

Institutional Coordination for Green Growth in the Philippines¹

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National Economic and Development Authority (NEDA) XI

Introduction

The Philippines is one of the forerunners of sustainable development in Asia. The creation of the Philippine Council for Sustainable Development (PCSD) in 1992 placed the Philippines in the Asia-Pacific Region as a pioneer in the establishment of a multi-stakeholder body that was tasked to ensure the implementation and effective coordination of sustainable development.

Although a pioneering country for sustainable development initiatives, and have already made strides in ensuring sustainable development and is now geared towards transformation to green growth, the Philippines is still beset with challenges especially in enhancing and sustaining the integrity of ecosystems that support the country's platform for economic growth and social development. It is for this reason that the Philippines need to put importance on strengthening institutional capacities.

This paper is divided into three sections. The first section shall give a brief overview of sustainable development in the Philippine context. Part two of the paper shall delve into the Philippine Development Planning System and the final part is on the institutional framework for sustainable development and green growth. The first section provides the background of sustainable development in the Philippines. The section also gives an overview on the assessment of the implementation of the Philippine Agenda 21 or the National Agenda for Sustainable Development. Section 2 covers the development planning system and institutional mechanisms such as the National Economic and Development Authority (NEDA) Board, the Regional Development Councils (RDCs), as well as, describes

¹ A Paper prepared for the Session 3: Institutional Coordination for Green Growth of GGKP Workshop in Bogor, Indonesia; June 03, 2013.

the planning-investment programming-budgeting flows and linkages. The final section discusses the institutional framework for sustainable development and green growth, to include existing bodies for said initiatives and current efforts on localizing green growth institutional coordination and its challenges.

I. Sustainable Development in the Philippines

The World Commission on Environment and Development (WCED), in its report "Our Common Future" published in 1987, defines sustainable development as "meeting the needs of the present generation without compromising the ability of the future generations to meet their own needs". In the Philippines, the Philippine Strategy for Sustainable Development (PSSD) which was formulated in 1987 was the country's first roadmap towards achieving economic growth and environmental integrity. The PSSD stressed the need to view environmental protection and economic growth as mutually compatible. This implied that growth objectives should be compatible not only to the needs of society but also to the natural dynamics and carrying capacities of ecosystems. The goal of the PSSD was to achieve economic growth with adequate protection of the country's biological resources and its diversity, vital ecosystem functions, and over-all environmental quality (www.psdn.org.ph).

In 1996, the Philippine Agenda 21 (PA21): A National Agenda for Sustainable Development for the 21st Century was formulated in response to the 1992 Earth Summit in Rio de Janeiro. The preparation of the PA21 was spearheaded by the NEDA in collaboration with both government and non-government organizations. Apart from providing enabling economic and environmental policies and integrating the idea of sustainable development into the country's governance framework, the action agenda of PA21 specifically highlighted investments in human and social capital, health, population management, and human settlements, while recognizing the need to address poverty of communities in forest-watershed, agricultural, coastal/marine, and urban ecosystems (NEDA, 2012).

The PA21 is a historic document that envisioned a better life for all Filipinos, laying down fifteen principles as basis for crafting its action agenda—the primacy of developing the human potential; holistic science and appropriate technology; cultural, moral and spiritual sensitivity; self-determination; national sovereignty; gender sensitivity; peace, order and national unity; social justice and inter- and intra-generational and spatial equity; participatory democracy; institutional viability; viable, sound and broad-based economic development; sustainable population; ecological soundness; bio-geographical equity and community-based resource management; and global cooperation. These principles also reflect the human and social development goals of PA21.

With regard to the impact of implementation of PA 21, based on various economic, social and environmental indicators, development in the Philippines appears to be sustainable but fragile. Progress has been steady but at relatively low and narrowly-based levels and is threatened by deteriorating environmental conditions (NEDA, 2011).

On the economic dimension, the assessment revealed that economic growth in the country has been stable and resilient amidst the Asian financial crisis in the late 1990's and the global economic slowdown at the beginning of the new millennium (OECD, 2012). However, economic equilibrium was precarious because it was kept at relatively low and narrowly-based levels. Furthermore, the country's economic base and distribution of economic output are both narrowly spread.

