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THE CHALLENGES IN TRANSITIONING TO THE BUILD BETTER MORE INFRASTRUCTURE PROGRAM

EPICTETUS E. PATALINGHUG, PH.D

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WRITTEN BY
EPICTETUS E. PATALINGHUG, PH.D

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ABSTRACT

This study examines the challenges currently faced by the Build Better More infrastructure program of the Ferdinand Marcos Jr. administration and recommends ways to manage expectations in the short run as well as on issues to bear in mind for the next five years. The BBM Program confronts the same challenges faced by its predecessor, the Build, Build, Build Program of the Rodrigo Duterte administration in terms of planning, procurement, and implementation chokepoints. One perspective that can provide elbow room in terms of performance and minimizing risks is for the Marcos Jr. administration to adapt or endeavor into a different implementation strategy. Rather than setting grand targets for completion, the current infrastructure program can concentrate on short-run partial project completion and operation, which will in the process demonstrate achievements and build confidence on the program. Also, these achievements will in turn reinforce the support of stakeholders to the current infrastructure program and to the attainment of long-term targets. This adaptive strategy further opens up the opportunity to cope up with the institutional weaknesses and limited absorptive capacity of the implementing agencies. Infrastructure project delays can also be prevented by beginning to work on an operable project segment within the same phase even if the other component phases are not yet complete. This implementational phasing strategy will foster confidence-building efforts to the BBM Program and provide elbow room for institutional and capacity building of agencies. In essence, the study suggests short-run partial completion and operation of selected transport projects, e.g., short-term decongestion action, for its "demonstration effect" or to inspire the replication of the positive outcome of these projects. For the long run, it recommends the legislation of a national infrastructure plan, the streamlining of regulatory approval processes, simplification of procurement rules, and establishment of a project monitoring and evaluation system. Only through these recommendations can the Build Better More program provide more efficient infrastructure projects than the programs of its predecessor.

THE CHALLENGES IN TRANSITIONING TO THE BUILD BETTER MORE INFRASTRUCTURE PROGRAM

EPICTETUS E. PATALINGHUG, PH.D

Several studies have documented the effect of infrastructure on economic growth. It is estimated that investment in infrastructure yields an average rate of return of approximately 42% (Bom and Lighthart, 2014). The quantity and quality of transport and digital infrastructure strengthen connectivity and mobility of people, goods, and services both within and across borders. Numerous studies have examined the empirical evidence of whether massive or big-push infrastructure and capital spending programs have succeeded in accelerating economic growth in developing countries. With the exception of China's experience, the evidence shows, on average, only a weak positive association between infrastructure spending and economic growth under episodes of big-push infrastructure spending programs.

The Philippines has embarked on a big-push medium-term (2017-2022) infrastructure program called the Build, Build, Build (BBB) Program under the Rodrigo Duterte administration. Its successor medium-term program (2023-2028) under the Ferdinand Marcos Jr. administration is called the Build Better More (BBM) Program. Each program identifies a list of priority projects, and each program has budgeted PHP9 trillion, or approximately USD164 billion.

The primary objective of this research is to examine the challenges faced by the BBM Program in transitioning from the BBB Program, and to recommend ways to manage expectations in the short run as well as on issues to bear in mind for the next five years of the Marcos Jr. administration.

The Build Better More (BBM) Infrastructure Program

The Build Better More (BBM) infrastructure program contains a list of high-impact priority projects of the Ferdinand Marcos Jr. administration (2023-2028). The National Economic and Development Authority (NEDA) Board initially approved 194 infrastructure flagship projects (IFPs) on March 9, 2023. On August 23, 2023, it approved 3 more IFPs, increasing the total number of projects to 197, with an indicative total cost of PHP8.7 trillion (see Table 1).

