Chapter 4

Overall Framework

The Regional Development Plan (RDP) 2017-2022 is the first medium-term plan of the region that is anchored on the country's long-term vision or AmBisyon Natin 2040. The priorities are guided by the 0 to 10-point Socio-Economic Agenda of the Duterte Administration, the 2030 Sustainable Development Agenda (SDA), and the provincial and sectoral consultations conducted by the Regional Development Council (RDC) through its sectoral committees.

The thrust of the RDP 2017-2022 is to lay down the foundation for more inclusive growth, a high-trust and resilient society, and a globally competitive knowledge economy. The period will be characterized by filling the gap or shortfalls and meeting standards in services, catching up to meet standards and sustaining the gains in development. It adopts the good practices of previous administrations and considers the lessons gleaned from these experiences in enhancing the strategies proposed in the new plan.

Assessment and Challenges

Central Visayas is the country's best performing economy during the last plan period (2011-2016). Except in the later years, the region surpassed its gross regional domestic product (GRDP) growth targets, increasing at an average annual rate of 7.5 percent, the fastest growth rate in the country, and much higher than the national average of 6.1 percent (*see Figure 4.1*). The higher economic growth led to the generation of more jobs as the employment rate (95.0 percent in 2016) improved and surpassed the low end target. However, many of the jobs that were generated did not support full employment as the underemployment rate remained high and was even higher during the 2011-2015 period than in 2004-2010.
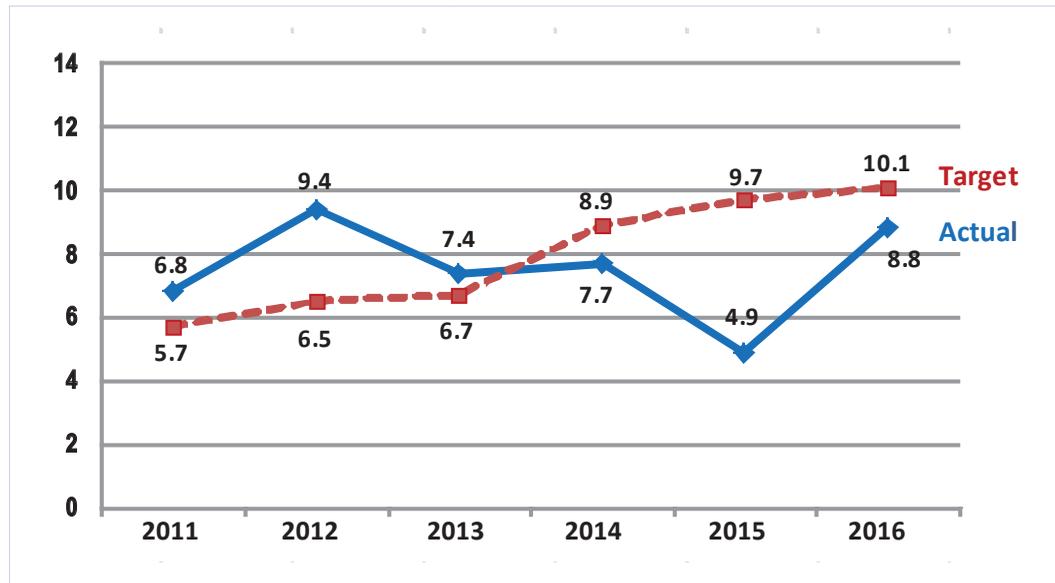
The region also missed its target for poverty reduction. While the region was able to bring down poverty incidence among families from a high of 38.2 percent in 1991 to 26.0 percent in 2009 and 23.6 percent in 2015, it was still short of the Millenium Development Goal (MDG) of a 19.1 percent poverty incidence by 2015 (*see Figure 4.2*). The region, however, fared better in meeting its target of bringing down incidence of hunger (subsistence incidence). In 2015, the region recorded a subsistence incidence of 9.8 percent, lower and better than the MDG target of 10.4 percent for the year.