Social indicators mirrored the trends in the economy. The overall social development status of the economy showed significant and steady improvements. Social welfare improvements occur at a pace relatively slower than those posted by neighbouring countries. Moreover, there's a wide geographic variation in social development. Most social welfare indicators showed that poorer regions were half as better off as the richer ones in terms of health, nutrition and education.

Based on the foregoing, the overall outcome of the assessment in 2011 on the implementation of PA 21 generated a low score, and this low score suggests that the

available interventions in PA21 have not enabled the country and its environment to reach even the half-way mark of the path towards sustainable development. The assessment report also mentioned that the role and nature of the interventions partly account for such performance. The presence of intervention gaps and omissions reflects the need to resolve governance issues and put in place the required governance mechanisms. In general, successful intervention in any criterion or ecosystem requires institutional arrangements, management frameworks/approaches and capacities, and appropriate rules, regulations and policy tools. With the current transition from sustainable development to green growth and green economy, there is an urgent need for the Philippines to look into the lessons of PA 21 implementation and take off from there. As mentioned in the assessment report, there is no need to reinvent the wheel, but to just enhance the PA 21 to make it more responsive and aligned with GG/GE. Recognizing the progress made, to achieve a sustainable future and the many challenges forthcoming, the Philippines now consider green economy as the positive option to achieve sustainable development (Balisacan, Message During the Plenary Meeting of the UNCSD, 2012)

II. Overview of the Philippine Development Planning Process

This section shall focus on the process and the primary institutions involved in development planning at the national and regional levels. Getting a clear insight on the mechanisms of development planning is essential as these are foundations that will provide the directions towards a sustainable development and thus will help in ensuring that the Philippines is able to transcend to green growth.

A strategic way of integrating the three dimensions of sustainable development is through national-local development planning process (Balisacan, 2012). The plans serve as overarching frameworks for the implementation of programs, projects and activities.

The Philippines is a democratic republic with a unitary presidential system. The National Government has three branches: the executive branch headed by the President, the legislative branch and the judicial branch. The Philippines is divided into 17 regions

comprising of 80 provinces, 1,491 municipalities, 143 cities and 42, 028 barangays (NSCB). The Autonomous Region in Muslim Mindanao (ARMM) is transitioning into a Bangsamoro Political entity by 2016.

The 1991 Local Government Code of the Philippines has provided the local government units (LGUs) the responsibility of delivering basic public services and raising local or own-source revenues for financing their respective expenditure assignments. In this Local Government Code, LGUs have the autonomy to decide on the composition of local spending, taxing and borrowing that they would need to meet local development objectives (Llanto, 2009). Local autonomy is one of the reasons why institutional coordination remains a challenge in the Philippines.