Table 1 . Spending Targets of the BBM Program: 2023-2028
(in Billion Pesos)

Item	2023	2024	2025	2026	2027	2028
Expenditure	1292.7	1,352.3	1,467.5	1,607.8	1,907.2	2,298.1
Percent of GDP	5.3	5.1	5.1	5.1	5.5	6.0

Source: National Economic and Development Authority

The BBM Program includes 124 new projects, among which are the University of the Philippines-Philippine General Hospital (UP-PGH) in Diliman, Quezon City, Panay Railway, San Mateo Railway, North Long Haul component of the North-South Railway Network, and Metro Cebu Expressway. It also includes 73 projects carried over from its predecessor, the BBB Program, among which are the Metro Manila Subway, North-South Commuter Railway, upgrade, expansion, and rehabilitation of Laguindingan Airport, Bohol-Panglao Airport, Iloilo Airport, and Davao Airport.

In contrast to the BBM Program, the BBB Program started with 75 big-ticket projects in 2017. However, after encountering problems of cost, technology, and feasibility, it dropped many of the high-cost projects in 2019 and focused on 100 less ambitious and more doable projects. Some of the original 75 projects dropped were the Dalton Pass East Alignment Road Project, New Zamboanga Airport, New Dumaguete Airport, Kanan Dam Project, Bohol-Leyte Bridge, Leyte-Surigao Bridge, Cebu-Bohol Bridge, Negros-Cebu Bridge, and Sorsogon-Samar Bridge. In 2020, the BBB list was increased to 104 projects, and in 2021 to 112 projects. Incidentally, the BBM Program has restored some of the projects dropped by the BBB Program, such as the New Zamboanga Airport, the New Dumaguete Airport, and the Dalton Pass East Alignment Road Project.

Assessing the BBB Performance

The Build, Build, Build (BBB) Program has set targets for its infrastructure spending program from 2017 to 2022, both in aggregate peso values and as a percent of the Gross Domestic Product or GDP (see Table 2). Infrastructure expenditures were targeted to progressively increase from 5.4% of GDP in 2017 to 7.3% of GDP in 2022. Specifically, spending was targeted at PHP858.1 billion in 2017 to PHP1.840 trillion in 2022. Except in 2017, actual expenditures were consistently below target from 2018 to 2022 (see Table 3). The reason was the

Table 2 . Spending Targets of the BBB Program: 2017-2022
(in Billion Pesos)

Item	2017	2018	2019	2020	2021	2022
Expenditure	858.1	1,097.3	1,295.5	1,456.6	1,584.0	1,840.2
Percent of GDP	5.4	6.3	6.8	6.9	6.9	7.3

Source: Department of Public Works and Highways

Table 3 . Actual Infrastructure Spending of BBB Program: 2017-2022
(in Billion Pesos)

Item	2017	2018	2019	2020	2021	2022
Expenditure	991.25	990.52	1,050.0	869.9	890.7	1,180.0
Percent of GDP	5.9	5.4	5.4	4.8	4.6	5.9

Source: Department of Budget and Management

Table 4 . DPWH and DOTr Obligation Rates and Disbursement Rates: 2016-2021

Year	Obligation/Allotment		Disbursement/Obligation		Disbursement/Appropriation	
	DPWH	DOTr	DPWH	DOTr	DPWH	DOTr
2016	77.5%	67.1%	73.2%	79.2%	54.7%	52.9%
2017	92.1%	84.1%	36.3%	39.2%	32.8%	32.5%
2018	92.6%	90.0%	42.9%	40.7%	39.3%	36.6%
2019	87.8%	85.2%	56.4%	42.5%	48.1%	34.3%
2020	92.5%	96.8%	31.2%	56.4%	28.6%	35.3%
2021	93.2%	93.9%	61.0%	47.0%	53.8%	41.5%

Source: Navarro and Latigar (2022)

relatively low ratio of disbursements relative to the implementing agency's budget. This limitation in the absorptive capacity of the infrastructure implementing agencies is affirmed by the declining disbursement-to-appropriation ratios from 2016 to 2021 for both the Department of Public Works and Highways (DPWH) and the Department of Transportation (DOTr), as shown in Table 4. The Department of Budget and Management (DBM) estimates that the ratio of disbursement to obligation ranges from 31% to 37% in 2020.

