**Investing in Public Transportation for Inclusive Growth, Climate Resilience, and Transparent Governance**

*A Draft Position Paper based on the National Expenditure Program 2026 and Department of Transportation Budget Notes and Budget Deliberation (Sep 4, 2025)*
*by*
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## Executive Summary

I. Poor PTMP implementation because of incomplete planning and poor targeting and piloting.
II. Badly planned routes and hasty fleet modernization lead to over investment on newer vehicles that leads to repayment problems for operators and undersupply of PUVs to commuters due to operational cutting costs.
III. The program lacks a documented monitoring and evaluation process that demonstrates improvements in overall land transport, such as reduced travel times or increased ridership/modal shift, resulting from modernized operations.
IV. PTMP is underfunded with only P1.232 billion for the program implementation, and additional PhP1.3B for the Service Contracting Program. Against the total budget of PhP2.632B for over an estimated 20.8 billion public-transport passenger trips annually[1] (jeepneys and buses), this equates to approximately **PhP0.13 per passenger trip per year**.
V. Highlighting a large gap between commuter demand and planned investment, there should be more targeted and scaled funding to deliver meaningful service improvements.
VI. Congress should remove in the GAA provisions the need to reach the 80usd/barrel threshold for the release of Fuel Subsidy.
VII. The Service Contracting Program should be an opportunity to collect data on trips and revenue and on-road performance by opening up to researchers the GPS-enabled modern PUVs that the program subsidizes.
VIII. Infrastructure requirements of a modern PT system such as PUV stops and terminals are not funded. Examples of ideal PUVs design and implementation were done in Manila City and Malabon under DPWH-DOTr collaboration, but not continued.
IX. The **Department of Transportation (DOTr)**'s ongoing **Active Transport Strategic Master Plan (ATSMP)** and **Metro Greater Capital Region - Strategic**

[1] Based on Montalbo (2018) estimate of 10.8 million daily trips in NCR, adjusted for population outside NCR.

**Transport Model (MGCR-STM)** studies are gathering data on household transportation expenses, which will provide measurable insights into transport's impact on different users.

Public transportation is the pillar of mobility in the nation, accommodating most daily commuters. Public transportation budget provisions, however, trail far behind provisions for road expansion and private vehicle infrastructure. The Department of Public Works and Highways (DPWH) is to get P880 billion under the P6.793-trillion 2026 National Expenditure Program (NEP) with congressional insertions of over P289 billion, while budget provisions for programs that are actually tasked to accommodate commuters such as service contracting and modernization are minimal.

This imbalance undermines equality, adds to congestion, and exposes low-income communities to unsafe and unreliable mobility. Other research also shows that citizen-led and evidence-based investments in public transport make cities more inclusive, resilient, and sustainable. [2,4,5]

SafeTravelPH, a group of academics, researchers, and engineers for the people, that promotes people-oriented, resilient, and sustainable transport, urges the Philippine Congress to increase the national public transport budget allocation. Increased investment will facilitate contracting of services for drivers, facilitate just modernization, facilitate effective implementation of the Local Public Transport Route Plan (LPTRP), and facilitate climate-resilient transport systems.

We call on the House of Representatives to rebalance national priorities by redirecting even a fraction of DPWH's P880-billion budget toward systems that benefit the commuting majority, boost economic productivity, and enhance climate resilience.

**Introduction**

SafeTravelPH is a University of the Philippines - Diliman (UPD) based spinoff/startup non-government organization eager to explore and help solve transportation issues through technology, data analytics, user feedback, and partnerships. The organization commits itself to promoting open-data systems and multidisciplinary research, integrating science-based policies, and collaborating with diverse stakeholders, with the vision of having a sustainable and just transport system. The initiative, as community-based, uses data, tech innovations, and civic participation to improve safe, sustainable, and resilient mobility. Through projects such as the *Parasol: Open System Solution for Paratransit in Developing Countries for Energy Efficiency and Clean Energy*

*Transition*, we collect real-time data on transport and commuter experiences that highlight the urgent challenges faced by Filipino commuters.