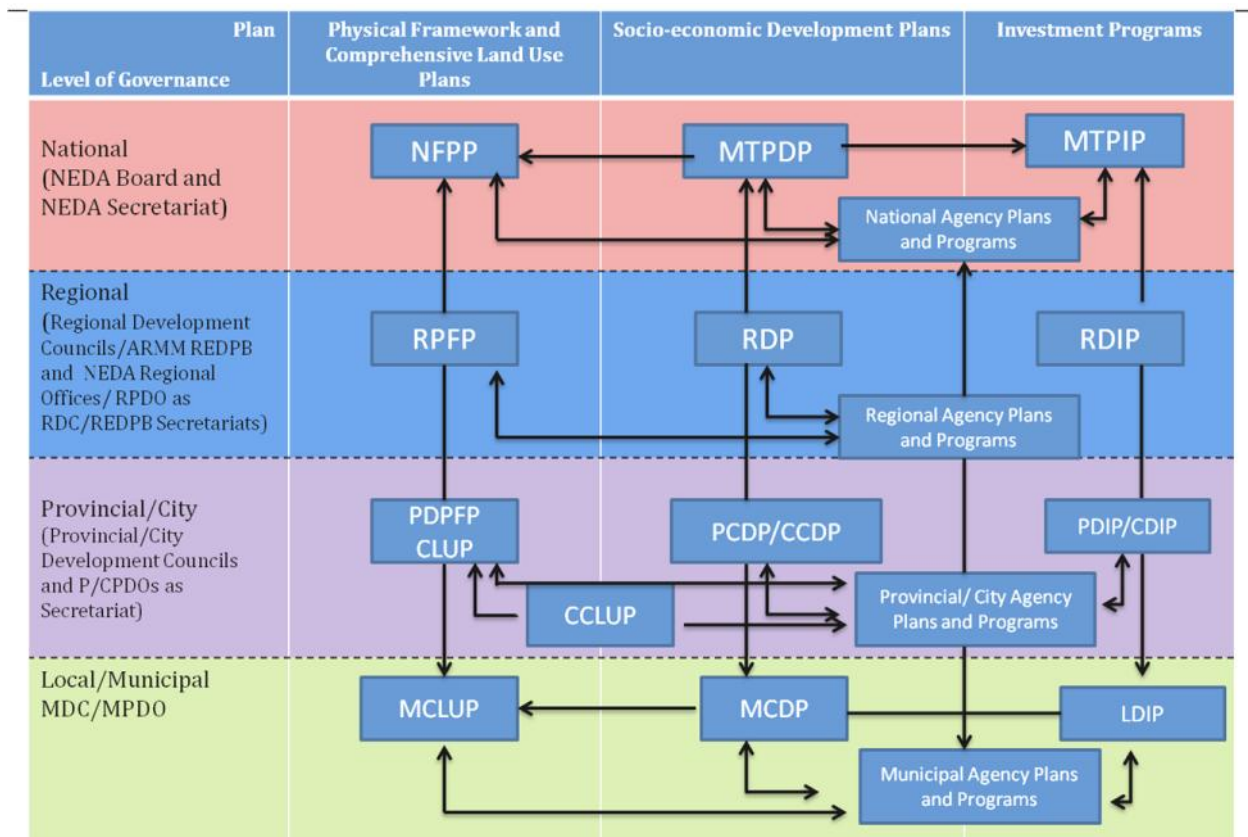
In the Philippines, the responsibility for socioeconomic development and planning at the national level is vested in the National Economic and Development Authority (NEDA). The NEDA traces its roots back to 1972 as the government's central planning body with the issuance of Presidential Decree No. 1. It has the distinct and strategic advantage of being an independent planning agency whose Board is headed by the President of the Republic of the Philippines. The powers and functions of the NEDA reside in the NEDA Board. An Executive Committee, Inter-agency Committees, and attached agencies provide support to the NEDA Board. Meanwhile, the NEDA Secretariat serves as the technical and research arm of the NEDA Board. It also conducts studies, formulates policy measures and leads the coordination of plan implementation and the evaluation and monitoring of plan implementation.

The highest policy-making body serving as the counterpart of the NEDA Board at the regional level is the Regional Development Council (RDC). It is the primary institution that coordinates and sets the direction of all economic and social development efforts in the region. It also serves as the forum where local efforts can be related and integrated with national development activities to ensure sustainable, participatory and equitable development.

The RDCs were established in 1972 to provide a regional planning body to oversee the overall socio-economic development of the region. Its primary task is to coordinate development planning and policy making in the region.

Figure 1 shows the hierarchy and linkages of development plans and investment programs in the Philippines. The second column of the figure reflects the physical framework and comprehensive land use plans being formulated at the national, regional, provincial or city and municipal levels. These physical and land use plans are long-term policy guides and are the primary basis for determining the future use of land and other natural resources.

Figure 1. Hierarchy of Plans



The third column shows the socio-economic development plans at all levels. These set of plans guide the development efforts of the government during a specific timeframe, 6 years in our case, and act as a common roadmap for the country's development. The last column,

on the other hand, indicates the investment programs formulated from the national down to the local levels. Investment programs are the translation of the medium term development plans into specific programs, projects and activities. It provides a comprehensive guide in pursuing strategic interventions that shall help sustain economic growth to higher levels.

Plans and investment programs at the provincial level must ideally have vertical connections to corresponding plans and investment programs at the regional and city and municipal levels. In turn, regional plans and investment programs must relate to corresponding plans and programs at the national level.