It must be emphasized that there are IFPs planned and implemented during the previous Benigno Aquino III administration that were completed and inaugurated during the Rodrigo Duterte administration, and were counted as part of the BBB accomplishments. These projects include NAIA Expressway, Mactan-Cebu International Airport Terminal Building, Bohol-Panglao International Airport, Parañaque Integrated Terminal Exchange (PITX), NLEX Harbor Link Road, Tarlac-Pangasinan-La Union Expressway (TPLEX), and Metro Manila Skyway 3. However, the BBB Program has also completed projects that have been delayed for at least 10 years, such as the LRT-2 East Extension Project and the Bicol International Airport.

Some of the major projects initiated and completed during the Duterte administration include Clark International Airport Terminal Building, BGC-Ortigas Center Link Road, Estrella-Pantaleon Bridge, Binondo-Intramuros Bridge, Cebu-Cordova Link Expressway, Sangley Point Airport Rehabilitation Project, Angat Water Transmission Improvement Project, and New Clark City projects, such as the Athletic Stadium, Aquatic Center, Athletes' Village, and National Government Center Phase IA.

An assessment of the performance of the BBB Program (Patalinghug, 2022), gives a poor rating on progress vis-a-vis railway and airport projects. The performance of the former falls behind in procurement, loan negotiation, bidding and awarding of contracts, and start of construction. For the latter, its multiple airport unsolicited PPP projects have not progressed beyond the NEDA Investment Coordination Committee (ICC) evaluation stage, with the exception of San Miguel Corporation's New Manila International Airport (NMIA) in Bulacan which was given by DOTr the Notice to Proceed (NTP) in September 2019. In contrast, government-funded small airport rehabilitation projects are performing relatively well. BBB's road, bridge, highway, and tollway projects have performed relatively better compared to railway and airport projects. The DPWH has performed well in building short-distance bypass roads and bridges, but not in accomplishing major projects, such as the Cavite-Laguna Expressway (CALAX), C5 South Link Expressway, Southern Luzon Expressway Toll Road 4, Southeast Metro Manila Expressway, and Central Luzon Link Expressway. The latter projects have been delayed due to right-of-way (ROW) acquisition problems.

In the early part of the implementation of the BBB Program, the government admitted that some remaining institutional weaknesses need to be addressed. These weaknesses include poor planning and project preparation, procurement difficulties, and bottlenecks in project implementation. An inter-agency forum on IFPs in December 2021 identified the following drawbacks in project implementation: COVID-19 pandemic, adverse weather conditions, regulatory environment issues, delayed procurement, difficulty in ROW acquisition, insufficient funds, and delayed financing approval (Sadain, 2021),

If evaluated in terms of performance versus target, the BBB Program does not meet expectations. A comparison of the budget versus actual disbursements (see Tables 2 and 3) shows that actual expenditures are below programmed expenditures. The lack of absorptive capacity of the implementing agencies is cited as the explanation for this predicament. However, the Country Director for the Philippines of the Asian Development Bank expressed his view that the BBB Program can be considered incredibly successful in terms of achieving an all-time high public spending on infrastructure. Public spending on infrastructure during the Duterte administration averaged 5.3% of GDP compared to 2.5% of GDP spent by its predecessor, the Aquino administration.

Challenges Facing the BBM Program

The BBM Program faces similar challenges faced by its predecessor. (See Box 1. Public Utility Vehicle Modernization Program for a critical analysis of BBM Program's full embrace of BBB Program's clueless land transport reform program). These challenges refer to institutional weaknesses, poor planning and project preparation, and bottlenecks in implementation. The latter includes ROW acquisition problems, lengthy regulatory approval process, delayed procurement, and delayed financing approval. The Marcos Jr. administration infrastructure program has so far completed and inaugurated two projects implemented during the Duterte administration. These projects are the NLEX Connector Road and the Central Luzon Link Expressway (CCLEX). This trend will continue in the near future because 73 of the 197 BBM IFPs are continuing BBB projects. The mix of projects by sector in the BBM Program is shown in Table 5. There are no BBB agriculture projects in the BBM mix.

