrying subsector shall contract by 5.38 percent due to the continued imposition of the 5 percent excise and the 10 percent withholding tax on the gold produce of small-scale miners sold to the Bangko Sentral ng Pilipinas.

The construction subsector shall be bullish due to the national government spending targets on infrastructure projects expected at 5–7.1 percent annually of the GDP and given the national government's thrusts to rebalance growth and hasten the implementation of big-ticket projects in Davao Region and Mindanao. Government infrastructure projects expected to be completed in Davao Region include the following:

- a. In 2017: Davao Sasa Port modernization, upgrading of the Davao International Airport, Tamugan bulk water facility, the Tagum bulk water facility and

Mindanao Logistics Infrastructure Network

- b. In 2018: Davao coastline development, Davao City Bypass Road and the various feasibility studies of big-ticket projects including the Samal Bridge
- c. In 2019: Hydro power in New Bataan, Compostela Valley Province with a capacity of 2.4 MW;
- d. In 2022: Davao City Mass Urban Transit System and the Mindanao Railway Project (Davao Region component)

The strategic position of Davao Region as the financial, trade and services center of Southern Mindanao will sustain the robust activities of the services sector brought about by the proliferation of shopping malls, bank and non-bank institutions, recreation, health and wellness and educational service establishments including ICT/BPO, and exports. Massive property development, particularly for mass housing, will sustain the real estate subsector. The tourism-related service subsector shall benefit from the Philippines' hosting of the 2017 ASEAN Summit and activities related to the BIMP-EAGA.

Big BOI projects in two low-cost housing are also expected to be completed in Davao City with a total investment of PhP969 million.

In 2017, the export sector, particularly Davao Region's banana growers, who supply 65 percent of the country's output shall benefit from the lifting of China's phytosanitary restrictions on Philippine banana and the possible lowering of banana export taxes in Japan.

The AHFF sector shall post positive performance in agriculture and forestry subsectors with 0.74 percent growth rate and the fishery subsector with 1.0 percent

as the national government's thrust to modernize the agriculture sector shall be prioritized. The improvement in the forestry subsector shall be aggressively pursued for environmental integrity through vigorous rehabilitation and reforestation programs.

Throughout the planning period, the local government units (LGUs) shall be expected to enhance or upgrade their capacities to improve the resiliency of their communities against disasters and climate change, as well as, resource mobilization and public services spending.

### Poverty Incidence Scenario for 2017–2022

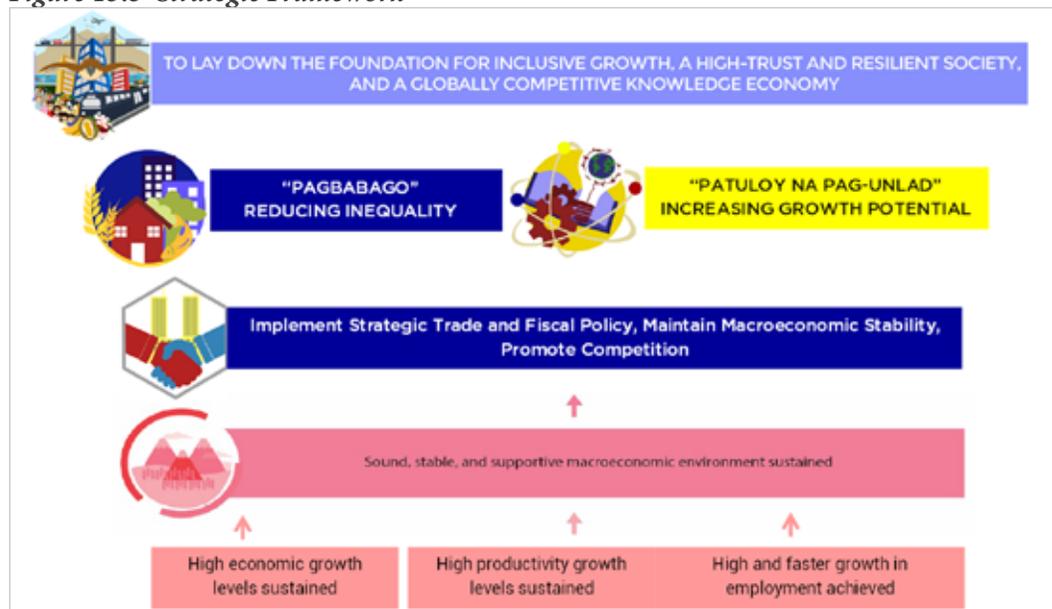
The Sustainable Development Goals (SDGs) provide that by 2030, extreme poverty shall be eradicated and reduced by half at least the proportion of men, women and children of all ages living in poverty in all its dimensions. Given the development scenario for 2017–2022 and taking into account the Region's stimuli for growth, as well as the risks that are involved during the period, it is expected that poverty incidence in Davao Region shall sustain its further decline, as follows:

2017	-	16.1%
2018	-	15.6%
2019	-	15.1%
2020	-	14.6%
2021	-	14.1%
2022	-	13.6%

Alongside this scenario is the significant improvement in family income levels that would result to reduced income inequality, thereby narrowing the disparity in income distribution between families belonging to the first decile or considered the poorest families, compared to families belonging to the tenth decile or the richest families.

## II. Strategic Development Framework

Figure 15.3 Strategic Framework



### Development Goal

By 2022, the overall goal of Davao Region is to lay the foundation for inclusive growth and high-trust society that would balance growth opportunities for economic, human, ecological and infrastructure development while building trust in public institutions. All under the thematic thrusts on *"Pagbabago, Malasakit at Pag unlad."*

### Strategic Outcomes

Given this backdrop, the Region shall ensure sound macroeconomic policy by achieving its main goal of **sustained high economic growth**. This shall include the following objectives: a) high productivity levels is sustained; b) resilience to disasters and climate change is improved; and c) high and faster growth in employment levels is achieved.

High economic growth levels can be sustained if high productivity levels of workers are achieved and sustained. This

can only be done in an environment where business is competitive, value-adding activities in the agricultural sector are scaled-up and workers are hired as regulars and receiving full employment benefits. The Government plays a crucial role in providing the conducive environment for business, particularly when: (1) it is efficient and transparent in its transactions with the public thereby minimizing graft and corruption, and (2) it is highly motivated to rev up their local economies.

Value-adding activities of agricultural products need to be scaled-up and tenurial issues on land ownership need to be resolved. The resolution would encourage the farmers to aggressively invest for more production and processing of their agricultural produce for more value-added.

Productivity levels of workers can be achieved and sustained at higher levels when they are highly motivated due to security of tenure, whereby they are hired as regular employees receiving full benefits.

This can be done by further rationalizing the labor laws and strictly enforcing them, as well as, fully absorbing the highly-skilled and educated workers in industries.

Innovating to address the concern on skills mismatch such as the mounting and maintenance of a web-based portal for market labor requirements and supply can also reduce the labor market mismatch over time.

High economic growth levels may be sustained if tax collections by government for development financing are also sustained even in the aftermath of a disaster or adverse effect of climate change. The resilience of businesses to disasters and climate change must be built and sustained through the implementation of adequate DRR/CCA measures, in partnership with the government. Access to information also has to be increased to build capacity for disaster preparation.

Inclusive growth requires massive generation of employment that shall have a substantial impact on family income levels and poverty reduction. Thus, employment levels need to be higher and faster. Employment gap among genders in the labor force needs to be reduced particularly through skills training of the marginalized groups.

## Development Targets

To ensure that strategic development outcomes are reaCHED, high economic growth levels shall be targeted within the range of 10.5–11.5 percent by the end of plan period from the 2015 baseline of 7.9 percent (Table 15.8). The economic base would reach approximately the range of PhP568.9 billion–PhP606.2 billion. The Region's growth shall be spurred by the industry and services sectors at 15.0 percent and 10.2 percent, respectively. The agriculture sector shall sustain its growth with better preparedness for the occurrence

of El Niño and La Niña events projected to occur in 2019 and 2022. The Industry sector shall be sustained by its manufacturing and construction subsectors, to be supported by the agriculture and services sectors, particularly the trade, real estate and business, and the financial subsectors. The priority given for Mindanao's development in infrastructure and public services, particularly for Davao Region shall provide the boost that will enable the Region to achieve higher economic growth.

To build the foundation of inclusive growth, poverty levels must be reduced to only 13.6 percent by end of the plan period, from 16.1 percent in 2015. Alongside it, is the increase in family income levels to narrow down income disparities.

In terms of productivity levels and faster employment generation, Davao Region aims to achieve a faster and higher employment rate of 97 percent and significantly lower underemployment rate of 16.0 percent by 2022. Consequently, a double-digit regional productivity rate of 12.0 percent spurred by a 14.6 percent growth of the Industry sector and 9.0 percent for the Services Sector ably supported by the agriculture sector sustaining a high positive growth of 8.3 percent by end of plan period or in year 2022.

**Table 15.8 Plan Targets to ensure sound, stable and macroeconomic environment, 2017–2022**

INDICATORS	BASELINE DATA (IN PERCENT)	End-of-plan TARGET
Outcome: High economic growth levels sustained	2015	2022
Gross Regional Domestic Product (GRDP)	7.9	10.5 – 11.5
Gross Value Added (GVA)		
Agriculture, Hunting, Forestry and Fishery (AHFF)	1.4	1.5-2.5
Industry	11.6	14.0-15.0
Services	7.4	9.2-10.2
Outcome: High productivity growth levels sustained	2015	2022
Labor Productivity	8.3	12.0
AHFF	10.5	10.0
Industry	7.3	14.6
Services	3.0	9.0
Outcome: High and faster growth in employment achieved	2016	2022
Employment	95.1	97.0
Underemployment	16.1	13.0
Poverty Incidence	16.6	13.6

Source: *Macroeconomic and Finance Committee (MFC) XI*

In estimating the GRDP and GVA growth targets for the Region, the following assumptions and risks were considered:

**Assumptions:**

- Priority given to the development of Mindanao, particularly Davao Region
- Expected boost in investors’ confidence with the entry of the new administration
- Increased benefits from the Public-Private Partnership (PPP) Program
- Enhanced capacities of LGUs to reduce disaster risks and adaption to climate change.
- Operationalization of energy and water projects
- Sustained growth/expansion of Business Process Outsourcing (BPOs)
- Liberal government spending in infrastructure and public services

- Stable peace and order condition
- The lifting of phytosanitary restrictions on the Region’s export banana by China and tax reduction or tax elimination of exported banana to Japan
- Hosting of the ASEAN Summit in 2017 (spill-over effects)
- Implementation of big ticket projects
- Gains in the resumption of peace talks
- Policies on responsible mining are strictly enforced
- Higher local resource revenue generation and higher local spending on development projects

**Risks:**

- El Niño/La Niña phenomenon (2– 3 yr. cycle)
- Strict regulation on extractive industries

- Threats to peace and order due to locally and globally-inspired terrorism
- Increasing price of petroleum products in the global market
- Continued global economic slowdown

To sustain high growth economic levels, the following major strategies shall be adopted:

1. Upscaling of Davao Region's priority industry clusters that are supportive of the Region's objective to expand access to economic opportunities, and consistent with the principles of the Comprehensive National Industrial Strategy (CNIS).

This strategy is geared towards sustaining high productivity levels. In upscaling the priority clusters, businesses must enhance their competitiveness under a conducive investment climate provided by a government whose processes are efficient and transparent, and where the local government units are highly motivated to rev up their economies. Value-adding activities in all economic sectors shall be scaled up, particularly in the agricultural sector. The improved productivity of workers and the provision of regular employment with full benefits can be a significant contributory factor.

2. Pursuit of faster agri-industrial development

Davao Region shall endeavor to achieve a higher rate of agri-industrialization through the adoption of appropriate technology for product diversification and value-adding that are responsive to the requirements of the ASEAN integration. This strategy is geared toward improving the productivity of workers and generation of sustainable employment.

Pursuit of agri-industrial development shall entail the following: a) available jobs and manpower skills are matched; b) industry-academe linkage is strengthened; and c) research and development facilities are developed so industries may thrive and eventually improve their absorptive capacities.

3. Building the resilience of communities, particularly business enterprises, to disasters and climate change

The vulnerability of communities, particularly the business sector to disasters and climate change, has adversely affected government revenues in the form of tax collection. To sustain revenue generation for development financing, the local government units must build the resilience of local communities to disasters and climate change as business activities are disrupted and adversely affected. There is a need to effectively implement adequate measures on mitigation and reduction of vulnerabilities of the businesses for faster recovery after each disaster. Likewise, LGUs must sustain a high level of awareness on climate change, particularly in the agriculture sector which is considered one of the most vulnerable to climate change.

4. Enhance trade facilitation and strengthen linkages and connectivity

Review and implement laws, rules and regulations to reduce the cost for exporters and importers, as well as facilitate and streamline procedures for engaging in trade. The full and effective implementation of the Cabotage Law or RA 10668 or the Foreign Ships Co-Loading Act shall be pursued. Programs and initiatives under the WTO, Asia Pacific Economic Cooperation and the Association of Southeast Asian Nations (ASEAN), including its growth areas

such as the Brunei-Indonesia-Malaysia-Philippines-East ASEAN Growth Area (BIMP-EAGA), that aim to improve customs procedure and facilitate trade will be supported.

5. Improve revenues through reforms in tax policy and administration

The proposed tax policy reform shifts to simpler, fairer, and more efficient tax system characterized by lower rates and a broader base. This would include reforms in the Bureau of Customs and the BIR that would simplify process and forms, electronic data sharing to improve compliance in paying taxes and result in public trust.

### III. Priority Legislative Agenda

The following legislative initiatives shall be pursued to enhance the Region's macroeconomic stability:

- Reduction of taxes imposed on gold produce sold to the Bangko Sentral ng Pilipinas
- Enact the tax administration reforms.
- Disaggregation of the GRDP, income, poverty, employment and other socioeconomic statistics for accurate development planning and decision-making processes.

### IV. Priority Research Agenda

The following are the sector's research agenda:

- Impact of foreign direct investments to employment and family income levels
- Localization of poverty and GRDP statistics
- Impact of productivity-based incentive schemes on employment generation and on productivity levels of workers in Davao Region

# 16

Leveling the  
Playing Field  
through a National  
Competition Policy



# Leveling the Playing Field through a National Competition Policy

Ensuring that markets operate efficiently in a competitive environment enables growth to be dynamic, inclusive, and beneficial. Overall economic activity can be optimal when firms do business in free markets—markets with low barriers to entry, no limits to entrepreneurship, and diminished anti-competitive practices. Consumer welfare is likewise improved when competition abounds in free markets, since firms compete for customers who demand for products and services at reasonable prices and good quality. Hence, promoting competition is widely accepted as the best available instrument for improving consumer well-being as it can lead to lower prices, better products, and higher customer satisfaction<sup>1</sup>. There is also growing evidence that a strong competition policy contributes substantially to the generation of dynamic efficiencies, higher productivity, and greater innovation in the form of new high quality products and process technologies and service diversification, thereby facilitating increased investments and job opportunities<sup>2</sup>. In essence, promoting competition, through a strong competition policy, makes markets efficient, raises productivity, lowers production costs, expands economic opportunities, and improves overall consumer welfare.

Healthy competition, however, is not automatic and must often be regulated to bring out the best outcome for society and for consumers. Firms oftentimes have an incentive to suppress competition, especially when profit margins are likely to rise with fewer or no competitors, as in the case for an oligopoly or even a monopoly<sup>3</sup>. This may be beneficial for one or a few firms, but not for consumers. Mutually beneficial economic transactions are foregone when markets are not competitive and when competition is hindered. The result is overall welfare is reduced, and society is no better off, both for consumers and producers. Hence, government regulation on competition is necessary.

The passage of the Philippine Competition Act of 2015 creates the foundation for market competition in the country. It aims to improve consumer welfare, economic efficiency, and free trade by promoting competition, reducing barriers for firms to engage in the markets, implementing and instituting regulatory reforms, including correcting the government regulations that limit competition, penalizing

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<sup>1</sup> Stucke, Maurice (2013). *Is Competition Always Good?* *Journal of Antitrust Enforcement*, 1(1), p.162-167.

<https://doi.org/10.1093/jaenfo/jns008>

<sup>2</sup> Branson, Johannah (2008). *Competition Policy in ASEAN: Case Studies*, Asia Pacific Economic Series No. 374, p. 2.

<https://crawford.anu.edu.au/pdf/pep/apep-374.pdf>

<sup>3</sup> Mankiw, Gregory (2015). *Principles of Microeconomics*. Cengage Learning: Singapore.

and preventing anti-competitive practices, and enforcing anti-trust laws. The Philippine Competition Commission was created to carry out the objectives of the law. As a quasi-judicial body, it is mandated to conduct inquiries, investigate, hear, and decide on cases involving anti-competitive agreements, abuse of dominant position, and anti-competitive mergers and acquisitions (M&As). The Philippine Competition Commission shall pursue a national competition policy.

With a national competition policy now in force, Davao Region shall support a level playing field through a national competition policy that shall increase the competitiveness of its cities and provinces. Increasing local competitiveness shall essentially enable local governments to ensure that the private sector, especially micro, small and medium enterprises, and entrepreneurs can operate in an environment conducive for dynamic growth and expansion, while also fulfilling its obligation to protect and promote consumer welfare.

## I. Assessment and Challenges

### Assessment

This section provides a general assessment of the state of competitiveness of the Davao Region's cities and provinces.

The Cities and Municipalities Competitiveness Index (CMCI) measures competitiveness of local government units—the building blocks of national competitiveness. Developed by the National Competitiveness Council (NCC), the CMCI measures the competitiveness of a city or municipality using 28 indicators grouped into three equally-weighted pillars: Economic Dynamism, Government Efficiency, and Infrastructure. Scores on each pillar are combined to form the overall rating used to rank cities and municipalities.

The NCC provides definition for the three pillars of the CMCI. According to the NCC, economic dynamism is associated with activities that create stable expansion of business and industries and higher employment. This is the concrete representation of productivity as it matches the output of the local economy with local resources. Meanwhile, government efficiency refers to the quality and reliability of government services

and government support for effective and sustainable productive expansion. Government efficiency also relates to protection and enforcement of contracts and proactive regulation that promotes healthy competition. Infrastructure refers to the physical building blocks that connect, expand, and sustain a locality and its surroundings to enable the provision of goods and services. It involves basic inputs of production such as energy, water; interconnection of production such as transportation, roads, and communications; sustenance of production such as waste management, disaster preparedness, environmental sustainability and human capital formation infrastructure. For 2017 and onwards, the CMCI will be expanded to include a fourth pillar: resiliency. Resiliency shall gauge the ability of local government units to adapt to climate change, respond to and recover from natural or man-made calamities or disasters, and other social and economic hardships of significant scale and impact to the LGU.

The 2016 CMCI covered 74 provinces, 34 highly urbanized cities, 110 component cities, and 490 municipalities under the 1<sup>st</sup> to 2<sup>nd</sup> class, and 755 municipalities under the 3<sup>rd</sup> to 6<sup>th</sup> class.

For provincial ranking (*Table 16.1*), Davao del Norte was ranked as the 15<sup>th</sup> most competitive province in the country. Compostela Valley ranked 38<sup>th</sup>, while Davao del Sur was 44<sup>th</sup> and Davao Oriental placed 50<sup>th</sup>. The newly created province of Davao

Occidental placed 73<sup>rd</sup>, or second to the last place, which suggests the province needs strategic policies to address lacking capacity in economic dynamism, weak government efficiency, and poor infrastructure.

**Table 16.1 Rank of Davao Region's Provinces in the 2016 Cities and Municipalities Competitiveness Index**

RANK	SCORE	PROVINCE
15	26.59	Davao del Norte
38	23.49	Compostela Valley
44	23.18	Davao del Sur
50	22.52	Davao Oriental
73	12.40	Davao Occidental

Source: 2016 Cities and Municipalities Competitiveness Index

For the 34 highly urbanized cities covered by the Index, Davao City was the 5<sup>th</sup> most competitive city in the Philippines (*Table 16.2*). It followed Pasig City (4<sup>th</sup>), and Makati City (3<sup>rd</sup>).

Davao City is the most competitive city in Mindanao, outperforming Cagayan de Oro and General Santos City. Looking at the ranking under the 3 pillars, Davao City ranked 8<sup>th</sup> in economic dynamism, 4<sup>th</sup> in government efficiency, and 6<sup>th</sup> in

infrastructure. Davao City performed particularly strong in government efficiency, which includes capacity of health and school services, efficiency in business registration, security presence of investment promotion units, and compliance to BPLS standards, among others. Davao City also ranked high in infrastructure as it has a strong road and digital connectivity, and has wide availability of basic utilities, internet, public transportation, with considerable annual investments in infrastructure development.

**Table 16.2 Top 10 Most Competitive Highly-Urbanized Cities in the Philippines**

OVERALL		LOCAL GOVERNMENT	REGION	ECONOMIC DYNAMISM		GOVERNMENT EFFICIENCY		INFRASTRUCTURE	
RANK	SCORE			RANK	SCORE	RANK	SCORE	RANK	SCORE
1	55.83	Quezon (MM)	National Capital Region (NCR)	4	15.29	2	20.68	1	19.85
2	54.61	Manila	NCR	3	16.60	1	21.54	4	16.46
3	54.38	Makati	NCR	1	18.71	5	17.82	2	17.85
4	50.25	Pasig	NCR	2	17.05	10	16.20	3	17.00
5	44.73	Davao	Region XI - Davao Region	8	11.75	4	18.46	6	14.51
6	41.64	Cebu	Region VII - Central Visayas	6	12.43	18	15.49	7	13.71
7	40.64	Cagayan De Oro	Region X - Northern Mindanao	14	10.44	6	17.79	10	12.41
8	38.57	General Santos	Region XII - SOCCSKSARGEN	11	10.80	8	16.94	24	10.82
9	38.07	Caloocan	NCR	13	10.64	46	14.00	9	13.41
10	37.24	Muntinlupa	NCR	19	9.52	14	15.83	15	11.88

Source: 2016 Cities and Municipalities Competitiveness Index

Among 110 component cities in the Index, Tagum City was ranked the 9<sup>th</sup> most competitive component city in the Philippines (Table 16.3). Tagum City had its strongest performance in the infrastructure pillar at 4<sup>th</sup> spot, while placing 16<sup>th</sup> in

economic dynamism. Panabo City took the 68<sup>th</sup> spot, while the Island Garden City of Samal took the 73<sup>rd</sup> spot, although it ranked 36<sup>th</sup> in government efficiency. Mati and Digos Cities placed 80<sup>th</sup> and 85<sup>th</sup>, respectively.

**Table 16.3 Rank of Davao Region’s Component Cities in the 2016 Cities and Municipalities Competitiveness Index**

Overall		Local Government	REGION	ECONOMIC DYNAMISM		GOVERNMENT EFFICIENCY		INFRASTRUCTURE	
RANK	SCORE			RANK	SCORE	RANK	SCORE	RANK	SCORE
9	44.19	Tagum	Davao del Norte	16	13.14	24	15.52	4	15.52
68	31.46	Panabo	Davao del Norte	69	8.28	60	13.36	58	9.81
73	30.88	IGaCoS	Davao del Norte	92	6.89	36	14.55	75	9.43
80	29.41	Mati	Davao Oriental	83	7.47	81	11.79	53	10.14
85	28.37	Digos	Davao del Sur	79	7.65	77	12.36	93	8.35

Source: 2016 Cities and Municipalities Competitiveness Index

For Davao Region’s first and second class municipalities, only Nabunturan, Compostela Valley was able to secure a spot under the first 100 rankings. Nabunturan ranked 69<sup>th</sup> among 490 municipalities, as it showed strong performance in economic dynamism—at 34<sup>th</sup> spot. Except Bansalan,

Davao del Sur, which ranked 105<sup>th</sup>, all other municipalities of the region under this LGU classification placed above the 200<sup>th</sup> spot, although the municipalities of New Corella, Lupon, Sta. Cruz, and Carmen were ranked in the top 50 percent (Table 16.4).

