Second Philippines Progress Report on the Millennium Development Goals
Malacañang Palace
Manila

The Millennium Development Goals (MDGs) consist of strategies to fight poverty, ensure human development and build prosperity for the greatest number of Filipino people.

The MDGs are mirrored in my ten-point pro-poor legacy agenda that aim to shore up the economy, uplift the lives of our people, strengthen democracy, and forge peace and national solidarity. The agenda are articulated in the Medium-Term Philippine Development Plan (MTPDP) 2004-2010, which according to Prof. Jeffrey Sachs is “among the best, if not the best around” as it hews closely to MDGs. The MTPDP focuses its action strategies on the promotion of livelihood, strengthening of education, attainment of fiscal stability, decentralization of development, and arriving at sustained national harmony. Likewise, the 2010 targets in the Plan are aligned and consistent with the MDG targets by 2015.

I am pleased that the Second Philippines Progress Report on the MDGs has been completed, in close collaboration with the UN Country Team. It may be recalled that the First Philippines Progress Report on the MDGs published in January 2003 analyzed the country’s performance from 1990 (MDG baseline year) to 2000. The Second Report, for its part, presents the country’s situation beyond national averages through data disaggregated by sex and geographical location. It also highlights efforts of the civil society and business sector as well as the MDG localization and advocacy initiatives.

The Second Report shows that we have made several strides toward the attainment of the MDGs. However, we need to double or even triple our efforts in some of the targets. Notwithstanding the likelihood of achieving the MDGs at the national level, the report uncovers wide disparities across regions. A case in point is the poverty situation –while there was a decline in subsistence poverty from 15.8 percent in 2000 to 13.8 percent in 2003, six regions all in Luzon registered subsistence poverty lower than the national average.

A number of key constraints also hamper the attainment of the MDGs in the Philippines. The Report identifies six crosscutting issues and concerns: reducing disparities across regions, increasing resources for MDG-related programs and projects, enforcing stricter implementation of laws and passing of MDG-supportive bills, strengthening monitoring and implementation, scaling up localization efforts, and developing an advocacy plan. Cognizant of the country’s volatile fiscal situation, these underscore the synergy of convergence and optimal use of our limited resources by focusing on areas where assistance is most needed.

The government reaffirms its commitment and has directed its development efforts towards achieving the MDGs by mainstreaming the MDGs in the Medium-Term Plan and building on the gains and opportunities offered by continued and evolving partnerships among various stakeholders.

GLORIA MACAPAGAL-ARROYO
President
Republic of the Philippines
The National Economic and Development Authority (NEDA) recognizes the Millennium Development Goals (MDGs) as means to a productive life, economic growth, and further development. Thus, we are mindful that the MDGs must be at the core of the development agenda of the government.

Through our Medium-Term Philippine Development Plan (MTPDP) 2004-2010, the overall goal of which is to fight poverty, we seek to contribute to the attainment of the MDG targets by 2015. The strategies, policies and programs of the MTPDP 2004-2010 and its accompanying Medium-Term Public Investment Program (MTPIP) 2005-2010 are highly consistent with the key recommendations of the UN-commissioned Millennium Project headed by Prof. Jeffrey Sachs entitled “Investing in Development: A Practical Plan to Achieve the Millennium Development Goals.” The MTPDP’s pro-poor strategies require strong investment spending that would greatly contribute to an environment favorable to the fulfillment of the MDGs. We thus intend to scale up the level of investments in three critical areas: people, physical environment, and infrastructure. Investing in these critical areas is both a means and an end in itself, since these will not only accelerate economic development but also empower people.

The Millennium Declaration and the Millennium Project Report underscored the significance of governance, peace and security, and human rights including gender equality in the achievement of the MDGs. Correspondingly, the MTPDP reflects these in its chapters on anti-corruption, good governance, bureaucratic reforms, and national harmony. Guided by the principle of gender equity, the Plan places women and men at the core of development recognizing their gender-specific needs and addressing these needs through gender-responsive strategies and interventions.

This Second Report provides an update on how the country and its different regions are faring vis-à-vis the MDG targets. It shows that we will likely achieve the targets on reducing extreme poverty, child mortality, and incidence of tuberculosis, malaria and HIV/AIDS as well as improving dietary requirement, gender equality in education, and access to safe drinking water. However, we still face the challenges of closing the gaps in meeting the targets for maternal health, access to reproductive health services, nutrition, and primary education. Also, the depletion of the country’s natural resource base continues to be a significant threat. Across regions, we have to address the wide disparities in development.

This report also features the contributions of the civil society and private sector to attain the MDGs as well as the advocacy and localization initiatives that have been made. Hopefully, this report will trigger action from various stakeholders—the government especially the local government units, civil society, private sector, and the communities—to accelerate progress in meeting the goals. Notwithstanding the gains we already accomplished, the country has to intensify its efforts. The goals may appear ambitious but if we put our bold strategies into action we can definitely make dramatic progress.

We hope that this endeavor will strengthen and unify the country’s efforts and initiatives needed to respond optimally to the challenges and gaps in achieving the MDGs.

ROMULO L. NERI
Secretary of Socioeconomic Planning
Congratulations to the Philippines on the Second Philippines Progress Report on the Millennium Development Goals. The progress made on each Goal, the challenges that remain as well as next steps are systematically and clearly delineated in the Report. Data are disaggregated regionally and by gender.

Of critical importance is the process by which the Report was crafted. This involved the active and spirited participation of business and private sector organizations, environmental groups, women’s organizations, NGOs involved in rural development, resource centers working with the urban poor, informal settlers and industrial workers, academia and developmental communication / community media groups in a multi-stakeholder consultation observed by the international donor and diplomatic communities. Consultations were held with these various stakeholders as Government placed drafts of the Report on the table for their critique and constructive suggestions. For this, we commend Secretary Romulo Neri and his very competent team at the National Economic and Development Authority.

As documented in the Report, it is wonderful to see the efforts of government and the various stakeholders to weave the Millennium Development Goals into the very fabric of Philippine institutions, processes and cultural values. In the period between the publication of the First Philippines Progress Report until now, so much work has been done on the ground to mainstream the Millennium Development Goals.

After a series of roundtable discussions on the Millennium Development Goals, the House of Representatives has formally created a Committee on the Millennium Development Goals with 19 members. It is tasked to review existing laws, conduct studies in aid of legislation and ensure budgetary support for the Millennium Development Goals. This is historic and visionary.

The 2004 - 2010 Medium Term Philippine Development Program placed the Millennium Development Goals at the centre of development concerns for the country.

For its part, the business sector initiated a series of discussions on the Millennium Development Goals, culminating in the December 2004 launch of A Roadmap to Millennium Development for Philippine Business.

At the local government level, local officials are working hard to localize the Millennium Development Goals. Local government officials have volunteered to be scorecarded by their constituents as far as Millennium Development Goal implementation is concerned, in a true demonstration of accountability and good governance.

Civil society groups have also brought their tremendous expertise to bear on advocating the Millennium Development Goals. Some are taking part in the efforts to come up with benchmarks and monitoring / evaluation systems for the achievement of the Millennium Development Goals down to the barangay level. Young people have crystallized their role toward the Millennium Development Goals in the recently released Youth and the Millennium Development Goals: Challenges and Opportunities for Implementation.

The Second Philippines Progress Report shows the determination of the Philippine Government and other key stakeholders to achieve the Millennium Development Goals in the Philippines.

On behalf of the United Nations family in the Philippines, I wish to commend the Philippine Government for launching the Second Philippines Progress Report on progress being made to attain the Millennium Development Goals. The United Nations family in the Philippines is deeply committed to doing everything it can to support the multiple efforts of the different stakeholders in the country to ensure that the Philippines attains the Millennium Development Goals.

DEBORAH LANDEY
United Nations Resident Coordinator
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As of 2003, 13.8 percent of the population (10.4 percent of all Filipino families) were living below the subsistence food threshold or were food poor. This represents a decline from the 2000 figure of 15.8 percent of the population (12.3 percent of families). The subsistence level or threshold was estimated at PhP8,134 per capita per year or PhP3,389 per month for a family of five members. Regions IX and XIII showed the highest percentage of food-poor population. Six regions, all in Luzon, were in extreme poverty, lower than the national average.

In terms of overall poverty incidence in 2003, however, 30.4 percent of the Filipinos (or 24.7 percent of Filipino families) were considered income poor. Six regions showed income poverty lower than the national average.

The major challenges and priorities for action are the following: fast-tracking the asset reform program; prioritizing microenterprise development; strengthening local government and civil society capacity in governance; and localizing poverty-reduction efforts.
Despite the adequate food supply, many Filipinos continue to grapple with food insecurity. The proportion of Filipino households with per capita intake below 100 percent dietary energy requirement decreased from 69.4 percent in 1993 to 56.9 percent in 2003. However, the average annual percentage point reduction of 1.25 percent is lower than the required annual decrease of 1.85 percentage points per year to meet the 34.7 percent target by 2015. Households with less than 100 percent energy adequacy surpassed the national figure of 56.9 percent in 2003 in at least eight regions (Cavite-Laguna-Batangas-Rizal-Quezon or CALABARZON, Regions V, VII, VIII, IX, X, XII and the Autonomous Region in Muslim Mindanao or ARMM).

The prevalence of underweight preschool children declined from 30.6 percent in 2001 to 27.6 percent in 2003. However, the average annual rate of decline of 0.53 percent is below the desired 0.69 percent in order to meet the target of 17.25 percent by 2015. Eleven out of 17 regions recorded prevalence rates higher than the national figure of 27.6 percent.

The assessment of the Medium-Term Philippine Plan of Action on Nutrition (MTPPAN) 1999-2004 is ongoing, results of which will be the basis for the next medium-term plan.

In response to the challenges under the first Millennium Development Goals (MDG) Report, the Action for Nutrition Improvement or ANI was formulated as a national program that can be replicated at the local level. The National Economic and Development Authority-Social Development Committee (NEDA-SDC) approved the program and issued a resolution integrating nutrition objectives and components into the Kapit-Bisig Laban sa Kahirapan-Comprehensive and Integrated Delivery of Social Services (KALAHI-CIDSS), a community-based poverty alleviation program. Efforts along nutrition improvement were also undertaken by: the Council for the Welfare of Children (CWC), in terms of the Bright Child campaign; the Department of Social Welfare and Development (DSWD) and the National Anti-Poverty Commission (NAPC) in terms of the Food for Work; and the National Food Authority (NFA) in terms of the new rice distribution scheme called the Targeted Rice Distribution Program (TRDP). The business sector committed to popularize food fortification and nutrition in the workplace; adopt nutrition programs at the community level; and boost mass media advocacy for consumers to patronize the products with the Sangkap Pinoy seal.

Priority actions were drawn up to attain this MDG target:
1) Strategic complementation with other strategies such as the anti-poverty measures and the Bright Child Program;
2) Improved food security at the macro and household levels;
3) Prevention of intergenerational transfer of undernutrition, by considering the needs and dynamic interaction of the consequences of nutritional deficiencies in all stages of the life cycle;
4) Reduction of wide disparities in nutritional status by focusing efforts on the most at-risk areas (rural areas and ARMM), particularly children in situations of armed conflict;
5) Strict enforcement of the ASIN Law and Food Fortification Act;
6) Increased investments in nutrition;
7) Strengthened community involvement;
8) Popularization of LGUs’ contributions in addressing nutrition problems;
9) Improved data at the local level; and
10) Arrest of the increasing trend of overweight and obesity.
Latest data on participation rate suggest that great effort must be exerted to achieve the target of universal access to elementary education. Based on the school-age population of 6-11 years old, the participation rate at the primary or elementary level stood at 90.05 percent in SY 2002-2003. Across regions, ARMM registered the highest participation rate with 91.37 percent while the lowest was registered in the National Capital Region (NCR), with 77.15 percent.

Cohort survival rate (CSR) at elementary level steadily improved from 67.21 percent (SY 2000-2001) to 69.84 percent (SY 2002-2003), but remains low. Slight improvements were shown by the completion rate from 66.13 percent to 66.85 percent; and the dropout rate, from 7.67 percent to 7.34 percent, for the two periods. ARMM registered the lowest cohort survival rate and completion rate at 47.49 percent and 42.91 percent, respectively. On the positive side, Region I (Ilocos Region) posted the highest CSR and completion rates of 87.47 percent and 84.09 percent, respectively, almost twice higher than those of the ARMM.

Based on the 2003 Functional Literacy Education and Mass Media Survey (FLEMMS), the simple literacy rate stood at 93.9 percent, one of the highest in Southeast Asia. Across regions, the ARMM registered the lowest with 70.7 percent, in sharp contrast to the 99.1 percent literacy rate in the NCR.

Three major challenges and priorities for action include: a) improving school-retention capacity; b) improving quality; and c) improving governance and resource allocation and utilization.
Female advantage over the male can be generally observed across the three levels of education based on indicators such as simple literacy rate, functional literacy rate, participation rate, cohort survival rate, completion rate, and number of graduates in higher education.

For simple literacy (based on the 2003 FLEMMS), the rate among females was 94.6 percent and among males, 93.2 percent. On a regional basis, female dominance was true for 12 of the 17 regions. The regions which showed slight male dominance were: Cordillera Administrative Region (CAR), Ilocos Region, Central Luzon, Mindoro-Mindanao-Romblon-Palawan (MIMAROPA) and ARMM.

Female advantage is more pronounced in functional literacy, as female rates were higher in all regions (except in the ARMM with rates of 62.1 percent and 63.6 percent for females and males, respectively). Likewise, the range of gender disparity in functional literacy is much wider, with Eastern Visayas showing the widest gap (82.1 percent vs. 71.7 percent).

Although girls showed higher participation rates in elementary and high school, disparity was generally minimal across regions at the elementary level except in the ARMM. Large discrepancies were noted at the secondary level particularly in Eastern Visayas.

At the higher education level, female dominance was also noted. Enrolment figures for SY 2001-2002 showed 55 percent of total enrollees were female while the graduation figures for SY 2000-2001 showed 60 percent of graduates were female. Likewise, the entry of females into several “traditionally” male-dominated disciplines has continued.

The scenario in the technical-vocational education and training (TVET), on the other hand, indicated an almost equal distribution between female and male graduates (49 percent vs. 51 percent) based on SY 2002-2003. However, regional enrolment data (SY 2003-2004) suggested uneven degrees of disparity, with NCR showing a female-male ratio of 14:10 while Region II had 6:10.