The three major sources of project financing are: (1) the budget or the General Appropriations Act (GAA), (2) official development assistance (ODA), and (3) public-private partnership (PPP). Table 6 shows the financing mix between BBB and BBM programs. In the former, 27 projects were GAA-financed, 54 were ODA-financed, and 31 were PPP-financed; in the latter, 63 projects are GAA-financed, 80 are ODA-financed, and 46 are PPP-financed.

The country's transportation system is identified with difficult travel, long commute, great discomfort, stressful experience, heavy motor vehicle traffic, insufficient public transportation, and constrained mobility. Both the BBB and BBM sets of projects are focused on building infrastructure for private motor vehicles, instead of spending for the provision of public transportation, such as railways, ferries, bus rapid transit, bike lanes, and pedestrian lanes to encourage

Table 5 . Composition of BBM Projects By Sector

IFPs	Physical Connectivity	Water	Agriculture	Health	Digital Connectivity	Energy	Total
BBB	50	12	0	4	4	3	73
BBM	71	32	15	2	1	3	124
Total	121	44	15	6	5	6	197

Source: National Economic and Development Authority

Table 6 . Comparison Between BBB and BBM Sources of Financing

Source	BBB	BBM
GAA	27	63
ODA	54	80
PPP	31	46
TBD	0	8
Total	112	197

Notes: GAA, refers to General Appropriations Act, ODA to official development assistance, PPP to public-private partnership, TBD means to be determined. BBB to Build, Build, Build Program, and BBM to Build Better More Program

Source: National Economic and Development Authority car and motorcycle owners to choose to leave their motor vehicles at home (Siy, 2023).

The public transportation components of the BBB and BBM Programs under construction include the North-South Commuter Railway, Metro Manila Subway, MRT-7, LRT-1 Cavite Extension, Cebu Bus Rapid Transit, and the Grand Common Station for LRT-1, MRT-3, MRT-7, and the Metro Manila Subway. Mass transportation projects in the pipeline for an extended period of time include the Mindanao Railway, Clark-Subic Railway, Tutuban-to-Sorsogon Railway, MRT-4, and the LRT-2 West Extension projects. In addition, the BBM Program has included new railway projects, namely Panay Railway, Bataan Railway, North Mindanao Railway, San Mateo Railway, and North Long Haul Interregional Railway. The latter plans to connect the National Capital, Central Luzon, Ilocos, and Cagayan Valley regions.

The challenges of both the BBB and BBM Programs is that they both lack strategic coherence. First, the 1,200-km Luzon Spine Expressway Network which intends to create connectivity from the Cagayan Valley Region to the Bicol Region is basically motor vehicle-centric. Although this network facilitates the operation of the public bus transportation system, there is room for linking road-based infrastructure with mass transportation infrastructure. For instance, the mega bridge program (Bataan-Cavite Interlink Bridge, Panay-Guimaras-Negros Bridge, and Samal Island-Davao City Bridge) can be complemented with a railway component. Cost consideration currently favors RORO and ferry transport from Sorsogon to Samar and from Leyte to Surigao, and vice versa. The latter two low-feasibility mega bridge projects provide connectivity between Luzon, Visayas, and Mindanao. Their important role in realizing seamless physical connectivity and catalyzing regional development requires a second look in the BBM's project selection and evaluation system. The traditional use of financial internal rate of return (FIRR) and economic internal rate of return (EIRR) in evaluating projects tends to cater to existing high-demand regions (e.g. NCR, CALABARZON, and Central Luzon) which yield high returns. This explains the interest to finance a second San Juanico Bridge and a fourth Mactan-Cebu Bridge by foreign lending agencies. What is missing is the social equity impact of funding low feasibility but strategic projects.