80% of the country's daily trips of the Philippine urban regions are taken through public transport, such as jeepneys, buses, UV Express, and others. [1] Existing public transport infrastructure is, however, marred by underfunding as well as a lack of proper planning support. The national budget is still skewed towards road-widening and car-centric projects, despite the fact that these cater only to a minority of Filipinos.

**Current Context & Challenges**

1. Dependence on Public Transport

   The majority of Filipino households still rely on public transportation for their daily travel. The top three modes commonly used are walking, tricycle, and jeepney [6]. The results of the Household Interview Survey also showed that the jeepney is the primary mode used when going to university/college, malls or supermarkets, and parks or recreation areas. From the same survey, it was also derived that only a small percentage of households own a private car (7.05%), and these are middle to high-income households.

2. Inequitable Budget Allocation

   In 2026, DPWH is proposed to receive P880 billion, with P700 billion lodged under the Central Office and therefore lacking transparency, as seen in Figure 1. By contrast, allocations for service contracting, fleet modernization, and LPTRP implementation remain underfunded. In the NEP FY 2026 Volume III, the Public Transport Modernization Program (PTMP) only has a budget of P1.232 billion compared to the 2025 budget of P1.6 billion for the flagship PTMP. This amount is even lower than the government’s budget for routine maintenance and rehabilitation of infrastructure facilities, which stands at P1.29 billion. For the Service Contracting of PUV, it only has a budget of P1.3 billion for 24,784 onboarded units compared to the 2022 budget of P7 billion. The PUV operators especially need the Service Contracting Program (SCP), and drivers for this program help them with their monthly expenses.

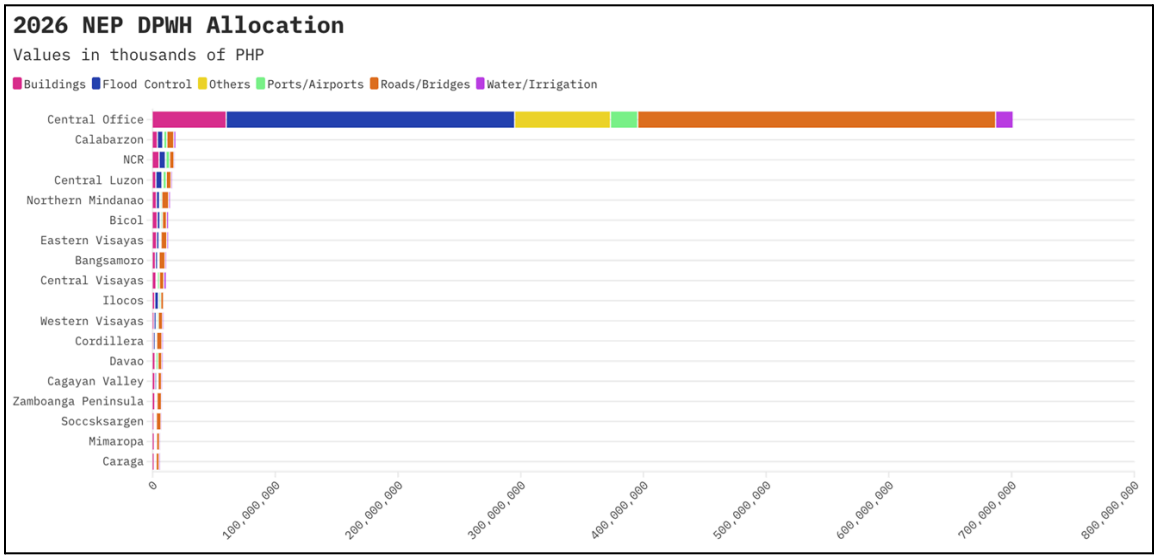


Figure 1. 2026 NEP DPWH Allocation. Source: People's Budget Coalition (2025)

Data from our research shows that in certain major cities, the fund from the SCP is primarily used to pay for the monthly amortization loans. This is because there has been a 4% annual increase in expenses over Fiscal Year 2017 - 2023 [5]. The cost of services comprises 81% of expenses by FY 2022-2023, which states that the expenses are composed of repairs and maintenance, fuel costs, utilities, and battery expense. Energy or fuel costs have become the largest expense item, followed by salaries and wages. The net positive revenue streams are heavily covered by subsidies and grants, plus other income if it's a multipurpose cooperative. Below is a figure showing the audited financial statement of a cooperative shared for research purposes.