Significant efforts are being pursued by the Department of Education (DepEd) to address the gender concern. Notable is the consideration of gender issues in the 2002 Restructured Basic Education Curriculum. The Technical Education and Skills Development Authority (TESDA), for its part, put up the Kasanayan-Kabuhayan-One-Stop Shop to address the needs of displaced women workers and workers in the informal sector.

With the above developments, addressing gender concerns in education requires the following priority actions: (1) understanding the sociocultural nuances of Philippine gender issues; (2) strengthening the alternative learning system primarily through the Bureau of Alternative Learning System (BALS) at DepEd to ensure that all types of learners outside the school system are reached through a more flexible approach; (3) improving the gender content of education; (4) making media more gender-sensitive; and (5) providing better opportunities for women.
Target 5
Reduce children under-five mortality rate by two-thirds by 2015

Infant mortality rate and child mortality rates have shown decreasing trends for the past 10 years from 34 to 29 infant deaths for 1,000 live births and from 54 to 40 under-five deaths per 1,000 live births, respectively.

However, a cause for concern is the repeated decline in the number of children fully immunized before they turn a year old. For example, the 2002 figure of 62 percent in 2002 is a three-percentage point decline from the 2000 figure of 65 percent.

Programs/efforts implemented to address these concerns include the following: (1) Expanded Program on Immunization (EPI) of the Department of Health (DOH); (2) Early Childhood Development (ECD) which implements a 10-year National Early Childhood Development Program; (3) Bright Child which is an integrated approach to deal with the physical, emotional, social and educational requirements of raising a bright child; and (4) Mother-and-Baby-Friendly Hospital Initiative (MBFHI).

In terms of legislation, RA 8976 or the Philippine Food Fortification Act was passed in 2000 and the revised Implementing Rules and Regulations (IRR) of the Act Promoting Salt Iodization Nationwide (ASIN) was also approved in 2003. Likewise, the Comprehensive Policy and a National System for Ensuring Newborn Screening or RA 9288 was also passed in July 2003.

Hence, to enhance government efforts to achieve this MDG target, the following measures need to be given priority:

1) Strengthening of the local government unit (LGU) provision and management of Maternal and Child Health (MCH) service since under the Local Government Code, the LGU is the primary provider of basic health care services;
2) Increasing advocacy for the financing and delivery of under-five health services at the local level;
3) Increasing the supply of affordable and fortified foods;
4) Improving the policy environment for financing and provision of services;
5) Improving policy dissemination;
6) Developing the Perinatal and Neonatal Programs; and
7) Advocating infant and young child feeding.
 Reduce maternal mortality rate by three-quarters by 2015 (half by 2000, half by 2015) 

Estimates from the 1993 and 1998 National Demographic and Health Survey (NDHS) showed a declining trend of maternal mortality rate (MMR): from 209 per 100,000 live births for 1987-1993 down to 172 per 100,000 live births in 1991-1997. However, it is difficult to conclude that MMR has declined, due to problems of large sampling errors and the absence of new official data.

Seven related or proxy indicators were therefore analyzed from 1998 to 2003 in the absence of new data. Positive trends were shown by six indicators: proportion of births attended by health professionals; percentage of births delivered in a health facility; prenatal care coverage; post-natal care coverage; percentage of those injected with tetanus toxoid; and the provisions of iron tablet supplements. On the other hand, maternal anemia in pregnant women declined for the same period.

The government promotes maternal health through the two-pronged strategy involving safe motherhood and family planning services. Safe motherhood strategies involve nine aspects: training, information dissemination, social mobilization, community participation, promotion of gender sensitivity, quality assurance schemes, MMR audit, upgrading of equipment for obstetric emergencies, and making quality care accessible.

In family planning (FP), the DOH anchored its program on four major principles: responsible parenthood, respect for life, birth spacing and informed choice.

There were several noteworthy family planning program/activities: mainstreaming of natural family planning method; deployment of 640 volunteers health workers in KALAHI areas of NCR for the provision of FP services to the urban poor; training of Barangay Health Workers (BHWs) in 250 municipalities on Community-Based Management Information System (CBMIS) and FP provision, and the Door-to-Door Family Planning Campaign. Not to be overlooked are local health endeavors like the UNFPA-assisted Gattaran Birthing Center Projects in Gattaran, Cagayan, which was honored by the Commission on Population (POPCOM) as one of the best practices in Reproductive Health Care.

Three major issues cramp efforts to reduce maternal mortality rate by three quarters by 2015. First, is the urgent need to improve data collection and data quality. Related to this, the National Statistics Office (NSO) will enhance the civil registration system with focus on improving the system for generating MMR and under-five mortality rate (USMR) data.

Second, is the need to accelerate efforts to improve maternal health, with emphasis on developing alternative and creative strategies to provide adequate funding and mobilize all stakeholders such as the families and the communities.

Third, is the need to address the brain drain of health workers, specifically doctors and nurses. The country cannot match the economic opportunities offered abroad; hence, there is need to review the compensation, incentives and benefits of health workers toward a more attractive compensation package. Likewise, a national health human resources plan has to be formulated and adopted.
Increase access to reproductive health (RH) services to 60 percent by 2005, 80 percent by 2010 and 100 percent by 2015

Considering the 10 service components of Reproductive Health (RH), it is difficult to assess holistically whether the country is on target or not. Hence, the use of proxy indicators was resorted to.

In terms of the number of antenatal check-ups (ANC), the 2003 National Demographic and Health Survey (NDHS) showed that only 7 out of 10 women, who had live births in the past five years before the survey, received a minimum of four ANCs of which more than half (53 percent) were performed in the first trimester. Health professionals attended to almost 88 percent of all deliveries and nearly 72 percent received post-partum check-ups (PPCs).

A modest decline in fertility was observed based on the decline of actual total fertility rate (TFR) from 3.7 percent (1996-1998) to 3.5 percent (2001-2003). This is still one child more than the desired fertility rate of 2.5 children per woman.

Contraceptive prevalence rate (CPR) slightly increased from 47 percent in 1998 to 49 percent in 2003, owing to the increased use of modern contraceptives from 28 percent to 33 percent. The unmet need for FP services of currently married women declined from 20 percent to 17 percent for the same period.

The government, particularly through the POPCOM and the DOH, came up with several plans/programs/strategies to respond to the needs of women and youth of reproductive age. Foremost of these, on the part of POPCOM, are: the formulation of the Philippine Population Management Program (PPMP) 2001-2004, the PPMP Strategic Operational Plan (SOP) and PPMP Public Investment Program (PIP) 2002-2004.

DOH, on the other hand, formulated the 10-year Reproductive Health (RH) Plan and issued several Administrative Orders (AOs) in support of the National Family Planning (FP) Program, such as AO No. 79 series of 2000 specifying the Safe Motherhood Policy and AO No. 132 series of 2004, creating the DOH Natural FP Program and its Program Management.

Attainment of the RH target requires concerted efforts among the various sectors including the legislative, the church, civil society groups and government, particularly the LGUs. To achieve this target, the priority actions include:

1) Passage of a legislation on RH;
2) Establishment of a strong partnership among various RH stakeholders;
3) Filling of the anticipated shortfall in FP commodities;
4) Expansion of the NHIP;
5) Filling up of data gaps on RH; and
6) Provision of culture-sensitive, high quality, accessible and user-friendly services on RH.
The number of HIV/Ab seropositive cases since 1984 increased from 1,451 in 2000 to 2,200 in December 2004. Epidemiologists and experts estimate that the actual number of HIV cases is around 10,000. Despite the increasing number of cases, the prevalence rate remains consistently below one percent.

Despite the low prevalence and the slow rate of increase in the number of cases, the preconditions for a full-blown epidemic are present: low condom use, prevalence of sexually-transmitted infections (STIs), increasing rural-urban migration, relatively young sexually active population, and a thriving sex industry in selected areas. The Philippine National AIDS Council (PNAC) now describes the epidemic to be “hidden and growing.”

Although there is almost universal awareness of AIDS among the youth, a sizeable portion of them have misconceptions. Furthermore, the prevalence of premarital sexual activity among the youth increased from 18 percent in 1994 to 23 percent in 2002.

The policies and programs implemented in the country were in line with Republic Act 8504 or the Philippine AIDS Prevention and Control Act of 1998 and the Third Medium-Term Plan (MTP III) on AIDS covering the period 2000-2004. Various prevention and control efforts were undertaken both by government agencies and nongovernment organizations (NGOs). In terms of accelerating local responses, local AIDS councils have been established in sites previously given foreign assistance.

Currently being developed is the national HIV/AIDS monitoring system, which involves multisectoral participation. Preparatory activities are ongoing in the formulation of the Fourth Medium-Term Plan for AIDS covering the period 2005-2010.

Although there was an observed acceleration of local response against HIV/AIDS during 2000-2003, sustaining prevention activities and strengthening multisectoral involvement remain critical challenges.

Current efforts among five major areas should thus be sustained and accelerated:

1) Scaling up and improving the quality of preventive interventions targeted for identified highly vulnerable groups such as the youth, civil servants, informal sector, and overseas Filipino workers (OFWs);

2) Strengthening of institutional and general public preventive intervention which include the development of a unified advocacy plan and an expanded voluntary counseling and testing service;

3) Scaling up and improving the quality of treatment, case and support services for people infected with and affected by HIV/AIDS—these can include functional referral chains, community and home-based care system, and HIV-positive community support groups;

4) Integration of stigma-reduction measures in the preventive, treatment, case and support services and in the design of management systems;

5) Strengthening and institutionalization of management systems in support of the delivery of HIV/AIDS information and preventive services, treatment, care and support which can include concretizing guidelines in manuals and standardization, an expanded collaboration with the private sector including faith-based organizations, fast-tracking of the establishment of a monitoring and evaluation system, and expanded local responses.
Halt and begin to reverse the incidence of malaria and other major diseases by 2015

Malaria, the eighth leading cause of morbidity in the country, has declined in terms of morbidity and mortality rates. The 2002 figures stood at 48 cases per 100,000 population (morbidity) and 0.11 deaths per 100,000 population (mortality). It is endemic in 65 provinces but more than 90 percent of cases were found only in 25 provinces.

Tuberculosis, on the other hand, was the sixth leading cause of death and morbidity in 2001. Mortality and morbidity rates for TB also showed declining trends for 1995 to 2001: from 39 to 38 deaths per 100,000 population (mortality), and from 173 to 142 cases per 100,000 population (morbidity). In 2002 and 2003, the regions with the most number of TB cases were NCR, Central Luzon, Western Visayas, Bicol, Southern Tagalog and Central Visayas.

The DOH continued to implement the Malaria Control Program (MCP) in partnership with LGUs, NGOs and communities at risk. The upsurge of cases in the northern part of the country in 2002 compelled the use of a combination treatment regimes and the approval of a new national policy in diagnosis and chemotherapy for malaria using microscopy or rapid diagnostic test. Although the MCP has obtained and coordinated donor funding for malaria control activities in selected project sites, most of the funds are for training and capacity building [except for the World Health Organization/ Rollback Malaria (WHO/RBM) and the Global Fund for AIDS, TB and Malaria (GFATM) grant], hence, the lack of budget support for drugs/diagnostic and insecticide purchase.

The National Tuberculosis Control Program (NTP) continued to promote the Directly Observed Treatment Short Course (DOTS) therapy as the main strategy for TB control. The Comprehensive and Unified Policy for TB Control (CUP), which covers the guidelines for the implementation of the NTP, was formulated. Executive Order No. 187 was issued by the President, enjoining government and private sector organizations to work as partners in disseminating and conducting training on the CUP.

Although significant strides have been achieved in malaria and TB prevention and control, the design of more effective policies and activities must be improved. This covers two major categories, namely, improving service provision and strengthening program support services. Improving service provision includes four aspects: meeting unmet requirements, addressing new requirements, improving the quality of services, and ensuring funds availability. Under the second category, important activities include the development of a TB database, advocacy to improve the health-seeking behavior of the population, and strengthening public-private, NGO and community partnership.
the Millennium Development Goals

**GOAL 7: Ensure environmental sustainability**

Implement national strategies for sustainable development by 2005, to reverse loss of environmental resources by 2015

One reason for the widespread poverty in the country is the mismanagement of its natural resources. Hence, there is an urgent need to properly manage natural resources and protect the environment to improve the quality of life of the present as well as that of future generations.

About 15,854,922 hectares or 52.9 percent of the Philippine land area are classified as forest land while the remaining 47.1 percent or 14,145,078 hectares are alienable and disposable (A&D) land. The total forest cover increased by 11 percent from 6.5 million hectares in 1988 to 7.2 million hectares in 2004. The increase in both forest and A&D lands can be generally attributed to the slowdown in commercial timber harvesting with the imposition of a logging moratorium in several provinces, log and lumber export bans and the implementation of the National Forestation Program in the late 1980s. Several forest policy shifts and initiatives like the Philippine Forestry Master Plan, Community-Based Forest Management Strategy, and the Forestry Sector Loan II Project also contributed significantly to the increase in the country’s forest cover.

Recent initiatives of the Department of Environment and Natural Resources (DENR) in forest and watershed management include: (a) the adoption of the Watershed Ecosystem Management approach; (b) implementation of Community Livelihood Assistance Special Program (CLASP); (c) launching of timber corridors in Mindanao; (d) more vigorous campaigns against illegal logging and erring DENR officials; (e) survey of priority watersheds for rehabilitation and protection; (f) promotion of tissue culture and cloning of seedlings; (g) conduct of management plans; (h) implementation of urban forestry; and (i) implementation of the Tanim Ko, Aalagaan Ko” project.

In 1992, 50 percent of the 63 national parks lost their biological importance due to various levels of degradation. To address this, the DENR is intensifying its efforts to implement the National Integrated Protected Areas System (NIPAS) Act and the National Biodiversity and Action Plan (NBSAP). The National Caves and Cave Resources Management and Protection Act was passed in 2001 to conserve, protect and manage caves and cave resources as part of the country’s natural wealth.

Overfishing, destructive fishing methods, siltation, and pollution have threatened the productivity of the coastal and marine ecosystems. It is estimated that only five percent of coral reefs are in excellent condition while mangroves have declined by as much as 57 percent in the last 23 years. Seagrass losses have been estimated at 30-50 percent over the last 50 years. In response, the DENR adopted the integrated coastal area management approach and provided technical assistance in the conduct of Participatory Coastal Resource Assessment (PCRA) and in the preparation of the Municipal Coastal Environment Profile (MCEP). On the other hand, the Department of Agriculture (DA) implemented the Fisheries Resource Management Program (FRMP).