**Table 16.4 Rank of Davao Region’s Component Cities in the 2016 Cities and Municipalities Competitiveness Index**

Overall		Local Government	CLASS	PROVINCE	ECONOMIC DYNAMISM		GOVERNMENT EFFICIENCY		INFRASTRUCTURE	
RANK	SCORE				RANK	SCORE	RANK	SCORE	RANK	SCORE
69	28.56	Nabunturan	First Class	Compostela Valley	34	9.21	160	10.59	99	8.75
105	26.99	Bansalan	First Class	Davao del Sur	398	5.53	80	11.80	47	9.66
206	24.60	New Corella	Second Class	Davao del Norte	354	6.12	158	10.59	204	7.87
222	24.12	Lupon	First Class	Davao Oriental	337	6.28	157	10.62	303	7.21
231	23.85	Santa Cruz	First Class	Davao del Sur	403	5.46	105	11.40	330	6.98
233	23.81	Carmen	First Class	Davao del Norte	374	5.83	196	9.83	159	8.14
247	23.50	Pantukan	First Class	Compostela Valley	286	6.67	217	9.53	294	7.29
253	23.36	Maco	First Class	Compostela Valley	198	7.26	275	8.54	258	7.55
259	23.09	Baganga	First Class	Davao Oriental	388	5.62	183	10.08	282	7.39

**Table 16.4 (Cont.) Rank of Davao Region's Component Cities in the 2016 Cities and Municipalities Competitiveness Index**

Overall		Local Government	CLASS	PROVINCE	ECONOMIC DYNAMISM		GOVERNMENT EFFICIENCY		INFRASTRUCTURE	
RANK	SCORE				RANK	SCORE	RANK	SCORE	RANK	SCORE
271	22.77	Laak	First Class	Compostela Valley	259	6.90	259	8.90	333	6.96
282	22.55	Santo Tomas	First Class	Davao del Norte	353	6.13	280	8.45	187	7.97
284	22.50	Monkayo	First Class	Compostela Valley	191	7.28	244	9.20	399	6.02
289	22.37	Compostela	First Class	Compostela Valley	221	7.17	213	9.60	418	5.59
290	22.37 1595	New Bataan	First Class	Compostela Valley	292	6.66	231	9.37	381	6.32
294	22.31 4509	Matanao	Second Class	Davao del Sur	376	5.83	239	9.24	298	7.24
306	21.92 7633	Mabini	Second Class	Compostela Valley	406	5.37	287	8.27	145	8.27
308	21.90 8131	Maragusan	First Class	Compostela Valley	123	7.93	272	8.61	427	5.36
318	21.64 6398	Malalag	Second Class	Davao del Sur	380	5.71	255	8.97	335	6.95
335	21.09 5658	Asuncion	First Class	Davao del Norte	395	5.56	243	9.20	382	6.32
336	21.08 1057	Talaingod	Second Class	Davao del Norte	422	5.17	169	10.28	417	5.61
339	20.98 1564	Cateel	Second Class	Davao Oriental	433	4.93	256	8.96	319	7.07
365	20.08 6076	Kapalong	First Class	Davao del Norte	477	3.81	235	9.29	331	6.97
367	19.89 9604	Manay	Second Class	Davao Oriental	396	5.56	339	7.09	299	7.23
425	16.81 5973	Kiblawan	Second Class	Davao del Sur	452	4.63	405	5.72	371	6.45
432	16.358 105	Malita	First Class	Davao Occidental	487	2.31	311	7.68	380	6.35
449	14.38 2319	Banay-banay	Second Class	Davao Oriental	412	5.28	417	5.46	468	3.6
452	13.73 8191	Santa Maria	Second Class	Davao Occidental	489	1.46	136	10.93	483	1.34
456	13.09 0731	Caraga	First Class	Davao Oriental	482	3.33	393	5.87	463	3.87
460	12.66 4192	Jose Abad Santos	First Class	Davao Occidental	490	1.37	391	6.02	431	5.25
475	9.959 692	Governor Generoso	Second Class	Davao Oriental	484	3.03	434	4.67	477	2.24

Source: 2016 Cities and Municipalities Competitiveness Index

For municipalities classified under the 3<sup>rd</sup> to 6<sup>th</sup> level (Table 16.5), there were 755 municipalities covered by the Index, where 4 municipalities placed considerably well in the rankings: Padada at 78<sup>th</sup>, Montevista at 88<sup>th</sup>, Magsaysay at 115<sup>th</sup>, and San Isidro at

166<sup>th</sup>—with all 4 municipalities in the top 30 percent. On the other hand, Mawab placed 398<sup>th</sup>, while all other municipalities ranked below the 400<sup>th</sup> spot, with Sarangani placing near the bottom at 736<sup>th</sup> place.

**Table 16.5 Rank of Davao Region’s 3<sup>rd</sup> to 6<sup>th</sup> class municipalities in the 2016 Cities and Municipalities Competitiveness Index**

Overall		Local Government	CLASS	PROVINCE	ECONOMIC DYNAMISM		GOVERNMENT EFFICIENCY		INFRASTRUCTURE	
RANK	SCORE				RANK	SCORE	RANK	SCORE	RANK	SCORE
78	28.04	Padada	Third Class	Davao del Sur	272	7.35	188	9.76	30	10.91
88	27.70	Montevista	Third Class	Compostela Valley	167	7.97	120	10.62	142	9.11
115	27.07	Magsaysay	Third Class	Davao del Sur	284	7.26	53	11.70	309	8.10
166	26.15	San Isidro	Fourth Class	Davao Oriental	406	6.59	132	10.5	150	9.052
398	21.84	Mawab	Third Class	Compostela Valley	326	6.98	498	6.39	242	8.45
411	21.45	Hagonoy	Third Class	Davao del Sur	452	6.37	111	10.79	677	4.28
453	20.44	Braulio E. Dujali	Fourth Class	Davao del Norte	730	3.49	241	9.16	352	7.78
549	18.48	Sulop	Third Class	Davao del Sur	701	4.17	179	9.90	672	4.41
556	18.29	San Isidro	Fifth Class	Davao del Norte	717	3.76	204	9.50	643	5.03
647	15.47	Boston	Third Class	Davao Oriental	738	3.04	367	7.70	659	4.71
696	12.79	Tarragona	Third Class	Davao Oriental	740	3.01	515	6.19	701	3.58
718	10.87	Don Marcelino	Third Class	Davao Occidental	751	2.21	678	3.61	642	5.045
736	7.61	Sarangani	Fourth Class	Davao Occidental	632	5.04	740	0.17	719	2.39

*Source: 2016 Cities and Municipalities Competitiveness Index*

Of Davao Region’s local government units, Davao City, Tagum City, and Nabunturan, Compostela Valley performed well in the Index. Moreover, the municipalities of Padada, Montevista, Magsaysay, and San Isidro were able to make it to the top third in their category. The low number of LGUs that performed well in the ranking, it is apparent that there are still wide gaps and challenges

that hinder achieving competitiveness among the LGUs. The competition environment is still sub-optimal for most of the region’s LGUs, therefore, significant improvements through right policies and investments to promote competitiveness should be considered.

## Challenges

### 1. Weak Competition Environment

The small number of local government units of the Region that performed well in the Index suggests that local competitiveness is still weak. Achieving a competitive environment is still a continuing mission and significant challenges still need to be overcome, including dismantling market barriers to entry, limits to entrepreneurship, especially for micro, small and medium enterprises, and other repealing anti-competitive policies, regulations, and issuances.

### 2. Low Economic Dynamism

With only two of the Region's cities and just one of its municipalities performing well in the Cities and Municipalities Index, local economic competitiveness remains undynamic. The concentration of economic activity in just a few growth centers is an indication that the Region has yet to harness the economic potential of secondary trade centers and develop a critical mass of private businesses competing in free markets. The low economic dynamism likewise stems from the low size of the economy, high costs of doing business in a majority of local governments in the region, and limited reach of financial institutions in many municipal areas.

### 3. Weak Government Efficiency

The capacity of local public institutions to provide reliable and quality services and support for economic productivity remains weak. Sufficient capacity to provide health and education services, as well as social protection and public security to communities is critical for businesses to thrive and for markets to operate efficiently. Improving business registration efficiency and effective investment promotion are

both works-in-progress in the majority of Davao Region's local government units. Increasing locally sourced revenues also remains a challenge as dependency on national government transfers is high in most LGUs.

### 4. Insufficient Infrastructure

Infrastructure development is a consistent objective of Davao Region. Many areas in the region still have incomplete road networks, especially the municipal roads. Digital infrastructure is also insufficient in many rural areas, while basic utilities have yet to reach complete coverage in all barangays in the region. While tourism is an identified growth driver in the region, its potential is limited by insufficiency of DOT-accredited accommodations. Investments in infrastructure, especially in the second to sixth level municipalities, are still insufficient to enable competition to flourish.

### 5. Limited Resiliency

The ability of local governments to adapt to climate change and respond to and overcome disasters—natural or otherwise, and other hardships is crucial for businesses to grow, for communities to be productive, and for governments themselves to be efficient. Local governments need to be resilient in order to be competitive. While, disaster risk reduction and climate change adaptation is major thrust of the national government, the weight of responsibility in implementation rests with local governments, which carry the brunt of impacts of calamities and other crises. Hence, local governments need to ensure long-term commitment to scale-up and embed resiliency among communities so that markets, among others, can work efficiently towards local economic growth.

## Future Development Scenario

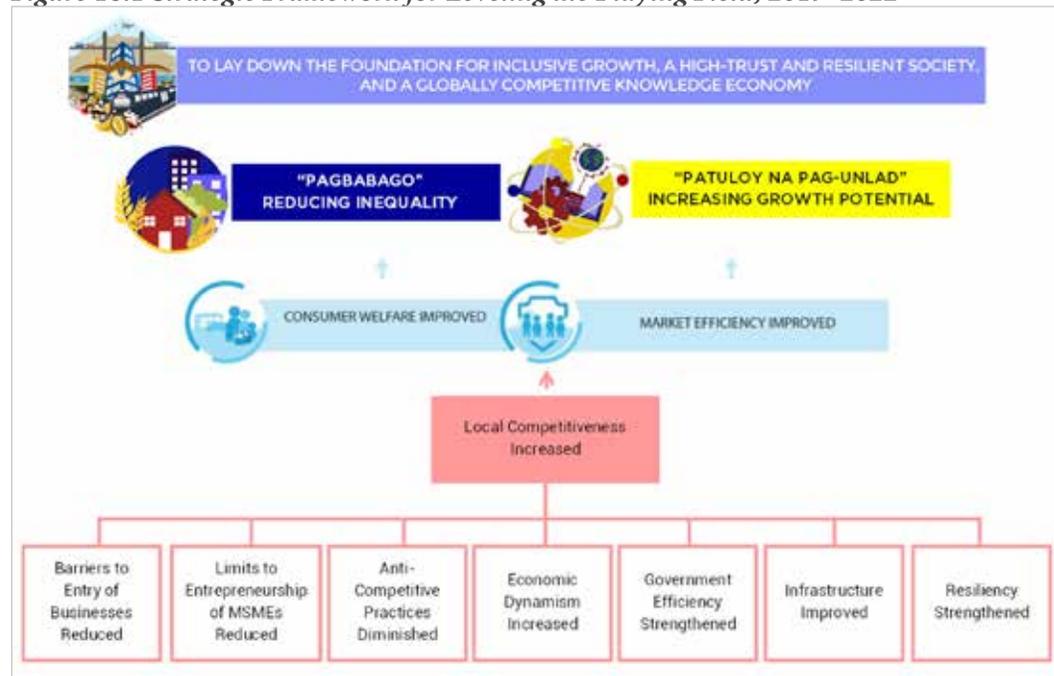
The passage of the Philippine Competition Act and the establishment of the institutional structure for its implementation presents a scenario of improved competitiveness for the country and its local government units. With barriers to entry reduced, including better ease of doing business, a large flux of micro, small and medium enterprises is expected to enter the markets, thereby increasing economic transactions, providing income-earning opportunities, especially jobs, and improving consumer welfare, due to reduced prices and better products born out of competition. Moreover, penalizing

anti-competitive practices will ultimately benefit the society and players in the markets as competition shall be ensured. With monopolistic and other disadvantageous anti-competitive structures and regulations resolved, consumers become protected and efficiency in markets and trade is maintained.

The increased focus on local competitiveness and promotion of healthy competition among businesses will likely enable local economic growth to be more easily attainable. The growth of local economies is expected to improve the living conditions of many Davaoños as economic opportunities will expand.

## II. Strategic Framework

Figure 16.1 Strategic Framework for Leveling the Playing Field, 2017–2022



## Strategic Outcome

Enabling and supportive economic environment created through the promotion of healthy competition that to ensure coherence with efforts in supporting the

national competition policy, the strategic framework is anchored with the relevant framework in the Philippine Development Plan and adopts the key pillars of the Cities and Municipalities Competitiveness Index (Figure 16.1). The objective of the National

Competition Policy is to increase consumer welfare and improve market efficiency. To attain this, anti-competitive practices shall be diminished, barriers to entry, and limits to entrepreneurship shall likewise be reduced. The priority strategies shall also be designed to anchor to these objectives

increases consumer welfare and improves market efficiency.

comprehensively assess the state of local competitiveness in Davao Region, since the ultimate goal of a competition policy is to raise overall competitiveness. The focus on the CMCI as bases for targeting is conceptually consistent with the Philippine Development Plan, which similarly looks at indicators on competitiveness based on the Global Competitiveness Index of the World Economic Forum.

## Targets

Below are the regional Plan targets to level the playing field through a national competition policy that has regional impact. The targets are based on the Cities and Municipalities Competitiveness Index of 2016. The indicators included in the Index

**Table 6.6 Plan Targets to Leveling the Playing Field, 2017–2022**

OBJECTIVES/RESULTS	INDICATOR (OVERALL COMPETITIVENESS RANKING) A	BASELINE		END OF PLAN TARGET <sup>B</sup>
		YEAR	RANK	
• Consumer Welfare Increased	Highly Urbanized Cities (34 Cities)			
• Market Efficiency Improved	Davao City	2016	5	1
• Barriers to entry of Businesses reduced	Component Cities (110 cities)			
• Anti-Competitive Practices Diminished	Tagum City	2016	9	1
• Limits to Entrepreneurship of MSMEs Reduced	Panabo City	2016	68	Upper 1/5
• Economic Dynamism Increased	IGaCoS	2016	73	
• Government Efficiency Strengthened	Mati City	2016	80	Upper 3/5
• Infrastructure Improved	Digos City	2016	85	Upper 1/5
• Resilience strengthened	Provinces (74 provinces)			
	Davao del Norte	2016	15	1
	Compostela Valley	2016	38	
	Davao del Sur	2016	44	
	Davao Oriental	2016	50	
	Davao Occidental	2016	73	

Noted: <sup>a</sup> Based on the 2016 Cities and Municipalities Competitiveness Index Report of the National Competitiveness Council

<sup>b</sup> to be determined with concurrence from local government units concerned

### III. Priority Strategies

#### Promoting healthy competition that increases consumer welfare and improves market efficiency

1. Strengthen the Regional Competitiveness Committee (RCC) XI. The RCC is a special committee of the Regional Development Council XI, and likewise functions as the regional counterpart of the National Competitiveness Council. As building blocks towards national competitiveness, the RCC was created to strategically map out how the region, and its local communities, can be more competitive, and to provide policy advice to the RDC XI, for policy, planning and investment programming purposes. Specifically, the RCC is also tasked to regularly measure local competitiveness indicators, formulate programs to improve competitiveness, and engage in investment promotion activities to attract investors and create new jobs. Hence, as the multi-sector institution most concerned with the promotion of competition policy, the RCC should be strengthened to cover more dimensions regarding competition policy, including studying potentially uncompetitive practices and recommending local policies to prevent the same.
2. Analyze and review regional and local competition issues. Anti-competitive regional and local practices and issues, and other government regulatory barriers that distort incentives and limit participation, especially in the Region's industry clusters and other priority sectors of the economy, shall

be identified, analyzed, and reviewed. Focus shall be on sectors which have the largest impact on consumer welfare and market efficiency. Moreover, policy actions towards diminishing, if not completely eliminating, anti-competitive policies, issuances, and other regulations, shall pursued. Policy recommendations of towards these objectives shall be done in coordination and consultation with other concerned government institutions and the private sector, and endorsed to appropriate bodies, with the most pressing anti-competitive issues endorsed to the Philippine Competition Commission. Policy actions may support or lead to the repeal, replacement, recalibration or even retention of policies under review.

3. Promotion of competition-related policies and best practices. Policies that promote market competition in the private sector, both for large and micro, small, and medium enterprises, shall be encouraged and further mainstreamed in all of the Region's local government units. Competition policies, including competitiveness-promoting policies—from streamlined business licensing to accessibility of credit facilities to support for research and development, shall be prioritized by the Region and its local government units. Likewise, building awareness among stakeholders on competition policy, including best practices, shall likewise be scaled up and expanded so that appreciation and commitment towards creating an enabling environment where competition can flourish are increased. Moreover, enhancing capabilities of government agencies and other concerned institutions across branches of government shall be undertaken to strengthen the institutional, as

well as technical, support on the national competition policy. Finally, collaboration with academic and research institutions in strengthening programs on competition and economics shall be pursued.

4. Support the implementation of Project Repeal. The Region shall support the full implementation of Project Repeal and work towards its cascading in all local government units. The National Competitiveness Council is pushing for the implementation of Project Repeal which seeks to eliminate or repeal anti-competitive regulations and government issuances that hamper businesses to be more competitive, and thus, prevent local economic growth to take off and for job opportunities to expand. According to the NCC, Project Repeal aims to establish a systematic way of studying and analyzing rules,

regulations, and laws that are no long relevant and applicable. The initiative is a collaborative public-private effort patterned after similar projects in the United Kingdom, Australia, and South Korea. A major objective of Project Repeal is to declutter the business regulatory landscape by repealing outdated, outmoded, and unnecessary provisions, rules, and regulations. Some of these regulations may even be detrimental to local economies, and could pull back the gains achieved from local government investments directed towards improving the business climate. Project Repeal also aims to reduce the cost of compliance for entrepreneurs, reduce limits to entrepreneurship, remove barriers to entry and growth of local businesses, and lessen the cost of government regulation, including its implementation.

## IV. Priority Legislative Agenda

1. Advocate the creation of Regional Competition Offices
2. Support the amendment of the Public Service Act
3. Support the passage of the Regulatory Management System Act



PART VI

# **FOUNDATIONS FOR SUSTAINABLE DEVELOPMENT**





# 17 Attaining Just and Lasting Peace



# Attaining Just and Lasting Peace

Establishing an environment of peace that is just and lasting, where poverty and conflict are part of the people's culture is a process imbued with challenges. In the context of Davao Region, the pursuit of peace is a must to bring about inclusive and sustainable development. Efforts have and will be exercised to bring about peace to usher growth and development in communities and enable people to earn their living without threat and conflict. As former South African President and Nobel Peace Prize awardee Nelson Mandela said, peace is the greatest weapon for development that any person can have.

## I. Assessment and Challenges

### Assessment

The Region was relatively peaceful throughout the plan period and regarded as a major economic hub in Southern Philippines and a leader among the Mindanao regions (DRDP, 2011–2016, p.123). The highly urbanized city of Davao topped the list of the 2010 Top 10 Next Wave Cities for outsourcing operations. It scored high on availability of qualified talent and infrastructure. The title is a come-on to investors to invest, not only in Davao City, but also in Davao Region's other component cities and provinces.

The biggest threat to Davao Region's economic gains is insurgency. Taking advantage of the rich minerals and vast forests and mountains of the Region, the Communist Party of the Philippines-New People's Army-National Democratic Front (CPP-NPA-NDF) maintained an active presence in the Region. Its main goal was to destabilize the government and seize control. The CPP-NPA's destabilization campaign included targeting telecommunication facilities, big mining

and logging companies, including large banana plantations as sources of operating funds (DRDP, 2011–2016, p.123).

According to data of the 10<sup>th</sup> Infantry "Agila" Division of the Philippine Army, 418 (or 36 percent) of the 1,162 barangays of Davao Region were under its insurgency watch list. Topping the list of insurgent affectation was Compostela Valley where 134 or 57% of its 237 barangays were under insurgency watch, and 61 or 46% of which were heavily infiltrated. Parameters of the affectation included non-functioning barangay officials based on their sworn constitutional duty and allegiance, existence of a "shadow government", and presence of armed groups. Due to a large number of insurgents operating in the area in 2010, causing atrocities toward private companies and the civilian populace, Davao Region was a top priority area in the nationwide internal security operations of the military (Source: 10ID, Philippine Army, 2010).

With the foregoing, the number of barangays affected by the CPP-NPA-NDF (CNN), whose sole purpose is to overthrow the constitutional government, is being

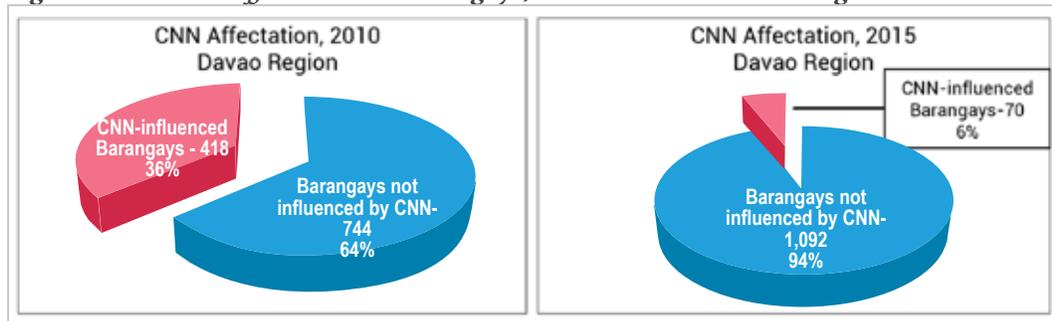
monitored. The target for CY 2015 of zero (0) barangay CNN-affectation was not accomplished as there were 69 barangays (or 6 percent of the Region's 1,162 barangays) that were CNN-affected at the end of 2015.

Despite the non-achievement of the target, the provinces of Davao Oriental and Davao del Sur were declared as conflict-manageable and development-ready (CMDR) areas in 2013 and 2014, respectively, while Davao del Norte, Compostela Valley and Davao City were similarly declared in 2015. The declaration of the CMDRAs is an accomplishment that signifies the LGUs' resolve in taking the lead role in internal security efforts. It also translates to the

positive outlook of investors, both local and foreign, to put up business in Davao Region. The evolving security atmosphere in Davao Region also contributes to the enticement of local and foreign tourists to flock to the Region.

Further, Davao Region was able to reduce CNN affectation in barangays from a high 36 percent in 2010, which made the Region the security sector's top priority in its nationwide anti-insurgency campaign, to only 6 percent in 2015, as shown in Figure 17.1.

**Figure 17.1. CNN Affectation in Barangays, 2010 and 2015 Davao Region**



Source: 10<sup>th</sup> Infantry (Agila) Division, PA, AFP

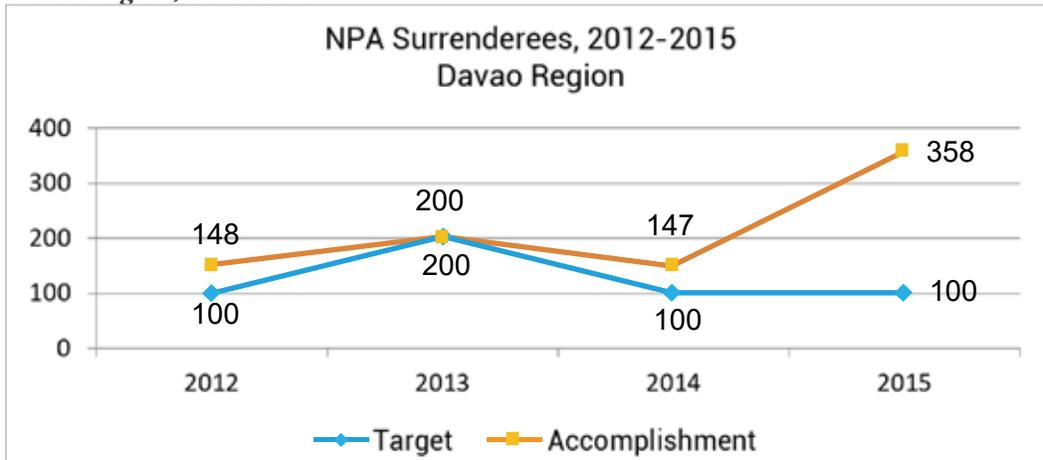
Community dialogues (1,500 in 2012 and 1,700 in 2016) and outreach programs were also undertaken, which contributed to peace efforts.

On the average, there were about 213 NPA surrenderees annually during the Plan period.

The annual target for the number of NPA combatants captured was 30. Only the

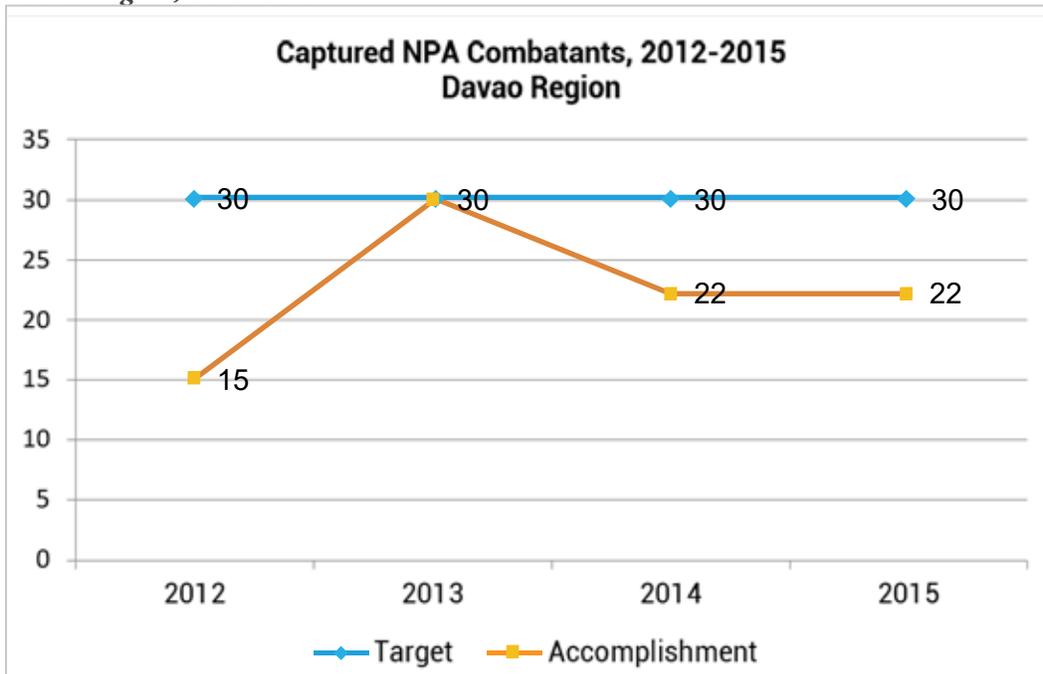
target for 2013 was achieved. Despite the non-achievement, each insurgent captured contributed to the decrease in the insurgents' manpower. Both indicators, the number of NPA surrenderees and combatants captured, are measures meant to reduce the manpower of the state's enemies.