Economic Growth Drivers
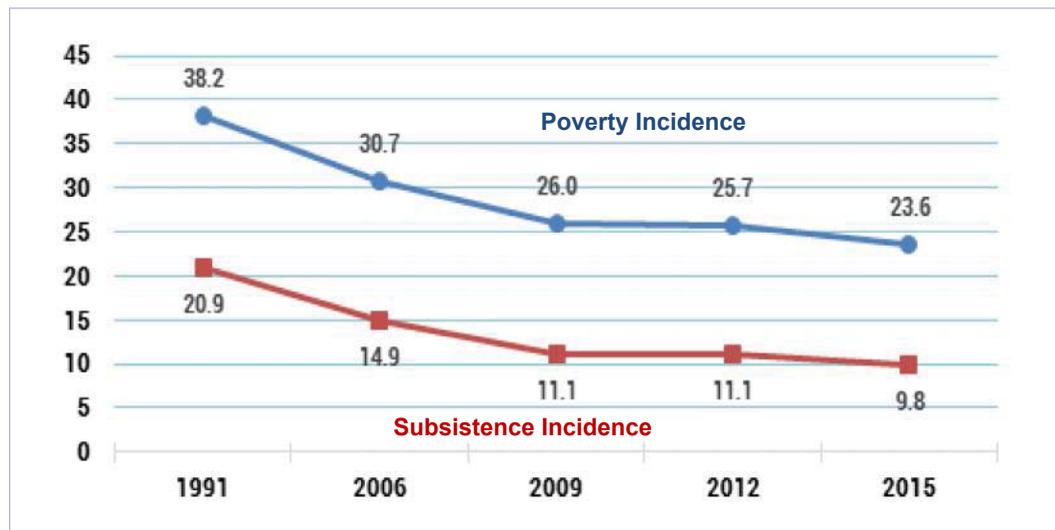
Industry and Services drove the growth of the regional economy during the period 2011-2016. Despite a poor performance in 2015 where output of the sector had a flat growth, Industry still posted a respectable 9.4 percent AAGR from 2011 to 2016. This is still however, below the target of 11.2 percent. The region's Services sector also turned in an impressive performance. Except in 2014 and

Figure 4.1 GRDP Growth Rates: Target vs Actual, 2011 - 2016

Figure 4.2 Poverty Incidence and Subsistence Incidence Among Families: 1991, 2006, 2009, 2012, 2015

2016, the sector surpassed its targets for all the years to average 7.1 percent for the six-year period, higher than the target average growth rate of 6.7 percent (*see Table 4.1*).

The Mining/quarrying, manufacturing, and construction were the main growth drivers of the region's industry sector in 2011-2016. In the services sector, banking and allied services, transportation, and real estate/renting/business activities, which includes business process outsourcing, drove the growth of Services.

Table 4.1 GVA Growth Rates of Agriculture, Industry, and Services: Target vs Actual, 2011-2016

Sector		2011	2012	2013	2014	2015	2016	Average
Agriculture	Target	2.7	3.3	-1.5	2.0	3.5	3.5	2.2
	Actual	3.7	**-1.6**	-0.3	**-1.9**	**2.3**	**-0.6**	**0.3**
Industry	Target	6.3	7.7	11.5	13.0	14.0	14.5	11.2
	Actual	9.3	12.0	**9.5**	**11.3**	**0.0**	14.6	**9.5**
Services	Target	5.8	6.4	6.0	7.0	7.3	7.5	6.7
	Actual	5.7	9.1	6.9	**6.6**	8.7	**5.9**	7.2

Notes: Figures in **red** imply that the actual accomplishment is below target.
Source: Philippine Statistics Authority

Need for Greater Inclusivity

The failure to bring down poverty incidence to desired levels despite an impressive performance of the regional economy is an indication of the need to make the region's gorwth more inclusive. The MDG scorecard, which includes some key non-income outcomes of inequality, shows poor performance in areas essential for the population to access to development opportunities, such as good health, nutrition, and quality education. Inequality in development also exist among provinces. While Central Visayas is one of the fastest growing regions in the country, the bulk of its economic activities and employment opportunities are concentrated in Metro Cebu. It is estimated that Cebu accounts for 80 percent of the region's total economic output, while the rest of the provinces account for the remaining 20 percent.