In 2004, data gathered from the eight new air quality monitoring stations in Metro Manila airshed, which include LGUs in NCR and parts of Regions III and IV, showed that ambient air quality is within standard in terms of Nitrogen Dioxide (NO2), Carbon Monoxide (CO), Sulfur Dioxide (SO2) and ozone. For total suspended particulates (TSPs) in 2003, data gathered from the old monitoring stations nationwide showed that air quality was not within standards, with the exception of the cities of Cavite and Davao. To curb the increasing level of pollutants in the...
atmosphere, the DENR phased out lead in gasoline in 2000 and implemented several programs. The Clean Air Act was also passed in 1999, providing for a comprehensive framework for the management of air quality and mandating the reduction of sulfur content in diesel fuel.

The issues in the water sector include disparities in water supply coverage across regions, depletion of groundwater especially in Metro Manila and Metro Cebu, lack of cost recovery on investments, institutional weaknesses, and unwillingness of consumers to pay. The pollution of water resources has also been evident in many parts of the country. Of the 462 water bodies classified by the DENR as of 2003, 35 percent meet the water classification of “Class C” or quality of water, which can support life systems. About 48 percent of water pollutants are domestic waste, 37 percent are agricultural waste, and the remaining 15 percent are industrial waste. To improve the water quality, DENR facilitated the issuance of the Clean Water Act and the implementation of Beach Ecowatch, among others. Likewise, the government created the Presidential Task Force on Water Resources Development and Management under the DENR, and prepared the National Strategy and Action Plan for the Water Supply and Sanitation Sector.

Solid waste generation in Metro Manila is estimated at 5,345 tons per day, which is expected to double by 2010. Only 65 to 75 percent of total waste generated in Metro Manila are collected and only about 13 percent are recycled. At present, there is no integrated treatment facility for hazardous waste in the country. There are approximately 50,000 tons of hazardous waste stored on or offsite due to lack of proper treatment and landfill facilities. The DENR in collaboration with MMDA, LGUs, and NGOs, is trying to remedy the worsening garbage situation with: (a) the closure of dumpsites; (b) launch of the Solid Waste Management Program; (c) implementation of the Ecological Solid Waste Management (ESWM) System; (d) designation of 213 ESWM coordinators nationwide; (e) provision of technical assistance in the conversion of open dumpsites; and (f) conduct of the Nationwide Search for Model Barangays for ESWM System.

Household access to safe water supply rose slightly from 78.69 percent in 2000 to 80 percent in 2002. The ARMM is the most disadvantaged region in 2002 with only one-third of families using water coming from community water systems or tubed/piped wells, compared with 96 percent of families in Central Luzon having access to these types of sources.

Households with sanitary toilet facilities increased from 81.97 percent in 2000 to 86 percent in 2002. Among the regions, the NCR had the highest proportion of families with sanitary toilets (98 percent) while ARMM had the least (44.7 percent).

The laws on regulation and protection of water resources have been poorly enforced, causing the severe deterioration of water quality and exploitation of groundwater resources. Hence, the government adopted the Integrated Water Resources Management (IWRM) approach. Also, the President tasked the National Anti-Poverty Commission (NAPC) to spearhead the government’s plan to provide potable water to waterless communities.

The Philippine Clean Water Act of 2004 (RA 9275) was signed into law, mandating the DENR to implement a comprehensive quality management program to guarantee effective water utilization and conservation. Executive Order 123 reconstituted the National Water Resources Board (NWRB) and EO 279 instituted policy reforms in the Water Supply and Sewerage Sector and for the water service providers.

The water sector will continue to address these challenges in order to meet the MDG target: (a) focusing on providing potable water to waterless areas; and (b) giving importance to sanitation services.
Achieve a significant improvement in the lives of at least 100 million slum dwellers by 2020

In 2002, the government estimated that there were 588,853 informal settler families or squatter households nationwide, 51 percent of which are in the NCR, Region VI, and Region IV. These informal settlers live in dwelling units that are substandard or are not durable for at least five years, mostly in urban slum areas with little or no basic or auxiliary services such as safe water, health centers, elementary and high schools, and decent and gainful livelihood opportunities.

Security of tenure or shelter units were provided to 382,285 households from 2001 to 2004, mainly through government programs and private sector initiatives. The National Home Mortgage Finance Corporation (NHMFC) revised the Community Mortgage Program (CMP) Guidelines which increased the loan ceiling from PhP100,000 to PhP120,000 in Metro Manila and other highly urbanized areas, and from PhP85,000 to PhP100,000 in other areas. The number of documents required for the CMP was also significantly reduced from 56 to 18, and technical assistance and financing were provided to the beneficiary communities for expenses related to title transfer to hasten the processing of CMP projects.

The housing agencies, under the guidance of the Housing and Urban Development Council (HUDCC), worked closely with NGOs and private sector groups in their projects. These include the Gawad Kalinga (GK 777) Project of the Couples for Christ, Gawad Kapatiran and Habitat for Humanity, all of which aimed to improve some blighted communities and provide dwelling units for informal settlers. The HUDCC has extended technical and financial assistance and provided financing for the development of housing units to benefit GK beneficiaries.

EO 272, issued in 2004, authorized the creation of the Social Housing Finance Corporation (SHFC) which will cater to the housing needs of the bottom 30 percent of the population. It also transferred the implementation of the CMP and Abot-Kaya Pabahay Fund Program of the NHMFC to the SHFC as the former’s subsidiary.

The housing sector will continue to address these challenges and priorities in order to attain the MDG goal on improving the lives of slum dwellers: (a) meet the housing requirements of informal settlers, particularly the relocation of those in danger zones; (b) pursue an urban asset reform program by providing property rights for informal settlers; (c) promote a sustainable source of housing finance by pursuing a legislation which operationalizes the SHFC as the primary institution for addressing the needs of the bottom 30 percent poorest households; (d) expand private sector participation in socialized housing finance and construction; (e) rationalize coordination for housing and urban development through the elevation of HUDCC into the Department of Housing and Urban Development (DHU); and (f) strengthen housing regulation primarily through the establishment of Local Housing Boards and the institution of the National Land Use Policy.
GOAL 8: Develop a global partnership for

Target 13
Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debts sustainable in the long term

The Philippine economy grew moderately over the period 2001-2004 with GNP and GDP expanding at average rates of five percent and four percent, respectively. Relevant ratios and indicators, such as the investment-to-GDP ratio, foreign direct investments and gross domestic savings-to-GDP ratio, have not significantly increased to effect a higher economic growth. Moreover, the country’s rank in the Global Competitiveness Ranking continued to slip from 2001 to 2004. Exports have not grown steadily relative to imports since 2001.

Four major policies and programs were continually pushed to improve trade and financial performance, namely: investment liberalization; trade promotion; micro, small and medium enterprises (MSMEs) development; and pursuance of financial reforms and price stability. Strategic measures and policies were pursued, which include: the reduction of tariffs under the Common Effective Preferential Tariff (CEPT) Scheme of the ASEAN Free Trade Area; unilateral tariff reduction and elimination of measures to lower cost of production inputs; and issuance of a supporting policy to allow products manufactured in Special Economic Zones (SEZs) and sold domestically to enter the Philippine customs territory under CEPT rates.

On rates promotion, critical reforms were made on the harmonization of trade-related procedures with other countries; provision of tax incentives to investors in IT zones; and issuance of the Implementing Rules and Regulations or IRR of the Electric Power Industry Reform Act. Likewise, greater access of Philippine products to foreign markets was negotiated, particularly with other ASEAN countries and nontraditional markets. The government also took steps to ensure that products are of the best quality, primarily through the conduct of quality test and aligning domestic product standards with international standards.

The MSMEs were further developed and assisted in the areas of credit, technology and marketing assistance. In line with the empowerment and capacity-building strategy for MSMEs, the Bangko Sentral ng Pilipinas (BSP) has ventured into several policy reforms to promote and integrate microfinance principles into the financial services of the banking system.

In the nonbank financial system, three important laws were passed to effect a more stable financial position for the country: the Securities Regulation Code, the Securitization Act, and the Anti-Money Laundering Act.

To strengthen and sustain the country’s productivity and competitiveness at both domestic and global markets, the government will focus on three major actions: ensure an enabling environment for MSME development; sustain efforts to lower the cost of doing business; and strengthen and expand strategies for investment and export promotion.

Target 14
Develop further an open, rule-based, predictable, non-discriminatory trading and financial system; include a commitment to good governance, development and poverty reduction—both nationally and internationally

The Philippine economy grew moderately over the period 2001-2004 with GNP and GDP expanding at average rates of five percent and four percent, respectively. Relevant ratios and indicators, such as the investment-to-GDP ratio, foreign direct investments and gross domestic savings-to-GDP ratio, have not significantly increased to effect a higher economic growth. Moreover, the country’s rank in the Global Competitiveness Ranking continued to slip from 2001 to 2004. Exports have not grown steadily relative to imports since 2001.

Fiscal flexibility was steadily eroded, with shrinking revenues and rising requirements for nondiscretionary portions of the budget such as personnel expenditures, interest payments, and block grants to local government units. Tax efforts stood at 12.4 percent, below the MTPDP target of 12.8 percent. Government debt balloned to PhP3.81 trillion in 2004, or 78.7 percent of the country’s GDP. The consolidated public sector deficit (CPSD) tapered a bit to 4.8 percent of GDP in 2004.

The increased share of personal services, IRA and interest payments contributed to the contraction in capital spending and other productivity expenditures. Average capital spending for the country stood at three percent of GDP, the lowest among Asian countries for 1998-2004.

Debt servicing took the biggest share (almost one-third) of the 2004 budget pie. Actual total debt service is already 68 percent of the total
NG cash disbursement in 2004.

As the proportion of the national government’s social expenditure to GDP declined from 6.35 percent (2000) to 5.1 percent (2004), real per capita spending for health, education, social security, welfare and employment, and housing went down.

However, one-third of total ODA loans disbursement (almost US$358 million) went to social services for 2001-2003, helping cushion the impact of the tight fiscal situation on provision of social services.

Several initiatives, primarily the use of information technology, were directed at boosting collection efficiency. Reforms put in place included Republic Act 9334 (adjusting excise taxes on alcohol and cigarette products), the Lateral Attrition Act of 2005 (RA 9335), and Executive Order No. 399 or the No-Audit Program (NAP).

Initiatives were taken to improve ODA utilization, notably the conduct of an ODA portfolio review in early 2003 by the Development Budget Coordination Committee (DBCC) and the Investment Coordination Committee (ICC).

Reforms in ICC policy and programming were also made to improve the country’s expenditure management.

Three critical challenges need to be addressed if we are to achieve the goal of debt sustainability:

- Rapid rise in public debt which constrains ability to finance development objectives;
- Poor management of off-budget risks; and
- Need for shared responsibility and accountability which hinges on transparent and effective communication of reforms being undertaken.

Relatedly, the Philippine International Trading Corporation (PITC), supplied low cost medicines to 1,496 municipalities, 2,400 BnBs, 112 outlets of the Drugstores Association of the Philippines (DSAP), and 10 outlets of the Coops for Christ through its “Presyong Tama, Gamot Pamamilya” program.

Continuing challenges need to be addressed as drug price management goes beyond actual pricing interventions. Suggested priorities for action are: 1) strengthening of the Bureau of Food and Drugs (BFAD) as a regulatory agency and its function of ensuring quality of drugs, 2) lowering the price of branded drugs and medicines through a significant increase in parallel drug imports in order to affect the market shares for similar products, 3) promotion of authentic herbal/traditional/natural alternative medications that are cost-effective and appropriate as treatments for certain illnesses, and 4) addressing problems of access to hospitals and health professionals, availability of certain medicines, and health insurance issues.

Provide access to affordable essential drugs, in cooperation with pharmaceutical companies

Efforts to bring down the cost of drugs as one of the means to provide access to affordable medicines have slowly made headway during the last quarter of 2004. Parallel drug importation achieved an estimated average of 60.9 percent price reduction, a figure above the 50 percent target through the DOH’s GMA 50 (Gamot na Mabisa at Abot Kaya). DOH also sought the support of local and multinational pharmaceutical companies to help bring down drug prices. As a result, generics companies have been more competitive and are now providing medicines to hospitals at prices even lower than competing parallel imports.

In terms of widening distribution of commonly used drugs, 3,802 Botika ng Barangays (BnBs) have been established as of January 2005.

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ADVOCATING AND LOCALIZING

The attainment of the MDGs requires a strong advocacy for national ownership and sustained action to operationalize the goals and targets especially at the local level. The LGUs as well as civil society and business sector have critical roles in realizing the MDGs.

There are six major policy developments which are instrumental in supporting MDG advocacy and localization:

1) Social Development Committee (SDC) Resolution No. 1, Series of 2003, “Expanding the Functions and Composition of the Multi-Sectoral Committee on International Human Development Commitment” (MC-IHDC), through which the Department of Interior and Local Government (DILG) was tasked as the lead agency for local-ization of the MDGs;

2) DILG Memorandum Circular No. 2004-152 “Guide to Local Government Units in the Localization of the MDGs,” which provides the menu of program, projects and activities (PPAs) per MDG goal and target to guide LGUs in responding to MDGs among others;

3) The Medium-Term Philippine Development Plan (MTPDP) 2004-2010, which cited the MDGs not just as top priority goals and targets, but as a commitment to ensure a brighter prospect for all Filipinos;

4) The identification of investments per goal and target in the Medium-Term Public Investment Program (MTPIP) 2005-2010;

5) Strong commitment of the business sector and civil society organizations (CSOs) in achieving the MDGs; and

6) Strong support coming from the donor community for the MDGs.

Several advocacy initiatives on the MDGs included the following: launching of the First Philippines Progress Report on the MDGs; conduct of a strategy workshop on mainstreaming the MDGs; conduct of a national workshop on enhancing the capacity to monitor global human development commitments; the “10 to 10” campaign which includes the MDGs among its thematic areas; and reframing the “20 to 20” campaign of the Task Force on the 20-20 Initiative towards the MDGs.
Posters and brochures on the MDGs were also produced and disseminated.

Various advocacy efforts were also conducted among the legislators, both from the Upper and Lower Houses of Congress. A series of roundtable discussions (RTDs) entitled “Crafting a Legislative Agenda in Pursuit of the MDGs” was conducted. A more significant development is the creation of the Special Committee on the MDGs with Congresswoman Nerissa Corazon Soon-Ruiz serving as the chair. With regard to the initiatives of the civil society organizations, notable was the leadership of the Social Watch Philippines (SWP).

On the part of the business sector, the Philippine Business for Social Progress (PBSP) spearheaded the creation of a roadmap for business sector support of the MDGs organized along four major clusters—poverty, education, health and environment—and embodied in the document entitled “Responding to the Millennium Development Challenge: A Roadmap for Philippine Business.”