Second, planning and implementation of mass transportation projects are

Box 1 . Public Utility Vehicle Modernization Program

On June 29, 2017, the Department of Transportation (DOTr) issued Department Order No. 2017-011 entitled the "Omnibus Guidelines on the Planning and Identification of Public Road Transportation Services and Franchise Issuance" which led to the issuance by the Land Transportation and Franchising Regulatory Board (LTFRB) of Memorandum Circular 2018-008 entitled "Consolidation of Franchise Holders in Compliance with Department Order No. 2017-011". These issuances launched the Public Utility Vehicle Modernization Program (PUVMP) which mandates that all transport workers, drivers, and operators are required to form corporations and cooperatives until December 31, 2020 in order to secure their respective franchises. LTFRB is the implementing agency of the franchise consolidation policy. The pandemic delayed the implementation of this policy. On December 12, 2023, LTFRB issued Memorandum Circular 2023-051 ("Allowing Operations of Consolidated Transport Services Entities in All Routes with Filed Application for Consolidation on or Before December 2023") allowing the operators of transport entities to ply the roads under their existing provisional authority, but this provisional authority is deemed revoked by January 1, 2024 if the public utility vehicle (PUV) is not consolidated by December 31, 2023. LTFRB issued a subsequent MC 2023-052 which disallows transport entities which did not consolidate before December 31, 2023 from operating in routes with more than 60% consolidation, revoking the franchises of unconsolidated operators in routes with more than 60% consolidation, and allowing unconsolidated transport operators to ply their routes in routes with less than 60% consolidation until January 31, 2024.

The stated goal of the PUVM is to align the country's public transport system with global standards by providing commuters with a transport vehicle that is safe, reliable, convenient, and environmentally sustainable. The implicit assumption of PUVMP is that the financial viability of modernizing the iconic colorful traditional jeepneys in favor of new generation Euro IV emission compliant minibuses (aka modern jeepneys) is only possible via consolidation.

Transport groups expectedly oppose the consolidation of franchises from individual to group franchises because it will usher in the phaseout of traditional jeepneys as well as the phaseout of the livelihood of the transport workers. Affordability is the main concern of the transport workers. A modern jeepney costs PHP2.8 million, while a traditional jeepney costs up to PHP250,000. A jeepney driver earns PHP2,000 a day and cannot afford the monthly amortization of a modern jeepney, taking into account the government subsidy of PHP160,000. PUVMP stresses the benefits of a modernizing transport system in terms of reducing the use of fossil fuels, reducing greenhouse gas emissions, toxic fumes, and other sources of air pollution. But jeepneys and other PUVs do not contribute considerably to air pollution compared to other vehicles

Execution of PUVMP could be much improved. Consolidation is Stage Two of the program; Stage One refers to route rationalization which LTFRB failed to produce after several attempts. Consolidation of existing franchises is aimed to assign consolidated operators to a specific route.

Source: Diwa Guinigundo, "Modernizing the Way to the Exclusion of Some?", BusinessWorld, November 24, 2023; "Jeep Modernization: Adapt or Perish", Editorial, Philippine Daly Inquirer, December 18, 2023; Dexter Cabalza, "Piston Eyes SC Relief on PUV Coop Deadline", Philippine Daily Inquirer, December 17, 2023; "Find Win-Win Solution to PUV Modernization Challenges", Editorial, Manila Bulletin, December 27, 2023; Rey Panaligan, "SC Asked to Stop Implementation of PUV Modernization Program", Manila Bulletin, 21, 2023; Rene Santiago, "Proposal for Staging or Phasing the PUVM Program Implementation", personal communications, December 30, 2023; and Aaron Recuenco, "DOTr: Only 40% of NCR Transport Operators Consolidate for PUVM", Manila Bulletin, January 2, 2024