**STATEMENTS OF OPERATION**
**For the Years Ended, December 31, 2023 and 2022**

| | Note | 2023 | 2022 |
|---|---|---|---|
| **REVENUES :** | | | |
| Total Income from Service | 12 | P 60,120,074.55 | P 74,524,869.08 |
| Other Income | 12 | 12,806,436.76 | 4,103,668.16 |
| Subsidies | 12 | 8,654,380.00 | 1,369,497.20 |
| **GROSS INCOME** | | 81,580,891.31 | 79,998,034.44 |
| **LESS EXPENSES** | | | |
| FINANCING COST | 13 | 2,425,844.91 | 8,606,572.31 |
| COST OF SERVICES | 14 | 64,539,898.37 | 40,565,723.57 |
| ADMINISTRATIVE EXPENSES | 15 | 12,883,912.47 | 29,503,740.67 |
| TOTAL EXPENSES | | 79,849,655.75 | 78,676,036.55 |
| **NET SURPLUS** | | P 1,731,235.56 | P 1,321,997.89 |

BUREAU OF INTERNAL REVENUE
RECEIVED

Figure 1. Audited Financial Statement of a Transport Cooperative. Source: Partner Coop, Confidential (2025)

But we need to understand that not all transport cooperatives are in the same situation as this one. There is another case wherein a stable multi-purpose consumer cooperative expanded and joined the PTMP, but has now reported that they can only pay the interest and not even the amortization of their loan from Landbank. There is a need for the PTMP budget to be increased as the transport cooperatives cannot survive by income from fares alone. This systemic bias toward road projects undermines the needs of the commuting majority.

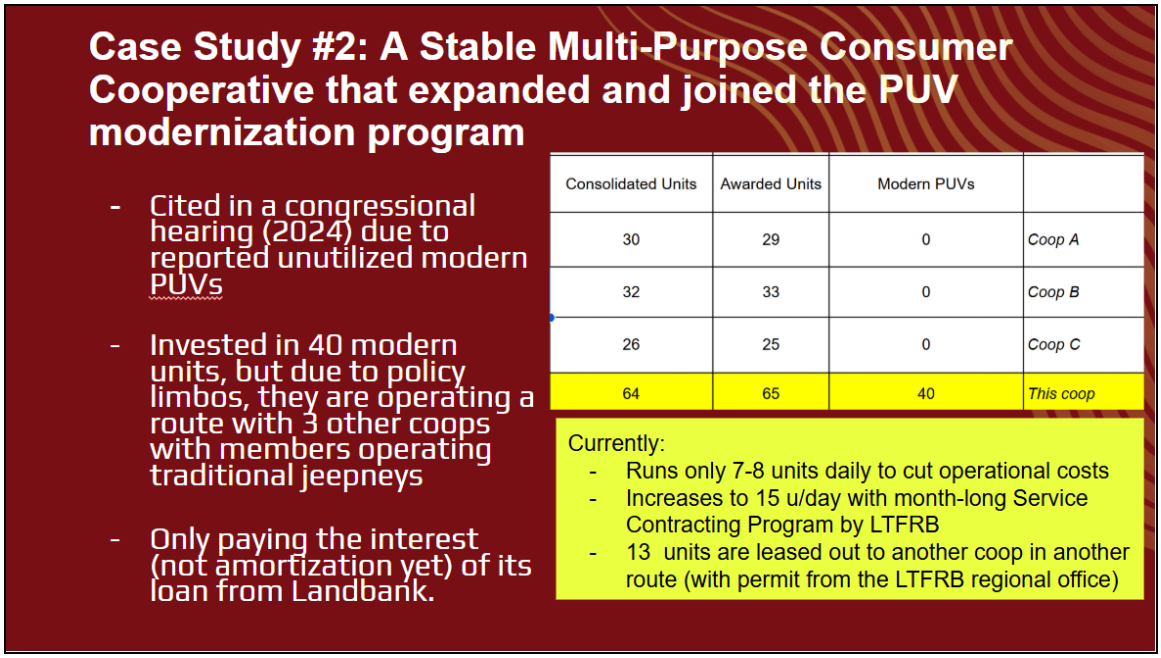


Figure 2. Screenshot from the Parasol presentation of SafeTravelPH.