The academe also had its share in supporting the MDGs through the National College of Public Administration and Governance of the University of the Philippines and the Association of Schools of Public Administration in the Philippines (ASPAP). A national conference and general assembly for schools and teachers of public administration were conducted wherein their roles in good governance and the MDGs were discussed.

There were also various local level initiatives advocating the MDGs which started with the NEDA/DILG Regional Workshop on Mainstreaming the MDGs and SOMIS. The Philippines also participated in various regional (inter-country) level initiatives in pursuance of the MDGs. One of the results of these workshops is the 2004-2005 Philippine MDG Action Plan.

Localization initiatives on the MDGs are guided by the MDG localization framework developed by the DILG, which identified a set of desired outcomes. Along these desired outcomes, interventions carried out covered four major areas: a) policy formulation, b) tools development, c) capacity-building, and d) documentation and replication of good practices.
Total national government expenditures on social services for the period 2001 to 2004 showed an increasing absolute level from PhP158 billion (2001) to PhP192 billion (2004). However, its percentage share to the total national government expenditures showed an unpredictable trend from 27.5 percent in 2001 to 30 percent in 2002, a decline to 27.6 percent in 2003 and then moving uphill in 2004 to 44 percent. The data on LGUs’ expenditures for social services also showed mixed results, as the levels declined from PhP28 billion in 2001 to PhP26 billion in 2002, but then rose later to reach PhP36 billion in 2004.

On the other hand, official development assistance (ODA) for social reform development has been fluctuating since 2002, from PhP318 billion to PhP58.13 billion in 2004.

The government’s targets and strategies in the MTPDP are set beyond the current performance levels so that poverty would be reduced significantly and greater prosperity is achieved at the end of the six-year period in 2010. Growth needs to accelerate to at least seven to eight percent by 2009 to reduce unemployment and poverty incidence.

Thus, to ensure financing for the MDGs for the year up to 2010, a mix of strategies must be set in place:

1. Revenue generation which is anchored on both increasing tax collection and savings generation. The action plan requires four administrative and eight legislative tax measures.

2. Mobilization of LGUs, private sector and civil society support to finance the difference between the Plan’s target and the fiscal resources.

3. Expansion of microfinance services to the poor, which will greatly involve the government financial institutions, social security institutions and microfinance institutions. Technical assistance in the form of grants will continue to be provided to qualified microfinancing institutions (MFIs) to lessen their cost of expansions.

4. Prioritization of projects with high economic impact to enlarge the economic pie, such as the Diosdado Macapagal International Airport (DMIA) which will be funded by the Clark Development Corporation; the Subic International Port, North Luzon Expressway and the Clark-Subic Expressway funded by the Japan Bank for International Cooperation (JBIC).

5. Right-sizing of the bureaucracy without sacrificing efficiency and effectiveness.

6. Privatization of some sectors such as the National Power Corporation (NPC) in recognition of the inherent comparative advantage of the private sector in such field.

7. Tapping of the remittance of OFWs which pass through the formal banking sector to provide both direct and indirect revenues in attaining the MDGs. To do this, government will have to advocate with the OFWs and/or their organizations, the local banking sector and the LGUs, among others, for a mutually beneficial collaboration and cooperation.

FINANCING THE MDGs
Monitoring the MDGs

Effective monitoring of the MDGs depends on the availability of data disaggregated at appropriate levels, the existence of an operational and effective monitoring tool, and functional institutional arrangements.

Presently, the Social Development Management Information System (SOMIS), an IT-based system, is used to monitor the various international commitments on human development, including the MDGs. This can be used by relevant government agencies, researchers, policy makers and the public in order to track the country’s performance on the MDGs.

However, the SOMIS does not allow users to manipulate data. Hence, the DevInfo software, a user-friendly software derived from the ChildInfo software developed by the United Nations will be utilized. This has many features, thus making the monitoring of MDG progress easier.

The two important agencies dealing with the data repository and generation are the National Statistical Coordination Board (NSCB) and the National Statistics Office (NSO), respectively. The NSCB was designated as the repository of the MDG indicators through NSCB Resolution No. 10, Series of 2004, “Adoption of and Enjoining Data Support to the Millennium/MDG Indicators.”

NEDA, on the other hand, is already using the DevInfo software. Its use is already being endorsed to the NEDA Regional Office and all LGUs.

For the CSOs, Social Watch Philippines (SWP) developed the Social Watch Monitoring System as a mechanism for monitoring the realization of commitments to the Millennium Declaration, through small area level, i.e., by provinces and municipalities.

In terms of institutional arrangements, the Multisectoral Committee on International Human Development Commitments (MC-IHDC) of the NEDA Board-Social Development Committee (NEDA-SDC) is being utilized for the overall monitoring of the MDGs. NEDA, as chair of the MC-IHDC, leads in the monitoring of the MDGs. Lead agencies were also identified per area of concern of the MDGs through SDC Resolution No. 1, Series of 2003, “Expanding the Function and Composition of the MC-IHDC.”

To improve the MDG indicators, NSCB with assistance from the United Nations Office of the Resident Coordinator (UNRC), and in partnership with various data sources and oversight agencies, conducted a consultative meeting on the MDG Indicators in June 2004.

At least 48 indicators will be monitored to determine the country’s progress on the attainment of the MDGs. On data availability, 29 could be obtained from various sources, eight are not available while 11 are found not applicable to the Philippines. The Philippines ranked first among the 11 countries in Southeast Asia in terms of relative data availability in support of the MDGs, with a rating of 27 percent.

Based on the above situation, effective and efficient monitoring of the MDGs must address the
following challenges and priorities for action:

- Unavailability of data, particularly, in terms of the seven indicators which are not currently monitored. Indicators in support of Goal 6 on combating HIV/AIDS, TB, Malaria and other diseases, and Goal 7 indicators, ensuring environmental sustainability, are not monitored.
- Lack of updated data, specifically for health-related indicators such as maternal mortality rate (MMR), and annual estimates for under-five mortality rate (U5MR). Likewise, there is a need to improve the quality of available data;
- Lack of disaggregated data by sex and province to monitor imbalances in the distribution of resources; and
- Inability to fully operationalize institutional arrangements at the subnational level, building on existing statistical infrastructures and mechanisms such as the Regional Statistical Coordination Committee.

### TABLE 1: MDGs: Rate of Progress

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<td>Eradicate extreme poverty and hunger</td>
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</tr>
<tr>
<td>Proportion of families below subsistence (food) threshold poverty threshold</td>
<td>20.4 a/ 30.4 a/</td>
<td>12.15</td>
<td>10.2</td>
<td>-0.83</td>
<td>-0.02</td>
<td>0.02</td>
<td>High</td>
</tr>
<tr>
<td>Prevalence of malnutrition among 0-5 year-old children (% underweight) - Based on international reference standards</td>
<td>34.5</td>
<td>27.6</td>
<td>17.25</td>
<td>17.65</td>
<td>0.05</td>
<td>0.86</td>
<td>1.63</td>
</tr>
<tr>
<td>Proportion of households with per capita intake below 100 percent dietary energy requirement</td>
<td>69.4 b/ 36.9</td>
<td>56.9</td>
<td>34.7</td>
<td>-1.25</td>
<td>-1.85</td>
<td>1.48</td>
<td>High</td>
</tr>
<tr>
<td>Achieve universal primary education</td>
<td>Elementary participation rate</td>
<td>85.1 a/ 68.4 a/</td>
<td>90.05</td>
<td>100</td>
<td>0.45</td>
<td>0.77</td>
<td>1.70</td>
</tr>
<tr>
<td>Elementary cohort survival rate</td>
<td>95.8 c/ 104.5 c/</td>
<td>101.8 e/</td>
<td>100</td>
<td>1.00</td>
<td>-0.14</td>
<td>-0.14</td>
<td>0.39</td>
</tr>
<tr>
<td>Promote gender equality and empower women</td>
<td>Ratio of girls to 100 boys</td>
<td>80</td>
<td>40</td>
<td>26.7</td>
<td>-3.08</td>
<td>-1.11</td>
<td>0.36</td>
</tr>
<tr>
<td>Elementary education</td>
<td>57</td>
<td>29</td>
<td>19</td>
<td>-2.15</td>
<td>-0.83</td>
<td>0.39</td>
<td>High</td>
</tr>
<tr>
<td>Secondary education</td>
<td>123</td>
<td>48</td>
<td>24.2/</td>
<td>-5.77</td>
<td>-1.83</td>
<td>0.32</td>
<td>High</td>
</tr>
<tr>
<td>Improve maternal health</td>
<td>Maternal mortality rate</td>
<td>209</td>
<td>172 d/</td>
<td>52.2</td>
<td>-4.63</td>
<td>-7.05</td>
<td>1.52</td>
</tr>
<tr>
<td>Increase access to reproductive health services</td>
<td>Prevalence of men and women/couples practicing responsible parenthood</td>
<td>40 b/</td>
<td>48.9</td>
<td>70</td>
<td>0.89</td>
<td>1.76</td>
<td>0.99</td>
</tr>
<tr>
<td>HIV prevalence</td>
<td>&lt; 1%</td>
<td>&lt; 1%</td>
<td>&lt; 1% 2/</td>
<td>0.00</td>
<td>1.76</td>
<td>0.99</td>
<td>Medium</td>
</tr>
<tr>
<td>Halt and begin to reverse the incidence of malaria and other diseases</td>
<td>Malaria morbidity rate (per 100,000 population)</td>
<td>73.7 a/</td>
<td>80</td>
<td>86.8</td>
<td>0.57</td>
<td>0.52</td>
<td>0.91</td>
</tr>
<tr>
<td>Provide basic amenities</td>
<td>Proportion of families with access to safe drinking water</td>
<td>59.1</td>
<td>100</td>
<td>2.05</td>
<td>0.32</td>
<td>0.32</td>
<td>0.32</td>
</tr>
</tbody>
</table>

Notes:
- a/ 1991: Uses the old methodology considering special rice in the menu and using regional prices; family size is six.
- b/ 1993
- c/ 1994
- d/ 1998
- e/ Based on preliminary estimates of DepEd
- f/ 2003: Uses ordinary rice, and uses provincial prices; family size is five.

Sources:
- Medium-Term Philippine Development Plan 2004-2010
- 2004 UNDP Human Development Report
- Family Income and Expenditure Survey 2003

Rate needed to reach target: Current rate of progress

<table>
<thead>
<tr>
<th>Rate</th>
<th>Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 1.5</td>
<td>High</td>
</tr>
<tr>
<td>1.5 to 2.0</td>
<td>Medium</td>
</tr>
<tr>
<td>&gt; 2.0</td>
<td>Low</td>
</tr>
</tbody>
</table>

1/ 2015 target is based on 1990 estimate or the closest year where data is available
2/ Target by 2010 based on MTPDP 2004-2010
3/ Based on DepEd - Education For All (EFA) target
4/ Beginning SY 2002-2003, participation rate was derived based on the age group consisting of 6-11 years old for elementary and 12-15 secondary whereas the previous system used 7-12 and 13-16 years old for elementary and secondary, respectively. Hence, SY 2002-2003 data cannot be compared with that of the previous years
5/ The criterion used in determining whether the target will be met is the ratio between the annual rate of change needed to reach the target and the current annual rate of progress. The ratings correspond to ranges of rate given below:
At the Millennium Summit in September 2000, the United Nations General Assembly adopted the Millennium Declaration which affirmed the Millennium Development Goals (MDGs) as the global commitment to peace and development. The member nations who committed to the MDGs have set goals and targets aimed at eradicating poverty globally. These MDGs are:

a) eradicating extreme poverty and hunger; 
b) achieving universal primary education; 
c) promoting gender equality; 
d) reducing child mortality; 
e) improving maternal health; 
f) combating HIV/AIDS, malaria and other diseases; 
g) ensuring environmental sustainability; and 
h) developing a global partnership for development.

The MDGs recognize women’s human right to gender equality as an essential developmental goal on which all the other goals are built – from poverty reduction to combating HIV/AIDS to environmental sustainability. It acknowledges the fact that meaningful and sustainable reductions in poverty levels cannot be accomplished without addressing the gender inequalities that have undermined women’s human potential. As a cross-cutting concern for all the goals, gender equality needs to be articulated in the targets, indicators and strategies to achieve the MDGs at the national and local levels.

The Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW), and the Beijing Fourth World Conference on Women provide detailed guidance on the whole gamut of gender equality issues in the different goals, and these can be used to fine-tune the MDG agenda. The actual strategies to be adopted in the MDGs must incorporate strong gender equality initiatives if the goals are to be successful. These three – CEDAW, Beijing and the MDGs – are mutually supporting processes. The first two provide the MDGs with an in-depth analysis of the ways in which gender inequality operates in every dimension of women’s lives, serving as touchstones for realizing the goals. The last process generates the commitment and resources that can also be used to further support the implementation of CEDAW and Beijing.

All goals are mutually reinforcing and contribute to poverty reduction. While they are means to productivity and economic growth, they are also ends in themselves because they are direct goals of society. The MDGs are measured by the quantifiable progress toward each of the targets and goals achieved in any given year. However, the achievement of these targets and goals hinges on factors such as good governance and the rule of law, the protection of human rights including women’s rights, and peace and security, among others.

The overall goal of eliminating extreme poverty is consistent with the basic task of the Medium-Term Philippine Development Plan (MTPDP) 2004-2010 to fight poverty by building prosperity for the greater number of Filipinos. The 10-Point Agenda contained in the MTPDP along the areas of livelihood, education, fiscal strength, decentralized development and national harmony will significantly help attain the MDGs.

In the Philippines, the monitoring of the MDGs is carried out through close collaboration among the Social Development Committee (SDC) of the National Economic and Development Authority (NEDA) Board, the Multisectoral Committee on International Human Development Commitments (MCIHDC), and the UN Country Team (UNCT). The preparation of the First Philippine Progress Report on the MDGs in January 2003 and this Second Report was a multisectoral effort of the said committees that involved government, civil society and the UN agencies.
Economic situation

As of 2005, the population of the Philippines was estimated at 85.5 million spread over a land area of 300,000 square kilometers in 7,107 islands. Growing annually at 2.11 percent, the population is projected to reach 102.8 million by 2015. The annual per capita Gross Domestic Product (GDP) was estimated at US$1,025.98 using 2004 nominal prices and exchange rate. Regions X, XI and XII registered the highest growth rates (more than 9 percent) in their Gross Regional Domestic Product (GRDP) in 2001-2004.

The Philippine economy grew despite the adverse effects of international shocks from the September 11 bombing in New York, the Severe Acute Respiratory Syndrome (SARS) scare which slowed down the tourism industry, and the US-Iraq War which dislocated OFWs in the Middle East, among others.