More work therefore needs to be done to achieve inclusivity and to increase the access of the population to opportunities that will lead to a better quality of life. Another realization is that disasters can negate previous gains and even push back development. Hence, it is also essential to strengthen resilience of families and communities against disasters, both natural and man-made.
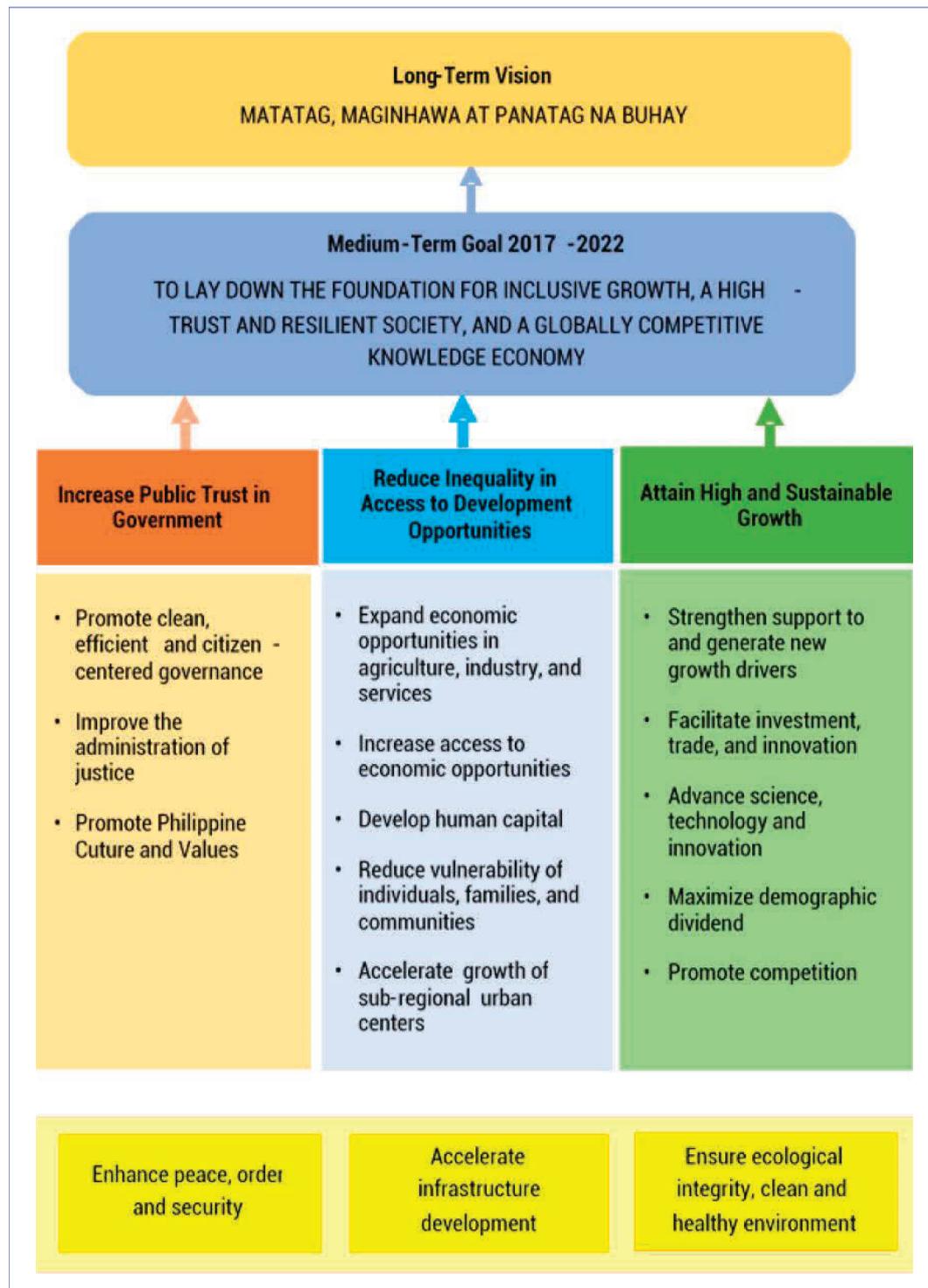
Strategic Framework

