

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Focus and Key Activities

1. The programmatic approach to increasing competitiveness for inclusive growth in the Philippines takes into account assistance by other multinational and bilateral development partners to further improve coordination and harmonization of the program, and ensure synergies to maximize its impact. The table below summarizes ongoing development projects in the program's three areas: (i) implementing structural policy reforms to the economy, (ii) creating an efficient market for infrastructure projects through public-private partnerships (PPPs), and (iii) promoting competitive labor markets. The government of Japan (through the Japan International Cooperation Agency) cofinanced outputs 1 and 2 of the program's first subprogram (covering competition policy, regulatory reform, tax reform, and measures to promote competitive logistics and creating an enabling environment for PPPs in infrastructure), provided input into the formulation of the subprogram 2 policy matrix, and participated in joint program monitoring reviews with the Asian Development Bank (ADB), the Government of Canada, and the Government of France. The government of Canada financed two ADB technical assistance (TA) projects to the amount of \$12.5 million to support implementation of subprogram 2 policy triggers in outputs 1 and 3, including JobStart, the tourism skills development program, the hotel and resort five-star rating project, and the regulatory impact assessment program.¹ Both TA projects began in late 2013.

Development Partner Support to the Philippines Increasing Competitiveness for Inclusive Growth

Program or Project Name	Development Partner	Main Areas of Support	Duration	Amount (million)
Structural Policy Reforms to Improve the Competitiveness of the Economy				
Strengthening Institutions for an Improved Investment Climate (TA 7870)	ADB	(i) Competition policy and regulatory efficiency, and (ii) employment generation	Sep 2011 to Dec 2014	\$1.0
Private Sector Promotion Program.	GIZ	Business and investment climate improvement in the Visayas region	2003–2012	N/A
Development Policy Loan 2 and 3	World Bank	(i) Macroeconomic stability, (ii) public financial management, (iii) infrastructure and investment climate (support to LGUs), and (iv) human capital development for the poor (health and education)	May 2011 to Mar 2012 and May 2013 to Mar 2014	\$250.0
Improving Business Climate (through International Finance Corporation)	CIDA	Simplification of business registration processes at LGUs among others	2011–2014	\$2.1
Capacity Building for a Comprehensive National Competition Policy (technical cooperation project)	JICA	Support to the Department of Justice and the Department of Trade and Industry in competition policy issues	Mar 2010 to Mar 2013	N/A
Support to BOI, BOC, DOF, and DOTC	JICA	Support to (i) BOI through the Development of the Philippine Investments Promotion Plan; (ii) BOC through the Philippine Customs	Mar 2009 to Dec 2013	¥187.0

¹ ADB. 2013. *Employment Facilitation for Inclusive Growth*. Manila; ADB. 2013. *Improving Competitiveness in Tourism*. Manila.

		Intelligence System (PCIS) and others and (iii) DOF through the study on tax refunds		
Local Implementation of National Competitiveness for Economic Growth	USAID	Improvement of the business environment, removal of barriers to public and private investment, and reduction of the cost and policy constraints to trade		N/A
Creating an Efficient Market for Infrastructure Projects through Public–Private Partnerships				
Strengthening Public–Private Partnerships (PPPs) in the Philippines (TA 7796)	ADB (with cofinancing from the Governments of Australia and Canada)	(i) Strengthening systems and capacity of the PPP Center and key government agencies in PPPs, and (ii) supporting development of bankable PPP projects through cofinancing of the Project Development and Monitoring Facility	Apr 2011 to July 2016	\$17.7
Capability Building of the PPP Center of the Philippines	World Bank	Institutional and organizational planning to refine the PPP Center's strategic direction	Apr 2011	\$0.18
Study on Institutional Improvement for PPP in the Philippines	JICA	(i) PPP policy, (ii) options for overseas development assistance Yen Loan and other Japanese assistance in PPPs, (iii) capacity building of and advice to selected government agencies.	Feb 2011 to Nov 2011	
Capability Building Strategy of the PPP Center of the Philippines	United Kingdom	(Training on project planning and design)	Aug 2011 to Nov 2011	\$0.04
Employment Facilitation				
Promoting Decent Work Across Borders: A Pilot Project for Migrant Health Professionals and Skilled Workers (India, Vietnam and Philippines)	European Commission (through International Labour Organization)	To promote circular migration of professionals and highly skilled personnel in the health sector.	Dec 2010 to Dec 2013	\$2.7
Capacity Development on Tourism Statistics in Local Government Units (technical cooperation project)	JICA	Support to the Department of Tourism in tourism statistics improvement	Apr 2009 to Mar 2012	N/A

ADB = Asian Development Bank, AusAID = Australian Agency for International Development, CIDA = Canadian International Development Agency, GIZ = German International Cooperation, JICA = Japan International Cooperation Agency, LGU = local government unit, PPP = public–private partnership, TA = technical assistance, USAID = United States Agency for International Development.

Source: Asian Development Bank.

B. Institutional Arrangements and Processes for Development Coordination

2. At the country level, the Philippines Development Forum (PDF) is a key government-led mechanism for coordination (in strategic, operational, and policy aspects) between various development partners. The PDF has 10 active working groups that facilitate the policy dialogue throughout the year on the working groups' specific themes. The PDF meets annually to take stock. ADB is represented in all PDF working groups, and chairs the working group on governance and anticorruption issues.

3. On employment facilitation, a tripartite committee representing the Department of Labor and Employment (DOLE), employer groups, and labor unions provides the main vehicle for policy dialogue on industrial relations and labor policy. Consultations on the review of the Labor

Code have begun with the tripartite committee. The International Labour Organization (ILO) has provided assistance to enhance capacity at the Philippines employment service offices.

4. On investment climate, the National Competitiveness Council (NCC) is a primary public vehicle for policy coordination under the government's competitiveness agenda. The NCC is co-chaired by a private sector representative. It monitors progress on reforms and acts as a vehicle for policy discussions between the government and the private sector. The NCC's private sector co-chair will also head the proposed program-related private sector forum, thereby embedding itself in the established consultation process to minimize coordination costs.

5. On PPPs, the PPP Center leads the coordination with the development partners and the private sector—two consultation meetings have already taken place and helped minimize the risk of overlap and improve coordination in approaches and modalities. Apart from this, in early 2011, ADB initiated a working group on PPP financing issues with participation of the development partners, government oversight agencies, and government financial institutions. These two coordination platforms for PPPs have importantly informed the direction of ADB's PPP support under the PPP TA and subsequently under the current program. The coordination meetings led by the PPP Center will be used to coordinate the measures under the PPP part of the program. Under subprogram 2, the PPP Governing Body was established to oversee PPP policy development.

C. Issues

6. To ensure efficiency and effectiveness of development partner coordination in improving competitiveness, it is critical that coordination is led by a capable government body such as the NCC. However, it is underfunded and this does affect its effectiveness. The ADB TA on investment climate provides some support to the NCC.

D. Summary and Recommendations

7. The government has an established development partner coordination mechanism in the form of the PDF, the NCC, and other forums.