3. Economic Costs of Congestion

Daily traffic congestion is estimated to cost the country billions in lost productivity annually. In a study by the Japan International Cooperation Agency (JICA), the traffic congestion in the National Capital Region (NCR) alone is estimated to cost the Philippine economy at least P3.5 billion daily, totaling a substantial P1.27 trillion annually [6]. Underfunded and unreliable public transport worsens delays, extends commute times, and reduces economic efficiency.

In the 2024 TomTom Traffic Index, Metro Manila holds 15th place in the ranking for the world's worst traffic levels based on travel times. According to the data, drivers in Metro Manila spend at least 117 hours stuck in traffic yearly, with a median speed of 19 km/h. But when compared to public transportation data, the recorded average travel speed was 10.5 km/h, with a trip of 9.8 km/h as the worst travel experience. Given that the commute trip speed is worse, it is not encouraging for car users to shift to commuting. There is a lack of a budget for road-based public transport to improve service quality for commuters. [add photo]

4. Climate and Disaster Vulnerability

Flooding, extreme weather events, and a lack of resilient transport infrastructure disrupt mobility, particularly for low-income commuters and

essential workers. With more people using public transportation, it is in the country's best interest to invest more in public transportation facilities such as Public Utility Vehicle (PUV) stops, terminals, and vehicles.

On May 30, 2025, the Department of Transportation (DOTr), in collaboration with DPWH and Malabon City Local Government Unit (LGU), opened new PUV stops in Malabon City. The project is a beacon of how inclusive commuting infrastructure can be constructed countrywide. The newly built PUV Stops at Malabon National High School have persons with disabilities (PWD), pregnant women, and senior citizen-friendly accessible seats; CCTV and lighting for safety; tactile paving; and sustainable features like solar panels, charging stations, and bike repair shops. This is a necessary step towards commuter-oriented infrastructure. Such inclusive and resilient design, however, has to be implemented nationwide and not in silo. We urge Congress and DOTr to accelerate investments so that safe and sustainable PUV stops are rolled out in all LGUs since this is also one of the necessary infrastructure needed to implement the LPTRP.

Figure 3. New PUV stops opened in Malabon

5. Weak Policy Capacity

Public transport governance in the Philippines faces long-standing structural and institutional issues. At the national level, overlapping mandates among agencies such as the Department of Transportation, LTFRB, LTO, MMDA, and local governments have resulted in fragmented planning, weak regulation, and inefficiencies in service delivery. Efforts like the Public Utility Vehicle Modernization Program and the EDSA Busway reforms illustrate attempts to rationalize routes and consolidate operators, yet they highlight challenges of political resistance, data gaps, and lack of sustained institutional capacity. These governance weaknesses have historically enabled oversupply of vehicles, poor service quality, and limited enforcement, while also leaving reforms vulnerable to vested interests that benefit from the status quo.

At the local level, devolved responsibilities for route planning under the Omnibus Franchising Guidelines have exposed capacity constraints of city governments. Many LGUs lack the technical expertise, personnel, and financial resources to create Local Public Transport Route Plans or monitor services effectively. Pasig City's experience with its locally managed bus service demonstrates both the potential and limitations of decentralization. While the city introduced progressive reforms like fixed driver salaries and green fleets, governance was hampered by inadequate data systems, understaffing of transport analysts, and weak inter-office coordination. Broader challenges such as poor intergovernmental coordination, top-down planning processes, and limited citizen engagement further compound governance issues, pointing to the need for co-design approaches and stronger institutional capacity-building to ensure sustainable public transport reforms. [9, 10].