In any development planning undertaking, whether in the national, regional or local level, certain guiding principles must be observed and adopted in order to achieve the development goals and objectives. For this planning period, the overarching goal is focused on inclusive growth. Some of the platforms identified in the attainment of inclusive growth are anchored on good governance and ecological integrity.

III. Institutional Framework

The Institutional Framework for Sustainable Development (IFSD) is a system of global governance for sustainable development that covers a spectrum of formal and less formal bodies, organizations, networks, financing and arrangements that are involved in sustainable development (social/economic/environment) policy-making or implementation activities. IFSD includes the global institutions charged with developing, monitoring and implementing policies on sustainable development across its three pillars – social, environmental and economic. The need for an IFSD recognizes that the sustainable development concept needs a governance system to guide its application.

Current institutional architecture is fragmented and overlapping which is hindering efforts at efficiently responding to sustainable development challenges (NEDA, 2011). There is a

need to look for institutional and governance frameworks that can help foster sustainable development globally.

There is an increased awareness that the Philippines can only tackle economic, financial, environmental, climate and social challenges by addressing the 3 dimensions of sustainable development in a coordinated and integrated manner therefore, a strengthened IFSD is needed.

Figure 2. Institutional Framework for Sustainable Development

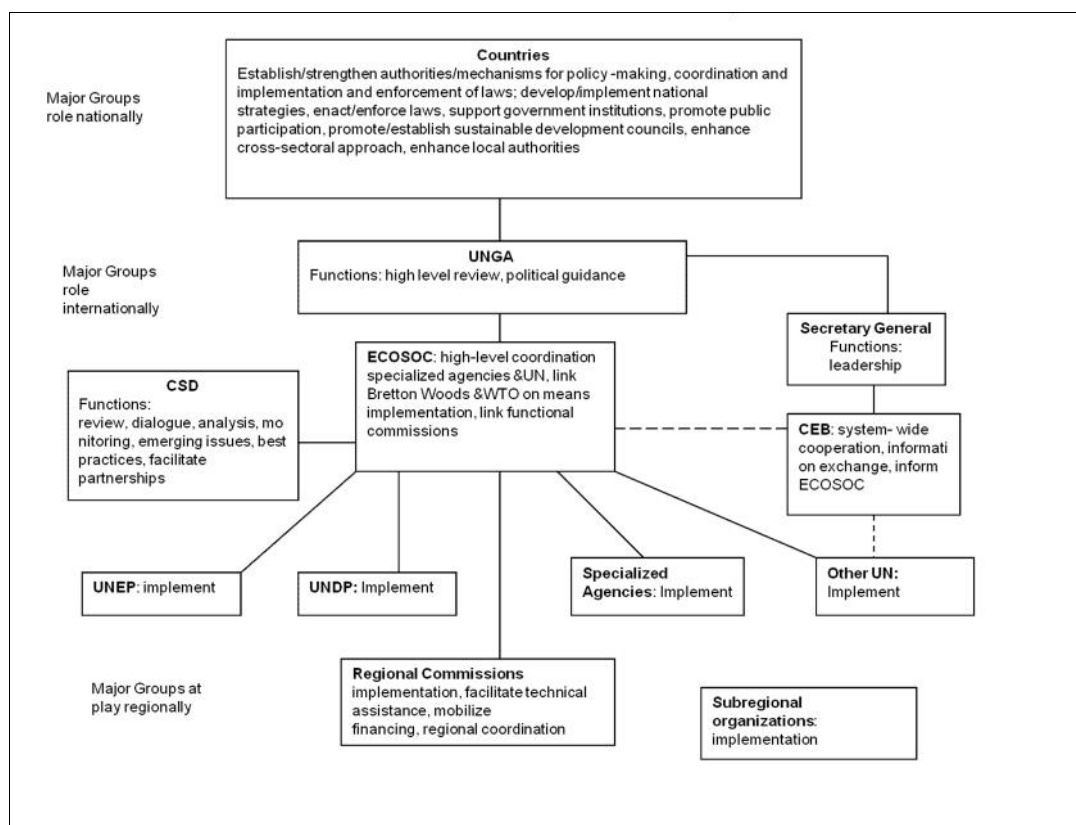


Figure 2 is the proposed IFSD institutional framework developed by the NEDA in 2011. In the figure, the countries are located at the top of the diagram because the IFSD should be structured to ultimately support countries to implement and achieve sustainable development while also countries must undertake their own efforts to implement and achieve sustainable development. Countries basically have two tasks nationally, specifically: 1) set up the institutional structure within the government and society to

support the implementation of sustainable development and 2) develop laws and policies to implement sustainable development.