The country’s real Gross National Product (GNP) from 2001 to 2004 expanded at an average of 5.05 percent while real GDP grew by an average of 4.52 percent, which was within the target set during the same period. The services sector has been the engine of growth, expanding at an average rate of 5.62 percent over the said period. The expansion may be attributed to the growth of the telecommunication sector and the new investments in call centers, business process outsourcing and software development. Meanwhile, the trade sector also performed well due to strong consumer spending. This was supported by the steady growth of the agriculture sector and remittances of overseas Filipino workers (OFWs) deployed in higher-paying jobs as ICT professionals, teachers and nurses/caregivers.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Population Size</td>
<td>85.5 million</td>
<td>2005</td>
</tr>
<tr>
<td>Population Size</td>
<td>76,498,735</td>
<td>2000</td>
</tr>
<tr>
<td>Population Growth Rate</td>
<td>2.11%</td>
<td>2000-2005</td>
</tr>
<tr>
<td>Human Development Index (HDI), HDI rank</td>
<td>0.753, 83rd</td>
<td>2002</td>
</tr>
<tr>
<td>Gender Development Index (GDI), GDI rank</td>
<td>0.751, 66th</td>
<td>2002</td>
</tr>
<tr>
<td>GDP per capita (US$)</td>
<td>1,025.98</td>
<td>2004</td>
</tr>
<tr>
<td>NG Tax Revenue/GDP</td>
<td>12.34%</td>
<td>2004</td>
</tr>
<tr>
<td>Investment/GNP</td>
<td>15.89%</td>
<td>2004</td>
</tr>
<tr>
<td>Total Outstanding NG Debt/GDP</td>
<td>76.99%</td>
<td>2004</td>
</tr>
<tr>
<td>Public Debt (% of GDP)</td>
<td>101%</td>
<td>2003</td>
</tr>
<tr>
<td>External Debt (% of GNP)</td>
<td>61.9%</td>
<td>2004</td>
</tr>
<tr>
<td>Social Sector Expenditures (as % of total expenditure)</td>
<td>42.81%</td>
<td>2003</td>
</tr>
<tr>
<td>Share of poorest quintile in income or consumption</td>
<td>4.7%</td>
<td>2003</td>
</tr>
<tr>
<td>Share of richest quintile in income or consumption</td>
<td>53.3%</td>
<td>2003</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Life Expectancy at Birth (in years)</th>
<th>Value</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>67.2</td>
<td>2003</td>
</tr>
<tr>
<td>Female</td>
<td>72.5</td>
<td>2003</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>10.9%</td>
<td>2004</td>
</tr>
<tr>
<td>Underemployment rate</td>
<td>16.9%</td>
<td>2004</td>
</tr>
<tr>
<td>Poverty headcount ratio (% of families below national poverty line) (Preliminary)</td>
<td>24.7%</td>
<td>2003</td>
</tr>
<tr>
<td>Population with access to safe water supply</td>
<td>80%</td>
<td>2002</td>
</tr>
<tr>
<td>Proportion of underweight children (0-5 years old)</td>
<td>32%</td>
<td>2003</td>
</tr>
<tr>
<td>Simple Literacy Rate</td>
<td>93.9%</td>
<td>2003</td>
</tr>
<tr>
<td>Elementary Participation rate</td>
<td>90.05%</td>
<td>2002</td>
</tr>
<tr>
<td>Under-5 mortality rate (per 1,000 children)</td>
<td>40</td>
<td>2003</td>
</tr>
<tr>
<td>Maternal mortality rate (per 100,000 live births)</td>
<td>172</td>
<td>1998</td>
</tr>
</tbody>
</table>

Sources: Medium-Term Philippine Development Plan 2004-2010
2004 UNDP Human Development Report
Family Income and Expenditure Survey 2003
The agriculture sector grew at an average of 4.05 percent over the period 2001-2004. Effective government programs, complemented by favorable weather conditions, led to respectable growths in major crops such as palay and corn, fishery, poultry and livestock. Likewise, favorable prices boosted farm incomes.

The industry sector experienced sluggish growth at a mere 3.4 percent in 2001-2004. Growth was limited by the large cuts in public construction to control the deficit, as well as the difficulties of some manufacturing industries to keep in step with the global market. Moreover, the increase in foreign investments was minimal, from US $1.43 billion in 2002 to US $1.49 billion in 2003. The minimal foreign direct investments is a result of several factors, including the pull of investments toward China, weakening investor confidence due to concerns about fiscal sustainability, peace and order, and a weak infrastructure/logistics system. Based on the World Competitiveness Report, the Philippines’ ranking slid from 48 in 2001 to 56 in 2002 among the countries included in the Global Competitiveness Ranking (GCR) 2001. It was sixty-first among countries included in the 2002 report. The high cost of doing business hampered the competitiveness of the Philippines. Power costs are higher compared to China, Taipei, Korea, and Indonesia due to high distribution charges. Philippine power rates, however, are lower than Singapore, Malaysia, Thailand and India. Only the mining industry had a good showing, growing at double-digit rates due to favorable international metal prices.

Unemployment remained high at 10.9 percent in October 2004 notwithstanding the 3.2 million jobs generated from 2001 to 2004. From January to July 2004, the average unemployment rate was 12 percent as the number of jobs generated could not absorb the influx of labor entrants. In 2004, Region IV-B, Region II and ARMM had the lowest unemployment rates at below seven percent. On the other hand, NCR, Region I and Region IV-A had the highest unemployment rates at above 13 percent.

Underemployment was a more serious problem since its magnitude was higher than that of the unemployment rate. Underemployment rate was 16.9 percent in October 2004, of which 61 percent was in the rural areas (NSCB, 2004 Philippine Statistical Yearbook).

The fiscal deficit emerged as the major macroeconomic problem. The consolidated public sector deficit (CPSD) is at -5.52 percent of GDP while the National Government deficit surged to 3.8 percent of GDP in 2004. Consequently, the rising deficit pushed the public sector debt to 101 percent of GDP by 2003.

Given the aforementioned challenges, the MTPDP 2004-2010 aims to fight poverty and build prosperity for the greatest number of Filipinos. By 2010, the following will be the 10-point legacy of the Arroyo Administration:

**Livelihood**
1) Have created 10 million jobs by supporting three million entrepreneurs through loans and by developing two million hectares of agribusiness land,

**Education**
2) Have constructed 3,000 elementary school buildings a year and put a computer in every high school,

**Fiscal Strength**
3) Have balanced the budget by collecting the right revenues and spending on the right things,

**Decentralized Development**
4) Have linked the entire country through the network of transport and digital infrastructure,
5) Have provided power and water regularly to the entire country,
6) Have decongested Metro Manila with economic activity growing and spreading to new centers of government, business and community in Luzon, Visayas and Mindanao,
7) Have made Subic-Clark corridor the most competitive international service and logistics center in Southeast Asia,

**National Harmony**
8) Have completely computerized the electoral process so that the integrity of elections will no longer be doubted,
9) Have brought peace in Mindanao and all insurgency areas, and
10) Have put a just closure to the divisive issues generated by EDSA 1, 2 and 3.

The strategies, policies, and action plan in the MTPDP 2004-2010 have been synchronized toward the attainment of the MDG goals and targets. As stated in the MTPDP’s Chapter on Macroeconomy, the “MDG goals are considered not just top priority goals and targets but a commitment to ensure a brighter prospect for all Filipinos, especially the poor.” The Chapter on Education and Youth also stipulates that “basic education should be anchored on the national commitment to the Education for All (EFA) global movement and the country’s commitments to the MDGs.” Similarly, the Chapter on Housing Construction provides that “the housing sector shall adopt a strategic framework anchored on a multistakeholder/tripartite, market-based, private sector and LGU-led reforms and approaches to meet the goals of: 1) job generation, 2) shelter security of the different market segments, and 3) improving the lives of slum dwellers. Finally, in the Chapter on Responding to Basic Needs of the Poor, the MTPDP commits that “efforts shall be intensified to achieve the MDGs particularly in the areas of poverty reduction and human development, through a broad and strategic partnership among all concerned stakeholders especially the LGUs.” It contains a table showing the MDG targets and the Plan targets for 2010.

### TABLE 3: Government Targets Under the Medium-Term Philippine Development Plan 2004-2010

<table>
<thead>
<tr>
<th>I. SOCIOECONOMIC TARGETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP growth rate is targeted to accelerate from 4.9%-5.8% in 2004 to 7%-8% by 2010</td>
<td></td>
</tr>
<tr>
<td>GNP growth rate is targeted to increase from 5.2%-6.0% in 2004 to 7.2%-8.2% by 2010</td>
<td></td>
</tr>
<tr>
<td>Exports growth rate is targeted to rise from 3.4%-4.4% in 2004 to 11.1%-12.1% by 2010</td>
<td></td>
</tr>
<tr>
<td>Investments is targeted to expand from 8.8%-9.3% in 2004 to 13.8%-15.8% by 2010</td>
<td></td>
</tr>
<tr>
<td>Inflation rate is to be 4.0%-5.0% in 2004 to 3.0%-4.0% by 2010</td>
<td></td>
</tr>
<tr>
<td>NG fiscal deficit as a percent of GDP to improve from -3.8% in 2004 to 0 by 2010</td>
<td></td>
</tr>
<tr>
<td>Consolidated public sector deficit (CPSD) as a proportion of GDP to decline from -5.52% in 2003 to 1.0% by 2010</td>
<td></td>
</tr>
<tr>
<td>Unemployment rate is targeted to go down from 12.1% in 2004 to 8.9% in 2010</td>
<td></td>
</tr>
<tr>
<td>Reduction of poverty incidence (of families) from 28.4% in 2000 to 17.89%-19.81% by 2010</td>
<td></td>
</tr>
</tbody>
</table>

Source: MTPDP 2004-2010

---

### PROGRESS BY GOALS

**Goal 1: Eradicate extreme poverty & hunger**

**Target 1** Halve the proportion of people living in extreme poverty between 1990 and 2015

Extreme poverty is poverty measured in terms of one’s capacity to satisfy food requirements or the subsistence incidence. In the Philippines, extreme poverty is estimated using the proportion of the population living below the subsistence or food threshold. In 2003, 13.8 percent of the population (10.4 percent of all Filipino families) were living below the subsistence food threshold or were food poor which is a decline from 15.8 percent (12.3 percent of families) in 2000. The subsistence level or threshold, measured as the minimum income needed by a person to satisfy his/her nutritional requirements (i.e., 2,000 kilocalories per day), was estimated at PhP 8,134 per capita per year or PhP3,389 per month for a family with an average of five members in 2003. This is slightly higher than the per capita food threshold of PhP7,707 registered in 2000. The food-poor population was concentrated in Regions IX and XIII in 2003. (Table 4 and Figure 1).

### TABLE 4: Subsistence Incidence, by Population, by Region (in percent)

<table>
<thead>
<tr>
<th>Region</th>
<th>2000*</th>
<th>2003**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philippines</td>
<td>15.8</td>
<td>13.8</td>
</tr>
<tr>
<td>NCR - National Capital Region</td>
<td>1.0</td>
<td>0.6</td>
</tr>
<tr>
<td>CAR - Cordillera Administrative Region</td>
<td>17.9</td>
<td>13.4</td>
</tr>
<tr>
<td>Region I - Ilocos</td>
<td>15.2</td>
<td>11.2</td>
</tr>
<tr>
<td>Region II - Cagayan Valley</td>
<td>11.8</td>
<td>7.6</td>
</tr>
<tr>
<td>Region III - Central Luzon</td>
<td>5.5</td>
<td>4.2</td>
</tr>
<tr>
<td>Region IV- A (CALABARZON)</td>
<td>6.5</td>
<td>4.9</td>
</tr>
<tr>
<td>Region IV- B (MIMAROPA)</td>
<td>24.1</td>
<td>22.9</td>
</tr>
<tr>
<td>Region V - Bicol</td>
<td>29.3</td>
<td>26.6</td>
</tr>
<tr>
<td>Region VI - Western Visayas</td>
<td>23.1</td>
<td>17.7</td>
</tr>
<tr>
<td>Region VII - Central Visayas</td>
<td>20.7</td>
<td>14.6</td>
</tr>
<tr>
<td>Region VIII - Eastern Visayas</td>
<td>24.8</td>
<td>21.0</td>
</tr>
<tr>
<td>Region IX - Zamboanga Peninsula</td>
<td>25.8</td>
<td>32.8</td>
</tr>
<tr>
<td>Region X - Northern Mindanao</td>
<td>23.8</td>
<td>25.4</td>
</tr>
<tr>
<td>Region XI - Southern Mindanao</td>
<td>16.7</td>
<td>17.6</td>
</tr>
<tr>
<td>Region XII - SOCSARGEN</td>
<td>22.6</td>
<td>18.4</td>
</tr>
<tr>
<td>Region XIII - Caraga</td>
<td>30.7</td>
<td>31.0</td>
</tr>
<tr>
<td>ARMM - Autonomous Region in Muslim Mindanao</td>
<td>28.5</td>
<td>24.1</td>
</tr>
</tbody>
</table>

Source: National Statistical Coordination Board (NSCB)  *Revised  **Preliminary estimates
FIGURE 1: Subsistence Incidence, by Population, by Region, 2003

Below national average
Above national average

Source: NSCB
As of 2003, 30.4 percent of the Filipinos (or 24.7 percent of Filipino families) were considered income poor compared to 33 percent of Filipinos in 2000 (or 27.5 percent of families in 2000). The poor population had income that was below the per capita poverty threshold of PhP12,267 in 2003. Increases in the nominal earnings were noted across almost all income levels and across all regions except in Metro Manila, CALABARZON and Northern Mindanao.

The poverty situation in 2003 continued to reveal the wide disparities in poverty incidence across regions (Table 5 and Figure 2). The ARMM and Regions XIII and IX were the poorest regions. They experienced slackened economic growth and a decrease in investments due to peace and order concerns.