6. Cooperative Development

Transport cooperatives in the Philippines are central to the Public Transport Modernization Program (PTMP), but their formation and sustainability face major hurdles. Many operators and drivers come from an informal background, accustomed to fragmented ownership and boundary-based income systems. Consolidation into cooperatives requires higher capitalization, compliance with stringent regulations, and collective asset ownership—conditions that many small operators perceive as threatening to their livelihoods. Financing remains a critical barrier, as banks and investors often view jeepney cooperatives as high-risk, while government subsidies prioritize

vehicle acquisition rather than the broader operational, administrative, and labor costs that modernization entails

Beyond financial strain, cooperatives grapple with environmental, social, and governance (ESG) challenges. Environmentally, compliance with Euro 4 and electric vehicle standards demands costly investments amid weak enforcement and infrastructure gaps. Socially, labor management and occupational safety have become major expenses, while trust issues and conflicts within membership structures create internal risks. On the governance side, limited managerial capacity, unclear employer–employee relationships, and exposure to corruption undermine long-term viability. While cooperatives benefit from tax exemptions, preferential treatment from some LGUs, and the principle of shared community responsibility, their success depends heavily on leadership quality, effective financial management, and integration into local transport planning. Without stronger institutional support and ESG-based risk management, cooperatives risk inheriting the vulnerabilities of informality rather than overcoming them. [5]

**Policy Arguments**

1. Equity and Social Justice

   Public transport is a vital service used by the majority of Filipinos. The direct investment in this sector benefits commuters and promotes social equity. Traveling to work, dropping off children, going to a healthcare appointment, shopping, or visiting the gym typically involves some kind of journey, whether by walking, cycling, driving, or using public transportation. Even purchasing items online necessitates some form of transport service during the delivery phase. The disparities that can emerge from the often extremely uneven allocation of transport resources and their effects may not be as clearly evident as in many other fields of social justice, yet insufficient transport resources can and do lead to significant negative economic and social repercussions for affected communities [8] Global studies show that neglecting social equity in transport budgets often leads to the exclusion of vulnerable groups, including the poor, women, low-income earners, and persons with disabilities (PWDs). Therefore, public transport should be funded not only for its efficiency but also for the sake of justice. [2, 5]

2. Economic Growth and Productivity

   Reliable public transport reduces travel time lost to congestion, improves worker productivity, and supports inclusive urban and regional development. Even a

reallocation of DPWH's P880 billion budget (P44 billion) could more than double existing resources for service contracting and modernization.

3. Climate and Disaster Resilience

   Investments in sustainable and climate-resilient transport options (like e-jeepneys, and transport contingency funds) help reduce disaster risks. Studies show that sustainable mobility can lead to long-term cost savings through lower emissions, reduced fuel use, and improved system resilience. A transport cooperative in Metro Manila stated that due to their fleets being electric, they do not have to worry about the rise of fuel costs and are able to breakeven and earn more when compared to cooperatives with diesel engines. The advancement of e-mobility should be complemented by renewable energy sources and green infrastructure to ensure that modernization aims at climate goals rather than merely replacing technology [5].

4. Modernization and Governance

   Public investments can make transport modernization more equitable and fair by benefiting small operators and drivers over displacing them. More investment in LPTRP and M&E frameworks will facilitate better governance and accountability across the transport sector. [4]

5. Data-Driven and Collaborative Policy

   Evidence shows that data-driven approaches using big data, telematics, and citizen science improve efficiency and accountability in public transport. Collaborative governance and "living labs" where CSOs, LGUs, and commuters co-create solutions can build long-term policy capacity and ensure reforms succeed.

**Policy Recommendations**

To rebalance national priorities and ensure inclusive mobility, SafeTravelPH respectfully recommends the following:

1. **Increase Service Contracting Funds**

   Expand allocations for service contracting of PUV drivers and cooperatives to stabilize incomes, improve service reliability, and ensure continuity during disasters. There should be KPIs and data standards to be followed in subsidy

programs.

2. **Allocate Inclusive Modernization Support**

   Provide more financial support and subsidies for PUV acquisition and modernization that are socially just and not burdensome for small operators, modelling their business with smaller monthly amortization (at least half of the current monthly rates per vehicle of around PhP30k to PhP40k.)

3. **Strengthen LPTRP Implementation**

   Allocate resources for capacity-building, digital tools, and monitoring systems to ensure effective route-level planning and integration of commuter data. There should be grants for LGUs to create data-driven LPTRPs and/or fully capacitate DOTr and LTFRB offices with regular employees and tools to improve institutional memory.