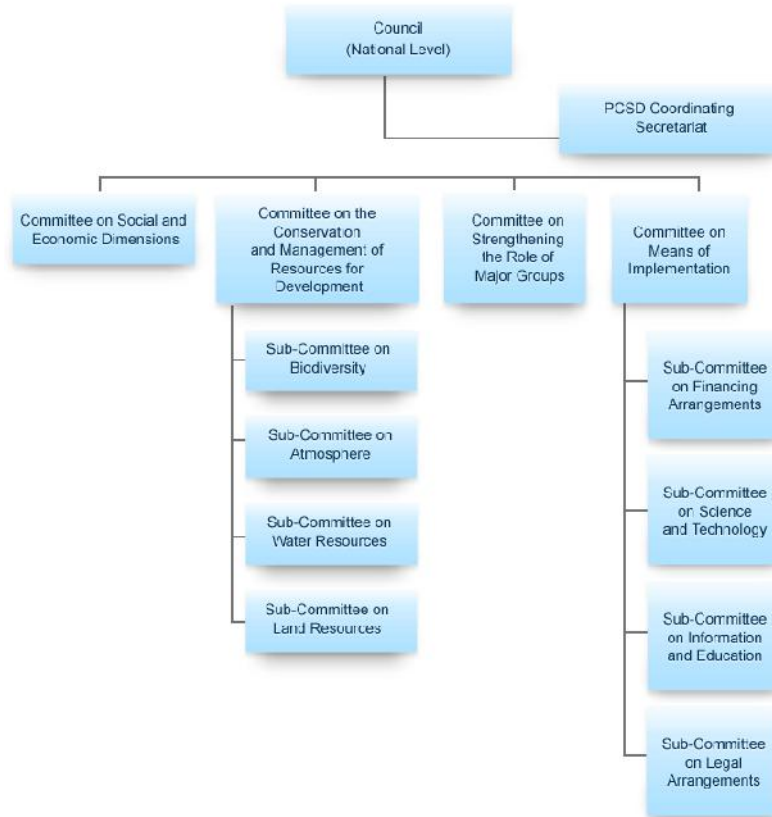
In the Philippines, there is a Philippine Council for Sustainable Development (PCSD). The PCSD is a multi-stakeholder body which provides policy advice to appropriate bodies on sustainable development issues of national interest. It is convened to ensure the implementation of the country's commitments in light of UNCED commitments and assure the integration of the interplay of social, economic and environmental concerns in the Philippine national policies, plans and programs involving all sectors of the society

The PCSD has had catalytic interventions for the continuous strengthening/localization of the PA21. Initial efforts towards localization bring to a total of 40 local bodies for sustainable development in the Philippines, of varying modalities at various levels of governance. These councils showcase active interaction of the government, civil society and business sectors (Philippine Council for Sustainable Development).

The PCSD organization structure as provided by the Executive Order No. 370 series of 1996 is composed of three levels of line function, namely: the Council, the Committees and the Sub-committees. The PCSD structure (Figure 3) allows an integrative, responsive, and efficient working relationship among its members in addressing SD issues and concerns.

The Philippines experience provides ample evidence that the integration of the three pillars of sustainable development cannot be achieved solely at the national level. Instead, it is realized both at the local community and national levels as consolidation of communities are formed and strengthened. A sustainable nation must be a community of sustainable local communities and a sustainable world, a community of such sustainable countries.

Figure 3. PCSD Organizational Structure



However, even with the low performance of the Philippines in the implementation of PA21, there are also success stories. The localization of the PA21 through the implementation of the Governance for Philippine Agenda (GOPA) 21 resulted to the establishment of Local Councils for Sustainable Development in the entire country that resulted in the mainstreaming of SD into the different levels of governance.