Box 1 . Public Utility Vehicle Modernization Program

Cooperatives will operate the transport units on a profit-sharing scheme which is perceived by the affected drivers as risky because cooperative management costs will eat into their earnings. Jeepney drivers/operators who agreed to consolidate into cooperatives or corporations, but lack the funds to meet the requirement of forming a cooperative or corporation surrendered their franchises to the organization in return for a daily compensation of PHP800 and separate PHP700 daily payment for driver services. These promised payments have not been delivered and drivers/operators have not recovered their surrendered franchises. In contrast, LTFRB assumes that franchise consolidation makes it easier for PUV operators to secure loans for purchasing new unit, facilitating route rationalization based on passenger demand, implementing a fixed salary scheme for drivers, and running their units in a systematic and predictable manner. But since government resources for the transportation sector are limited, it is not likely to improve the current weaknesses of transport cooperatives, such as lack of common maintenance, no fixed salary scheme, and no verified dispatching system. Thus, franchise consolidation is not likely to result to a public transport system on par with global standards. In addition, to reach from one location to another safely, conveniently, and affordably, the PUV units do not have to be equipped with global positioning system (GPS) tracker, automated fare collection system, and closed circuit television (CCTV) camera. The minimum fare of PHP13 cannot viably sustain these amenities,

The franchise consolidation policy is an activist policy to alter the market structure of the public transportation system from large number of individual proprietorships to few number of corporate organizations. The competitive market structure is forced to be transformed to an oligopolistic market structure via deliberate and activist LTFRB intervention. What is the end game? The current system is effectively functioning, and the ageing PUV units are on the maturity stage of their lifecycle. Cost and demand considerations and technological change will eventually bring a natural transformation of the public transport sector, without LTFRB forcing the issue. The market is more rational. The way forward is to allow the competitive operation of the public transport sector. PUV operators who are able to shift to more environmentally-compliant, but expensive modern units could do so in their own time. Environmentally conscious LTFRB can modify the PUVMP by allowing traditional jeepneys to avail of the government subsidy fund in transforming their traditional engines to Euro IV compliant engines. Franchise consolidation is not an end, nor a means to access loan financing. Conversion of old to new units needs huge capital and interest subsidy and a repayment period spread over 10 years. PUVMP does not have a dislocation assistance program (skills training and livelihood options) to the dislocated transport workers; and it ignores the potential loss of businesses and livelihood to small and medium backyard jeepney assemblers across the country. Thus, consolidation is not realistic. Operational integration can be attained by the use of digital technology (e.g. fleet management system) without mandating mergers of franchises. The public interest theory of regulation states that the main objective of regulation is to promote market efficiency or to correct market inefficiency. The PUVMP is a trip to nowhere because market efficiency exists

Source: Diwa Guinigundo, "Modernizing the Way to the Exclusion of Some?", BusinessWorld, November 24, 2023; "Jeep Modernization: Adapt or Perish", Editorial, Philippine Daly Inquirer, December 18, 2023; Dexter Cabalza, "Piston Eyes SC Relief on PUV Coop Deadline", Philippine Daily Inquirer, December 17, 2023; "Find Win-Win Solution to PUV Modernization Challenges", Editorial, Manila Bulletin, December 27, 2023; Rey Panaligan, "SC Asked to Stop Implementation of PUV Modernization Program", Manila Bulletin, 21, 2023; Rene Santiago, "Proposal for Staging or Phasing the PUVM Program Implementation", personal communications, December 30, 2023; and Aaron Recuenco, "DOTr: Only 40% of NCR Transport Operators Consolidate for PUVM", Manila Bulletin, January 2, 2024 lengthy, uncertain, and unpredictable. The parameter and design of proposed projects change when political regimes change. This calls for the need for a long-run infrastructure plan. Consider the case of MRT-4, which has already earned the commitment from an international development bank for funding support. Its configuration was set up as the first monorail in the country under the BBB Program. The DOTr signed in October 2021 an engineering and architectural contract with Spain's IDOM Consulting, Engineering, Architecture SA. The BBM Program sets up the MRT-4 as a metro rail system because ridership is expected to increase over time, requiring a wider space that can serve future demand. In March 2023, the DOTr signed an agreement with Australian rail consultancy company, Ricardo Rail Australia Pty, Ltd. to determine the operational and maintenance requirements of the MRT-4 project. The length of the MRT-4 routes also changed from the BBB to BBM Program. It was originally planned as a 13-station, 15.56-km project from N. Domingo Street in Quezon City to Diversion Road in Taytay City. It is currently configured as a 10-station, 12.7-km route from Ortigas Center in Pasig City to Diversion Road in Taytay City.