The development agenda of the RDP 2017-2022 are: a) increasing public trust in government; b) reducing inequality in access to development opportunities; and c) attaining high and sustainable economic growth. These will be supported by a strong foundation in public order and security, infrastructure development, and ecological integrity (*see Figure 4.3*).

Targets

A summary of the macroeconomic targets for the plan period 2017-2022 are presented in Table 4.2.

GRDP growth rate will accelerate to an annual average of 7.5 to 7.9 percent in real terms from 2017-2022. The regional economy will expand by more than 54.4 percent in 2022 from its base in 2016. This means that the per capita income will increase from PhP64,858 in 2015 to about PhP95,164 in 2022. Industry is targeted to grow the fastest averaging 9.2 percent per year, followed by Services at an average annual growth rate of 6.8 percent. Agriculture, on the other hand, is targeted to expand at an average annual rate of 2.4 percent.

Figure 4.3 Regional Strategic Framework

Long-Term Vision

MATATAG, MAGINHAWA AT PANATAG NA BUHAY

Medium-Term Goal 2017 -2022

TO LAY DOWN THE FOUNDATION FOR INCLUSIVE GROWTH, A HIGH - TRUST AND RESILIENT SOCIETY, AND A GLOBALLY COMPETITIVE KNOWLEDGE ECONOMY

Increase Public Trust in Government

- Promote clean, efficient and citizen - centered governance
- Improve the administration of justice
- Promote Philippine Cuture and Values

Reduce Inequality in Access to Development Opportunities

- Expand economic opportunities in agriculture, industry, and services
- Increase access to economic opportunities
- Develop human capital
- Reduce vulnerability of individuals, families, and communities
- Accelerate growth of sub-regional urban centers

Attain High and Sustainable Growth

- Strengthen support to and generate new growth drivers
- Facilitate investment, trade, and innovation
- Advance science, technology and innovation
- Maximize demographic dividend
- Promote competition

Enhance peace, order and security

Accelerate infrastructure development

Ensure ecological integrity, clean and healthy environment

Poverty incidence among families will decline to 17.6 percent by 2022. For poverty incidence among population, the proportion of people living below the poverty threshold will go down to 21.7 percent in 2022. This translates to about 265,023 people in Central Visayas who will be lifted out of poverty by 2022.

The unemployment rate will decline from 5.0 percent in 2016 to 3.0-4.0 percent in 2022. A bigger concern, however, is the under-employment rate which is affected by the quality of jobs that is being generated. Emphasis will be on improving the quality of employment to bring down the underemployment rate to 16-18 percent by 2022.

Real investment rate will rise to 32.5 percent by 2022. Central Visayas will rank among the top 3 regions with the highest real investment rate (gross capital formation as a share of GRDP) in 2022.

Strategies

The strategies to achieve the targets fall under the three major pillars of increasing public trust, reducing inequality, and increasing growth potential.

On increasing public trust in government, the aim is to regain peoples' trust in government institutions through good governance, enhancing the competence of public institutions in the delivery of services, improving the administration of justice, and intensifying multi-sectoral approach, interlocal cooperation, and convergence of services (*Chapters 5 and 6*). Public trust is essential to foster greater private sector engagement in the development activities of the region and sustain these beyond the medium-term.