A study on the Philippines by Balisacan and Pernia (2002) empirically established the rela-

<table>
<thead>
<tr>
<th>Region</th>
<th>2000*</th>
<th>2003**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philippines</td>
<td>33.0</td>
<td>30.4</td>
</tr>
<tr>
<td>NCR - National Capital Region</td>
<td>7.60</td>
<td>7.30</td>
</tr>
<tr>
<td>CAR - Cordillera Administrative Region</td>
<td>37.6</td>
<td>31.2</td>
</tr>
<tr>
<td>Region I - Ilocos</td>
<td>35.1</td>
<td>30.2</td>
</tr>
<tr>
<td>Region II - Cagayan Valley</td>
<td>30.4</td>
<td>24.5</td>
</tr>
<tr>
<td>Region III - Central Luzon</td>
<td>21.4</td>
<td>17.7</td>
</tr>
<tr>
<td>Region IV- A (CALABARZON)</td>
<td>19.1</td>
<td>18.8</td>
</tr>
<tr>
<td>Region IV- B (MIMAROPA)</td>
<td>45.2</td>
<td>47.9</td>
</tr>
<tr>
<td>Region V - Bicol</td>
<td>52.6</td>
<td>48.4</td>
</tr>
<tr>
<td>Region VI - Western Visayas</td>
<td>44.4</td>
<td>39.1</td>
</tr>
<tr>
<td>Region VII - Central Visayas</td>
<td>36.2</td>
<td>28.4</td>
</tr>
<tr>
<td>Region VIII - Eastern Visayas</td>
<td>45.1</td>
<td>43.3</td>
</tr>
<tr>
<td>Region IX - Zamboanga Peninsula</td>
<td>44.8</td>
<td>49.4</td>
</tr>
<tr>
<td>Region X - Northern Mindanao</td>
<td>43.8</td>
<td>44.3</td>
</tr>
<tr>
<td>Region XI - Southern Mindanao</td>
<td>33.1</td>
<td>34.4</td>
</tr>
<tr>
<td>Region XII - SOCSARGEN</td>
<td>46.8</td>
<td>38.4</td>
</tr>
<tr>
<td>Region XIII - Caraga</td>
<td>50.9</td>
<td>54.2</td>
</tr>
<tr>
<td>ARMM - Autonomous Region in Muslim Mindanao</td>
<td>59.8</td>
<td>53.1</td>
</tr>
</tbody>
</table>

Source: National Statistical Coordination Board (NSCB)  *Revised  **Preliminary
FIGURE 2: Poverty Incidence, by Population, by Region, 2003

Below national average 7.3 - 30.4
Above national average 30.5 - 54.2

Source: NSCB
The study showed that a one-percent increase in the overall mean income raises the mean income of the poorest quintile by about 0.5 percent. This demonstrates that while economic growth is a major factor in explaining poverty reduction, there are still other determinants (e.g., education, infrastructure, terms-of-trade, governance, asset reform and other geographical attributes) of poverty reduction. Thus, multidimensional approaches are necessary to attack poverty.

A study on the income movements of poor and nonpoor households using panel data (Reyes, 2002) revealed that about one-fifth of the poor in 2000 were “transient poor” or had been moving in and out of poverty since 1997. On the other hand, other groups remained poor or were “chronic poor” or permanently poor throughout the same period. Transient poverty is temporary where the families are impoverished by economic shocks. Once they have recovered and regained their economic security, they are again nonpoor. Chronic poverty characterizes the families who are permanently poor, attributed largely to structural causes such as inadequate access to productive assets or employment/livelihood opportunities. Thus, varying strategies and interventions are needed to address these two types of poverty.

Income distribution in the Philippines remained largely unequal as measured by the Gini ratio (i.e., a measure of income inequality with a range from 0 to 1, the closer to 1 the more unequal). Compared to its Asian neighbors, the situation in the Philippines shows wider disparity in terms of income distribution, i.e., the income gap between the higher and lower income groups is larger (Figure 3). The Philippine Gini ratio, however, improved slightly by 0.0162 or from 0.4822 in 2000 to 0.4660 in 2003.

In some of the regions, the Gini concentration ratios registered decreases, indicating a movement towards a less unequal income distribution among families. The NCR showed the biggest decrease from 0.4451 in 2000 to 0.4130 in 2003. However, eight out of the 17 regions registered increases in the Gini concentration ratios which indicated a growing inequality in these regions. It is also noteworthy that ARMM, Region III and Region I had the least unequal income distribution while Regions IX, X, and V had the most unequal income distribution (Table 6 and Figure 4).

<table>
<thead>
<tr>
<th>TABLE 6: Gini Concentration Ratios, By Region</th>
<th>2000</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region</td>
<td></td>
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</tr>
<tr>
<td>Philippines</td>
<td>0.4822</td>
<td>0.4660</td>
</tr>
<tr>
<td>NCR - National Capital Region</td>
<td>0.4451</td>
<td>0.4130</td>
</tr>
<tr>
<td>CAR - Cordillera Administrative Region</td>
<td>0.4439</td>
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<tr>
<td>Region I - Ilocos</td>
<td>0.4071</td>
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</tr>
<tr>
<td>Region II - Cagayan Valley</td>
<td>0.4227</td>
<td>0.4111</td>
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<td>Region III - Central Luzon</td>
<td>0.3591</td>
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<tr>
<td>Region IV-A (CALABARZON)</td>
<td>0.4086</td>
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<td>Region IV-B (MIMAROPA)</td>
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<td>Region V - Bicol</td>
<td>0.4455</td>
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<td>Region VI - Western Visayas</td>
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<td>Region VIII - Eastern Visayas</td>
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<td>Region IX - Zamboanga Peninsula</td>
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<td>Region X - Northern Mindanao</td>
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<td>Region XI - Southern Mindanao</td>
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<td>Region XII - SOCSARGEN</td>
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<td>Region XIII - Caraga</td>
<td>0.4118</td>
<td>0.4294</td>
</tr>
<tr>
<td>ARMM - Autonomous Region in Muslim Mindanao</td>
<td>0.3171</td>
<td>0.3464</td>
</tr>
</tbody>
</table>

Source: National Statistics Office (NSO), 2003 Family Income and Expenditure Survey (Preliminary Results)

Based on the preliminary results of the 2003 Family Income and Expenditure Survey, households’ allocation for food expenditures decreased from 43 percent in 2000 to 42 percent in 2003. They also reduced the allocation of expenditure on food consumed at home from 38 percent in 2000 to 37 percent in 2003. On the other hand, higher spending on food consumed outside the home was observed as the proportion went up from 5 percent in 2000 to 5.3 percent in 2003, suggesting a change in the Filipino family’s lifestyle of eating at home.
FIGURE 4: Gini Concentration Ratios, by Region, 2003

Source: NSO – Family Income and Expenditure Survey, 2003
Priority policies and programs

During the period 2001-2004, the Government implemented major policy and institutional reforms as well as key programs geared toward protecting and empowering the poor and the vulnerable groups. It used a comprehensive and integrated convergence approach called the Kapit-Bisig Laban sa Kahirapan (KALAHI) or Linking Arms Against Poverty. This pro-poor strategy focused on the acceleration of asset and ancestral domain reforms; improving access to and quality of essential human development services and social protection interventions; employment, livelihood and entrepreneurial opportunities for the poor; security and protection of the poor and identified vulnerable groups; and empowerment through fuller and meaningful participation of the basic sectors in governance and decision making in all levels of government.

The Arroyo administration realized various accomplishments that benefited the poor. In asset reform, this included: a) distribution of 2.9 million hectares of private and public lands to landless farmers; b) distribution of ancestral domain titles covering 367,440 hectares to indigenous peoples; c) security of tenure to 268,861 households and housing services to over 115,000 low-income households; and d) proclamation of nearly 310 hectares of urban land (through 73 Presidential proclamations) as socialized housing sites under the urban asset reform program. More specifically, the Community Mortgage Program (CMP) benefited 59,456 families for the same period. The National Government Center (NGC) East-West Projects and the North and South Rail Relocation Projects benefited 12,249 and 12,186 families, respectively.

The government also delivered human development services that included, among others: a) construction of school buildings in 607 school-less barangays; b) attainment of a 1:1 text-book-to-student ratio for 16.8 million public school students; c) provision of electricity to 3,600 barangays, d) supply of low-cost medicines to 300 hospitals nationwide; and e) implementation of distance learning schemes under the Strong Republic School System.

In terms of employment and livelihood, the government provided: a) 600,000 agriculture-related jobs created in rural areas; b) microfinance assistance to more than one million women borrowers; and c) about 1.7 million workers with jobs through job placement and referral schemes of the Department of Labor and Employment (DOLE).

To expand social protection, the following interventions were pursued: a) enrolment of nearly seven million beneficiaries under the National Health Insurance Program of the Philippine Health Insurance Corporation; b) operation of 500 rolling stores carrying low-priced rice and other basic commodities nationwide; and c) provision of emergency rice and food assistance to about 250,000 coconut farmers.

The wholesale portfolio of the People’s Credit and Finance Corporation (PCFC), which is tasked to mobilize resources and deliver financial services to microfinance institutions (MFIs), grew

The Ahon Badjao Project of Zambo

"Teach them how to fish and

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volved training courses on leadership, Self-Employment Assistance-Kaunlaran (SEA-K) orientation, skills training on mat weaving, boat making, dressmaking, bag making, net weaving, slipper making, and sail weaving. Other trainings included parent effectiveness, farm management, organizing and running cooperatives, nutrition education, literacy classes, and reproductive health orientation. The DSWD, Zamboanga Government, Technical Education and Skills Development Authority (TESDA), National Commission on Indigenous People (NCIP), Department of Agriculture/Bureau of Fisheries and Aquatic Resources (DA/BFAR), Department of Education (DepEd), and Department of Science and Technology (DOST) collaborated to implement the training program. The City Government of Zamboanga allocated PhP9.8 million for infrastructure support which comprise a livelihood center, berthing area, agar-agar sun-drier, foot bridge, housing units, classrooms, and a health center.

Today, the project has succeeded in improving the quality of life of the Badjaos. Malnutrition has been significantly reduced; all 45 malnourished children who participated in the supplemental feeding program became properly nourished. There is also a noteworthy improvement in elementary and high-school participation. Now there are 31 children in elementary and eight high-school students. Badjao children aged 6-17 years regularly attend school even without educational assistance and one has already enrolled in college. Even more reassuring is that the Badjaos now have the means to earn a living, enjoy better health, and have regained their sense of dignity and identity.

Social protection interventions were carried out through social assistance, social security and social safety nets. Significant achievements were made, particularly in the convergent and integrated delivery of social services. This can be attributed to the sustained commitment of LGUs, cooperation and assistance of national government agencies, and infusion of external assistance and more meaningful partnership with non-government organizations (NGOs), the private sector and the beneficiaries themselves.

On governance and decision-making, efforts have been greatly exerted in institutionalizing the meaningful participation of civil society. This is exemplified by the participation of the 12 Basic Sector Groups in the national and regional structures of the NAPC and the presence of other national sectoral bodies as well as local development or legislative councils/committees which mobilized community participation in barangay assemblies and municipal inter-agency fora.
• **Fast tracking the asset reform program**
  The restructuring of the Department of Agrarian Reform (DAR) and the attachment of the Presidential Commission for the Urban Poor (PCUP) and the National Commission on Indigenous Peoples (NCIP) to the Department of Land Reform (DLR) to fast track the asset reform program needs to be operationalized. The thrust of asset reform which now includes agrarian reform, urban land reform and ancestral domain reform offers much promise but is faced with resource challenges and constraints in program implementation.

• **Prioritizing microenterprise development**
  There is a need to prioritize initiatives towards microenterprise development: diversification of products and skills, improvement of productivity, increase in value added and access to market to bridge the wide gap between microenterprises and small-and-medium enterprises (SMEs). A major task ahead is to widen the playing field for microfinance providers by: (a) encouraging new players to enter the market and providing training to build capacity to expand services, (b) enticing existing microfinance providers to reach more enterprising poor, especially in the hard to reach areas, including poor families in identified KALAHI areas, and (c) strengthening and mobilizing cooperatives.

• **Strengthening civil society capacity in governance**
  Some of the mandated mechanisms for civil society participation at the local level have yet to be fully implemented. Both government and civil society need to ensure that full and quality participation of the latter is achieved, sustained and guided by transparency, accountability and openness. Capacities of the basic sectors need to be enhanced for this purpose. There is also a need to capacitate the indigenous communities as well as provide for their representation in local legislative councils.

  LGUs, on the other hand, need to increase their capacities in identifying the needs of their constituents especially the poor and in determining the appropriate poverty alleviation programs or projects to be implemented. Tools such as the Core Local Poverty Indicators Monitoring System (CLPIMS) and the Enhanced Integrated Monitoring System for Antipoverty Programs and Projects (E-IMSAPP) have to be fully institutionalized to sustain the empowerment initiatives.

• **Localizing the poverty reduction efforts**
  Other factors that hindered full realization of the antipoverty strategy include budgetary constraints and delays in fund releases as well as low appreciation and commitment of some local government units (LGUs) to invest on social protection interventions (e.g., health insurance for the indigents). In ensuring more effective and cost efficient social protection interventions, the following challenges have to be addressed: (a) full localization of the Comprehensive and Integrated Delivery of Social Services (CIDSS) approach; (b) fund sufficiency for KALAHI programs; (c) strengthening of livelihood and entrepreneurship interventions; (d) affordability and accessibility of social security/health insurance; (e) adequacy and responsiveness of social safety net measures; (f) full advocacy and enforcement of laws and policies; and (g) data adequacy and timeliness, including sex-disaggregated data, where appropriate.
In 2001, the total food supply was more than adequate to meet the recommended nutrient allowance of the population. The country’s per capita food supply of 1,188.4 grams in 2001 exceeded the Recommended Dietary Allowance (RDA) of 1,031 grams despite a slight decrease of 0.2 percent from 1,191.2 grams in 2000 (DOST-FNRI).

The adjusted 1999–2001 Food Balance Sheets also reflected high sufficiency ratios of average daily nutrient consumption of Filipinos. For the period 2000-2001, food supply over consumption ratios for calories, protein and fats increased from 133.9 percent to 151.9 percent, 136.9 percent to 162.2 percent and 139.4 percent to 163.4 percent, respectively. Despite the adequate food supply, a lot of Filipinos continue to grapple with food insecurity primarily due to poverty.

Results of the 2003 Household Food Consumption Survey (HFCS) by FNRI revealed general improvements in quantity and quality of absolute intake of Filipino households. From 1993 to 2003, mean one-day per capita food consumption and mean one-day per capita energy intake increased from 869 grams to 886 grams, and 1,684 kilo calories to 1,904 kilo calories, respectively. Animal sources have higher contribution to total food and protein intake. Higher intake of fats, oils and nutrients was observed, except that of iron and vitamin C.

The proportion of Filipino households with per capita intake below 100 percent dietary energy requirement decreased from 69.4 percent in 1993 to 56.9 percent in 2003, with an average annual percentage point reduction of 1.25 percent. To meet the MDG target of 34.7 percent by 2015, an annual increase of 1.85 percentage points per year should be achieved. Therefore, there is a high probability of meeting the target. It should be noted that HFCS used different nutrient-based dietary standards, i.e., RDA in 1993 vis-a-vis Recommended Energy and Nutrient Intakes (RENI) in 2003 to emphasize that the standards are based on nutrients and not merely on food or diet, which is the case in RDA.