The EDSA Decongestion Program under the BBB Program identified 23 road, tollway, and bridge projects in Metro Manila. These projects include the Metro Manila Skyway 3, BGC-Ortigas Center Link Road, NLEX Harbor Link Road, C5 South Link Expressway, Estrella-Pantaleon Bridge, Binondo-Intramuros Bridge, NLEX Connector Road. This program was planned to allow a vehicle to access every city in Metro Manila within 20 to 30 minutes. This was never achieved. In fact, the elevated tollways were as congested as surface or street-level roads. This experience demonstrates the need to prioritize a road-based and rail-based mass transportation system.

Suggestions for Short-Term Decongestion Actions

The government, particularly the DOTr, can prioritize, in the first six months of 2024, the partial operation of the following transportation projects, which are in the finishing stage of completion: (1) the immediate operation of LRT-1 route from Roosevelt Station in Quezon City to the Grand Common Station near SM City and Trinoma in Quezon City. This extension has long been completed; (2) the operation of LRT-1 line from Baclaran Station to PITX (MIA) Station. The finishing touches of the PITX Station can easily be completed in less than six months. The LRT-1 operator successfully conducted test runs in December 2023 along the 6.7-km length of Phase 1 of the LRT-1 Cavite Extension Project which runs from Baclaran Station to Redemptorist Station, MIA Station, Asiaworld Station, Ninoy Aquino Station, and Dr. Santos Station; (3) Philippine National Railways (PNR) has reopened the PNR Bicol Line from Naga in Camarines Sur to Ligao in Albay in July 2023, and extended it to Legaspi, Albay in December 2023. This 100-km trip takes about 2 hours. Early in 2023, PNR likewise resumed the operation of the Bicol Line from Lucena City, Quezon to San Pablo City, Laguna. DOTr/PNR should target to reopen the Calamba City to Lucena City route as well as the San Pablo City to Naga City route. These routes can be reopened within the next 24 months. The major work requirement is to rehabilitate the railway track along the route and to refurbish existing stations. This short-run goal should not wait for the realization of the long-delayed 577-km PNR South Long Haul Project, which is still in search of a financing source; and (4) the partial operation of the MRT-7 route from the Grand Common Station to the Tandang Sora Station; this task is doable within the next 24 months, the railway track is already complete, and 18 of the 108 train cars already arrived in December 2021. The major task is to complete the four stations (North Avenue, Quezon Memorial Circle, University Avenue, and Tandang Sora) along the way.

The accomplishment of these suggested short-run actions will provide a "demonstration effect" to the BBM Program. It will address traffic congestion problem via partial but immediate availability of reliable and predictable public transportation options.

Towards Improving Infrastructure Governance

We stressed in the earlier section of the paper that remaining institutional weaknesses need to be addressed in implementing the BBM Program. On September 21, 2023, the NEDA board recommended to President Marcos Jr. the issuance of an executive order (EO) that will expedite the processing of licenses, clearances, permits, certifications, and authorizations in the implementation of

IFPs. The objective of the EO is to minimize delays in the implementation of IFPs. The proposed EO requires all government agencies and instrumentalities, including LGUs, to streamline the standard procedure and requirements for processing IFP's regulatory approvals. It allows the electronic submission of applications, processing of payments, and issuance of receipts to the concerned agencies and LGUs (Unite, 2023). However, this initiative will potentially address only one implementation bottleneck – the delay in regulatory approval – when the major project implementation bottleneck deals with the ROW acquisition.