Figure 17.2. Number of NPA Surrenderees, Target vs. Actual  
Davao Region, 2012–2015



Source: IOID

Figure 17.3. Number of NPA Combatants Captured, Target vs. Actual  
Davao Region, 2012–2015

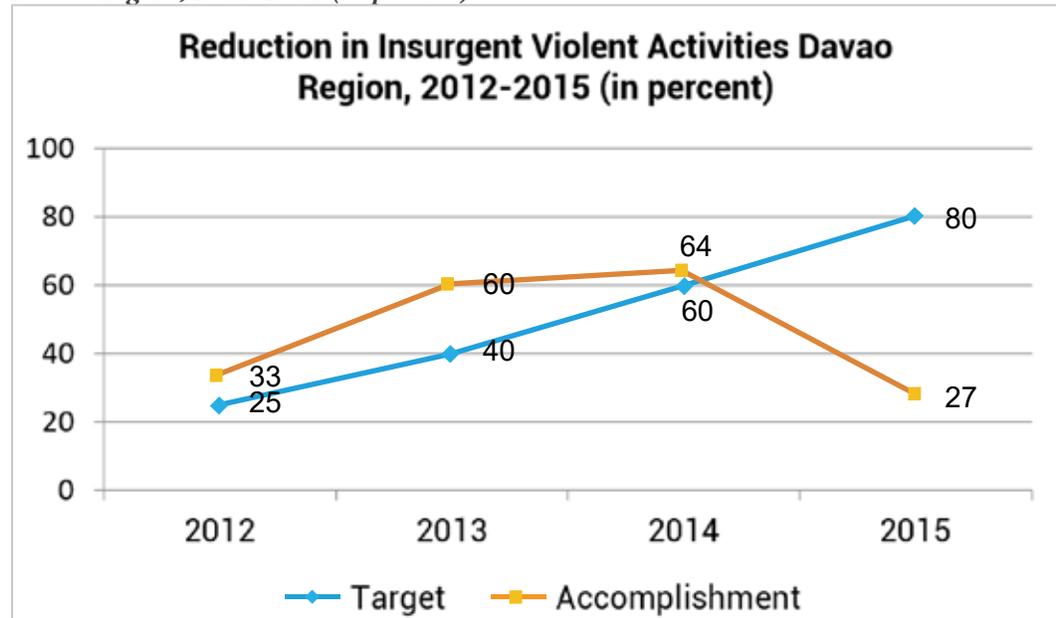


Source: IOID

In 2015 the target of 80 percent reduction in insurgent activities was not achieved since the accomplishment was pegged at only 27

percent. From 2012 to 2014, the insurgent activities were kept below the targeted levels.

*Figure 17.4. Reduction in Insurgent Violent Activities, Target vs. Actual Davao Region, 2012–2015 (in percent)*



Source: IOID

Taking cognizance of the fact that insurgency is a multi-faceted problem and that its root causes are primarily related to the delivery of basic social services as well as other perceived inequalities in the society, the security sector has partnered with various stakeholders to address these issues. These accomplishments were the result of convergence efforts, though, and not only of the security sector.

The common issues that contribute to insurgency are inaccessible social services, lack of farm-to-market roads, lack of health facilities in barangays, agrarian reform and the like. To address these, the government introduced two (2) major programs that were anticipated to have maximum impact on the economy and greatest benefit to the people, especially those in conflict-affected areas and in the poorest communities. These programs are the Payapa at Masaganang

Pamayanan (PAMANA) and Bottom Up Budgeting (BUB) process.

BuB was introduced in 2012 and is part of the government’s efforts to pursue sustained and inclusive growth, as well as, promote good governance at the local level. It also aims to empower the civil society organizations (CSOs) to engage with local government and national government agencies in local development planning and budgeting. The BUB is shepherded by the Department of Interior and Local Government (DILG) and Department of Budget and Management (DBM).

PAMANA on the other hand, was introduced in 2011 as the National Government’s flagship program to respond to and strengthen peace-building initiatives, reconstruction and development in selected priority conflict-affected areas (CAAs) of

the country. It is being shepherded by the Office of the Presidential Adviser on the Peace Process (OPAPP).

Implementation of the two programs, however, was not without issues and has hampered the delivery of services and provision of infrastructure support to the poorest of the poor in Davao Region. The major issues identified in the implementation of both programs were:

- Unsynchronized timelines between the PAMANA and BuB Programming activities with the RDC's Investment Programming and Budgeting resulting to the non-inclusion of the project proposals of the LGUs to the RDC XI-approved AIPs of the agencies
- Existence of gaps and room for improvement in the identification, preparation and prioritization of BuB Projects in terms of the following, viz: a) Lack of sufficient information/benchmarks as bases for the identification and preparation of BUB projects by the LPRATs; and b) Seemingly irrelevant and unresponsive projects to the needs of communities, in some of the agencies' menu
- Participation of CSOs and BSOs in the BuB participatory process has not been fully maximized
- Slow implementation of BUB sub-projects
- Lack of Harmonized Guidelines/Policy in the PAMANA Implementation
- Need to include PAMANA subprojects in the Monitoring List of the RPMC
- Need for conduct of Capacity Building Activities for LGUs on Project Development

## Challenges

For the Plan period 2017–2022, the following are the challenges in terms of the peace, security and safety of the Region:

1. Continued armed encounters. Despite the substantial reduction in CNN affectation in communities, sporadic armed encounters are experienced between government troops and the insurgents.
2. CNN affectation in communities. CNN affectation in communities has not yet been eliminated, which gives the insurgency a mass base.

## Future Development Scenario

For the Plan period 2017–2022, the Government's pursuit of peace talks with the CPP-NPA-NDF shall have a positive impact on Davao Region's peace and security situation. It is aimed at mainstreaming the insurgents in government's development efforts and eventually disbanding the CNN. The Region's poverty-reduction initiatives shall also have a positive impact in bringing closure to all conflicts. Once social services and infrastructure are delivered to geographically isolated and disadvantaged areas (GIDAs), there will be less cause for conflict.

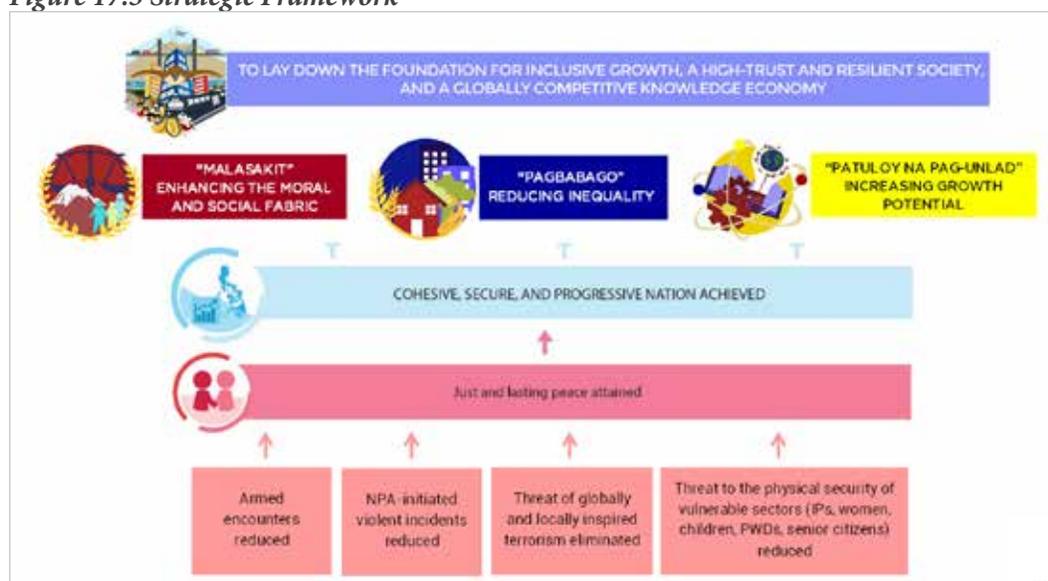
## II. Strategic Framework

Peace is freedom from disturbance or the cessation of war or violence. Attaining just and lasting peace is one of the foundations of inclusive growth, a high trust society and globally competitive knowledge economy of the Davao Region Development Plan (DRDP), 2017–2022.

Under the goal are the strategic outcomes of: 1) armed encounters reduced; 2) NPA-initiated violent incidents reduced; 3) threat of globally and locally inspired terrorism eliminated; and 4) threat to the physical security of vulnerable sectors (IPs, women, children, PWDs, senior citizens) reduced.

The chapter Attaining Just and Lasting Peace is under the pillar “MALASAKIT” of the three (3) pillars of the DRDP, 2017–2022, with the chapter goal of Just and Lasting Peace Attained.

*Figure 17.5 Strategic Framework*



### Plan Targets

The following are the plan targets for Chapter 17 of the DRDP, 2017–2022:

*Table 17.1 Plan Targets to Attain Just and Lasting Peace*

OBJECTIVES/RESULTS	INDICATOR	BASELINE		END OF PLAN TARGETB
		YEAR	RANK	
Threats to security, order and safety minimized	CNN affected barangays	2016	145	0 barangays
	Number of violent incidents involving the following:			
	NPA	2016	118	0 incidents
	MILF	2016	0	0 incidents
	MNLF	2016	0	0 incidents

### III. Priority Strategies

The following are the strategies to minimize if not eliminate insurgency and attain just and lasting peace in Davao Region:

- **Support the peace process by increasing awareness and acceptance of the stakeholder population.**

Community support of the peace process between the government and the CNN shall be gathered, through advocacy and IECs.

- **Curtail the resource lifelines of the insurgency groups.**

The military and the police shall endeavor to curtail the resource lifelines of the insurgency groups, like supply of war materiel and unlicensed firearms, through military and police operations, checkpoints and convergence of socio-economic activities in GIDAs.

- **Increasing awareness of terrorism threats through effective IECs.**

Awareness of terrorism threats among the communities shall be promoted to prevent violent incidents.

- **Contain the threats posed by BIFF and other local threat groups.**

The military shall continue to contain threats posed by local threat groups through intelligence gathering, checkpoints and military operations.

- **Strengthen peace and order councils.**

Peace and order councils, both at the regional and local levels, shall intensify peace and development efforts in Davao Region.

- **Vigorously pursue threat groups until they are disabled and their cells/networks inoperable.**

- **Deter/defeat armed peace spoilers through deployment of decisive force in strategic areas.**

- **Pursue development of peaceful and conflict-resilient communities through CSPP and socio-economic buildup, especially in GIDAs and CAAs**

## IV. Priority Legislative Agenda

- Enact a National ID System law
- Enact a Registration of SIM Cards law

## V. Priority Research Agenda

- Extent of CNN propaganda and its impact on government machinery/ programs
- Impact of convergence efforts in the attainment of peace and development in GIDAs
- Vulnerable sectors in GIDAs
- Assessment of culture of peace integration in the school curriculum
- Problems encountered in the implementation of RA 8371 or the IPRA Law
- Impact of the Peace and Development Outreach Program of the AFP to the economy of Davao Region
- The impact of RA 8371 on socio-economic development projects

## VI. Priority Programs, Activities and Projects (PAPs)

- Road opening in GIDAs
- Establish/Strengthen Integrated Territorial Community Defense System (ITDS)
- Delivery of basic services in GIDAs
- Peace forums
- Peace and Development Outreach in support to LGUs/LGAs delivery of basic services in GIDAs
- Forums on anti-terrorism
- Modern equipment for counter-terrorism
- IP participatory forum in peace process
- Critical Investment Protection and Security Operation (CIPSO)
- Mainstreaming/Integrating CSPP and sectoral concerns (IP, women/children, PWDs, elderly) in the CDP/local plans of GIDAs
- Focused Military Operation (FMO) to isolate and defeat terrorist groups and/or cells
- Security Operations to deter or defeat armed peace spoilers

18

Ensuring  
Security,  
Public Order,  
and Safety



# Ensuring Security, Public Order and Safety

Security is a state of being protected or safe from harm. Overarching is safety which is defined as freedom from harm or danger. Public order is defined as a state in which laws and rules regulating public behavior of members of a community are observed and authority is obeyed.

In Davao Region, ensuring the security and safety of its residents is of utmost priority and importance. Public order shall be maintained to ensure an orderly and organized environment. An orderly, secure and safe environment shall usher inclusive growth as residents will have freedom to pursue socio-economic activities, while investors will be inspired and encouraged to invest, without fear of loss of life or property. This is the aim of Davao Region for the period 2017–2022.

## I. Assessment and Challenges

### Assessment

#### *Crime Solution Efficiency*

At the beginning of the Plan Period in 2010, the Police Regional Office (PRO) XI, the agency primarily responsible in keeping law and order in Davao Region, reported that crime solution efficiency (CSE) rate was only 14 percent. For the Plan Period 2011–2016, Davao Region targeted an annual 5 percent increase in crime solution efficiency based on the yearly rate of actual crimes solved. A crime is considered solved when arrests are made and a corresponding case is filed in court. Based on the Philippine National Police (PNP)'s methodology of generating crime statistics, only index crimes were considered in the determination of the crime solution rate.

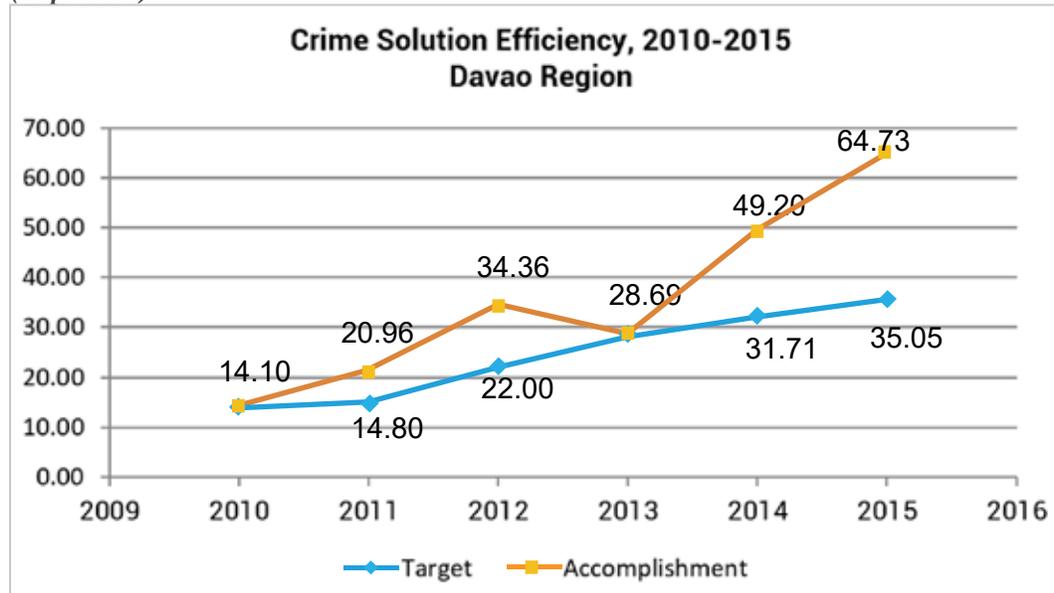
The police's efforts yielded a 6 percentage-point improvement from the Davao Region's target of 15 percent CSE in 2011 and an

even more impressive leap of 12 percentage-point over the 2012 target of 22 percent.

Starting 2013, however, PNP modified its definition of crime volume to include non-index crimes. With the new methodology in crime statistics, Davao Region revised the targets for 2013 to 2016 for both crime volume and crime solution.

Based on the new baseline of 29 percent CSE rate in 2013, CSE rate in 2014 was 49.20 percent, surpassing the 31.71 target. This huge leap in CSE rate was mainly through the efforts of PRO XI. The improvement in 2014 continued in 2015 in which CSE rate was 64.73 percent, surpassing the 2015 CSE target of 35.05 percent. Figure 18.1 presents the Region's performance on crime solution efficiency.

Figure 18.1. Crime Solution Efficiency, Target vs. Actual Davao Region, 2010–2015 (in percent)



Source: PRO XI

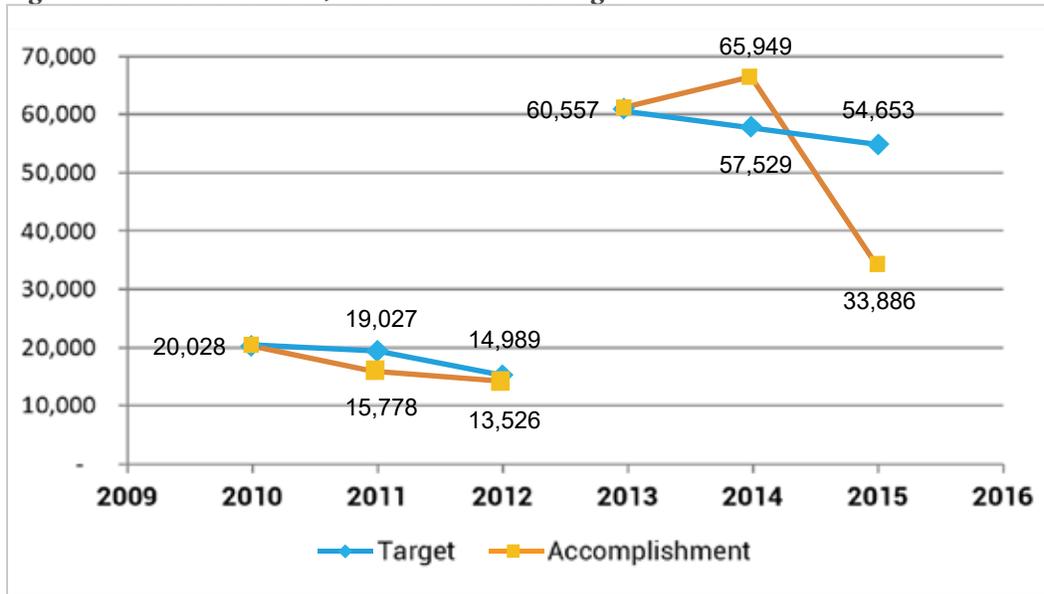
### Crime Volume

On crime volume, which now includes non-index crimes, Davao Region targeted an annual 5 percent reduction from the baseline of 20,028 crimes in 2010. With the modified definition of crime volume in 2013, volume targets were revised for 2013 to 2016.

Davao Region, through maximum deployment of police personnel in strategic areas in Davao Region, PRO XI's Isumbong sa Pulis Hotline, police visibility, intensified law enforcement and community awareness and support, was very successful in bringing down crime volume for the Plan Period 2011–2016.

For the period 2010 to 2015, it was only in 2014 where crimes were not kept within the target level of not more than 57,529 crimes, since actual crimes committed reached 65,949. However, the number of crimes committed in 2015 was a substantial drop at only 33,886, surpassing the target of not more than 54,653 crimes. Figure 18.2 presents the Region's performance during the Plan period.

Figure 18.2. Crime Volume, 2010–2014 Davao Region



Source: PRO XI

### Construction of Police Stations

During the Plan period 2011–2016, all proposed construction of police stations was delivered, which has contributed to the police effort to maintain law and order.

### Campaign on Anti-Illegal Drugs

For the Plan Period 2011–2016, Davao Region’s performance on its campaign against illegal drugs was a collaboration of the police and the military with the Philippine Drug Enforcement Agency (PDEA) XI as the lead. Disrupting the illegal drugs chain, i.e., finance/manufacture, distribution, retail and consumption, was the main strategy employed to curb sale and use of illegal drugs. This included arrest of high value targets (foreign nationals, members of African Drugs Syndicates, government officials and employees, celebrities and other prominent persons), conduct of high-impact operations (dismantling of clandestine

laboratories, chemical warehouse, drug den or tinagge, marijuana plantations; interdiction operations, high volume seizure operations), and simultaneous service of search warrants. Table 18.1 presents the Region’s performance during the Plan Period.

**Table 18.1 Result of Anti-Illegal Drugs Campaign Davao Region, 2011–2016**

YEAR	2011	2012	2013	2014	2015	2016	TOTAL
Operations conducted	249	410	574	471	940	1,348	3,992
Persons arrested	388	546	817	692	1,422*	1,515*	5,380
Drug Seized:							
Shabu (gms)	293.85	343.53	4,524.55	4,219.5	5,689.75	3,990.94	19,062.07
Marijuana (gms)	45,372	62,018.7	186,209.44	543,124.31	12,518,426.71	38,730.15	13,393,881.31
MJ plant (pcs)	24,256	443	3,622	1,602	163	81	30,173
Street value of drugs seized in PhP	3.5M	5.3M	47M	57M	63M	49M	227M

\*with killed personalities

Source: PDEA XI

## Challenges

During the Plan period, the following are the challenges to Davao Region’s safety, public order and safety:

1. High crime volume. Despite the 5 percent annual reduction target, crime volume in Davao Region remains high, which threatens the socio-economic development of the Region.
2. High supply and demand for illegal drugs. Much has yet to be done in disrupting the illegal drugs chain. More importantly, demand for drugs remains high.

## Future Development Scenario

For the Plan period 2017–2022, the Government’s war on drugs and its outcome shall have a positive impact on Davao Region’s public order situation. It is aimed that use and sale of illegal drugs shall be eliminated or greatly reduced to be able to build a society with positive values. Likewise, the Government’s intention of upgrading the security sector shall also have a positive impact on the Region’s public order. Capacitating the military and law enforcement agencies shall support the Region’s efforts in maintaining order and safety.

## II. Strategic Framework

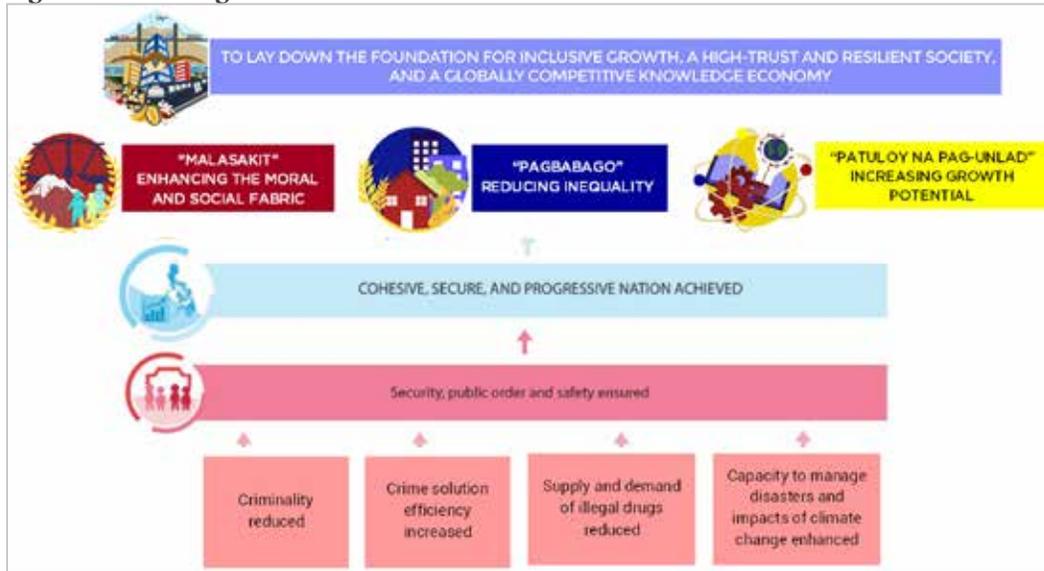
The security, public order and safety of Davao Region is of utmost importance and is one of the foundations of inclusive growth, a high trust society and globally competitive knowledge economy of the Davao Region Development Plan (DRDP), 2017–2022.

The chapter Ensuring Security, Public Order and Safety is under the pillar “MALASAKIT” of the three (3) pillars of the

DRDP, 2017–2022, with the chapter goal of Security, Public Order and Safety Ensured.

Under the goal are the strategic outcomes of: 1) criminality reduced; 2) crime solution efficiency increased; and c) supply and demand of illegal drugs reduced.

Figure 18.3 Strategic Framework



## Plan Targets

The following are the plan targets for Chapter 18 of the DRDP, 2017–2022:

OBJECTIVES/RESULTS	INDICATOR	BASELINE		END OF PLAN TARGETB
		YEAR	RANK	
Safety, order, security properly addressed	Crime Volume	2015	33,886	24,909
	Crime Solution Efficiency Rate	2015	64.73%	94.73%

Indicators on supply and demand for illegal drugs shall be monitored, as well as, the number of rehabilitation centers for drug

dependents in Davao Region. Indicators on public safety and response to disasters shall likewise be monitored.

## III. Priority Strategies

In order to properly address Davao Region's safety, order and security, the following strategies shall be employed:

deployment of personnel to strategic areas, conduct of police patrol and operations to bring offenders to justice.

### 1. Intensification of police operations and arrests

The police shall intensify law enforcement activities like maximum

### 2. Strengthening of border security measures

Border security shall be strengthened, and shall be a collaboration of all

law enforcement agencies to prevent trafficking, smuggling and entry of illegal drugs.

### 3. Intensification of anti-illegal drug operations and initiatives toward supply and demand reduction

Lectures/Symposia on the evils of illegal drugs and drug testing shall be intensified to encourage rehabilitation among drug users and discourage the use of illegal drugs. Drug buy-bust operations shall continue.

### 4. Strengthening of the Anti-Drug Abuse Councils (ADACs)

Anti-Drug Abuse Councils are composed of the school principal of a local school, a representative from a non-government organization, the Sangguniang Kabataan chair, a barangay kagawad, and the punong barangay as head. ADACs are tasked to give priority to preventive or educational programs and rehabilitation or treatment of drug dependents, specifically to conduct information and education campaigns on the ill effects of illegal drugs; monitor and report to proper authorities drug pushers and users in the locality; prepare confidential watch lists of drug users and pushers for submission to the Philippine National Police; and plan, strategize, implement and evaluate programs and projects on drug abuse prevention in the barangay. Agencies composing the ADACs shall meet often and formulated ways to bring down supply and demand of illegal drugs.