It can be gleaned from Table 7 that eight regions (CALABARZON, V, VII, VIII, IX, X, XII, and ARMM) even registered higher percentage of households with less than 100 percent energy adequacy than the national figure of 56.9 percent in 2003.

Malnutrition remains a major threat to the survival of 0 to 5-year-old Filipino children. Although the prevalence of underweight preschool children declined from 30.6 percent in 2001 to 27.6 percent in 2003, the average annual percentage point reduction of 0.53 percent was below the target of 0.69 percent. Thus, to meet the MDG target of 17.25 percent by 2015, the prevalence reduction target needs to be adjusted at a faster rate of around 0.86 percent point every year for the period 2005-2015.
MTPDP’s target of 21.6 percent by 2010 is consistent with the MDG target of 17.25 percent by 2015. From low probability in the First Progress Report, there is now medium probability of achieving the target for nutrition. Furthermore, there is a slight difference in the prevalence of malnutrition between boy (27.2 percent) and girl (28.1 percent) preschool children.

Notwithstanding the significant decrease in the prevalence of underweight among 0 to 5 year old children, 11 out of 17 regions (I, II, MIMAROPA, V, VI, VII, VIII, IX, XII, Caraga and ARMM) recorded prevalence rates higher than the national figure of 27.6 percent. Nine regions (I, II, V, VI, VIII, IX, XI, SOCSARGEN and Caraga) have higher prevalence rates higher than the national figure both in 1998 and 2001.

<table>
<thead>
<tr>
<th>Region</th>
<th>1998</th>
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<th>2003</th>
</tr>
</thead>
<tbody>
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<td>32.0</td>
<td>30.6</td>
<td>27.6</td>
</tr>
<tr>
<td>NCR</td>
<td>26.5</td>
<td>20.3</td>
<td>19.0</td>
</tr>
<tr>
<td>I. Ilocos</td>
<td>36.2</td>
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<td>29.8</td>
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<tr>
<td>CAR</td>
<td>26.7</td>
<td>23.4</td>
<td>16.6</td>
</tr>
<tr>
<td>II. Cagayan Valley</td>
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</tr>
<tr>
<td>III. Central Luzon</td>
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<td>25.9</td>
<td>22.6</td>
</tr>
<tr>
<td>IV. Southern Tagalog</td>
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<td>27.8</td>
</tr>
<tr>
<td>IV-A (CALABARZON)</td>
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<tr>
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<td>XI. Southern Mindanao</td>
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<tr>
<td>XII. SOCSARGEN</td>
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<tr>
<td>ARMM</td>
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<td>27.9</td>
<td>34.0</td>
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</table>

Source: FNRI

Technical Notes:
1. Figures should not be used to rank the regions
2. Figures for CAR, Northern Mindanao and Southern Mindanao are unreliable estimates and should be used with caution
FIGURE 8: Percentage of Households with less than 100% Energy Adequacy

Source: FNRI, 2003 National Nutrition Survey
FIGURE 9: Percentage of Underweight Children 0 - 5 Years Old

Source: FNRI, 2003 National Nutrition Survey
Government continued to implement the Philippine Plan of Action for Nutrition (PPAN). Results of the assessment of the MTPPAN 1999-2004 shall serve as the basis for the formulation of the next medium-term plan for nutrition and the support of the major strategies and activities of the Medium-Term Philippine Development Plan 2004-2010.

To integrate and mainstream the MDG target on nutrition into all aspects of the functions of the Multisectoral Committee on International Human Development Commitments (MC-IHDC) of the NEDA-Social Development Committee (SDC), the membership was expanded to include the National Nutrition Council (NNC) as the lead agency for hunger and nutrition under the Millennium Summit commitments. A strategic plan of action was developed consistent with PPAN.

In response to the challenges cited in the First MDG Progress Report, the NNC formulated the Action for Nutrition Improvement or ANI as a national program that can be replicated at the local level. Compared to previous conventional nutrition programs, ANI aims to fuel economic activity at the grassroots level by creating linkages between food production, processing and utilization with the end view of improving the nutritional status of children. The NEDA-SDC approved the program and signed a resolution integrating nutrition objectives and components into the Kapit-Bisig Laban sa Kahirapan-Comprehensive and Integrated Delivery of Social Services (KALAHI-CIDSS) program, a community-based poverty alleviation program. It was further recognized that nutrition, being a basic human right and a basic input for achieving well-being, should be made a central theme of other anti-poverty programs.

**Action for Nutrition Improvement (ANI) Concept**

Veering away from conventional nutrition programs, the ANI concept was inspired by success stories of dairy cooperatives. The Wangan Dairy Farmers’ Cooperative (WADAC) stands out among the 10 members of the Federation of Davao Dairy Farmers Cooperatives (FEDAFC).

Wangan is a hilly farming community 29 kilometers north of Davao City. Most of the farmers in the area are into coconut production while others are engaged in vegetable and fruit production.

In the early 1990s, dairy production was introduced in Wangan by the Philippine Dairy Corporation (the precursor of what is now the National Dairy Authority). WADAC started with 15 farmers with 45 animals who saw dairying as a secondary source of income. To date, the cooperative has 56 farmer-members, 11 of whom now rely on dairying as the main source of livelihood. Worthy of note too is that 15 of the cooperative members are women.

**Putting the ANI Concept into Action**

WADAC currently has a 178-herd inventory, of which 101 are dams. Of this number, 40 cows are on the milk line, producing an average of 332 liters a day. The cooperative buys the milk produce of its members and resells the raw milk to the FEDAFC milk processing plant. The margin from the buying and selling price serves as capital build-up and income of the cooperative.

To improve the economic well-being of its members, the group is also an active partner of the milk feeding program (MFP) of the city government of Davao. This participation has brought substantial earnings to the farmer-members as the supplier of the needed fresh milk. It has likewise allowed them to make a meaningful contribution to the efforts of Davao City to minimize child malnutrition. The prevalence of malnutrition in the city substantially decreased from 18.5 percent in 1992 to 4.1 percent in 2000.

Other activities of the WADAC include the lending program to farmer-members and Save-the Herd Program (SHP). The latter was put in place when farmers with outstanding accounts with the coop offered to settle their obligations in the form of animals. These animals are kept in one place and eventually distributed to qualified members through the ‘paiwi’ system (a scheme in which the caretaker gets to own the first-born offspring of the cow he tends).

Likewise, the cooperative provided animal dispersal to its members in the form of loans through the grant provided by the joint Philippine-Australian Community Assistance Program-Dairy Development Foundation of the Philippines, Inc. (PACAP-DDFPI). In addition, the cooperative tapped into the PACAP loan to provide credit assistance to farmers to supplement their production and personal needs. For example, the cooperative purchases feed ingredients (made of indigenous produce such as copra meal, rice and corn bran) and formulate feeds for farmers to avail themselves of in the form of credit.

Indeed, WADAC transformed into a robust cooperative. This has been made possible because of its dairying style and approach that involve the commitment and willingness of each member to help and assist fellow members - a dynamic usually missing in other organizations. This also translates the ANI concept into action, i.e., fueling economic activity at the grassroots level, leading to the improvement of the nutritional status of children.

Source: National Dairy Authority
A technical working group composed of the Department of Social Welfare and Development (DSWD), Department of the Interior and Local Government (DILG), National Anti-Poverty Commission (NAPC), NEDA and NNC was created to formulate the operational details and guidelines for the integration of nutrition objectives and components into KALAHI-CIDSS and other national anti-poverty programs of the government.

The Council for the Welfare of Children (CWC) had a soft launch of the Bright Child (BC) campaign last January 2004 as a unifying brand in pursuing a convergent and integrated approach to Early Childhood Care and Development (ECCD). Executive Order (EO) No. 286 was issued last 23 February 2004 supporting the BC and providing PhP5 million as seed money. The BC project was implemented in 24 nutritionally depressed municipalities (NDMs) in Regions V and VIII.

In response to the results of the recent survey conducted by Social Weather Station, i.e., 15.1 percent of the Philippine households are suffering from hunger, the Department of Social Welfare and Development (DSWD) and National Anti-Poverty Commission (NAPC) spearheaded Food for Work, a poverty reduction program with “nutrition perspective.” It is a comprehensive package of interventions designed to address basic food and socioeconomic needs of the poor. A total of 14,445 food coupons worth PhP17.3 million have been distributed to poorest families in Camarines Sur, Eastern Samar, Sultan Kudarat, Maguindanao and Sulu.

Under the National Food Authority’s (NFA) new rice distribution scheme called Targeted Rice Distribution Program (TRDP), the poorest sector of society will be given priority access to NFA rice through designated outlets. The TRDP expects to increase the buying capacity of poor families through savings generated when they buy rice at a price much lower than the prevailing market price. As of December 2004, a total of 2,970 TRDP store outlets located in 897 municipalities nationwide were set up to serve a total of 400,000 family-beneficiaries for the pilot and expanded phase of the implementation. The actual number of families covered by the program reached a total of 432,101 families or an estimated 2.26 million individuals. This is about 13.03 percent higher than the targeted two million individual beneficiaries.

A series of discussions on Business and Health, participated in by business, civil society, multilateral funding agencies, and the government, was conducted to identify gaps in the government’s plan and opportunities for business involvement. The body agreed that the most strategic intervention in the malnutrition problem is the provision of economic and productive source of income. Likewise, the business sector committed to the following measures: 1) popularization of food fortification and nutrition program in the workplace; 2) adoption of nutrition program at the community level; and 3) mass media advocacy for consumers to patronize products with the Sangkap Pinoy seal.
The Medium-Term Philippine Development Plan 2004-2010 incorporates nutrition by putting greater emphasis on improving social services and protecting and empowering vulnerable groups. Thus, these programs should be put in place.

- **Complementation with other strategies**
  
  Poverty, as one of the root causes of malnutrition, needs to be addressed immediately and in a sustained manner. The Social Development Committee (SDC) Resolution No. 1, Series 2004, Integrating Nutrition Objectives and Components into the KALAHICIDSS Program and Other Antipoverty Programs of Government and Other Relevant Entities Toward Achievement of the Millennium Development Goals by 2015, has to be widely disseminated and adopted to ensure that nutrition is integrated into sectoral plans, particularly in food production, health, child welfare, population management, and poverty reduction policies and plans.

  Government will support the Bright Child Program as a holistic approach in providing interventions in food and nutrition, health, early education, and psychosocial programs. Government will continue to expand existing programs on maternal and child health and nutrition welfare, namely, immunization, micronutrient supplementation and fortification, breastfeeding and complementary feeding, newborn screening services, and other programs.

- **Improved food security at the macro and household levels**

  Ensuring food availability and accessibility must be within the policy framework of macro agriculture. In the MTPDP 2004-2010, the government will: a) develop at least two million hectares of new agribusiness lands within the next six years to create at least two million jobs, and b) make food plentiful at competitive prices where the cost of priority “wage goods” like rice, sugar, vegetables, poultry, pork and fish, and other important non-wage goods like corn must be reduced.

  At the household and community levels, the bio-intensive gardening (BIG) and FAITH (food always in the home) models, as well as small scale dairy production, need to be revived and implemented. Likewise, production and utilization of foods of high-nutrient quality, increased consumption of fortified foods, supplementary food for special situations, have to be pursued as short- and medium-term measures to address hunger and malnutrition.

  Along with improvement of food security measures is Hunger-Free Philippines, which was launched in April 2004. The program is committed to provide every Filipino with adequate access to food at all times to minimize absolute poverty. It is a joint hunger reduction program of the Philippine Government and the Rome-based Food and Agriculture Organization (FAO).

- **Prevention of the intergenerational transfer of undernutrition**

  It is necessary to consider the dynamic interaction of nutrient deficiencies in all stages of the life cycle to identify nutrition and related services in order to avoid intergenerational effects of malnutrition. Emphasis will be given to maternal health, women’s health and nutrition, and responsible parenthood. Availability of preventive and curative care services for mothers and women will be broadened to support an enhanced quality of life. These services consist of, among others: a) adequate nutrition including specific micronutrients (iron/folate) to fight anemia; b) care of pregnant women before, during and after delivery of the child (safe motherhood); and c) responsible parenthood counseling, family planning services, and breastfeeding counseling to include the Mother-and-Baby-Friendly hospital initiative.

- **Reduction of wide disparities in nutritional status**

  Targeting of beneficiaries will be improved to ensure that the most at-risk areas are served (rural
areas, ARMM). Particular attention will be provided to the needs of children in situations of armed conflict.

Food Insecurity and Vulnerability Information Mapping System (FIVIMS) will be institutionalized through provision of adequate resources and adoption of the LGUs. This system will serve as basis for characterizing and identifying people that are most at risk of food insecurity and are vulnerable to malnutrition in the country. The FIVIMS will also locate areas where they are, determine the causes and magnitude of their food insecurity and vulnerability, so as to determine and carry out appropriate interventions.

- **Strict enforcement of the ASIN Law and Food Fortification Act**
  
  Awareness on the use of iodized salt is 79.5 percent while household utilization is estimated only at 38.1 percent, according to the 2003 Baseline Food Consumption Survey for Evaluating the Impact of the Food Fortification Program in the Philippines of the Sixth National Nutrition Survey (NNS). The anemia problem, especially among infants six months to less than a year old, and pregnant and lactating women, has remained unabated.

  Intensive advocacy and Information Education Campaign (IEC) activities on childcare and nutrition, specifically the dissemination and strict enforcement of nutrition-related laws (e.g., Food Fortification Act and ASIN Law) will be implemented. There will also be strict monitoring of the preparedness of both the government and the food industry for the implementation of mandatory fortification of staple foods such as rice and sugar, which commenced in November 2004. Private sector participation will be encouraged to ensure the availability of fortified food products in the market.

- **Increased investments in nutrition**

  With the devolution of delivery of basic social services under the Local Government Code (LGC), the focus on nutrition is dependent on the priorities and appreciation of the local chief executives (LCEs). Majority of LGUs have given low priority to nutrition programs.

  Existing nutrition programs will be reviewed and more cost-effective nutrition interventions, including the full implementation of the Action for Nutrition Improvement (ANI) Program, will be identified. Likewise, the Healthier Children-Wealthier Farmers Program will be implemented.