The experience of DOTr in acquiring the property for the location of MRT-7 train depot illustrates this problem. The owner of the 33-hectare property in San Jose del Monte, Bulacan questioned the expropriation in court. After a lengthy legal process, the Regional Trial Court (RTC) Branch 11 issued on February 15, 2018 an order granting DOTr the writ of possession, provided it pays the property owner new market value of PHP1,800 per square meter from the old value of PHP200 per square meter. This effectively raised the acquisition cost from PHP66 million to PHP594 million. DOTr was able to find an alternative site in a 20-hectare property in Lagro, Quezon City in November 2019. After DOTR won the writ of execution from Quezon City RTC Branch 92 and 98 and took possession of the property, the property owner (Century Properties Group, Inc.) filed the necessary pleadings in court rejecting DOTr's offer of PHP3,600 per square meter as grossly inadequate compared to the property's actual market value. Eventually, DOTr was able to find a 20-hectare property in San Jose del Monte for the train depot of MRT-7.

Navarro and Latigar (2022) have shown that the low absorptive capacity of DPWH and DOTr is indicated by their unmet expenditure targets (see Table 4). Their disbursement-to-appropriation ratios were consistently low from 2016 to 2021. The implementation problems identified by the inter-agency forum on IFPs in December 2021 (e.g. COVID-19 pandemic, regulatory approval, delayed procurement, ROW acquisition, political interference, and delayed financing approval) are likewise confirmed by this study. The researchers recommend the legislation of a long-term infrastructure plan to improve the anticipation by stakeholders of future implementation activities and assist in the orderly preparation of requirements.

The Australian Infrastructure Plan provides a symbolic template. It provides a comprehensive audit of Australia's infrastructure assets. Its accompanying document called the Infrastructure Priority List provides an investment roadmap for Australia's infrastructure sector. These two documents provide an important guiding role for the Australian government in shaping its strategic decision on a list of priority infrastructure projects (Patalinghug, 2017).

The Public Procurement Law (R.A. 9184) mandates the principles of transparency, competitiveness, accountability, and a streamlined procurement process. But its 139-page Revised Implementing Rules and Regulations and Regulations (IRR) is hardly an example of streamlining. Simplifying the procurement rules will help hasten project implementation.

At the project management level, the project cycle ends at the completion stage. However, post-project evaluation is missing. It is recommended that the BBM Program assist in the establishment of a project monitoring and evaluation system that covers, from the initial project identification, the appraisal, selection, implementation, completion, and post-evaluation. Post-evaluation of completed or abandoned projects is the missing link.

In summary, proposals to improve infrastructure governance consist of: (1) issuing an EO by the Executive branch to streamline the regulatory approval process, (2) passing a law by the Legislative branch to mandate a long-term infrastructure plan, (3) simplifying the procurement rules and regulations, and (4) establishing a project monitoring and evaluation system.

Conclusion

Although the BBM Program faces the same planning, procurement, and implementation bottlenecks as those faced by its predecessor, the BBB Program, it can nevertheless embark on a different implementation strategy. By focusing on short-run partial project completion and operation, it can create a "demonstration effect," which is basically a confidence-building effort. Quick partial successes strengthen stakeholders' support of the BBM Program in achieving its long-run targets. This phasing strategy also provides an opportunity to manage the institutional weaknesses and limited absorptive capacity of the implementing agencies. There is no need to delay the operation of an infrastructure project if a certain segment within the same phase can be operated already, even if the other component phases are not yet complete.

In the long-run, infrastructure governance issues have to be tackled. This might take the form of legislation for a long-run infrastructure plan to provide guidance, predictability, and continuity of implementation of priority projects from one regime to succeeding regimes. Streamlining regulatory approval processes, simplifying procurement rules, and establishing a project monitoring and evaluation system are part of the infrastructure governance package.

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