### 5. Formulation of framework for rehabilitation of drug surrenderees

A framework for the rehabilitation of drug surrenderees shall be formulated. It shall include rehabilitation centers and programs and reintegration of surrenderees in the communities.

### 6. Rally greater support of private sector in the prevention and rehabilitation of drug dependents

The private sector shall be engaged in the prevention and rehabilitation of drug dependents, including the provision of private rehabilitation centers and rehabilitation programs.

### 7. Organization and operationalization of a centralized command and control center for each of Davao Region's local government units

Replication of Davao City's Public Safety and Security Command Center in all local government units of Davao Region shall be encouraged to employ a coordinative approach to address the different issues of safety and security relative to crime, terrorism, security, traffic, health and social services, emergency services, and disaster risk reduction by using information, people, technology, and intelligent solutions.

## IV. Priority Legislative Agenda

- Enact a National ID System law
- Enact a Registration of SIM Cards law

## V. Priority Research Agenda

- Assessment of the effectiveness of the various drug seminars/symposia conducted

## VI. Priority Programs, Activities and Projects (PAPs)

- Construction/Rehabilitation of police stations (PRO XI)
- Construction of a 100-room drug rehabilitation center (LGU-Davao City/DOH XI)
- Completion of provincial rehabilitation centers (DILG XI)
- Installation of CCTV system in all urban centers/areas
- Improvement of coordinated response to all safety, order and security situations
- Purchase of modern fire trucks, ambulances, ladder trucks, snorkel trucks and fire boats
- Construction of modern fire stations (Panacañang, DC; JAS, Dav Occ; Sarangani, Dav Occ)
- Rehabilitation centers in barangays, cities and municipalities, for drug surrenderees
- Implementation of the Mamamayang Ayaw sa Anomalya, Mamamayang Ayaw sa Ilegal na Droga (MASA MASID)
- Strengthening and institutionalizing 911 hotline (formerly Patrol 117)
- Construction of Regional Fire Training Facilities in Davao City



19

Accelerating  
Infrastructure  
Development



# Accelerating Infrastructure Development

The infrastructure sector provides the physical support that shall contribute in achieving the sectors' intermediate outcomes of enhancing the social fabric, reducing inequality, and increasing the growth potential of Davao Region.

Specifically, the timely provision of appropriate Infrastructure facilities and services shall promote economic growth, environmental quality and the overall well-being (quality of life, in general) of the peoples of the Region. The facilities and services include those that will achieve the specific sub-sector outcomes: internal circulation, mobility and external linkages enhanced; sustainable and reliable power improved; irrigation services expanded; solid waste and wastewater facilities established; access to education and health facilities increased; access to potable water facilities increased; access to sufficient, affordable and decent economic and socialized housing improved; household energization rate in rural and off-grid areas increased; access to high quality and cost effective communication, internet and broadband technologies intensified; public order and penal facilities (police station and jail) increased; as well as infrastructure facilities and communities resilient to disasters improved.

## I. Assessment and Challenges

### Assessment

In the Davao Regional Development Plan (DRDP), 2011–2016, the infrastructure sector's intermediate outcome was quality, adequacy and accessibility of infrastructure facilities and services enhanced. This assessment covers the performance of the Infrastructure Development Sector in Davao Region based on the level of attainment of sector outcomes in the DRDP, 2011–2016, and its Midterm Update

#### **Enhancing internal circulation, mobility and external linkages**

##### a. Road Transport

Davao Region's road network substantially connects it intra-regionally, and externally

to other regions in Mindanao and the rest of the country. In 2010, the total road network of Davao Region was 16,937.44 kilometers with a road density of 0.83 kilometer per square kilometers. This network expanded by 653.69 kilometers from 2010 to 2014, bringing the total to 17,591.13 kilometers which translated to a road density of 0.86 kilometer per square kilometer (*Table 19.1*). Additional road projects are still needed to meet the standard road density in Davao Oriental at 3,307.13 kilometers; Compostela Valley at 817.86 kilometers; and, Davao City at 92.83 kilometers.

**Table 19.1. Total Road Network by Administrative Classification and Province/City, CY 2014**

Province/ City	National Roads					Local Roads					Road Density (km/ sq.km)
	Length (km)	% to Total	Prov'l	Mun	City	Brgy	Total Length (km)	% to Total	Total Road Network (km)	Land Area (sq. km)	
Total, Davao Region	1,683.6	9.6	2,566.2	994.7	1,344.9	10,907.5	15,907.5	90.4	17,591.1	20,353.8	0.86
Compostela Valley	334.49	9.1	778.4	300.1	0	2,248.9	3,327.4	90.9	3,661.9	4,479.8	0.82
Davao del Norte	237.22	5.1	877.1	119.7	544.8	2,856.7	4,412.4	95.0	4,649.6	3,427.0	1.36
Davao del Sur	415.4	9.1	419.1	473.0		3,252.5	4,144.5	90.9	4,560.0	4,327.43	1.05
Davao Oriental	431.7	18.2	491.7	101.9		1,347.2	1,940.8	81.8	2,372.5	5,680.0	0.42
Davao City	264.82	11.2			800.1	1,278.0	2,082.3	88.7	2,347.2	2,440.0	0.96

Source: DPWH XI, PSA XI and Local Government Units

The paving of all national roads in Davao Region was also one of the targets in the DRDP; more specifically, that all arterial roads should be paved by 2014, and all secondary roads by 2016. Although the pavement ratio of national roads increased from 2010, as of the first semester of 2016, only 91 percent of the total length of national roads had been paved. The paving of the remaining 149 kilometers of unpaved road sections, consisting of 76 kilometers of national secondary roads and 73 kilometers of national tertiary roads, should be completed within the remaining months of the year 2016 to be able to achieve the Plan Target.

Another target for the land transport subsector is the upgrading of all bridges along national roads. For bridges along national arterial roads, the upgrading to permanent bridges was targeted to be completed in 2013. This target was met during that year. The upgrading of bridges along national secondary roads was targeted to be completed in 2014. However, this sCHEDULE was moved to 2016. As of the first semester of 2016, the upgrading of the remaining two bridges was not yet completed. These two bridges are located in Barangay Baracatan and Barangay Tagurano, Toril District, Davao City, which have a combined length

of 34.6 lineal meters.

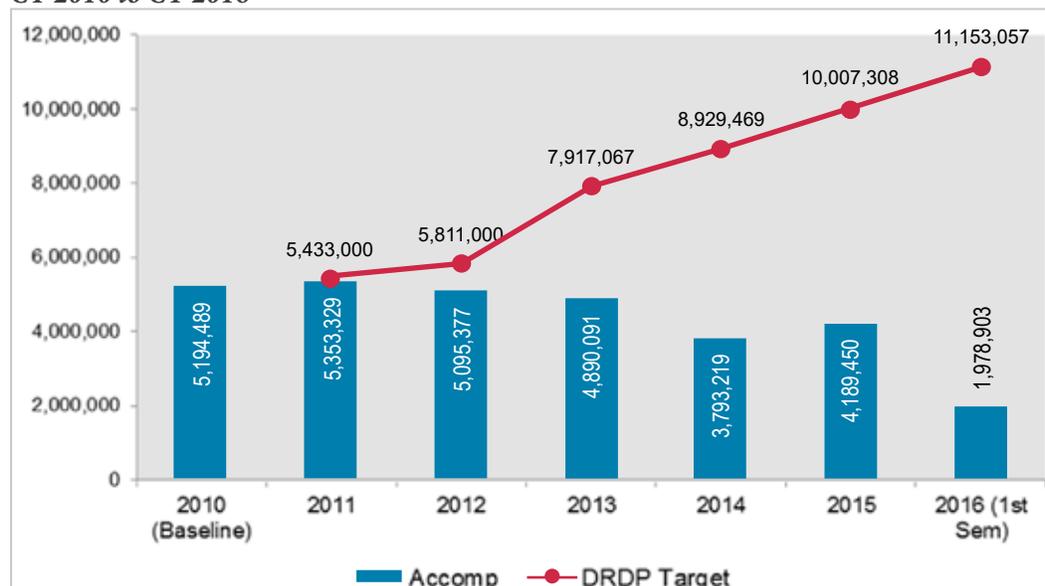
#### b. Sea Transport

The targets for the sea transport subsector are increased cargo throughput and increased number of port calls in the (Sasa) Port of Davao. Except for slight increases in 2011 and 2015, cargo volume at Port of Davao had been decreasing from 2010 to 2015 at an average annual rate of -5.2%. For the first semester of 2016, 1.9 million metric tons of cargo was processed at the port, which is only 18 percent of the annual target (Figure 19.1).

Consequently, the targeted number of ship calls in the Davao (Sasa) Port was not met. From 2010 to 2015, ship calls had been decreasing at an average annual rate of -9.5 percent. In the first half of 2016, 422 ships called at the Port, or just 15 percent of the annual target. Based on previous reports of PPA, major clients of Davao (Sasa) Port had been transferring to commercial private ports, such as the Davao International Container Terminal in Panabo City, which have better facilities and, faster and safer cargo-handling procedures.

Container demand in Davao Region is expected to rise over the years driven

**Figure 19.1. Cargo Throughput in Metric Tons at Port of Davao Relative to DRDP Targets, CY 2010 to CY 2016**



Note: Status as of June 30, 2016  
 Source of basic data: PPA PMO XI

mainly by increasing export of bananas and other commercial crops in refrigerated containers, and increasing imports due to projected population concentration and industrialization of the Region. A Public-Private Partnership (PPP) project for the modernization of Davao (Sasa) Port had been proposed. The procurement process for said project was not pursued by the Department of Transportation as of 3<sup>rd</sup> Quarter 2016. The development of another container port in Davao del Sur or Davao Occidental will also have to be considered to cater to the increasing container demand. Likewise, there is also a need to improve the operational capacity of other government ports in the Region for these to be fully utilized. The under-utilized ports include San Isidro Port and Banaybanay Port in Davao Oriental, Tagpoongan Port in Island Garden City of Samal, and Maco Port in Compostela Valley.

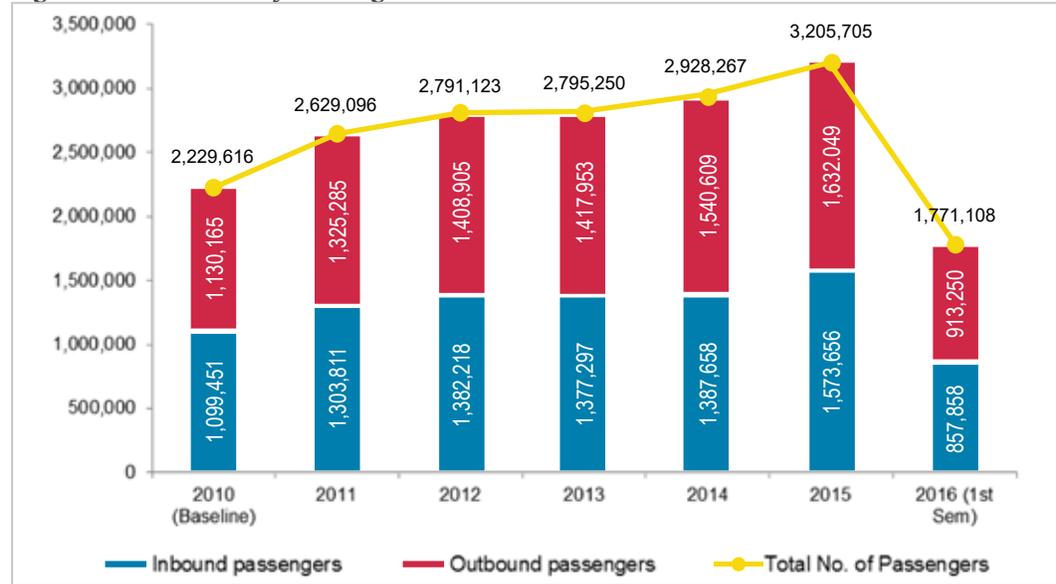
### c. Air Transport

The indicators for the attainment of the air transport subsector outcomes in the

Updated Davao Regional Development Plan, 2014–2016, were: increased annual passenger traffic, increased cargo volume, and increased annual flights at the Francisco Bangoy International Airport (FBIA) in Davao City.

Passenger traffic had been increasing at an annual average rate of 9.5 percent from 2010 to 2015 (*Figure 19.2*). As of the first semester of 2016, the number of air passengers had reached 1.7 million, which was already 55 percent of the previous full year’s record number of passengers of 3.2 million. This upward trend is consistent with the increasing number of tourist arrivals in Davao Region. This may be attributed to the successful promotion of the country’s tourism branding “It’s more fun in the Philippines” and of Davao Region’s “From Islands to Highlands,” eco-adventure tourism and hosting of major Meetings, Incentives, Conventions and Exhibits/ Events (MICE).

**Figure 19.2. Number of Passengers at FBIA, CY 2010 to CY 2016**



Note: 2016 Accomplishment as of June 30, 2016  
 Source of basic data: CAAP XI

The passenger terminal building can only accommodate 3.2 million passengers a year. This was already breACHED in 2015. A Public-Private Partnership proposal for the Davao Airport Operations and Maintenance, which is currently in the pipeline, intends to address the limitations in the capacities of the airport. Under this proposal, the passenger terminal building shall be expanded to cater to up to 17.9 million passengers annually which is the projected demand in 2045. Cargo traffic at the airport had likewise increased, although slower than passenger traffic with 8.7 percent average annual growth rate for the period 2010 to 2015.

The number of flights at the FBIA decreased in 2013 and 2014. This was reversed in 2015, during which the total number of flights reaCHED 22,112, higher by 13 percent compared to the number of flights recorded in 2014. In general, however, the number of flights at the airport had been decreasing at an average annual rate of -1.9 percent from 2010 to 2015. Given that passenger traffic and cargo volume had been increasing, the decreased number of flights may be

attributed to the upgrading by major airlines to bigger-sized aircrafts which can accommodate higher volumes of passengers and cargo.

**Increasing access to water supply services**

In the first quarter of 2016, 92.24 percent of the Region’s total number of households had access to potable water supply. Almost half of the households (46.95 percent) were served with Level 3 water facilities, or piped water supply connected to the household typically provided by water districts and rural waterworks and sanitation associations. On the other hand, 20.5 percent of households had access to Level 2 water facilities, or piped water supply with communal faucets, while 24.79 percent was served with Level 1 water facilities, or point sources such as shallow wells, hand pumps or rainwater collectors.

Based on 2015 data, there are still 52,519 households in Davao Region who do not have access to potable water supply (Table 19.2), and the biggest number of these households is in Davao del Norte Province.

**Table 19.2: Percentage of Households with Access to Potable Water Supply in Davao Region, by Service Level, by Province/Davao City, CY 2015**

Indicator	Total, Davao Region	Davao Oriental	Compostela Valley	Davao del Norte	Davao del Sur/ Occidental	Davao City
Total Number of Households (HH)	972,740	121,307	161,472	218,236	149,306	322,419
HH with improved safe water supply	920,221	116,311	150,878	197,358	137,460	318,214
Percent (%)	94.60	95.88	93.44	90.43	92.07	98.70
HH without access to safe water supply	52,519	4,996	10,594	20,878	11,846	4,205
HH with access to Level 1 water supply	257,290	55,524	45,339	101,718	38,684	16,295
Percent (%)	26.45	45.55	28.80	46.61	25.91	5.05
HH with access to Level 2 water supply	202,906	37,918	60,534	28,697	47,499	28,258
Percent (%)	20.86	31.26	37.49	13.15	31.81	8.76
HH with access to Level 3 water supply	460,025	23,139	45,005	66,943	51,277	273,661
Percent (%)	47.29	19.07	27.87	30.67	34.34	84.88

Source: DOH XI

Only 90.43 percent of households in Davao del Norte had access to potable water. The Province also had the highest proportion of households, at 46.61 percent, which are reliant on point sources or Level 1 water supply facilities.

The increase in access to potable water supply facilities from only 90.39 percent household coverage in 2010 to 94.60 percent in 2015 can be attributed to prioritization by the National Government in addressing waterless barangays through the implementation of various potable water supply projects. Local water districts had likewise undertaken water distribution service expansion and improvement works. In October 2015, Tagum City Water District entered into a Joint Venture Agreement with the consortium of Manila Water Company Inc. and i-Water Inc. for the Tagum City Bulk Water Supply Project. The project aims to expand the service coverage of Tagum Water District to 19 barangays from the 12 barangays in Tagum City currently being served upon its operationalization in 2018. The Davao City Water District, on the other hand, is undertaking the Davao City

Bulk Water Supply Project through a Joint Venture Agreement (JVA) with Apo Agua Infraestructura Inc. signed on March 17, 2015. The project shall develop Tamugan River as an alternative water source to meet Davao City's growing demand for drinking water, providing a respite to the city's groundwater sources which had been the main source of water for 40 years. The bulk water venture is expected to be operational by 2019, and shall supply up to 121 million cubic meters per year.

Another project is the Tamugan Surface Water Development Project which shall serve 20 barangays in Davao City, including 11 currently unserved barangays. The project contract between Davao City Water District and Apo Agua Infraestructura Inc. was signed on 17 March 2015, and the project is expected to be completed in 2019.

### Expanding irrigation services

The development of irrigation services had been very slow over the years. In 2010, the level of irrigation development was only 57 percent, which corresponds to only

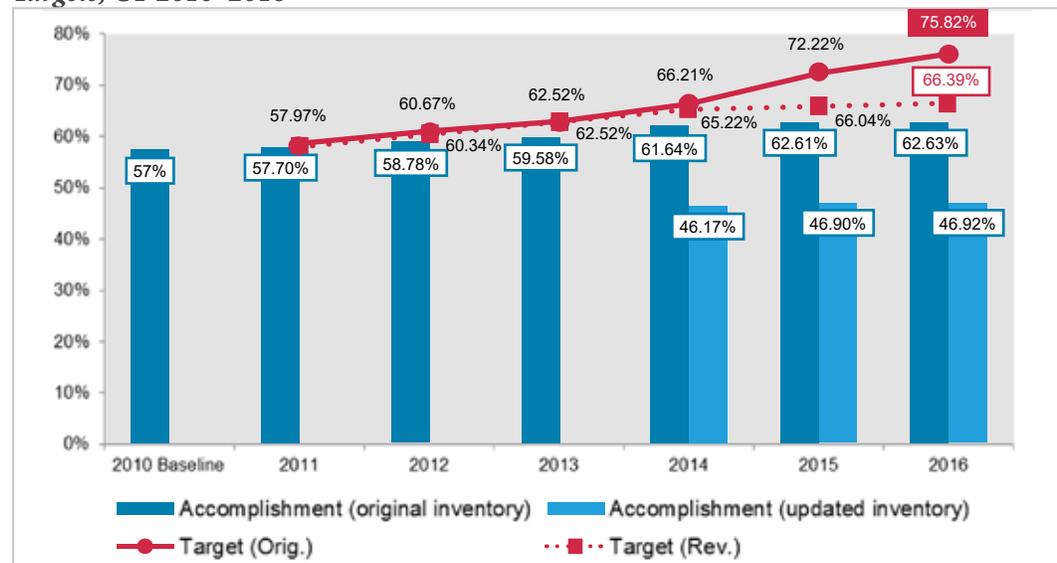
62,906 hectares out of the total 110,353 hectares of potential irrigable area. The target was to increase the proportion of total irrigation service area to 75.82 percent by 2016 (Figure 19.3). However, the target irrigation development rate remained unmet. Irrigation targets were reduced to reflect the actual budget allocations of the National Irrigation Administration (NIA) XI. Consequently, the original target for irrigation development was reduced to 66.39 percent, or 73,262 hectares of farmlands served by 2016. Likewise, the Plan targets for the generation, rehabilitation, and restoration of irrigation service areas were reduced to 10,356 hectares (or 49.87 percent of the original target), 7,620 hectares (or 34.05 percent of the original target), and 5,044 hectares or (77.44 percent of the original target), respectively.

As of the first semester of 2016, irrigation development is pegged at 62.63 percent, which corresponds to 69,115 hectares of irrigation service area. This translates to an increase of 6,209 hectares in irrigation

service coverage from the baseline of 62,906 hectares served in 2010. However, the updated inventory of Davao Region's potential irrigable areas reflected an increase of 147,313 hectares. Based on the said inventory, irrigation development in the Region is even lower at 46.92 percent as of the first semester of 2016.

The generation of new irrigation areas, referring to construction of facilities and structures for the provision of irrigation services in unserved irrigable areas (source: NIA website), directly contributes to increased irrigation development. It was targeted that 20,767 hectares of new irrigation areas shall be generated by 2016. However, the attainment of this target was affected by lower budget allocations of NIA XI, thus the target was reduced to 10,356 hectares. From 2011 up to the first semester of 2016, a total of 9,758 hectares of new service areas was generated, which is 46.99 percent of the original Plan target and 94.22 percent of the revised target.

**Figure 19.3: Irrigation Service Coverage (in percentage) in Davao Region vis-à-vis DRDP Targets, CY 2010–2016**



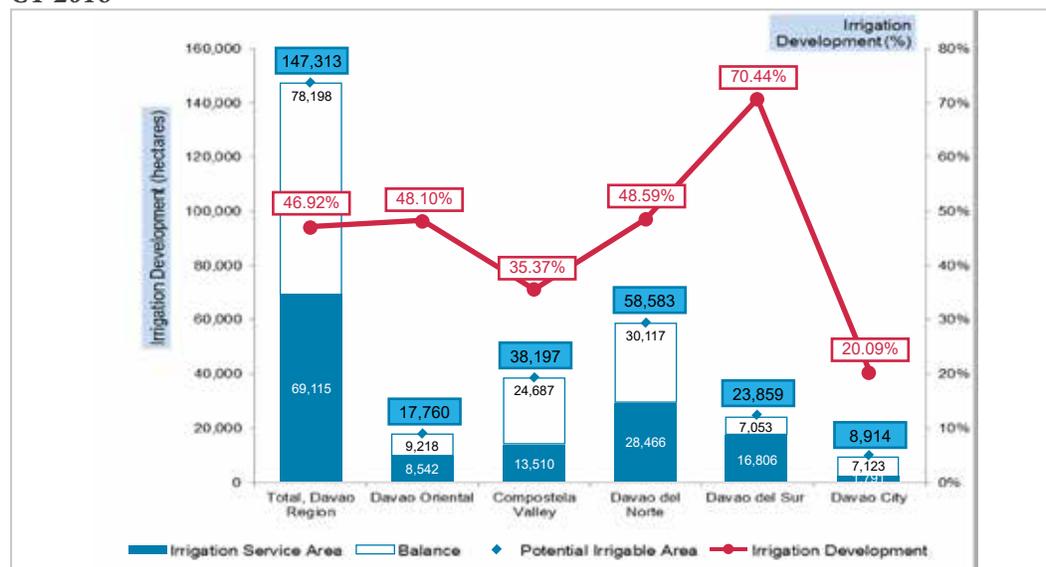
Note: 2016 Accomplishment as of June 30, 2016

Source: NIA XI

Using the updated inventory of 147,313 hectares potential irrigation areas, Davao del Norte had the biggest potential irrigable area among the provinces in the Region with 58,583 hectares, of which 48.59 percent was

served with irrigation facilities. Irrigation service coverage is highest in Davao del Sur/Davao Occidental with 70.44 percent of its potential irrigable area, and lowest in Davao City with 20.09 percent (Figure 19.4).

**Figure 19.4 Irrigation Development in Davao Region, by Province/City, as of 1<sup>st</sup> Semester CY 2016**



Note: 2016 Accomplishment as of June 30, 2016  
Source of basic data: NIA XI

The low accomplishment rates on irrigation targets are mainly attributable to actual budget releases which were lower than the programmed amount. From 2014 to 2016, actual amount allocated for the irrigation projects of NIA XI was PhP1.731 billion, which is only 33.65 percent of the PhP5.144 billion investment requirement.

Another reason for unmet irrigation targets were the delays in the actual implementation of irrigation projects due to the following factors: a) right-of-way problems during construction, b) bad weather, flooding, landslides and unstable peace and order situation in project sites which hampered the progress of construction, c) non-feasibility of projects due to inadequate source of water, disinterested farmers, new zoning of areas and inaccessibility of the area resulting to high costs; and, d) lack of technical experts at the NIA to conduct

Feasibility Studies for Small Irrigation Projects, necessitating the procurement of consultancy services.

### Improving sufficiency and reliability of power and increasing household energization

The increasing demand for power to support the ever-growing requirements of residential, commercial and industrial consumers was identified as among the Region's biggest challenge at the start of the planning period in 2010. The Mindanao Power Grid supplies the power requirements of Mindanao Island including Davao Region. A major concern for Davao Region, as well as the rest of Mindanao, was its dependence on hydro-electric power plants which is prone to instability in power supply during extended episodes of drought.

The power generating capacity of the Region was targeted to increase, from 237.8 MW in 2010 to 540 MW in 2016, or an increase of 300 MW. From 2013 up to the first semester of 2016, five additional power plants were

installed/ commissioned in Davao Region, with a total generating capacity of 372.2 MW, thus exceeding the end-of-plan target (Table 19.3).