In Davao City, one success story is that of the PCEEM Davao Foundation, Incorporated. This evolved from a five-year bilateral project (in March 1998) jointly funded by the Government of the Philippines through the Department of Environment and Natural Resources (DENR) and the Government of Canada through the Canadian International Development Agency (CIDA). This project, which aimed to test a governance model using watersheds as units of management, was also implemented in Cebu, where watersheds have been degraded to an alarming stage. In Davao City, PCEEM chose the Talomo-Lipadas

Watershed (TLW) as its initial project site. In 2005, it expanded its geographic coverage in Davao River Watershed (DRW). As a project, the name 'PCEEM' stood for Philippines-Canada Environmental and Economic Management; today, 'PCEEM' in 'PCEEM Davao' stands for 'People Collaborating for Environmental and Economic Management'.

Currently, the Philippines is implementing the National Greening Program (NGP). The NGP is a massive forest rehabilitation program of the government established by virtue of Executive Order No. 26 issued on February 24, 2011 by President Benigno S. Aquino III. It seeks to grow 1.5 billion trees in 1.5 million hectares nationwide within a period of six years, from 2011 to 2016 (DENR).

Aside from being a reforestation initiative, the NGP is also seen as a climate change mitigation strategy as it seeks to enhance the country's forest stock to absorb carbon dioxide, which is largely blamed for global warming. It is also designed to reduce poverty, providing alternative livelihood activities for marginalized upland and lowland households relating to seedling production and care and maintenance of newly-planted trees, thereby leading to green growth.

According to PCSD (PCSD, 2011), the following are some recommendations of the Philippines to enhance and strengthen the current institutional framework for SD:

A. Organizational. The Philippines emphasizes the need for strengthened international sustainable development governance effective enough to support national structures for SD localization and efficient enough so as to lower transaction costs of developing countries. The planning and reporting processes of all UN Conventions and Programmes should thus be synchronized in order to facilitate effective coordination of the commitments and actions. It is suggested that an implementation framework and/or coordination mechanism be established to clearly delineate the roles and responsibilities of each organization under the UN system. The development and implementation of an incentive scheme to country-parties implementing SD initiatives/meeting agreed Convention commitments should also be pursued. Appropriate governance structures

from international, regional and national levels, including UN Programmes and Convention Secretariats, UN-ESCAP, and the PCSD, should be strengthened to effectively support sustainable development.

B. Localization. The genuine realization of sustainable development should be attained at the local level and translated to improved well-being of people at the community level. Mechanisms, system and structures, including good governance, should promote and support local actions for sustainable development. The country strongly believes that instead of creating new institutions for SD, it is more effective and efficient to mainstream the mandate for sustainable development in existing structures and mechanisms, facilitated with the assistance of civil society and the business sectors through appropriate public-private partnership.

On the transition to green economy, since it is considered as an important rallying point for better integration of the three pillars of sustainable development and also one of the approaches to achieve sustainable development (Balisacan, 2012), the Philippines supports a menu of options, more specifically : access, technology transfer, knowledge sharing and cooperation on green and cleaner production technology; financial assistance and green investments; capacity building; avoidance of trade protectionism; social dimension; green jobs and livelihood; peace and security to facilitate transition to green economy. It is a transition that considers the need for common but differential responsibilities between developed and developing countries, and respects national development objectives and capacities.

The transition to Green Growth and Green Economy is a big and yet welcome move for NEDA. The Philippine government represented by the NEDA signed the Agreement on the Establishment of the Global Green Growth Institute (GGGI) during the United Nations Conference on Sustainable Development in Rio de Janeiro, Brazil. This move shall bring NEDA once again at the forefront of sustainable development initiatives.

The Agreement lays down the legal framework for the transformation of the GGGI into an international organization dedicated to the promotion of a paradigm shift in economic development that simultaneously targets both economic performance and environmental sustainability. The ultimate objective is sustainable economies that address poverty reduction, job creation and social inclusion in an environmentally sustainable manner.

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