4. **Integrate Climate and Disaster Resilience in Transport Budgets**

   Invest in resilient infrastructure, including flood-adaptive transport terminals, e-vehicle initiatives, and contingency transport systems for disaster response. Implement a policy allowing Local Government Units (LGUs) to co-finance the acquisition and operational subsidies of new Public Utility Vehicles (PUVs) using climate funding and disaster funds (eg, LGU can contract the service of PUV cooperatives to operate and provide public transport right after calamities to increase mobility that is essential for recovery of households).

   Franchising regulations should be also flexible, enabling LGU-acquired vehicles to be leased to various operators, not exclusively to cooperatives, where viable and needed. This flexibility should also permit the use of these vehicles for LGU service requirements, such as logistics and shuttle services, during weekends or off-peak hours.

5. **Develop Policy Capacity and Collaborative Governance**

   Allocate funds for participatory governance mechanisms where citizens, CSOs, and LGUs jointly plan, monitor, and evaluate transport projects. Citizen engagement ensures that budget allocations respond to real commuter needs. [5] The funding could also be allocated for LGU transport planner positions, training on LPTRP and fleet management, and support for transport “living labs”

that allow CSOs, commuters, and operators to co-produce solutions. [4] It is also recommended to co-create a Monitoring & Evaluation system for PTMP outcomes, as said in the GAA 2025 provision, “To ensure transparency and accountability in the use of funds, a real-time public dashboard displaying the outputs and outcomes of the use of the PTMP fund shall be made available on the official websites and related social media pages of the PTMP, DOTr, LTFRB, and OTC.”

6. **Institutionalize Citizen Engagement and Open Data**

   LTFRB requires new or modern PUVs and PUB/Buses to have GPS devices and LTFRB has a Central PUV Monitoring System (CPUVMS) that receives all this data presumably. This is important in getting speeding and overwaiting information of our land public transport system, relevant to safety and convenience. LTFRB, with this datasets, must be able to easily answer the following:
   - What is the common analysis you make out of these datasets and how easy to share the results of this analysis and datasets to the academe and researchers?
   - What is the compliance rate of modern PUVs vs daily active GPS devices to indicate program compliance?

7. **Establish Public Transport as a National Priority**

   Prioritize mobility systems that benefit the majority of Filipinos by rebalancing the national budget for Public Transport Modernization Program (PTMP) implementation across various LGUs. This involves reducing the current overemphasis on private vehicle infrastructure. The Department of Transportation (DOTr)'s ongoing Active Transport Strategic Master Plan (ATSMP) and Metro Greater Capital Region - Strategic Transport Model (MGCR-STM) studies are gathering data on household transportation expenses, which will provide measurable insights into transport's impact on different users.

**Budget Implications**

Increasing public transport investments will require reallocation of existing infrastructure budgets and introduction of dedicated funding streams for operations, modernization, and resilience. Specifically:

- Redirecting even 5% of DPWH's P880 billion allocation (P44 billion) could double the resources for service contracting, modernization, and LPTRP implementation;
- Service contracting funds should be increased to ensure continuity of driver incomes and service delivery;
- A modernization support fund should subsidize modern PUVs/e-jeepneys and cooperative-led fleet upgrades;
- DOTr and LGUs should be supported with earmarked funds for LPTRP implementation, monitoring, and commuter data integration; and
- Dedicated allocations should be made for training, data platforms, and collaborative governance pilots,

These reallocations are not merely expenditures; they are investments that will yield high returns in productivity, equity, and resilience.

**Conclusion**

SafeTravelPH earnestly appeals to the Philippine Congress to **enhance and redirect the national budget to prioritize public transpor**t, hence ensuring the majority of commuters enjoy inclusive, efficient, and sustainable mobility systems.

Mass transit investment is not merely an issue of equity but also national interest. It will create economic growth, close the gap, increase disaster resilience, and make Philippine cities competitive and livable.

SafeTravelPH and other civil society stakeholders are prepared to provide their support to this initiative through evidence-based advocacy, citizen participation, and open monitoring.

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