**Table 19.3. Existing Power-Generating Facilities in Davao Region as of 1<sup>st</sup> Semester CY 2016**

Facility Name	Installed Capacity (MW)	Location	Year Commissioned
Coal Thermal	600		
Therma South Inc. Coal Fired Energy Project Unit 1	150	Davao City and Santa Cruz, Davao del Sur	2015
Therma South Inc. Coal Fired Energy Project Unit 2	150	Davao City and Santa Cruz, Davao del Sur	2016
San Miguel Corporation Power Plant Project Phase 1 Unit 1	150	Malita, Davao Occidental	2016 (2 <sup>nd</sup> Semester)
San Miguel Corporation Power Plant Project Phase 1 Unit 2	150	Malita, Davao Occidental	2016 (2 <sup>nd</sup> Semester)
Diesel	132		
Therma Marine 1	100	Maco, Compostela Valley	1994
Power Barge 104	32	Davao City	2005
Embedded – Diesel	88.7		
Bajada Davao Light Power Plant	58.7	Davao City	
Engineering Equipment Inc. Power	15	Tagum City, Davao del Norte	2013
Mapalad Power Company Digos	15	Digos City, Davao del Sur	2014
Small Hydroelectric Plant	60.7		
Talomo HEP	4.5	Davao City	1998
Sibulan HEP	42.6	Santa Cruz, Davao del Sur	2010
Tudaya 1	6.6	Santa Cruz, Davao del Sur	2014
Tudaya 2	7	Santa Cruz, Davao del Sur	2014
Solar	28.6		
Enfinity Philippines Solar Plant	28.6	Digos City, Davao del Sur	2016
<b>TOTAL, DAVAO REGION</b>	<b>910</b>		

Source: DOE

This does not yet include the 300 MW San Miguel Corporation Coal Power Plant in Malita, Davao Occidental, which is expected to be commissioned in the second semester of 2016. Of the 910 MW installed capacity in the Region (including the San Miguel Coal Plant), 600 MW or 65.93 percent are from coal-fired power plants, 220.7 MW or 24.25 percent are from oil-based power plants, while 89.3 MW or 9.81 percent comes from renewable sources such as solar energy and hydropower.

As of the first semester of 2016, 77.14 percent of the Region's 968,825 potential household connections were already energized (Table 19.4). This exceeds the end-of-plan target of 70.28 percent. Household energization rate is highest at 88.21 percent in the franchise area of the Davao Oriental Electric Cooperative (DORECO), which covers the province of Davao Oriental; and lowest in the franchise area of Davao del Norte Electric Cooperative (DANECO) at 74.22 percent, covering the province of Compostela Valley and most of Davao del Norte. Even then, the household

energization rates by franchise area still exceed the end-of plan target.

**Table 19.4. Household Energization Rates by Electric Cooperative/ Power Utility in Davao Region, as of 1<sup>st</sup> Semester CY 2016**

Electric Cooperative/Power Utility	Franchised Area	Potential Household Connections	Energization Rate (%)
Davao Light and Power Company (DLPC)	Davao City, portions of Davao del Norte Province (Panabo City, Carmen, B.E. Dujali, Sto. Tomas)	406,125	76.19
Davao Oriental Electric Cooperative (DORECO)	Davao Oriental Province	110,125	88.21
Davao del Norte Electric Cooperative (DANEKO)	Compostela Valley Province, rest of Davao del Norte Province	245,300	74.22
Davao del Sur Electric Cooperative (DASURECO)	Davao del Sur Province	206,500	76.51
TOTAL		968,825	77.14

Source of Basic Data: NEA (electrical cooperatives), DLPC

### Intensifying access to information and communication technology

Intensifying access to information and communication technology was pursued through increased cellular mobile telephone system (CMTS) coverage wherein all 49 cities/municipalities in Davao Region shall host, at least, one cell site by 2016; from 47 municipalities in 2010. As of the first quarter of 2016, a total of 581 cell towers were installed in Davao Region. The target of having one cell site per municipality/city in Davao Region by the end of the Plan period had long been achieved in 2011. Private sector-led telecommunication investments by Smart Communications, Globe Telecom and Sun Cellular, have been growing along

with rapid global technology advancements and consumer demand. However, most of these cell sites are concentrated in the urban areas of the Region. 76 percent of the total number of cell sites is located in the Region's six cities. In Davao City alone, there are 341 cell sites or 59 percent of the Region's total number of cell sites (Table 19.5).

In line with "Internet for All" thrust identified in the Philippine Digital Strategy 2011–2016, the Department of Information and Communications Technology (DICT), formerly the Information and Communications Technology Office under the Department of Science and Technology, has commenced the implementation of the Free Wi-Fi Program.

**Table 19.5. Number of Cell Sites in Davao Region by Province/City, as of 1<sup>st</sup> Quarter CY2016**

Province	Number of Cell Towers	City	Number of Cell Towers
Davao del Sur (14)	48	Davao City	341
Davao del Norte (8)	22	Digos City	19
Davao Oriental (10)	25	Tagum City	44
Compostella Valley (11)	44	Panabo City	16
		Mati City	11
		IGACOS	11
TOTAL, DAVAO REGION	581		

Source: NTC XI

The program aims to enhance internet accessibility to Filipinos by providing free Wi-Fi service in public places such as public schools, hospitals, libraries, parks and plazas. The first tranche of program implementation in Davao Region for 2016 covers 86 beneficiary sites, of which 23 sites are in Davao del Sur, 21 in Davao Oriental and 42 in Davao del Norte. As of the second quarter of 2016, free Wi-Fi is already accessible at the Davao City Hall, Davao City National High School, People’s Park, Osmeña Park, Quezon Park, and Rizal Park, all in Davao City.

**Increasing access to education and health facilities**

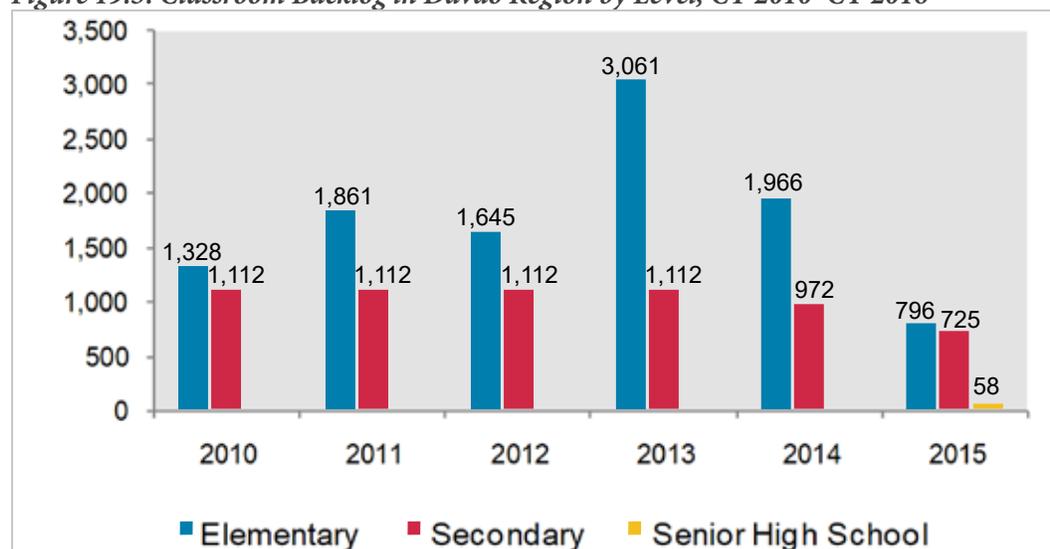
a. Education Facilities

The increasing efforts of constructing basic education classroom facilities in the Region have resulted in decreasing classroom backlog for the planning period 2010 to 2016. Classroom backlog for the elementary

level increased in 2010 to 2013 but declined beginning 2014 to 2015. From the baseline of 1,328 classrooms, classroom backlog for the elementary level had declined to 796 classrooms in 2015 (Figure 19.5). A total of 1,293 classrooms have been completed for the elementary level for the 1<sup>st</sup> Semester of 2016.

Secondary classroom backlog remained constant for the years 2010–2013 and started to decline beginning 2014 to 2015. From the baseline of 1,112 classrooms, classroom backlog for the secondary level declined to 725 classrooms in 2015. A total of 272 classrooms have been completed for the secondary level for the 1<sup>st</sup> Semester of 2016. With the implementation of the K to 12 Education Curriculum, the Senior High School Program requires the construction of additional classrooms to cater to Grades 11–12. A total of 1,407 classrooms have been completed for the senior high school level for the 1<sup>st</sup> Semester of 2016.

*Figure 19.5. Classroom Backlog in Davao Region by Level, CY 2010–CY 2016*



Source: DepEd XI

b. Health Facilities

Access to health facilities must improve to make basic health services available at

the community. The availability of health facilities in each barangay contributes to the overall improvement of health and nutrition status of barangay residents. Health facilities,

such as hospitals, rural health units (RHUs) and barangay health stations (BHSs), are among the main concerns being considered in the aspect of health infrastructure. Data from DOH in 2014 shows that out of the 1,142 barangays in Davao Region, only 875 barangays (or 76.2 percent) have their own BHS (Table 19.6).

Among the provinces, Davao Oriental had the lowest barangay coverage with only 59.56 percent while Davao del Norte Province had the highest barangay coverage with 93.10 percent. On the other hand, all of the Region's 49 cities and municipalities had at least one RHU. As of 2014, the Region had a total of 68 RHUs.

**Table 19.6. Number of Barangay Health Stations (BHS) and Rural Health Units (RHUs) in Davao Region by Province/City, CY 2014**

Province/City	Total Number of Barangays	Number of Barangays with BHS	Percentage (%)	Total Number of BHS	Total Number of RHUs
Davao Oriental	183	109	59.56	190	11
Compostela Valley	237	177	74.68	180	11
Davao del Norte	203	189	93.10	189	13
Davao del Sur	232	175	75.23	197	13
Davao Occidental	105	91	86.67	91	5
Davao City	182	134	73.63	134	15
TOTAL, DAVAO REGION	1,142	875	76.21	981	68

Source: DOH online National Health Facility Registry V2.0 (<http://nhfr.doh.gov.ph/rfacilities2list.Php> accessed on 26 Sep 2016)

Davao Region is likewise served by 20 government hospitals (Table 19.7). The Region hosts two Level 3 hospitals, namely: the Southern Philippines Medical Center in Davao City which is the biggest public hospital in Mindanao, and the Davao Regional Medical Center in Tagum City. The

total number of hospital beds from these public hospitals is not sufficient to cater to the required population. Private hospitals compensate the deficiency including other public health facilities including RHUs and BHSs which provide vital support services.

**Table 19.7. Number of Government Hospitals in Davao Region by Category and Province/City, CY 2014**

Province/City	Number of Government Hospitals				Total
	Infirmery	Level 1	Level 2	Level 3	
Davao Oriental	3	1	1		5
Compostela Valley		4			4
Davao del Norte		3		1	4
Davao del Sur	1		1		2
Davao Occidental	3				3
Davao City	1			1	2
TOTAL, DAVAO REGION	8	8	2	2	20

Source: DOH XI Website (accessed on 26 Sep 2016)

## Future Development Scenario

With the current administration's spending priorities, public investment in the infrastructure sector of Davao Region is projected to significantly increase in the medium-term. It is anticipated that the private sector shall reciprocate the robust investment climate.

Priority investment in the Region shall focus on enhancing the internal circulation, mobility and external linkages. The Region shall expect observable changes in its physical landscape as major infrastructure projects shall have been completed or initiated such as the Davao City Bypass Road Construction Project, Davao City Coastal Road Project and the Davao Airport Development, Operations/Maintenance Project. The facilities shall be built and aimed at enhancing the intra- and inter-regional connectivity that will support the increasing demand to travel in and out of the Region as the City shall host growing number of meetings, conventions and exhibitions initiated by the public and private sectors. All three projects located in Davao City, the regional capital and the home city of the President of the Philippines shall become the *de facto* administrative center of the country.

The cities of Davao, Panabo and Tagum, considering its proximity with each other, shall expect to draw and share more investment in property development to accommodate transients or the increase of the Region's population due to in-migration. Access to sufficient, affordable and decent economic and socialized housing shall improve in these localities. The growing population will further spur trade and commerce and other related economic activities especially in services to include the expansion of business process outsourcing activities. It shall trigger the development

of a public transit system to facilitate mass movement of people on these cities.

The information and communication subsector shall likewise be aggressive to complement in intensifying access to high-quality and cost-effective communication, internet and broadband technologies in the Region. The creation of the Department of Information and Communication Technology and the operationalization of the National Broadband Plan are important factors in contributing to achieving the subsector outcome.

In addition, the private sector shall respond to increase power requirement. The existing coal power plants will expand capacity and the solar and hydro-power plants shall be constructed and brought on grid. The development or upgrading of roads leading to tourism and industrial development areas shall be implemented regionwide to respond to the demand from tourist and business firms wanting to invest in the Region. The construction of RO-RO ports and fast-craft jetties around Davao Gulf shall complement improvements in the road transport facilities and services.

Overall, in the medium-term period, the putting in place of essential infrastructure components for the development of the Linear Urban Corridor shall have been initiated towards the establishment of the Metropolitan Davao as outlined in the Davao Region Spatial Development Plan (DRSDF), 2015–2045.

## Challenges

### A. Limited internal mobility and connectivity of rural production areas and the market

In 2014, Davao Region had a road density of 0.86 kilometer per square kilometer of land, which is below the standard road density of

one kilometer per square kilometer of land. In order to achieve the standard road density for Davao Region, an additional 2,762.68 kilometers of road have to be constructed. Among the areas in Davao Region that need to be provided with additional road projects are Davao Oriental, with 3,307.13 kilometers; Compostela Valley with 817.86 kilometers; and, Davao City, with 92.83; kilometres in order to meet the standard road density ratio.

### ***B. Limited domestic and international connectivity of Francisco Bangoy International Airport***

Currently, the FBIA has only 5 local connections and 1 international connection. There is a need to expand air linkages to further enhance the competitiveness of Davao Region and Mindanao Island.

### ***C. Limited capacity of existing facilities of FBIA and Sasa Port to present and future requirements***

The passenger terminal building of the FBIA was designed to accommodate 3.2 million passengers in a year based on Service Level A. In 2015, the total number of passengers had already breached its design capacity resulting in passenger congestion during peak hours.

The poor facilities at the Davao Sasa Port also resulted in decreasing ship calls and cargo traffic from 2010 to 2015. Major clients of Sasa Port had been transferring to the newly established commercial private port with better facilities in Panabo City, with faster and safer cargo-handling procedures.

### ***D. Limited access of rural areas to Level II and Level III water supply facilities***

In 2015, there were still 52,519 households in Davao Region which did not have access to potable water supply. The biggest number of these households was in Davao del Norte Province.

### ***E. Slow development/increase in irrigation service coverage***

The development of irrigation services had been very slow over the years with the target irrigation development rate remaining unmet. As of the first semester of 2016, irrigation development is pegged at 62.63 percent, which corresponds to 69,115 hectares of irrigation service area. However, the updated inventory of Davao Region's potential irrigable areas reflected an increase of 147,313 hectares. Based on the said inventory, irrigation development in the Region is even lower at 46.92 percent as of the first semester of 2016. The low accomplishment rates on irrigation targets are mainly attributable to actual budget releases of NIA Central Office to NIA Regional Office XI which were lower than the programmed amount.

Other reasons for unmet irrigation targets are the delays in the actual implementation of irrigation projects due to the following factors: a) right-of-way problems during construction, b) bad weather, flooding, landslides and unstable peace and order situation in project sites which hampered the progress of construction, c) non-feasibility of projects due to inadequate source of water, disinterested farmers, new zoning of areas and inaccessibility of the area resulting to high costs; and, d) lack of technical experts at the NIA to conduct Feasibility Studies for Small Irrigation Projects, necessitating the procurement of consultancy services.

### *F. Low energization rate of households in rural and off-grid areas*

The Region's target household energization rate was exceeded at 77.14 percent; however, several factors still contribute to the non-achievement of full household coverage. Among the identified factors impeding the increase of household energization in Davao Region is the accessibility of rural areas which require the acquisition of right-of-way for power distribution lines. Further, electrical permit applications fees and other house wiring costs are not the priorities of low income families in these areas. Household energization rate is highest at 88.21 percent in the franchise area of the Davao Oriental Electric Cooperative (DORECO), which covers the province of Davao Oriental; and lowest in the franchise area of Davao del Norte Electric Cooperative (DANECO) at 74.22 percent, covering the province of Compostela Valley and most of Davao del Norte.

### *G. Vulnerability of power supply to weather related factors*

The Mindanao Power Grid, which supplies the power requirements of Mindanao Island including Davao Region, sources 1,060.6 MW or 35 percent of the power supply from hydroelectric power plants which is very susceptible to the effects of climate change such as the El Niño phenomenon. Low water levels in Mindanao's hydroelectric dams had been the cause of several brownouts in Davao Region. The challenge especially with the effects of Climate Change is to pursue affordable, reliable and modern energy while increasing the share of renewable energy in the energy mix.

### *H. Depreciated and unsecured power transmission lines*

The Mindanao-wide System blackout on 5 April 2015 was caused by a detached conductor (due to corrosion of the material) in the transmission tower that triggered the tripping of the System. Implementation of regular maintenance requirements and knowledge of the life span of equipment/facility could have prevented the detachment of the conductor. There is an urgent need to inventory the actual physical condition of the existing power transmission lines especially those ageing and depreciated.

The bombing incidents of transmission towers by lawless elements in the past three years is a cause for concern. The incidents resulted to extended brownouts in parts of Mindanao including Davao Region.

### *I. Limited access to high-quality and cost-effective communication, internet and broadband technology*

Based on the Philippine Digital Strategy, 2011–2016 of the Commission on Information and Communications Technology, worldwide test results show that the average download speed in the Philippines is only 2.34 Mbps, while the average upload speed is 0.65 Mbps. In contrast, average download speed in South Korea is 20.94 Mbps, and in Japan and Hong Kong, 15.77 Mbps and 9.56 Mbps, respectively. A speed of 500 Kbps to 1 Mbps can give users the capability to do basic e-mail, browse simple websites, and stream music and low-quality videos. A speed between 1 Mbps and 5 Mbps, on the other hand, will already enable users to browse more complex sites, send and receive e-mails with larger attachments, share small and medium files, stream music, and watch digital broadcast video on one channel. In countries, however, like South Korea and Japan where Internet connection speeds average between 15 Mbps and 20

Mbps, applications like tele-medicine, educational services, standard and high-definition video, high-quality tele-presence, high-definition surveillance, and smart or intelligent building control are possible.

#### *J. Persistent classroom backlogs for all levels of basic education*

Education is the driving force for improving the quality of human capital of the Region that would contribute to the development across all sectors of the economy. This poses a need to eliminate the existing classroom backlogs in all levels of basic education. Existing classroom backlogs hinder students from receiving quality education through an environment conducive to learning and critical thinking.

#### *K. Limited access to and poor quality of health facilities/infrastructure*

Although the number of health facilities in Davao Region had increased, only 76.2 percent of the total number of barangays had Barangay Health Stations (BHS), thus not meeting Plan target of 94.92 percent barangay coverage. Based on submitted reports by Local Government Units some of the newly constructed BHS under the Health Facilities and Enhancement Program (HFEP) of the Department of Health are not fully operational due to physical defects (poor quality of workmanship and materials), while other existing BHS needs repair and/or improvement

#### *L. Delayed implementation of infrastructure projects*

The implementation of infrastructure projects contributing to development targets, such as the paving of national roads, upgrading of national bridges, construction and improvement of irrigation facilities,

among others, were not completed within their targeted sCHEdules. Common reasons for delays are delayed acquisition of right-of-way, obstructions of utilities within construction limits, unstable peace and order situation, unworkable weather condition, contractor's capacity problems, and flaws in the original design.

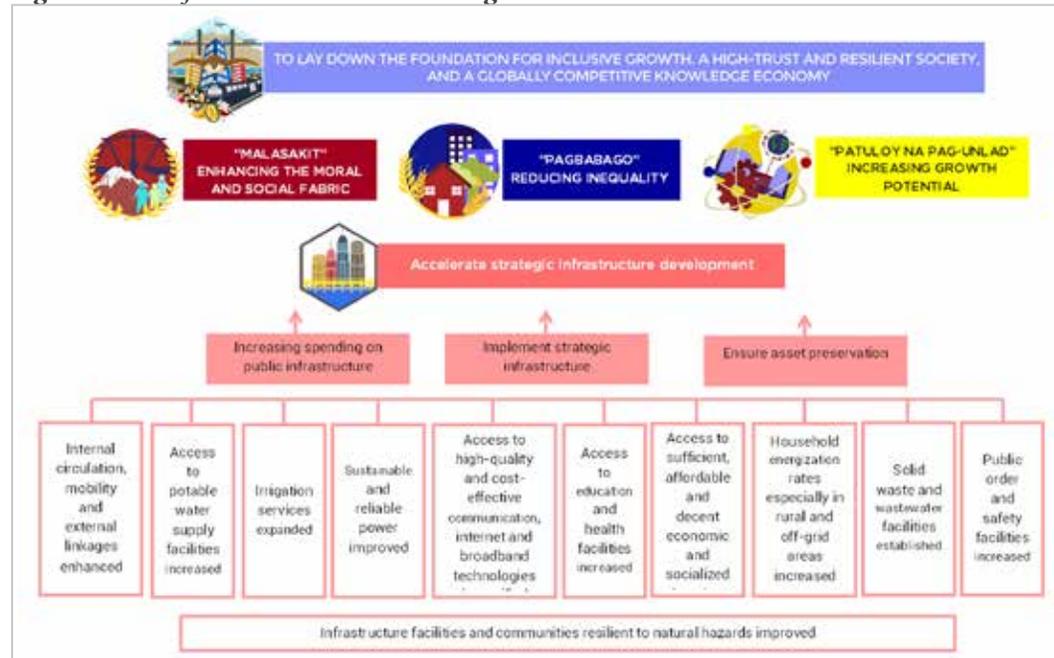
#### *M. School buildings not designed to disaster-prone environments*

There is a need for education facilities to adapt disaster-resilient standards as occurrence of disaster events in the Region is increasing. Existing structures should undergo rehabilitation/retrofitting and the construction of new facilities must comply with the standards as prescribed in the 2014 Simplified Construction Handbook for School Buildings.

## II. Strategic Framework

The strategic framework for the infrastructure sector supports all three pillars and intermediate goals of enhancing the social fabric, reducing inequality, and increasing the growth potential of Davao Region as shown in Figure 19.6.

Figure 19.6. Infrastructure Sector Strategic Framework



### Outcomes

The accelerated development and sustainable operation of the infrastructure facilities and services of Davao Region shall respond to the challenges previously elaborated and achieve the following outcomes, namely:

1. Growth supported
2. Connectivity improved
3. Investment climate and the Region's competitiveness improved
4. Vulnerability of communities reduced
5. Human development outcomes improved

Achieving these outcomes shall contribute to the attainment of the Region's societal goal on laying down the foundation for inclusive growth, a high-trust society, and a globally competitive knowledge economy.

On one hand, the attainment of the sector outcomes on supporting growth, as well as on improving the investment climate and connectivity requires that internal circulation, mobility and external linkages are enhanced, power is sustainable and reliable, irrigation services are expanded, and access to high quality and cost-effective communication, internet and broadband technologies are intensified.

The sector outcomes on improved human development and reduced vulnerability

of communities shall have been achieved with access to education, potable water and health facilities, the household energization rate especially in rural and off-grid areas are increased, public order and penal facilities increased, as well as the solid and wastewater facilities established. Further, to ensure that the infrastructure sector

intermediate outcome is achieved, designs of all critical (lifeline) facilities shall be improved, incorporating disaster-resilient designs standards. The communities, especially those in urban areas that are prone to landslides, as well as river and coastal areas are provided with facilities to mitigate the negative impacts of disasters.