Values for the common good will be promoted using social media and will be integrated in the

Table 4.2 Macroeconomic Targets, Central Visayas: 2017-2022

INDICATORS		2017	2018	2019	2020	2021	2022	AVERAGE 2017-2022
GRDP Growth Rate	Low	6.4	6.9	7.6	7.8	8.0	8.3	7.5
	High	6.9	7.4	7.8	8.3	8.5	8.8	7.9
GVA Growth Rate:								
Agriculture, Fishery,	Low	1.8	2.2	2.5	2.6	2.7	2.8	2.4
Forestry	High	2.2	2.6	2.6	2.8	2.9	2.9	2.7
Industry	Low	7.9	8.5	9.3	9.5	9.7	10.0	9.2
	High	8.4	8.9	9.6	10.0	10.2	10.5	9.6
Services	Low	5.9	6.3	6.9	7.1	7.3	7.5	6.8
	High	6.4	6.8	7.1	7.6	7.8	8.0	7.3
Gross Capital Formation Share in GRDP	Low	29.0	30.0	30.7	31.4	32.0	32.5	30.9
	High	29.5	30.5	31.2	31.9	32.5	33.0	31.4
Employment Rate (%)	Low	95.2	95.5	95.8	96.1	96.4	96.7	96.0
	High	95.5	95.8	96.1	96.4	96.7	97.0	96.3
Unemployment Rate (%)	Low	4.5	4.2	3.9	3.6	3.3	3.0	3.7
	High	4.8	4.5	4.2	3.9	3.6	3.3	4.0
Poverty Incidence Among Families		22.6	21.6	20.6	19.6	18.6	17.6	
Poverty Incidence Among Population		26.1	25.3	24.4	23.5	22.6	21.7	

school curricula (*Chapter 7*). The people in Central Visayas will also be made more aware of and will learn to value cultural diversity and shared heritage. Heritage conservation plans will be formulated and implemented especially in disaster-prone areas.

Expanding economic opportunities in agriculture, industry and services, and increasing access to these opportunities particularly of economic groups and lagging communities will result to a more inclusive growth (*Chapters 8 and 9*). Reducing vulnerability through social protection and the development of human capital will also be vigorously pursued (*Chapters 10 and 11*). Social protection programs will focus on priority beneficiaries and unserved/underserved areas and sectors. These include, among others, farmers, fishermen, women, children, persons with disabilities as well as micro, small and medium enterprises. The region will also lay the groundwork to address the issues in the housing sector (*Chapter 12*).

Attaining high and sustainable growth shall be achieved by strengthening support to the region's growth drivers as well as generating new growth drivers (*Chapters 15 and 16*). Infrastructure development will be directed towards improving connectivity and productivity (*Chapter 19*). Public-Private Partnership (PPP) in the provision of infrastructure will be fostered

through more responsive and streamlined guidelines. Technology adoption will also be promoted and innovation encouraged (*Chapter 14*). There will likewise be aggressive efforts to ensure that families will be of the size that can be adequately cared for (*Chapter 13*).

All of the above strategies will be underpinned and supported by maintaining peace, order, and security (*Chapters 17 and 18*). The effective delivery of services as well as the attainment of economic growth and progress can only prosper in an environment of peace and stability. The approach will be comprehensive and will include information and education campaigns, community mobilization, and military-police-community partnership.

The region will also ensure the protection of the environment and natural resources (ENR) even as it continues to pursue economic progress (*Chapter 20*). This is in recognition of the ENR's critical and multifarious functions, such as groundwater recharge, habitat of wildlife, regulator of air quality, sources of raw materials for industries, and livelihood and recreation for the people. The RDP will promote policies that will preserve the region's natural resources and the environment. These will include programs and activities that will rehabilitate, reforest, regenerate and conserve the forestlands, uplands, watercourses, wetlands, shorelands, marine and other natural resources of the region.