### III. Targets

The development targets for the Plan period of the infrastructure sector shall cover eleven (11) subsectors, including:

1. Internal circulation, mobility and external linkages enhanced
2. Access to potable water supply facilities increased
3. Irrigation services expanded
4. Sustainable and reliable power improved
5. Access to high-quality and cost-effective communication, internet and broadband technologies intensified
6. Access to education and health facilities increased
7. Access to sufficient, affordable and decent economic and socialized housing improved
8. Household energization rate especially in rural and off-grid areas increased
9. Solid waste and wastewater facilities established
10. Public order and penal facilities (police station and jail) increased
11. Infrastructure facilities and communities resilient to natural hazards improved

**Table 19.8. Targets on Accelerating Infrastructure Development in Davao Region, CY 2017–2022**

Indicators	Baseline		End-of-plan Target
	Year/2016	Value	
Societal goal: Foundation for inclusive growth, a high-trust society and a globally competitive knowledge-economy established			
Internal circulation, mobility and external linkages enhanced			
Road Transport			
Increased length of paved national road			
Secondary	2016	94.18%	100% (by 2018)
Tertiary	2016	86.14%	100% (by 2018)
Increased length of permanent bridges along national road			
Secondary	2016	100%	100%
Tertiary	2016	98.04%	100%
Sea Transport			
Increase number of vessels			
Sasa Port	2016	844	6,281
Mati Port	2016	97	718
DICT Port	2016	455	3,385
Other Government Ports	2016	27,920	207,929
Other Private Ports	2016	1,717	12,779
Increase cargo throughput			
Sasa Port	2016	5,973,446.00	44,487,302.54
Mati Port	2016	122,339.00	911,121.02
DICT Port	2016	2,123,413.00	15,814,140.89
Other Government Ports	2016	85,819.00	636,903.66
Other Private Ports	2016	7,658,045.00	57,033,371.50
Air Transport			
Increase passenger traffic at Francisco Bangoy International Airport			
Domestic	2015	3,154,736	29,452,263
International	2015	50,969	475,841
Increase number of flights at Francisco Bangoy International Airport			
Domestic	2015	21,355	199,369
International	2015	757	7,067
Increase cargo volume at Francisco Bangoy International Airport			
Domestic	2015	57,006,674	532,207,929
International	2015	75,526	705,102
Increase number of routes/ connection at Francisco Bangoy International Airport			
Domestic	2015	6	8
International	2015	1	3
Access to potable water supply facilities increased			
Percentage of HHs with access to safe water supply increased	2015	94.60%	tbd
Percentage of HHs with access to basic sanitation increased	nd	nd	nd

**Table 19.8 (con't). Targets on Accelerating Infrastructure Development in Davao Region, CY 2017–2022**

Indicators	Baseline		End-of-plan Target
	Year/2016	Value	
<b>Irrigation services expanded</b>			
Ratio of actual irrigated area and area required for agricultural development increased	2016	47.62	56.49
<b>Sustainable and reliable power improved</b>			
Available capacity power generated from within Davao Region increased, in megawatt (MW)	2016	610 MW	1,068.3 MW
<b>Household energization rate especially in rural and off-grid areas increased</b>			
HHs with electricity increased, in percent	2016	771,250	167,209
<b>Access to education and health facilities increased</b>			
Classroom to pupil ratio improved	nd	nd	nd
Classroom units produced	nd	nd	nd
Classroom Backlog	nd	nd	nd
Elementary	2015	796	tbd
Secondary	2015	725	tbd
Senior High	2015	58	tbd
Percentage of barangays without health centers	2015	23.79%	tbd
Number of socialized housing units provided	nd	nd	nd
<b>Access to high-quality and cost-effective communication, internet and broadband technologies intensified</b>			
Number of cell towers	2016	581	tbd
<b>Solid waste and wastewater facilities established</b>			
Percentage of LGUs with Sanitary Land Fills	nd	nd	nd

## IV. Priority Strategies

### Strategies across infrastructure subsector

1. Pursue integrated infrastructure planning and strategically invest especially in the construction of critical (lifeline) infrastructure facilities.
2. Institutionalize the planning, designing and construction of infrastructure facilities with disaster-resilient standards.
3. Optimize the use of the PPP Scheme in the construction of strategic and critical (lifeline) infrastructure facilities.
4. Design and implement infrastructure facilities that reduce (if not eliminate) gender issues and achieve gender equality results, as well as enhance the mobility of the persons with physical disability and senior citizens.
5. Integrate green building principles and technologies in the design and implementation of sustainable infrastructure facilities including the provision of green spaces, parks and playgrounds that will enhance liveability especially in urban areas.
6. Strengthen coordinative mechanism between NGAs and LGUs in the acquisition of Right-of-Way (ROW) and project-related permits such as Environmental Compliance Certificate (ECC), Free and Prior Consent (FPIC) including ensuring the security and safety in the implementation of government projects.
7. Integrate in the design and

implementation of infrastructure facilities that will promote Filipino arts, culture and values.

8. Institutionalize an integrated approach to infrastructure facilities and services provision in the urban and regional planning to enhance environmental quality and economic well-being (quality of life in general) of urban areas.

## Internal circulation, mobility and external linkages enhanced

### a. Mass/Rail Transport

#### Strategies

1. Develop an inter-regional cargo and passenger rail transport system.
2. Develop a viable urban mass transport system in Davao City including the urban corridor along the cities of Tagum, Davao, and Digos.

#### Programs, Activities and Projects

1. Urban mass transport in major cities of Davao, Tagum, and Digos
2. Mindanao Railway Project (Davao Region Component)

### b. Road Transport

#### Strategies

1. Improve connectivity of national roads with local roads especially those to link key production and tourism areas.
2. Implement travel demand management, as well as integrate land use and transport management in the cities of Davao, Digos, Tagum, and Panabo.
3. Enhance the financial, technical and overall management capacity of LGUs in local road network development, implementation, operations and

maintenance.

4. Improve overall condition of non-motorized transport in urban areas including the cities of Davao, Tagum, and Digos.

#### Programs, Activities and Projects

1. Concrete paving of national (primary, secondary and tertiary) road network
2. Upgrading to permanent category of all bridges along national road network
3. Retrofitting of existing national roads (N1 and other primary roads) with disaster resilient standards including roads leading to key agricultural production and tourism areas
4. Widening of national roads and bridges (N1 and other primary roads)
5. Opening and/or construction of farm-to-market roads on identified key agricultural production areas, as well as improving access to tourism areas especially in Davao Oriental, Compostela Valley and Davao City
6. Construction of bypass road/expressway in Davao City
7. Opening and/or construction of alternate roads linking Compostela Valley and Davao Oriental
8. Construction of coastal road in Davao City
9. Complete the missing gaps connecting the national road in Davao Occidental Oriental
10. Procurement of road right-of-way during detailed engineering phase
11. Construction of Davao-Samal Bridge
12. Improvement/construction of pedestrian and bicycle facilities in urban areas including the cities of Davao, Tagum, and Digos
13. Improvement/Construction of Sarangani Circumferential Road

### c. Sea Transport

#### Strategies

1. Increase the capacity and improve the facilities of major ports along Davao Gulf for international and trans-shipment of cargo in the Asean Region including the enhancement of ports linkages to road transport network.
2. Develop water transport system (with fast-craft or ro-ro enabled ports for passenger and cargo) in the Davao Gulf to serve the provinces of the Region with the Island Garden City of Samal as the sea transport hub.

#### Programs, Activities and Projects

1. Improvement/modernization of Sasa Port including rehabilitation/expansion of the quay, modernization of port cargo equipment and passenger terminal to Samal
2. Road widening of access roads leading to Sasa Port and other government ports
3. Improvement of other ports along Davao Gulf such as Malalag Port, Tagpopongan Port, Sta. Cruz (Tagabuli) Port and Digos (Dauis Port)
4. Construction/improvement of ports in Davao Oriental (Baganga, Cateel, and San Isidro) and Davao Occidental (Jose Abad Santos and Sarangani)

### d. Air Transport

#### Strategy

1. Improve the capacity and modernize airport facilities, as well as the air navigational equipment of Francisco Bangoy International Airport.

#### Programs, Activities and Projects

1. Improvement/modernization of Francisco Bangoy International Airport including repainting and expansion of airport terminal building, rehabilitation of I.T. system, conversion of lighting system into LED lights, replacement of the airport centralized air conditioning system, escalator and elevator, as well as expansion of airport cargo terminal
2. Improvement of Mati Airport

### Access to potable water supply facilities increased

#### Strategies

1. Integrate water system facilities of small and medium size cities and municipalities.
2. Capacitate communities in the development and operations of community-based Level II and Level III water supply systems.
3. Institutionalize sustainable water supply management practices in the communities.
4. Promote rainwater harvesting facilities for non-potable uses.

#### Programs, Activities and Projects

1. Construction/upgrading of water supply facilities to expand coverage areas to Level II and III
2. Establishment of an integrated water system facility for small and medium size municipalities and cities
3. Construction/establishment of community water supply systems in rural areas
4. Conduct of extensive but calculated resistivity surveys to identify potential sources of underground water especially those areas with limited sources of potable water

5. Rainwater harvesting facilities program for other domestic uses
6. Davao City Bulk Water Project (using Tamugan River)

### **Irrigation services expanded**

#### **Strategies**

1. Complete the mapping (GIS format) of potential irrigable area and prioritize the implementation of activities that would generate new service areas.
2. Upgrade capacities of the technical personnel of NIA XI and LGUs on irrigation tools and technologies for design and detailed engineering.
3. Rationalize the sustainable use of water resources across sectors.
4. Strengthen partnerships between farmer-irrigators, NIA XI and the private sector in the management of irrigation facilities.
5. Advocate the support of private sector through “adopt a watershed” program to ensure sustainability of water resources.
6. Improve the financial and operational capacity of the National Irrigation Administration in implementing strategic development of new irrigation service areas.

#### **Programs, Activities and Projects**

1. Construction/rehabilitation of small reservoir irrigation, national irrigation and small irrigation facilities
2. Opening/rehabilitation of access roads leading to the irrigation facilities
3. Construction of water impounding facilities
4. Reforestation/ rehabilitation of watershed areas

## **Sustainable and reliable power improved**

#### **Strategies**

1. Fast-track ERC approval process on power supply agreement between Distribution Utilities and power plants, as well as on capital expenditure.
2. Closely coordinate with LGU on the proper placement of billboards and large tarpaulins near power lines.

#### **a. Generation**

#### **Strategies**

1. Rehabilitate major power plant assets particularly Agus and Pulangi Hydro-electric Power Plants.
2. Facilitate the development of run-of-the-river hydro-power generation facilities in irrigation canals and micro-hydro projects to supply rural and off-grid areas.
3. Foster healthy power supply competition.
4. Establish clear and consistent national policies in energy development.
5. Pursue the aggressive identification, promotion and development of commercially viable potential renewable energy sources, including the utilization of solar energy and biomass for post-harvest agricultural processing.
6. Develop/utilize waste-to-energy technology for generation of additional power and complement the reduction or utilization of solid waste in urban areas.

#### **Programs, Activities and Projects**

1. Construction of biomass and solar power plants/system for power generation
2. Preliminary technical studies on identified potential renewable energy

sources

3. Investment promotion activities for the development of identified potential renewable energy sources
4. Construction of 150-MW Therma South Coal-fired Power Plant in Davao del Sur/Davao City (private sector led investment)
5. Phase II of the SMC Davao Power Plant Project (300-MW) in Davao Occidental/Malita (private sector led investment)
6. Phase III of the SMC Davao Power Plant Project (600-MW) in Davao Occidental/Sur/Malita (private sector led investment)
7. 328 MW SMC Global Power (4 x 82 MW) in Barangay Darong, Sta. Cruz Davao del Sur
8. 5.883 MW TPI Diesel Power Plant in Mati City, Davao Oriental
9. 20 MW Pansia Malita Diesel Power Plant in Malita Davao Occidental
10. 140 MW Davao Hydroelectric Power Project in Davao City

## b. Transmission

### Strategies

1. Establish robust Mindanao Power Grid transmission facilities.
2. Pursue the interconnection of Mindanao and Visayas Power Transmission Grids.

## c. Distribution

### Strategy

1. Implement missionary electrification and joint venture massive rural electrification activities between and among electric cooperatives and LGUs particularly in rural and off-grid areas.

## Access to high-quality and cost-effective communication, internet and broadband technologies intensified

### Strategies

1. Expand rural ICT infrastructure such as CMTS, CATV and broadband internet connectivity including identified key production and tourism areas.
2. Promote modern ICT investments especially subsidies for poor communities in establishing TECH 4 ED in all barangay, municipal, city and provincial centers.
3. Advocate PPP models for backbone fiber-optic roll out.
4. Streamline permit requirements and processes in the acquisition of right-of-way for cellsites.
5. Foster synergy among utility and road companies to facilitate the acquisition of right-of-way and energization for ICT infrastructure.
6. Intensify information drive on the misconceptions of the health hazards of cellsites.
7. Promote public and encourage private investments in the provision of free WiFi in public areas.

### Programs, Activities and Projects

1. Free Wi-Fi Internet Access in Public Places
2. Technology for Education to gain Employment, Train Entrepreneurs towards Economic Development (TECH 4 ED)
3. PLDT Access Network Modernization in Davao City
4. PLDT Davao - PLDT Tagum Fiber Optic
5. PLDT Davao-PLDT Digos, PLDT Bayugan-PLDT Tagum Fiber Optic

6. Davao FiTL 9 Overlay
7. San Francisco – Bislig Fiber Optic
8. Mati-Tagum Fiber Optic
9. DFON Loop 7
10. MSAP expansion in Loop 6 (MSAP 12B)
11. Smart LTE/3G/2G network upgrade
12. E- Barangay Information System
13. Community-Based Health Mapping System

## Access to education facilities increased

### Strategies

1. Pursue a sustainable and demand-responsive schoolbuilding program.
2. Maximize support of the Local Government Units in financing the construction of school building.
3. Upgrade minimum design requirements for school building to include potable water and sex-segregated basic sanitation facilities.
4. Expand mobile classrooms as alternative delivery mode of education service especially in far-flung or remote areas.
5. Implement the existing policy on the standards on the provision of separate sanitary toilets and basic drinking water and hand washing facilities in all levels of basic public education.

### Programs, Activities and Projects

1. School Building Program by the National Government and the Local Government Units (through SEF)
2. Adopt-a-School Program
3. Retrofitting of existing and construction of school buildings integrating disaster-resilient standards
4. Upgrading of existing and construction of school buildings integrating potable water supply and basic sanitation facilities

5. Implement the existing policy on the standards on the provision of separate sanitary toilets and basic drinking water and hand washing facilities in all levels of basic public education facilities

## Access to health facilities increased

### Strategies

1. Rationalize the construction of health facilities funded by the National Government.
2. Maximize support of the Local Government Units in financing the construction of Barangay Health Stations.
3. Require the provision of potable water and basic sanitation facilities in the design and construction of all health facilities especially in the Barangay Health Stations.

### Programs, Activities and Projects

1. Health Facilities Enhancement Program particularly Barangay Health Stations in Davao Oriental, Compostela Valley, Davao del Sur, and Davao City
2. Adopt-a-Health Station Program
3. Upgrading of existing and construction of health facilities integrating potable water supply and basic sanitation facilities

## Access to sufficient, affordable and decent economic and socialized housing improved

### Strategies

1. Strengthen advocacy for the establishment and maintenance of the database on the inventory of informal

- settlers among LGUs
- 2. Institutionalized land-banking among LGUs for housing purposes
- 3. Strengthen the local PMCC in monitoring compliance with housing construction standards

#### **Programs, Activities and Projects**

- 1. Resettlement /housing assistance program for informal settlers including the IPs
- 2. Settlements upgrading program
- 3. Low and medium rise housing program

## Household energization rate especially in rural and off-grid areas increased

#### **Strategies**

- 1. Privatize distressed or mismanaged electric cooperative organizations.
- 2. Optimize the use of ER 1-94 funds to improve household access to electricity particularly in rural and off-grid areas.
- 3. Pursue the installation of a wholesale electricity spot market in Mindanao.
- 4. Decentralize at the regional level the application and approval of capital expenditure power development projects.
- 5. Implement a comprehensive and sustainable energy efficiency and conservation program.

#### **Programs, Activities and Projects**

- 1. Sitio Energization Program for Davao del Norte and Compostela Valley
- 2. Barangay Line Enhancement Program for Davao del Norte and Compostela Valley
- 3. Household electrification program for Davao del Norte and Compostela Valley
- 4. Resolve management issue at DANECO

## Solid waste and wastewater facilities established

#### **Strategies**

- 1. Optimize the use of the Public-Private Partnerships (PPP) scheme in the construction of solid waste and wastewater facilities.
- 2. Integrate sanitary landfill and wastewater facilities of small and medium size cities and municipalities.
- 3. Intensify the enforcement of environmental laws particularly on the reduction in the volume of solid waste at source under the RA 9003, as well as other pertinent provisions of RA 9275 and RA 6969.

#### **Programs, Activities and Projects**

- 1. Construction of integrated solid waste and wastewater facilities for small and medium size cities and municipalities in Davao Region
- 2. Construction of Environmentally Sound Technologies (EST) for wastewater and stormwater management in all cities in Davao Region
- 3. Septage Management Program for Davao City
- 4. Sustainable implementation of solid waste and wastewater management program
- 5. Sustained strict enforcement of appropriate environmental laws such as Solid Waste Management Act (RA 9003), Clean Air Act (RA 8749), Clean Water Act (RA 9275), Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990 (RA 6969)

## Public order and penal facilities increased

### Strategies

1. Construct police stations to unserved areas
2. Upgrade and improve existing police stations providing basic facilities/utilities such as adequate and clean water supply and hygienic sanitation facilities
3. Construct new prison facilities to unserved areas
4. Reduce congestion by upgrading, expanding and building of district, city and municipal jails and female dormitories
5. Improve living conditions for detainees and prisoners by providing basic facilities/utilities such as adequate and clean water supply and hygienic sanitation facilities, as well as infirmaries

## Infrastructure facilities and communities resilient to natural hazards improved

### Strategies

1. Optimize the use of structural and non-structural measures to mitigate impacts of natural disasters especially in urban areas
2. Retrofit existing critical (lifeline) infrastructure facilities with disaster-resilient designs

### Programs, Activities and Projects

1. Retrofitting of existing and construction of all critical (lifeline) infrastructure facilities integrating disaster-resilient standards
2. Construction of structures and establishment non-structural measures to mitigate negative effects of natural hazards especially those in urban areas prone to landslides, as well as river and coastal flooding
3. Preparation of Flood Master Plan for the cities of Davao Region

## V. Priority Legislative Agenda

### Internal circulation, mobility and external linkages enhanced

1. Recommend the institutionalization of a rationalize counterpart funding scheme of Local Government Units in National Government funded farm-to-market road projects especially in low-income municipalities
2. Support the policy of direct release system of fund assistance on local road construction project by the National

- Government to the Local Government Unit
3. Advocate for the increase in the share of Local Government Units in the Motor Vehicle Users Charge-Special Local Road Fund
4. Support action to streamline Philippine Ports Authority review and clearance procedure in the issuance of permit in the development of private ports
5. Advocate the creation of an Airport Authority for the Francisco Bangoy International Airport

## Sustainable and reliable power improved

1. Advocate National Government (through DENR) policy support on the development and operation of coal-fired power plants that are compliant with ECC guidelines
2. Privatize ageing major hydro-electric power plant assets.

## Access to high-quality and cost-effective communication, internet and broadband technologies intensified

1. Support legislative proposals on the imposition of higher penalty on telecommunication fraud and pilferage
2. Advocate the passage of ordinance by Local Government Units requiring online verification of business permits from Business Process Licensing Office (BPLO)
3. Support legislation prescribing a uniform, simplified, speedy permit approval for ICT projects
4. Advocate for a law requiring all property developers to provide conduits for telephone companies
5. Advocate the harmonization of National Government's Telecommunication Act Reforms with Local Government Units ordinances
6. Request Congress to amend the Administrative Code to mandate automation and impact sourcing
7. Recommend to Congress the strengthening of the NTC Charter with a private sector representative and a fixed term
8. Recommend to Congress the review of the Telecommunication Act to incorporate auction of frequencies, remove value-adding for TelCos and

9. Recommend the amendment of RA 9184 to reduce risks and fast track ICT projects
10. Recommend the amendment or enact laws providing incentives for ICT innovations to NGAs and LGUs
11. Recommend the amendment of the National Building Code to require the provision of broadband infrastructure in all structures
12. Push for the integration of passive broadband infrastructure in all public works

## Access to education facilities increased

1. Recommend the enactment of a law requiring the establishment of accessible learning centers to cater to children in all barangays located in far-flung areas

## Household energization rate in urban, rural and off-grid areas increased

1. Advocate for the streamlining of the process and evaluation of ER 1-94 project proposals especially for rural and off-grid areas

## Solid waste and wastewater facilities established

1. Support action to prescribe Local Government Units to provide incentives to public and private institutions implementing "segregation at the source" of solid waste and recycling programs

## VI. Priority Research Agenda

### Access to potable water supply facilities increased

1. Conduct of inventory and establishment of database on potential potable water supply sources such as ground water and surface water
2. Study the technical viability of collecting, treating and distributing rainwater for public water systems

### Irrigation services expanded

1. Conduct of field research to identify strategic areas ideal to construct water impounding projects

### Sustainable and reliable power improved

1. Investment-grade study on potential renewable source of power

### Access to high-quality and cost-effective communication, internet and broadband technologies intensified

1. Policies towards the attainment of a digital nation
2. PPP regional expansion in ICT investment in ASEAN
3. Regional ICT Governance structure, architecture, standards, interoperability, sustainability, etc.
4. ICT infrastructure plan for Davao City
5. Potential impacts of ICT integration in all sectors to generate disaggregated poverty and other data

6. Best Practices in ICT capability building among LGUs for rural impact sourcing
7. Effectiveness/benefits of ICT innovations among LGUs

### Access to education facilities increased

1. Establish a mapping model to identify efficient school building sites to cater to children in far-flung areas

### Access to health facilities increased

1. Establish a database on the location of all health facilities (Barangay Health Stations, Rural Health Units, Health Centers) to determine its effectiveness to its service area

### Household energization rate especially in rural and off-grid areas increased

1. Study on the reliable and cost effective provision of power for rural off-grid areas including island communities such as the Island Garden City of Samal with Talikud Island and the Municipality of Sarangani in Davao del Sur
2. Study on the power stabilization for NPC-SPUG managed missionary areas

### Solid waste and wastewater facilities established

1. Integrated solid waste and wastewater facilities for small and medium size municipalities and cities in the Region

20

Maintaining  
Ecological Integrity,  
Clean and Healthy  
Environment



# Maintaining Ecological Integrity, Clean and Healthy Environment

The long-term government development policy and the President's 0-10 point agenda on sustainable economic growth and poverty reduction depend significantly on improving public service delivery and accountability and encouraging greater and more responsive private investment. Given that the economy and private income are highly dependent on primary resources, the responsible management and utilization of natural capital is essential in meeting future development goals and preventing excessive environmental costs. Likewise, the lack of appropriate natural resources management interventions resulting in environmental degradation will deplete resource inventories and compromise short term economic gains by larger, longer term costs.

The major challenge facing Davao Region is how to ensure that the environment and its resources are sustainably managed for the present and future generations. This Chapter provides the roadmap towards attaining healthy and balanced environment to enhance ecosystem services and achieve sustainable growth.

## I. Assessment and Challenges

### Assessment

The overall goals for the environment and natural resources (ENR) sector are: to conserve, protect, and rehabilitate Davao Region's forest cover; improve the Region's state of biodiversity and ecosystems; ensure good quality of air and water and increase the capacity of National Government Agencies (NGAs) and Local Government Units (LGUs) in the Region in the enforcement of policies and implementation of interventions toward sustainable environment and natural resources; and increase resilience to disaster risks and climate change.

### *Conserving, Protecting, and Rehabilitating Davao Region's Forest Cover*

Davao Region's forestland was estimated at 1,216,544 hectares based on the 2015 Cadastral/Political Boundary survey conducted in the Region delineating the political boundaries of the provincial up to the barangay level. The classified forestland area is about 62 percent of the total land area of the Region while the remaining 38 percent was classified as alienable or disposable land. The total forest cover was estimated at 132,074 hectares.

Executive Order (EO) No. 26 established the National Greening Program in 2011 to

increase the nation's forest cover in a period of six years, from 2011–2016. In Davao Region, a total area of about 71,018 hectares has been covered in 2011–2015, exceeding the target by about 111 percent or a total of 22,026 (Table 20.1). This is an increase of 408 percent since the implementation of the program in 2011. This increase was partly attributed to the “Treevolution: Greening MindaNOW”, an activity conducted on September 26, 2014 participated by the different sectors of society in the country. For Davao Region, a total of 1.4 million trees have been planted during the activity (DENR, 2015).

Other efforts to improve the Region's forest cover were the assistance given to LGUs in the formulation of their Forest Landuse Plans (FLUPs). These FLUPs were used as guide of the LGUs in mapping out

and assessing their forest and forestland assets that will complement the analysis in determining priorities for protection and production activities that consider the interdependencies between uplands, lowlands and coastal areas.

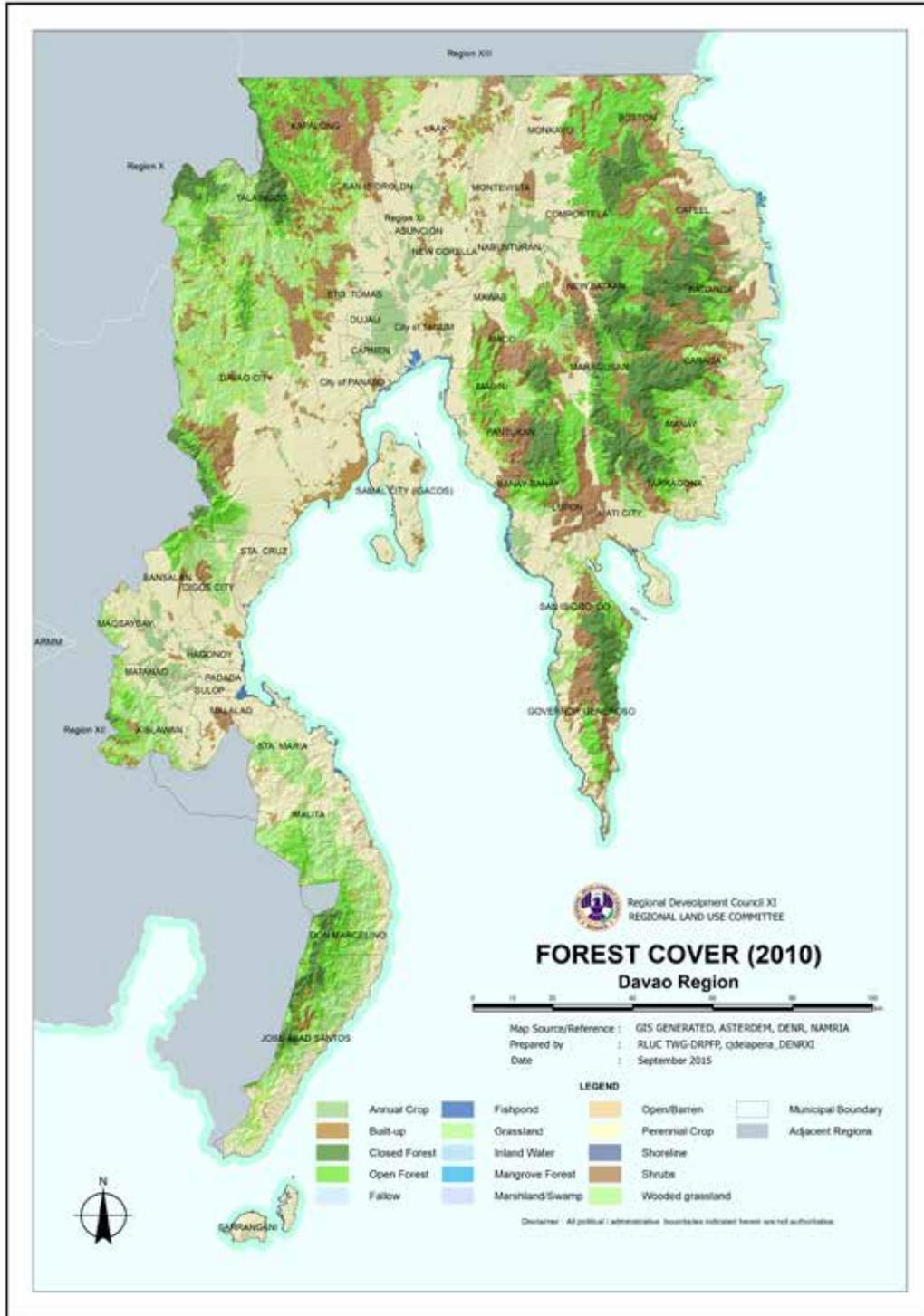
Relatedly, to curb illegal logging in the Davao Region, a total of four (4) anti-illegal task forces were activated to implement various forest protection activities. These task forces, in coordination with the AFP, PNP, and LGUs in the Region, were able to reduce the total number of “hotspots” from 66 to 16 since 2010. The “Open Cargo” mode of transport of forest products and the strengthening of the “Bantay-Lasang” or forest guards from communities to support and augment the existing forest guards of the DENR were also implemented.

**Table 20.1** *NGP Areas developed (2011–2015), Davao Region*

YEAR	TARGET (HAS)	ACCOMPLISHMENT (HAS)	PERCENT (%)
2011	5,414	5,580	103%
2012	10,095	10,095	100%
2013	17,021	17,021	100%
2014	16,223	16,223	100%
2015	19,890	22,026	111%
TOTAL	68,643	70,945	

*Source: NGP-DENR XI*

Figure 20.1. 2010 Forest Cover of Davao Region



Source: RDC XI, Regional Landuse Committee

## *Improving the Region's State of Biodiversity and Ecosystems*

### **Protected Areas**

Davao Region achieved a notable gain in terms of protecting the biodiversity and critical ecosystems. The Region now has eleven (11) protected areas from nine (9) in 2010.

It is important to note that Mt. Hamiguitan Range and Wildlife Sanctuary (MHRWS) in Davao Oriental has been proclaimed a UNESCO World Heritage Site on June 23, 2014, the sixth heritage site in the country and the first in Mindanao. In addition, the Regional Development Council XI passed a resolution in 2015 “Submitting to the Philippine Congress for the Legislation of the Expansion of Mt. Hamiguitan Range and Wildlife Sanctuary (MHRWS) with the inclusion of the Philippine Eagle Sanctuary”. Two other protected areas are in the process of national review and recommendation. These are the San Isidro Protected Landscape/Seascape in San Isidro, Davao Oriental with an area of 77,800 hectares and Mt. Tagub-Kampalili Protected Landscape in Compostela Valley Province with an area of 42,953 hectares. Once proclaimed, this will bring the number of protected areas in the Region to a total of thirteen (13).

Actions have been undertaken to address the Region's environmental concerns, such as the joint coordination meetings initiated by the RDC XI to integrate environmental and biodiversity concerns in the Region. In addition, inter-agency task forces were created to focus all ENR efforts towards cooperation among agencies and the harmonization of implementation strategies.

## *Ensuring Good Environmental Quality and Sustainable Use of Natural Resources*

### **Air Quality**

There are three (3) major sources of pollution being monitored to assess the concentration of pollutants being emitted into the atmosphere (1) stationary sources or sources that are fixed in a specific location like smoke stacks and furnaces of industrial firms; (2) mobile sources or pollution coming from motor vehicles; and (3) area sources which refer to relatively large areas with specific activities generating significant volume of pollutants.

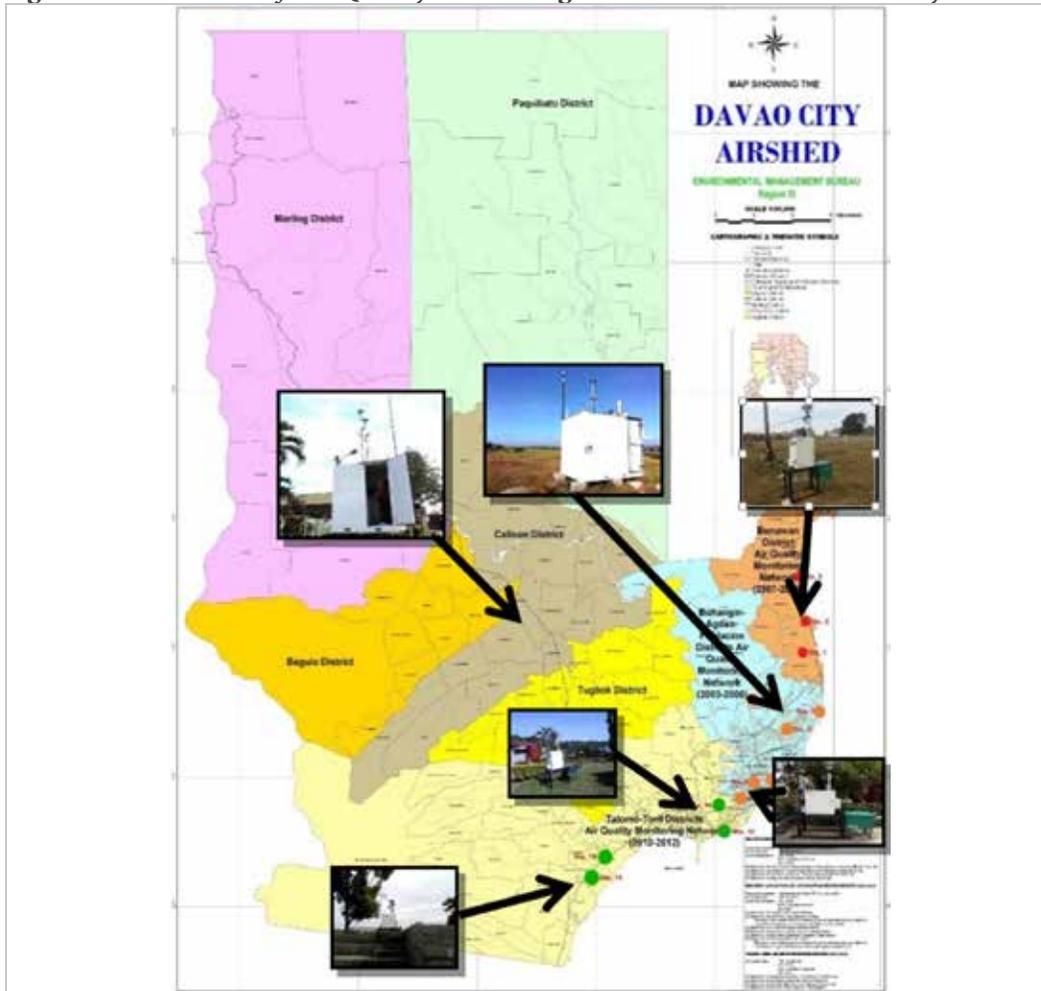
The current air quality of Davao Region remains in good condition as air pollutants are well within the guidelines/standards for criteria pollutants (carbon monoxide, lead, nitrogen dioxide, ozone, particulate matter, and sulfur dioxide). Six (6) air quality monitoring and sampling stations are being monitored and maintained within the Region through the Air Quality Monitoring Network (AQMN) established in 2013 (Map 20.2). This AQMN consists of four (4) manual monitoring stations and two (2) automatic stations. The contaminants being monitored by the network are the following: Particulate Matter with size of less than 10 microns and less than 2.5 microns (PM10 and PM2.5); Sulfur Dioxide (SO<sub>2</sub>); Nitrogen Dioxide (NO<sub>2</sub>); Carbon Monoxide (CO); and Ground Level Ozone (O<sub>3</sub>).

To effectively manage air quality in Davao Region, Davao City was established as an airshed on February 12, 2003, pursuant to the Philippine Clean Air Act (CAA) of 1999. Airshed, as defined in Rule XV, Section 2 of the Philippine Clean Air Act, refers to “areas with common weather or meteorological conditions and sources of air pollution which affect the interchange and diffusion of pollution in the surrounding atmosphere”.

Annual targets on the monitoring of industries' compliance with the Clean Air Act (CAA) were set at 400 firms for the period 2013–2015. In 2015, a total of 452 industrial firms or point/stationary sources were monitored on their compliance with the required air pollution control devices, compared to the 2010 baseline value of 350 firms. This is an increase of 29 percent of industries monitored. Ninety-four percent (94%) were compliant with the CAA. The remaining six (6) percent of firms were issued Notices of Violations (NOVs) for either failure to comply with the air quality standards or failure to renew their Permit to Operate Air (POA) Pollution Sources and Control.

In 2015, mobile sources was recorded to contribute the highest concentration of pollutants in terms of Particulate Matter accounting for 54 percent, followed by stationary sources with 25 percent and area sources with 21 percent. The trend is similar to the other pollutants monitored in the same year except for Sulfur Dioxide where stationary sources posted the highest concentration.

**Figure 20.2. Location of Air Quality Monitoring Stations within the Davao City Airshed.**



Source: EMB-XI

## Water Quality

There are a total of twenty-seven (27) rivers and four (4) coastal waters officially classified within the Davao Region. Monitoring of these water bodies, in compliance with the Clean Water Act (CWA), are conducted on

*Figure 20.3. Gathering of water samples in Davao River.*



Source: EMB-XI

a monthly, quarterly or semi-annual basis. In Davao Region, there were eleven (11) waterbodies targeted to be monitored in 2013, fourteen (14) in 2014, and seventeen (17) in 2015 from a baseline value of three (3) in 2010. The parameters monitored were Temperature, Dissolved Oxygen (DO), Biochemical Oxygen Demand (BOD), potential of Hydrogen (pH), Total Suspended Solids (TSS), Total Coliform, Fecal Coliform, Nitrates-N, Phosphates-P, Cadmium, Lead, Copper, and Zinc.

Davao Region posted a high accomplishment exceeding the targets from 2013–2015. In 2015, twenty (20) rivers and twenty-five (25) bathing beaches were monitored in the Region where all conformed to the present water quality classification. The river monitoring results showed that most of the water quality parameters were within the guidelines/standards except for fecal and total coliform content specifically in Davao River due to the presence of communities along the river banks, livestock raising, and the lack of sewerage and septage facilities. There was also high concentration

of mercury and cyanide along Naboc, Kingking, Agusan, and Matiao Rivers caused by the proliferation of artisanal mining activities within the periphery of these rivers.

The monitoring results also revealed that 89 percent of the firms monitored in 2015 were compliant with the provisions of the Clean Water Act. This is a decline of 7 percentage points from the previous year's performance. Of the 315 firms monitored, 35 were issued Notice of Violations (NOVs) for either failure to comply with the water quality standards or failure to renew their Permit to Operate-Water Pollution Control Facility.

To address the pressing issues of water pollution of the major rivers in the Region and in accordance to the Clean Water Act, Davao River, being one of the Priority Rivers, was designated as Water Quality Management Area (WQMA) in 2013. The Davao River was chosen as WQMA since it is the largest watershed in Davao Region serving as catchment area which provide irrigation to large agricultural plantation areas and a potential source of potable water. Consequently, Davao River is highly vulnerable to water pollution since it traverses agricultural, commercial, and residential areas.

Another major river proposed to be designated as WQMA during the second semester of 2016 is the Talomo River. Talomo River, like the Davao River, serves as a catchment area, recharge area for aquifers, provides irrigation to plantations, source of hydropower, tourism spots, and other important uses. It is also threatened by pollution from livestock raising, agricultural run-off, and waste from residential areas, among others.

On the monitoring of coastal waters in Davao Region, eleven (11) bathing beaches/recreational waters in Davao City and

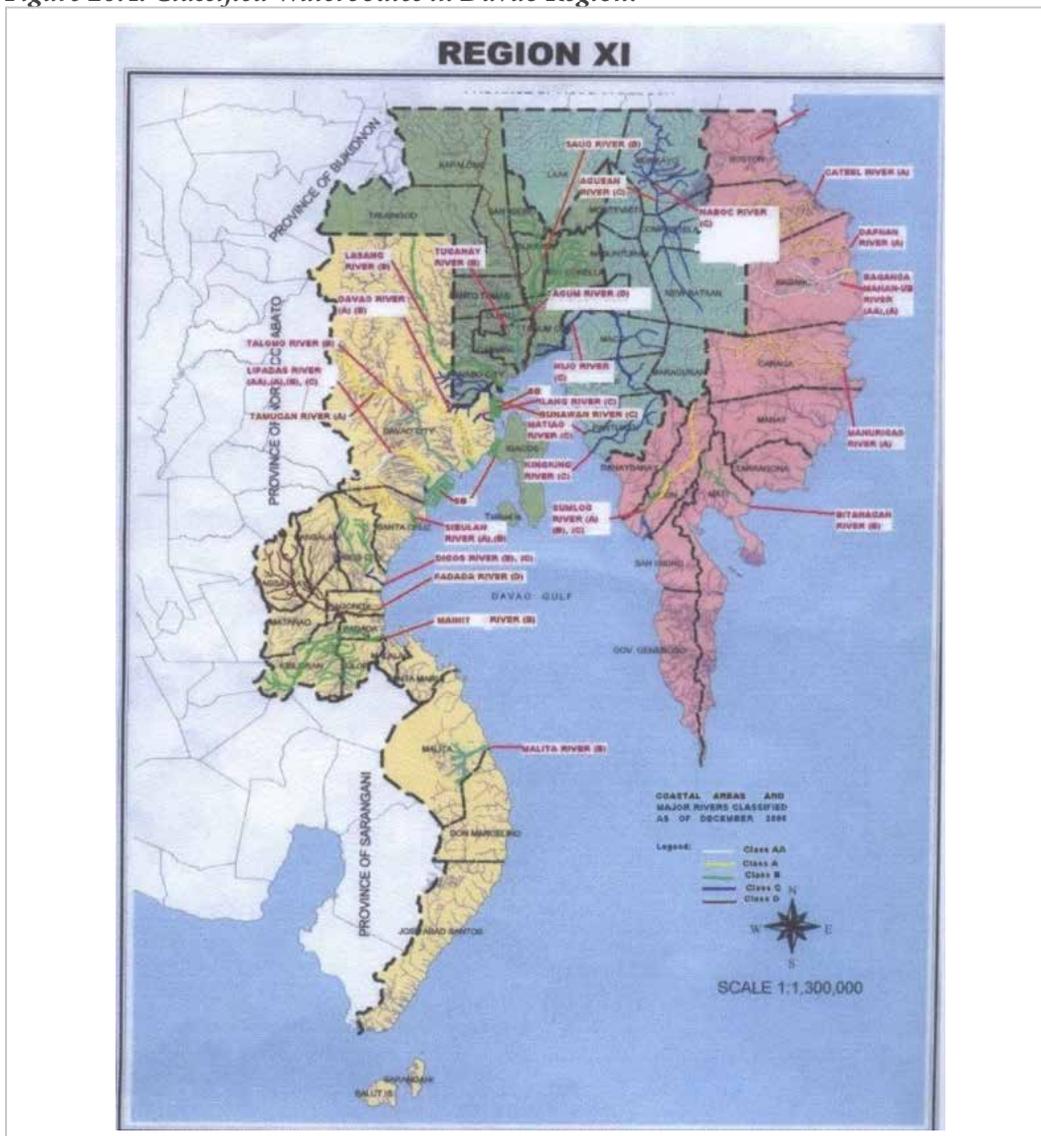
fourteen (14) in the Island Garden City of Samal (IGACOS) were monitored in 2015.

In Davao City, annual average of Temperature, pH, and Dissolved Oxygen for all the bathing beaches passed the water quality criteria for Class SB waters, however, all these beaches failed the water quality criteria of 1000 MPN/100ml for total coliform and 200 MPN/100ml for fecal coliform. Only two (2) out of the ten (10) bathing beaches monitored passed the standards for total coliform. These

are Mergrande Ocean Beach Resort and Seagull Beach Resort with an average of 887 MPN/100ml and 807 MPN/100ml, respectively.

In the monitoring of recreational waters/ bathing beaches in IGACOS, all parameters monitored in all the recreational waters conformed to the water quality criteria for Class SB water except for Camp Holiday Resort and Recreations where the fecal coliform exceeded standards.

Figure 20.4. Classified Waterbodies in Davao Region.



Source: EMB-XI

## Solid Waste Management

As of 2015, Davao Region has a total of seven sanitary landfill facilities (SLF) compared to only one in 2012. With the implementation of the Ecological Solid Waste Management Act or Republic Act (RA) 9003-2000, Local Government Units (LGUs) were assisted in the formulation of their 10-Year Solid Waste Management Plans (SWMP) for approval of the National Solid Waste Management Commission (NSWMC). For the period 2010–2015, the NSWMC approved 25 LGU Solid Waste Management Plans in Davao Region.

There were about 3,341 materials recovery facilities (MRFs) serving 1,502 barangays operationalized and/or maintained within the Region in 2015. These MRFs are designed to receive, sort, process, and store compostable and recyclable materials efficiently and in an environmentally sound manner. Technical assistance was likewise provided to the LGUs with regards the closure of open dumpsites and rehabilitation of controlled waste disposal facilities. The establishment and operation of open dumpsites are prohibited by RA 9003-2000, however, these facilities are allowed

to be converted into controlled dumps as a temporary remedial measure in the absence of sanitary landfill facilities.

A notable initiative of the Davao City Government is the passing of an ordinance, implemented in 2009, prohibiting the use of non-biodegradable and single-use plastic bags and containers to lessen the volume of solid waste being disposed.

## River Basins

The country has a total of eighteen (18) major river basins, five of these cover parts of the Davao Region (*Table 20.2*).

These river basins are of hydrological, economic, and environmental importance. The rampant misuse of resources within the watersheds and river basins heightened the effects of climate change like extreme weather events, heavy flooding, landslides and soil erosion, and prolonged droughts. Another concern is the absence of river basin organization that will integrate and harmonize efforts in the management of the river basins.

**Table 20.2. Five (5) Major River Basins encompassing the Davao Region.**

RIVER BASIN	REGIONAL COVERAGE	NO. OF MUNICIPALITIES COVERED
Mindanao River Basin	Regions X, XI, XII, and ARMM	24
Agusan River Basin	Regions X, XI, and XII	43
Davao River Basin	Regions X and XI	8
Tagum-Libuganon River Basin	Regions XI and XII	17
Buayan-Malungon River Basin	Regions XI and XII	7

Source: DENR-RBCO

The increasing frequency of natural calamities like landslides and flooding (*Table 20.3*) in the Davao Region prompted the immediate establishment of mechanisms to address these concerns. These led to the crafting of River Basin Master Plans as

basis for resolving problems on natural as well as man-made calamities and provide directions for the efficient and effective implementation of programs, activities, and projects (PAPs).

**Table 20.3. Some disasters related to landslides and flooding in Davao Region**

NATURAL CALAMITY (CAUSE)	DATE	AFFECTED AREA	EFFECT/DAMAGE
Typhoon Pablo (www.rappler.com)	December 4, 2012	Davao Oriental and Compostela Valley	Strong typhoon caused massive flooding and landslides that killed many people
Landslides in Mindanao due to heavy downpour (The Philippine Star)	January 14, 2014	Barangay Tubaon, Tarragona, Davao Oriental	14 people died
Landslides, flooding in Davao Region (Davao Breaking News)	January 11, 2014	Davao del Norte Compostela Valley	243 Families Evacuated 238 Families Evacuated
Landslide hit Davao City area due to the ground softening after two days of rain (gmanews)	December 10, 2014	Davao City	At least 10 families were evacuated from a barangay

Source: (Various sources)

Out of the five (5) river basins encompassing the Davao Region, three (3) already have master plans formulated. These are the Agusan River Basin (Agusan River Basin Master Plan), Davao River Basin (Davao River Basin Management and Development Plan), and the Tagum-Libuganon River Basin (Tagum-Libuganon River Basin Management Master Plan). These master plans layout the foundation for the integrated approach of management and development of the river basins, including the creation of river basin organizations to manage the institutional coordination and programs and project implementation.

### Addressing management issues in the Diwalwal Mineral Reservation Area

The Diwalwal Mineral Reservation Area Development Plan (DMRADP), 2012–2032, has been in existence for quite some time but problems such as peace and order, mercury and cyanide contamination of rivers from small scale mining activities within the Diwalwal Mineral Reservation Area persist. Likewise, peace and order and the social well-being of the communities living in the area have not been addressed. The National Task Force Diwalwal, created on June 17, 2003, was mandated to formulate plan of actions, recommend policies and programs, develop and implement public information program, and monitor and evaluate the implementation of member

agencies regarding peace and order, socio-economic safety nets, legal, political, public information, and mining and environment. In line with this, the Program Monitoring and Coordination Center (PMCC) was organized to act as contact between and among concerned government offices and agencies in Davao Region to coordinate, integrate and accelerate overall response in Diwalwal.

The PMCC has been conducting quarterly coordination meetings to monitor the progress of activities of concerned agencies. It is also actively pursuing regular information dissemination to stakeholders in the DMRA. Despite the accomplishments, issues on peace and order, environmental degradation, and the communities well-being persisted. In addition, the Diwalwal Mineral Reservation Area Development Plan still needs the widespread support of all sectors and a strong political will from the government to be implemented successfully. Also, the plan must be updated regularly to be relevant to the current situation of the development area.

### Improving the resilience of institutions and communities on disaster risks and climate change

Several calamities have been experienced in Davao Region during the period 2011–2015. Some of these are typhoons Sendong (December 2011) and Pablo (December

2012), which devastated several provinces in the Region, causing the loss of lives and heavy damages to property and agriculture. The latest was in the early part of 2015 where the Region experienced the most devastating effect of El Niño which was aggravated by climate change.

Initiatives undertaken along this line include strengthening the capabilities of the LGUs in integrating disaster risk reduction and climate change adaptation (DRR/CCA) strategies in local development planning and decision-making processes. Four (4) provinces in Davao Region have completed their respective DRR/CCA-enhanced Provincial Development Physical Framework Plans (PDPFPs) in 2013 but subsequently, no plans at the sub-provincial level were formulated in 2014 and 2015.

In 2015, 350 information, education, and communication (IEC) campaigns were conducted in the Davao Region, utilizing the 1:10,000- and 1:50,000-scale geo-hazard maps, to capacitate LGUs in assessing geo-hazard areas within their respective jurisdictions.

## Challenges

Despite the considerable information and education campaign on environmental management and natural resources conservation, environmental degradation remains to be a challenge in the Region due to the following:

### *Weak enforcement of environmental laws*

The Government is constrained by the inadequate resources, even as it has to fully implement its core mandate of ensuring the effective management of the environment and natural resources. Experts leaving the

government service<sup>1</sup> and minimal funds for operations are some of the constraints, making it imperative that the government cut activities, like limiting field monitoring of compliance to environmental permits, to cope with the said constraints which constitute to the weak environmental law enforcement.

### *Conflicting and/or outdated Policies*

Unclear delineation of roles and functions on ENR concerns between NGAs and LGUs lead to confusion and, consequently, weaken enforcement of environmental laws and policies. With the devolution of some of the ENR functions to LGUs, it is still unclear as to the extent of authority of LGUs on matters pertaining to specific ENR laws and policies for implementation. An example of this concern is on the implementation of ecological solid waste management. LGUs are mandated to manage solid waste within their area of jurisdiction from “cradle to grave”. The problem lies in the disposal of the collected garbage. Not all LGUs have sanitary landfills to accommodate the large volume of garbage generated and collected.

In addition, there is still a need to address different issues and concerns in the conservation and protection of biodiversity and ecosystems. The conflicting implementation of land tenure instruments causing overlaps of jurisdiction among government agencies such as the DENR, DA, DAR, and NCIP. Conflicting enforcement of policies can also be attributed to jurisdiction issues on ENR among these agencies brought about by overlapping tenure instruments as in the implementation of protected areas and ancestral domain. An example of this is the presence of vegetable and banana plantations within and around the Mt. Apo Natural Park.

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<sup>1</sup> (2010, August 02). Retrieved October 18, 2016, from <http://news.abs-cbn.com/global-filipino/08/02/10/govt-also-raises-alarm-over-geologist-exodus>

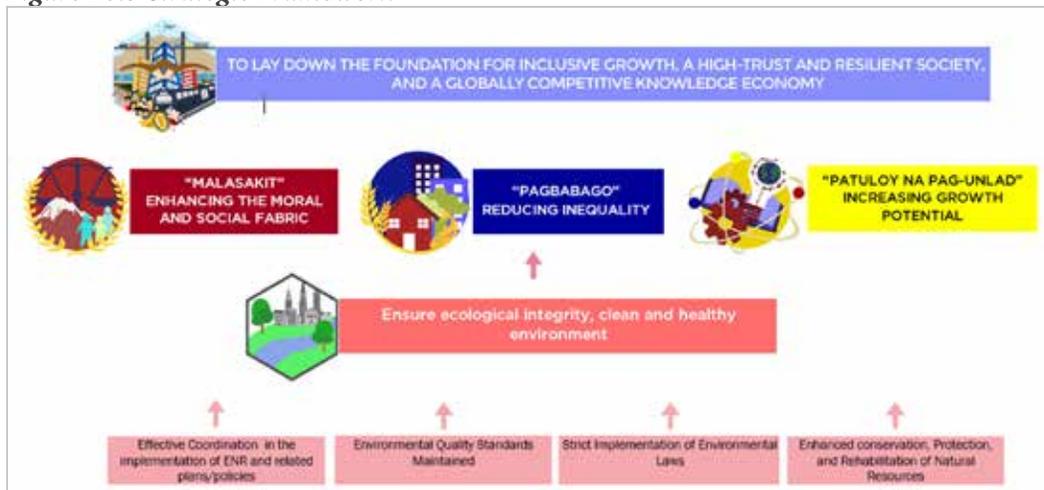
## Future Development Scenario

The following scenario may affect the sector over the Plan period:

1. Sustaining the implementation of integrated approaches covering critical watersheds, protected areas and biodiversity and natural resources, responsible mining, as well as, mainstreaming Climate Change Adaptation/Disaster Risk Reduction and Management (CCA/DRRM) in local development plans and investment programs, updating of Provincial Development Physical Framework Plans (PDPFPs), and multi-stakeholder's participation will ensure improvement in the quality of the environment.
2. The delay in the review of conflicting and outdated Environment and Natural Resources laws and policies may hinder possible reforms or appropriate interventions in the sector (e.g., Forestry Code of the Philippines, Indigenous People's Rights Act of 1997, National Integrated Protected Areas System Act of 1992, among others).
3. Changes in the institutional arrangements in the management of the Diwalwal Mineral Reservation Area (DMRA) may contribute to the improvement or continued degradation of the area. The quality of water coming from the Naboc River continues to worsen and has affected the agriculture sub-sector in the Municipality.

## II. Strategic Framework

Figure 20.5 Strategic Framework



### Goal

Healthy and balanced environment.

### Strategic Outcomes

- Effective Coordination in the implementation of ENR and related plans/policies
- Environmental Quality Standards Maintained
- Strict Enforcement of Environmental Laws
- Enhanced Conservation, Protection and Rehabilitation of Natural Resources

## Targets

To achieve a sustainable natural resource base and improved environmental quality to

provide the social and economic needs of the society, the following shall be accomplished within the plan period (*Table 20.4*):

*Table 20.4. ENR Targets (2017–2022)*

INDICATOR	BASELINE VALUE (2016)	END OF PLAN TARGET
Increased forestland cover	71,018 Has.	115,824 Has
Number of Protected Areas Managed	8 PLs	11 PLs
Number of Coastal and marine ecosystems assessed	5 PSs	5 PSs
Air Quality Index maintained	within standards	within standards
Water Quality Index maintained	within standards	within standards
LGU compliance rate to RA 9003 (SWM)	100%	100%
Number Groundwater Resources and Vulnerability Assessment conducted	6	12
Number of High Mineral Potential Areas within Mineral Reservation Identified and Assessed	1	6
Number of Coastal Geohazard, Geologic Mapping and Impact of Climate Change Assessment conducted	1	6
Number of vulnerability risk assessment conducted in geohazard areas	1	6

## III. Priority Strategies

### Improve Monitoring and Enforcement of Environmental Laws, Rules, and Regulation

The drive towards clean air in all areas shall be intensified. The focus shall be on three (3) strategies: 1) strict and regular monitoring of heavy industries; 2) roadside emission testing and apprehension of erring motor vehicles; and 3) ensuring strict adherence to environmental standards.

On clean water, quality of major rivers shall be maintained to its current classification through strict compliance and constant monitoring.

Strict compliance and monitoring to the provisions of the EIS System and Mining Act shall be enforced to all industries covered by PD 1586 and mining industries respectively.

### Strengthen coordination and public, private participation in ENR management

Emphasis on integrated approaches, i.e. ridge-to-reef, covering critical watersheds, protected areas, biodiversity and natural resources shall be pursued. Provision of enabling mechanisms for other partners, particularly the LGUs, Civil Society Organizations (CSOs), Peoples Organizations (POs), Indigenous Peoples Organizations (IPOs), and the business sector to engage in ENR management and responsible natural resources utilization through, among others, establishment of industry standards, developing more responsive resource use guidelines and policies as well as development and implementation of incentive systems are the important components of an efficient and effective ENR enforcement.

## Develop and maintain realistic ENR Standards

Existing policies shall be reviewed/revisited to harmonize, improve, and update policies to address outdated ENR standards and provisions, and resolve implementation

conflicts between agencies. In addition, promote effective coordination in the implementation of ENR and related plans/activities through convergence, regular effective communication, and establish protocol in undertaking ENR activities for all sectors.

## IV. Priority Legislative Agenda

- a. Improve LGU access to financial support and incentives for SWM activities.
- b. Strengthen Forest and Tribal Guards within ancestral domain areas for effective forest protection and preservation.
- c. Strengthen/improve the Implementing Rules and Regulations of the Philippine Environmental Impact Statement System (PD 1586) to enhance stakeholders' participation to public hearings/ consultations.
- d. Review of the Philippine Water Code.

## V. Priority Research Agenda

- a. Greenhouse Gas Inventory
- b. Ancestral Domain Sustainable Development and Protection Plan (ADSDPP) implementation assessment
- c. Improve/enhance/update air and water quality standards to include new kinds of pesticides
- d. Assessment of Natural Resources (soil, water, air, flora, fauna, etc.)
- e. Environment and Natural Resources Valuation

## VI. Priority Programs, Activities and Projects (PAPs)

- a. Enhanced National Greening Program
- b. Protected Areas and Biodiversity Conservation Program
- c. Forest Protection and Watershed Management Program
- d. Clean Air and Clean Water Management Program
- e. Solid Waste Management Program
- f. Marine and Coastal Resources Management Program
- g. Mineral Resources Development Services
- h. Mineral Investment Promotion



PART VII

**PLAN  
IMPLEMENTATION  
AND  
MONITORING**

The background of the page features a gradient from light blue at the top to a mix of blue and red at the bottom. The bottom half is dominated by abstract, flowing, wavy lines in shades of blue and red, creating a sense of movement and depth.



21

Plan  
Implementation  
and Monitoring



# Plan Implementation and Monitoring

The Davao Regional Development Plan (DRDP), 2017–2022 shall be the Region's blueprint for achieving high and inclusive economic growth and a high trust society. It shall be the first among four medium-term regional plans that shall locally translate and operationalize, the National Government's long term vision, the AmBisyon Natin 2040. This Plan lays the foundation for inclusive growth, a high-trust society and a globally-competitive knowledge economy.

For the effective implementation of the DRDP, 2017–2022, the Regional Development Council (RDC) XI, the Region's highest development planning and policy-making body, shall efficiently coordinate and solicit the active participation of its members and partners from the national line government agencies, local government units, and the private sector. The RDC XI has adopted the Public Sector Results Management Framework that is to plan for results, budget for results, implement for results, monitor and evaluate the results to ensure that all development activities in the Region achieve their intended development outcomes. The sectoral committees of the RDC XI shall perform their roles at ensuring that strategies, programs and projects that will enhance the social fabric, reduce inequality and increase potential growth shall be implemented. The RDC XI shall also work with its Advisory Committee, comprising of the Region's Congresspersons, which shall provide the necessary legislative support for the Region's development initiatives.

The efficiency and effectiveness of the various strategies and programs discussed throughout the Plan shall be monitored. Efficiency shall be determined in terms of how the activities of the government, the private sector, and development partners

have been guided by the intended outcomes. Effectiveness shall be evaluated in terms of the extent to which the quality of life of the Davaoños, especially the poor and marginalized, has improved.

In monitoring headline indicators, the data from the Philippine Statistics Authority (PSA) shall be used consisting of (a) real gross domestic product growth; (b) real per capita income growth; (c) poverty and subsistence rates in both rural and urban areas; and (d) employment outcomes, such as overall unemployment rate, youth unemployment rate, and underemployment, especially in rural areas.

The DRDP Results Matrices (RMs), an accompanying document of the DRDP, 2017–2022 shall be the primary reference document for monitoring or tracking the progress of the Region towards the achievement of development outcomes. The DRDP RMs provide the results orientation of the DRDP, 2017–2022 and draw attention to the different levels of development results (short-term results or outputs, medium-term results or outcomes, longer-term results or impact) to be achieved within the 6-year implementation period. The conceptual foundation of the DRDP RMs is the Theory of Change (or Results Chain) that illustrates “the causal sequence for

development interventions stipulating the necessary sequence to achieve desired objectives/results beginning with inputs, moving through activities and outputs, and culminating in outcomes and impacts.” Each of this level of development results shall be monitored through indicators (output indicator, outcome indicator and impact indicator). Indicators are “quantitative or qualitative factor of variable that provide simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor.” Monitoring shall also cover the implementation of strategies through specific programs and projects, as well as, priority legislations/ ordinances and conduct of researches to support the Region’s development initiatives.

As part of its primary functions, the RDC XI shall coordinate the monitoring and evaluation of the medium term Regional Development Plan including development programs and projects undertaken by national government agencies, local government units, state universities and colleges (SUCs), government-owned and controlled corporations, and special development authorities in the Region. Similarly, each of the sectoral committees of the RDC XI shall assist in its monitoring and evaluation activities. The reporting of the progress on the achievement of development outcomes under the DRDP, 2017–2022 shall be done quarterly and presented for validation during the regular meetings of the Sectoral Committees and the Full Council’s. Areas where more effort and development interventions are needed shall be identified and the attention of the concerned government implementing agency shall be called so that the appropriate interventions can be implemented. Other reporting requirements that are important in the monitoring and the evaluation of the Plan implementation are the Annual Regional Development Reports (RDRs) and

Annual and Quarterly Regional Economic Situationer (A/QRES). In addition, half-way through the implementation of the Plan, a review shall be conducted to assess the overall progress of the achievement of the development targets of the Plan and the updating of the Plan shall follow.

The Regional Project Monitoring Committee (RPMC), a special committee of the RDC XI, mandated to assist the Council in the monitoring and evaluation of specific programs and projects shall require all concerned implementing agencies to regularly submit quarterly accomplishment reports to the Council.

**Table 21.1 Davao Region Plan Implementation Monitoring and Coordinating Bodies**

YEAR	2011
Chapter 1: The Long View	RDC XI
Chapter 2: Global and Regional Trends and Prospects	All Sectoral Committees
Chapter 3: Overlay of Economic Growth, Demographic Trends and Physical Characteristics	RLUC, LGUs, Sectoral Committees, RDC XI
Chapter 4: Davao Regional Development Plan , 2017–2022 Framework	RDC XI
Chapter 5: Ensuring People-Centered, Clean and Efficient Governance	Development Administration Committee (DAC)
Chapter 6: Pursuing Swift and Fair Administration of Justice	DAC
Chapter 7: Promoting Philippine Culture and Values	Social Development Committee (SDC)
Chapter 8: Expanding Economic Opportunities in Agriculture, Forestry and Fisheries	Economic Development Committee (EDC)
Chapter 9: Expanding Economic Opportunities in Industry and Services through Trabaho at Negosyo	EDC
Chapter 10: Accelerating Human Capital Development	SDC
Chapter 11: Reducing Vulnerability of Individuals and Families	SDC
Chapter 12: Building Safe and Secure Communities	SDC
Chapter 13: Reaching for Demographic Dividend	SDC
Chapter 14: Vigorously Advancing Science, Technology and Innovation	EDC
Chapter 15: Ensuring Sound Macroeconomic Policy	Macro Finance Committee (MFC)
Chapter 16: Levelling the Playing Field through a National Competition Policy	MFC
Chapter 17: Attaining Just and Lasting Peace	DAC
Chapter 18: Ensuring Security, Public Order and Safety	DAC
Chapter 19: Accelerating Infrastructure Development	Infrastructure Development Committee (IDC)
Chapter 20: Maintaining Ecological Integrity, Clean and Healthy Environment	EDC
Chapter 21: Plan Implementation and Monitoring	RDC XI, all Sectoral Committees, Regional Project Monitoring Committee (RPMC)



# DRDP 2017–2022 Planning Committees

## PLANNING COMMITTEE ON ECONOMIC DEVELOPMENT

<b>Chair:</b>	<b>Director Ricardo M. Oñate, Jr.</b> Department of Agriculture (DA) XI
<b>Co-Chair:</b>	<b>Mr. Vicente T. Lao</b> Private Sector Representative
<b>Vice-Chair:</b>	<b>Director Maria Lourdes D. Lim</b> National Economic and Development Authority (NEDA) XI

### Member Agencies:

Bangko Sentral ng Pilipinas (BSP) - Davao  
Cooperative Development Authority (CDA) XI  
Department of Agrarian Reform (DAR) XI  
Department of Energy (DoE) – Mindanao Field Office XI  
Department of Environment and Natural Resources (DENR) XI  
Department of Labor and Employment (DOLE) XI  
Department of Science and Technology (DOST) XI  
Department of Trade and Industry (DTI) XI  
Department of Tourism (DOT) XI  
Development Bank of the Philippines (DBP) – Davao  
Land Bank of the Philippines (LBP) - Davao  
National Commission on Indigenous Peoples (NCIP) XI  
Regional Agriculture and Fisheries Council (RAFC) XI  
Southern Mindanao Agriculture, Aquatic and Natural Resources  
Research and Development Consortium (SMARRDEC)  
Technical Education and Skills Development Authority (TESDA) XI  
University of the Philippines – Mindanao (UP-Min)

### Private Sector Representatives:

Cheryl C. Arellano, Persons with Disabilities/Senior Citizens Sector  
Elmer A. Dianga, Indigenous Peoples/Cultural Communities Sector  
Sherlina M. Hao, Consumers' Group Sector  
Joseph K. Palanca, Forestry/Mining Sector  
Virgilio D. Tagnipez, Small Farmers/Fisherfolk Sector  
Valente D. Turtur, Agribusiness/Industry Clusters Sector

### Members from the Local Government Units:

Provincial Planning and Development Office – Compostela Valley  
Provincial Planning and Development Office – Davao del Norte  
Provincial Planning and Development Office – Davao del Sur

Provincial Planning and Development Office – Davao Occidental  
Provincial Planning and Development Office – Davao Oriental  
City Planning and Development Office – Davao City  
City Planning and Development Office – Digos City  
City Planning and Development Office – Island Garden City of Samal  
City Planning and Development Office – Mati City  
City Planning and Development Office – Panabo City  
City Planning and Development Office – Tagum City

Members from Non-Government Organizations:

Davao City Chamber of Commerce and Industry, Inc. (DCCCII)  
KAPWA Upliftment Foundation  
Pilipino Banana Growers and Exporters Association (PBGEA)

## PLANNING COMMITTEE ON SOCIAL DEVELOPMENT

**Chair:** **Ms. Florie May B. Tacang**  
Private Sector Representative

**Co-Chair:** **Dr. Raul C. Alvarez, Jr.**  
Commission on Higher Education (CHED) XI

**Vice-Chair:** **Director Maria Lourdes D. Lim**  
National Economic and Development Authority (NEDA) XI

Member Agencies:

Civil Service Commission (CSC) XI  
Commission on Human Rights (CHR) XI  
Department of Agrarian Reform (DAR) XI  
Department of Education (DepEd) XI  
Department of Health (DOH) XI  
Department of Labor and Employment (DOLE) XI  
Department of Science and Technology (DOST) XI  
Development Academy of the Philippines (DAP) sa Mindanao  
Housing and Urban Development Coordinating Council (HUDCC) XI  
National Commission on Indigenous Peoples (NCIP) XI  
National Nutrition Council (NNC) XI  
Technical Education and Skills Development Authority (TESDA) XI

Private Sector Representatives:

Cheryl C. Arellano, Persons with Disabilities/Senior Citizens Sector  
Jimmie-Loe P. dela Vega, Academe Sector  
Elmer A. Dianga, Indigenous Peoples/Cultural Communities Sector  
Sherlina Manos-Hao, Consumers' Group Sector  
Alma L. Uy, Tourism Sector

Members from the Academe:

Association of Private and State College and Universities in Region XI (APSCUR)  
Davao Medical School Foundation – IPHCF  
Philippine Association of State Universities and Colleges – PASUC  
University of the Philippines – Mindanao (UP-Min)

Members from the Local Government Units:

Provincial Planning and Development Office – Compostela Valley  
Provincial Planning and Development Office – Davao del Norte  
Provincial Planning and Development Office – Davao del Sur  
Provincial Planning and Development Office – Davao Occidental  
Provincial Planning and Development Office – Davao Oriental  
City Planning and Development Office – Davao City  
City Planning and Development Office – Digos City  
City Planning and Development Office – Island Garden City of Samal  
City Planning and Development Office – Mati City  
City Planning and Development Office – Panabo City  
City Planning and Development Office – Tagum City

## PLANNING COMMITTEE ON INFRASTRUCTURE DEVELOPMENT

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Tagum City

**Co-Chair:** **Mr. Danel C. Aboitiz**  
Private Sector Representative

**Vice-Chair:** **Director Maria Lourdes D. Lim**  
National Economic and Development Authority (NEDA) XI

Member Agencies:

Civil Aviation Authority of the Philippines (CAAP) XI  
Davao City Water District (DCWD)  
Department of Education (DepEd) XI  
Department of Energy (DoE) XI  
Department of Environment and Natural Resources (DENR) XI  
Department of Health (DOH) XI  
Department of Information and Technology (DICT) XI  
Department of Public Works and Highways (DPWH) XI  
Department of the Interior and Local Government (DILG) XI  
Land Transportation Franchising and Regulatory Board (LTFRB) XI  
Land Transportation Office (LTO) XI  
Maritime Industry Authority (MARINA) XI  
National Housing Authority (NHA) XI  
National Irrigation Administration (NIA) XI  
National Telecommunications Commission (NTC) XI  
Philippine Ports Authority – Port Management Office (PPA-PMO) XI

Members from the Local Government Units:

Provincial Planning and Development Office – Compostela Valley  
Provincial Planning and Development Office – Davao del Norte  
Provincial Planning and Development Office – Davao del Sur  
Provincial Planning and Development Office – Davao Occidental  
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Private Sector Representative

**Vice-Chair:** **Director Maria Lourdes D. Lim**  
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Bureau of Internal Revenue (BIR) XI  
Bureau of Local Government Finance (BLGF) – DOF XI  
Bureau of Treasury (BoT) XI  
Commission on Population (POPCOM) XI  
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Home Development Mutual Fund (HDMF) – Davao  
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Philippine Information Agency (PIA) XI  
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University of Southeastern Philippines (UseP)

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Davao City Chamber of Commerce and Industry, Inc. (DCCCII)

Members from the Local Government Units:

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Provincial Planning and Development Office – Davao del Norte  
Provincial Planning and Development Office – Davao del Sur  
Provincial Planning and Development Office – Davao Occidental  
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City Planning and Development Office – Mati City  
City Planning and Development Office – Panabo City  
City Planning and Development Office – Tagum City

## PLANNING COMMITTEE ON DEVELOPMENT ADMINISTRATION

**Chair:** **Director Ananias M. Villacorta**  
Department of the Interior and Local Government (DILG) XI

**Co-Chair:** **Ms. Dolores R. Alegarbes**  
Private Sector Representative

**Vice-Chair:** **Director Maria Lourdes D. Lim**  
National Economic and Development Authority (NEDA) XI

Member Agencies:

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Bureau of Jail Management and Penology (BJMP) XI  
Bureau of Local Government Finance (BLGF) – DOF XI  
Civil Service Commission (CSC) XI  
Commission on Audit (COA) XI  
Commission on Human Rights (CHR) XI  
Davao Medical School Foundation – IPHC  
Department of Budget and Management (DBM) XI  
Department of Education (DepEd) XI  
Department of Justice (DOJ) – Regional Prosecution Office (RPO) XI  
Department of Labor and Employment (DOLE) XI  
Department of Social Welfare and Development (DSWD) XI  
National Bureau of Investigation (NBI) XI  
National Commission on Indigenous Peoples (NCIP) XI  
National Intelligence Coordination Agency (NICA) XI  
National Police Commission (NAPOLCOM) XI  
National Youth Commission (NYC)  
Office of the Civil Defense (OCD) XI  
Office of the Presidential Adviser on the Peace Process (OPAPP)

Philippine Information Agency (PIA) XI  
Philippine National Police (PNP) XI  
Presidential Management Staff (PMS) – Regional Field Office XI  
10<sup>th</sup> Infantry Division – Armed Forces of the Philippines (AFP)

Members from the Local Government Units:

Provincial Planning and Development Office – Compostela Valley  
Provincial Planning and Development Office – Davao del Norte  
Provincial Planning and Development Office – Davao del Sur  
Provincial Planning and Development Office – Davao Occidental  
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City Planning and Development Office – Island Garden City of Samal  
City Planning and Development Office – Mati City  
City Planning and Development Office – Panabo City  
City Planning and Development Office – Tagum City

# Regional Development Council XI

## Officers

**Anthony G. del Rosario**  
Governor of the Province of Davao del Norte  
Chairperson

**Maria Lourdes D. Lim**  
Vice-Chairperson, RDCXI and  
Regional Director, NEDA XI

**Priscilla R. Sonido**  
Acting Secretary, and  
OIC-Asst. Regional Director, NEDA XI

## Local Government Units

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<b>Governor Jayvee Tyron L. Uy</b>	Compostela Valley
<b>Governor Douglas R. Cagas</b>	Davao del Sur
<b>Governor Claude P. Bautista</b>	Davao Occidental
<b>Mayor Sara Z. Duterte-Carpio</b>	Davao City
<b>Mayor Allan L. Rellon</b>	Tagum City
<b>Mayor James G. Gamao</b>	Panabo City
<b>Mayor Joseph R. Peñas</b>	Digos City
<b>Mayor Al David Torres T. Uy</b>	Island Garden City of Samal
<b>Mayor Carlos Luis P. Rabat</b>	Mati City
<b>Mayor Chelita C. Amatong</b>	Nabunturan, Compostela Valley
<b>Mayor Bradley L. Bautista</b>	Malita, Davao Occidental
<b>Mayor Roberto M. Yugo</b>	Pantukan, Compostela Valley
<b>Mayor Nestor L. Uy</b>	Tarragona, Davao Oriental
<b>Mayor Maria Theresa R. Timbol</b>	Kapalong, Davao del Norte
<b>Mayor Conrado E. Laza</b>	Hagonoy, Davao del Sur

## Regional Line Agencies

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<b>OIC-Director Luningning R. Llanto</b>	Bureau of Local Government Finance – DOF XI
<b>Director Raul C. Alvarez, Jr.</b>	Commission on Higher Education XI
<b>Director John M. Maruhom</b>	Dept. of Agrarian Reform XI
<b>OIC-Director Ricardo M. Oñate, Jr.</b>	Dept. of Agriculture XI
<b>Director Gary R. Martel</b>	Dept. of Budget and Management XI
<b>Director Alberto T. Escobarte</b>	Dept. of Education XI

**Director Manuel L. Llana**  
**OIC-Director Felix S. Alicer**

**Director Abdullah B. Dumama, Jr.**  
**OIC for Mindanao Ebrahim Zailon**  
**Director Joffrey M. Suyao**  
**OIC-Director Allan S. Borromeo**  
**Director Anthony C. Sales**  
**Director Mercedesita P. Jabagat**

**Director Ananias M. Villacorta, Jr.**

**Director Ma. Belenda Q. Ambi**  
**Director Roberto P. Alabado III**  
**Regional Coordinator Angelita A. Basa**

**Director Gomer J. Dy**  
**Regional Field Officer Riz Francesca A. Castañaga**  
**Director Gaspar S. Gayona**

Dept. of Energy XI  
 Dept. of Environment and Natural Resources XI  
 Dept. of Health XI  
 Dept. of Foreign Affairs – Mindanao  
 Dept. of Labor and Employment XI  
 Dept. of Public Works and Highways XI  
 Dept. of Science and Technology XI  
 Dept. of Social Welfare and Development XI  
 Dept. of the Interior and Local Government XI  
 Dept. of Trade and Industry XI  
 Dept. of Tourism XI  
 Housing and Urban Development Coordinating Council XI  
 Land Transportation Office XI  
 Presidential Management Staff  
 Regional Field Office XI  
 Technical Education and Skills Development Authority XI

## Private Sector Representatives

**Danel C. Aboitiz**  
**Dolores R. Alegarbes**  
**Cheryl C. Arellano**  
**Evan Glece M. Casas**  
**Jimmie-Loe P. dela Vega**  
**Elmer A. Dianga**  
**Sherlina Manos-Hao**  
**Vicente T. Lao**  
**Joseph K. Palanca**  
**Andre Maria Patricia M. Sarenas**  
**Florie May B. Tacang**  
**Virgilio D. Tagnipez**  
**Valente D. Turtur**  
**Alma L. Uy**

Energy Sector  
 Labor Sector  
 PWD/Senior Citizen Sector  
 Housing/Construction Sector  
 Academe Sector  
 IP/Cultural Communities Sector  
 Consumers' Group Sector  
 Business Sector  
 Forestry/Mining Sector  
 NGO/Cooperatives Sector  
 Women/Children/Youth Sector  
 Small Farmers/Fisherfolk Sector  
 Agribusiness/Industry Clusters  
 Tourism Sector

## Special Non-Voting Members

<b>Ronald C. Go</b>	Davao City Chamber of Commerce and Industry, Inc.
<b>Wendel E. Avisado</b> <b>Engr. Metodio U. Turbella</b>	Davao Integrated Development Program DENR – Environmental Management Bureau XI
<b>Atty. Wilfredo G. Moncano</b>	DENR – Mines and Geosciences Bureau XI
<b>Director Alimbzar P. Asum</b>	Department of Information and Communication Technology XI
<b>Director Geroncio R. Aguio</b>	National Commission on Indigenous Peoples XI
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