  Local-level capabilities for resource generation and mobilization, program management, monitoring and evaluation, and comprehensive planning that considers child health and nutrition as priority areas will be strengthened. Furthermore, localization advocacy will be pursued through the continuing documentation of innovative, indigenous and efficient practices in nutrition and inclusion of nutrition under the Local Development Fund.

- **Strengthened community involvement**

  Cognizant of the reality that co-ownership of a program is critical in addressing malnutrition, there is a need to strengthen the participation of the community in the assessment of the situation, identification of problems and formulation of programs and concrete activities, and subsequent monitoring of interventions.

- **Popularization LGUs’ contributions in addressing nutrition problems**

  The NNC institutionalized the Monitoring and Evaluation of Local Level Plan Implementation (MELLPI), which involves the assessment of the efficiency and effectiveness of program implementation by the nutrition committees enabling LGUs and program implementers to improve their nutrition program. Outstanding support performance in local nutrition program management and implementation are awarded with the Nutrition Honor Award (NHA), Consistent Regional Outstanding Winner in Nutrition (CROWN), and CROWN Maintenance Awards. Exemplary performance of barangay nutrition scholars (BNS) in the delivery of basic nutrition services is also recognized by giving trophies and cash prizes. There will be increased media reportage and popularized recognition and award systems to encourage LGU support for nutrition programs.

- **Improved data at the local level**

  Nutrition data/indicators need to be part of performance targets of local officials in the delivery of basic services allowing them to take corrective actions to improve performance. The Operation Timbang (OPT) results at the local level will be maximized to meet the data gaps during years when a national survey is not available. Moreover, in-depth analysis or correlational studies of existing data will be conducted.

- **Arrest of the increasing trend of overweight and obesity**

  The NNS revealed an increasing trend of overweight and obesity. From 1998 to 2003, the prevalence of overweight among 0 to 5-year-olds increased from 0.4 percent to 1.4 percent, posing an increased risk of developing diet-related chronic diseases such as diseases of the vascular system, cancers and diabetes mellitus. Thus, a program to arrest the increasing trend of overweight and obesity and other lifestyle diseases has to be strengthened.
Goal 2: Achieve universal primary education

**Target 3** Achieve universal access to primary education by 2015

**Status and trends**

Enrolment in public and private elementary schools reached 13 million in School Year (SY) 2003-2004 representing an increase of 1.6 percent from the SY 2000-2001 level of 12.8 million. Based on the school-age population of 6-11 years old, the participation rate at the primary or elementary level stood at 90.05 percent in SY 2002-2003. The most recent data on participation rate suggest that there is a need for greater effort to achieve the target of universal access to elementary education. Across regions, the Autonomous Region in Muslim Mindanao (ARMM) registered the highest participation rate in elementary schools (public only) with 91.37 percent while the lowest was registered in the National Capital Region (NCR) with 77.15 percent.
FIGURE 11: Elementary Education Participation Rate Across Regions, SY 2002-2003*

Source: Research and Statistics Division, DepEd

*Public schools only
the Millennium Development Goals

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<tr>
<th>Region</th>
<th>HDI Value</th>
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<tr>
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Cohort survival rate (CSR) at the elementary level showed continuing improvement from 67.21 percent in SY 2000-2001 to 69.84 percent in SY 2002-2003 though it remains low. In the same period, completion rate showed slight improvement from 66.13 percent to 66.85 percent. Conversely, dropout rate for elementary slightly declined from 7.67 percent in SY 2000-2001 to 7.34 percent in SY 2002-2003.

Though ARMM registered a high participation rate, it posted the lowest CSR and completion rate of 47.49 percent and 42.91 percent, respectively. On the other hand, Region I (Ilocos Region) posted the highest cohort survival and completion rates of 87.47 percent and 84.09 percent, respectively. The highest dropout rate was registered in Region VII (Central Visayas) with 3.03 percent.
FIGURE 14: Completion Rate Across Regions, SY 2002-2003*

Source: Research and Statistics Division, DepEd  *Public schools only
the Millennium Development Goals
Based on the 2003 Functional Literacy Education and Mass Media Survey (FLEMMS), the Philippines’ basic or simple literacy rate stood at 93.4 percent, one of the highest in Southeast Asia. There was a slight difference between male (92.6 percent) and female (94.3 percent) literacy. Across regions, the NCR posted the highest literacy rate at 99.0 percent while ARMM registered the lowest with 70.2 percent. Other regions with higher literacy rate than the national level were Region I (Ilocos Region) with 97.4 percent, Region IV-A (Southern Tagalog - CALABARZON) with 97.2 percent, Region III (Central Luzon) with 96.9 percent, and Region V (Bicol Region) with 95.0 percent.

In terms of functional literacy, the 2003 FLEMMS showed that of the country’s 57.6 million Filipinos aged 10-64 years, 48.4 million or 84.1 percent are functionally literate. This represents a 0.3 improvement from the 1994 level.
FIGURE 15: Simple Literacy Rate Across Regions (10 years old and over), 2003

Source: 2003 Functional Literacy, Education and Mass Media Survey (FLEMMS)
Government spending for basic education grew at an annual average of 4.5 percent from 2000-2004. The 2004 budget for basic education increased by PhP10.8 billion or about 11 percent from the 2001 level of PhP98.2 billion. Apart from the national budget, the subsector was able to gain from the resources available to the LGUs through the Special Education Fund, the private sector, and official development assistance (ODA).

In terms of resource allocation, the basic education subsector continues to take the bigger chunk of the education budget in line with the government’s commitment to free and compulsory elementary education and free secondary education. The National Capital Region had the highest functional literacy rate (94.6 percent) while the ARMM registered the lowest rate (62.9 percent).

FIGURE 16: Functional Literacy Rate Across Regions (10 To 64 Years Old), 2003

Source: 2003 Functional Literacy, Education and Mass Media Survey (FLEMMS)
FIGURE 16: Functional Literacy Rate Across Regions (10 To 64 Years Old), 2003

Source: 2003 Functional Literacy, Education and Mass Media Survey (FLEMMS)
Priority policies and programs

Through Republic Act 9155 (Governance of Basic Education Act of 2001), the Department of Education (DepEd) continues to implement policies, programs and projects aimed at improving the quality of Philippine education. These initiatives will make education accessible to all Filipinos and responsive to the development challenges of the country.

● Access to basic education

In 2000, there were 4,569 barangays (about 10 percent of total barangays) without elementary schools. However, it was identified in 2001 that only 1,617 of these barangays needed schools because the rest had access to schools outside of their barangays. Of barangays that have no access to elementary education, only 118 remain unserved as of 2004.

There was a significant reduction in the number of incomplete elementary schools from 2,537 in 2001 to 1,492 in 2003 (a decrease of about 41 percent over a three-year period).

Sustaining the gains in improving access to basic education remains a priority in the Philippines as a response to the increasing demand due to the growing school-age population. School partnership with various stakeholders—the community, parents, LGUs, non-government organizations (NGOs) and business groups—is further encouraged, along with taking more active roles in planning and resource mobilization for education improvement, both at the national and local levels.

In May 2003, the DepEd launched the Brigada Eskwela (School Brigade) to mobilize community support. This is a school maintenance project that involves time, labor and resources volunteered by the community for the rehabilitation and maintenance of classrooms, laboratories and multipurpose workshops. Since its launching, the number of participating elementary and secondary schools increased from 13,660 in 2003 to 16,086 in 2004. Moreover, a total of 278,170 parent-volunteers joined the program in May 2004 and undertook rehabilitation and maintenance activities. The DepEd also tapped the Federation of Filipino-Chinese Chamber of Commerce and Industry, Inc. (FFCCCI) to construct and rehabilitate classrooms at a lower cost as its members partly subsidized the cost of materials and services.

The FFCCCI constructed 482 classrooms for the period 2002-2003. The Adopt-A-School Program aimed at generating private sector support for the public basic education system was also promoted by the DepEd. The program yielded donations valued at over PhP270 million from September 2002 to January 2004. Donor assistance came in the form of classroom construction; teaching skills development; provision of basic school resources; including textbooks, computer and science laboratory equipment; and school-feeding programs for children.

Along this line, various programs and projects that address the needs of the hard-to-reach areas, out-of-school children and youth, and poverty-stricken areas were implemented. These include the Multigrade Program in Philippine Education, Third Elementary Education Program, Basic Education Assistance for Mindanao, Accreditation and Equivalency Program and the Child-Friendly School System under the Fifth Country Program for Children (CPCV-CFSS).

To reach communities which are unserved or underserved by the formal school system, alternative delivery programs such as the Strong Republic Schools (SRS) - Distance Learning Program was launched in 2003. The program utilizes distance learning technologies such as television, radio and cable networks in identified communities/barangays nationwide. The SRS with an initial target of 500 barangays aims to provide basic literacy and equivalency programs, among others.

The Longer Road

He takes a longer road to school. But 16-year-old Alex Langgomez does not mind the lengthy hike as long as it leads to Pangao-an Elementary School. Not wanting to be late for his classes, Alex leaves home at five in the morning to reach school at seven. Now in Grade 5, Alex lives in Manobisa, a mountain sitio of Barangay Pangao-an in Magpet, Cotabato. This sitio is populated mainly by Manobos, one of many indigenous groups in Mindanao.

Alex started schooling at age 10. He used to study at the Manobisa Primary School, which was nearer home and had multigrade classes from Grades 1 to 4 only. Due to poverty, he dropped out twice to give way to his elder brother. His father, Mang Felipe, earns a meager 50 pesos per day as a farm laborer in the rubber and coconut plantation in Manibosa. He augments his income by making paypay (fan made from anahaw leaf), buca (big basket with no handles), and walis (soft broom made from anahaw leaf)
Grading System, which did away with the use of a transmutation table for giving out student grades. The old system was regarded as a deceptive grading system because it assigns a grade for certain scores through the use of a transmutation table, thus not reflecting the actual mark. With the improved test designs, the new system hopes to gauge the real level of learning outcomes.

A new student assessment scheme was introduced in SY 2002-2003 while the High-School Bridge Program was launched in SY 2004-2005. The new student assessment scheme included a diagnostic test administered to Grade IV pupils and First-Year students at the start of the school year to determine learning gaps; test results served as the basis for implementing remedial measures within the school year. Achievement tests were then administered to the same group of pupils and students at the end of the school year to determine progress in learning. Results of both tests indicated that pupils/students were not ready for higher grade/level of education as there was no mastery of the desired competencies. A remedial program became imperative to protect the interest of the students and after careful study and consultations, the High-School Bridge Program was launched. Designed to improve elementary school graduates' preparedness for high school, the Bridge Program determines the pupils’ level of competency through placement or readiness tests. Based on the results, pupils will either proceed to

● Improving quality of education

The DepED has been relentlessly responding to the challenge of improving the quality of basic education with various policy reforms and programs. A restructured Basic Education Curriculum (BEC) which aims to allow concentration on critical key subjects (English, Science, Mathematics and Filipino) was implemented beginning in SY 2002-2003. This was accompanied by the institutionalization of the New Performance-Based

from tiger grass). With eight children to support, Mang Felipe finds it difficult to make both ends meet. His wife and children have to help. "Nagpahurnal man ako sa paghimpieza sa uma (I worked as a farm hand weeding the farm)," Alex says. He saved money so that he could return to school this year to finish his studies.

Despite the inclusion of a multigrade class for Grades 5 to 6 in Manobisa, Alex opted to go to Pangao-an Elementary School, a child-friendly school system (CFSS) pilot site. As a child-friendly school, Pangao-an is protective and inclusive of all children, promoting tolerance of diversity and equality between sexes and among ethnic groups and age groups. It also adjusts to meet differing needs of children. This kind of environment is necessary especially with the Balik-Aral (Return to School) program which is being implemented by the DepEd in Pangao-an. The program encourages older children and even adults to go back to school.

Alex must have experienced this caring atmosphere at Pangao-an Elementary School. When his teachers encouraged him to go back to Manobisa Elementary School, which was nearer his home, he refused. "Dili na ako mag-eskuwela kung ipabalik ako sa Manobisa (I won’t go to school anymore if they force me to go back to Manobisa)," he says resolutely.

Not that the school in Manobisa is less caring but Alex simply prefers the more-focused attention that teachers in a monograde system provide students. According to Alex, teachers in Pangao-an are indeed friendly. His teacher, Eleanor Borra, calls students ga or palangga (a term of endearment which means love). Teachers there do not use sticks or raise their voices to enforce discipline. "Dili pud kami ginakusi (They don't pinch us either)." Alex says that teachers treat their pupils like their own children. “Pupils at Pangao-an are happy,” he adds. “We play together. Everyone is friendly. We help one another. We can go to our teachers and ask for help, when necessary.”

Source: Child-Friendly Learning Happens Here, 2003 (Stories on the Child-Friendly School System)
first year using the existing four-year high-school curriculum, or first take a one-year bridge program focusing on English, Science and Math.

Reforms to support the empowerment of teachers continued to be implemented. These included the increase of their take-home pay by stopping deductions on teachers’ salaries (such as for loss of textbooks by students), adopting a checkless payroll system, and loan restructuring. Teachers were also freed from non-teaching activities so that they can focus on their instruction duties. Moreover, to improve their teaching and management skills, teachers were provided with various in-service training focusing on English, Science, Math and Filipino (in support of the revised BEC) and a special course on Leadership and Basic School Management to prepare them for eventual school-based management.

A move by the Commission on Higher Education (CHED) to modify and improve the curriculum of the pre-service teacher education and training in 2004 was welcomed by the DepEd, as it seeks increased responsiveness to the new BEC, the decentralization of education management and delivery, and the empowerment of the schools. A distinct feature of the new pre-service teacher education curriculum is an earlier and longer immersion in public schools to hone the practical aptitude of the future teachers and enhance their content knowledge.

To address the problem on school attendance of poor children, the Food for School Program was launched by the Department of Social Welfare and Development (DSWD) on November 9, 2004. The program involves a package of comprehensive and immediate interventions including food assistance for Grades 1 and 2 students and their families. It has an initial target of 50,000 students from three cities in Metro Manila (Caloocan, Manila and Quezon City) and three provinces in Region IV (Cavite, Bulacan and Rizal).

- **Good governance**

  Republic Act No. 9155 (Governance of Basic Education Act of 2001) provided the framework for the decentralization of management of basic education and enabled a structural reform to boost the effectiveness of the DepEd from the central office to its subnational levels, especially the schools. Through this Act, all school heads are now authorized to initiate and engage in educational innovations that will improve actual delivery of basic education to the children based on their own needs, resources and contexts, with the divisions, regions and central offices providing all the system support. To complement this, partnerships between the schools and the communities are also strengthened and fostered. Because this major shift in delivering basic education is difficult and time-consuming, training programs and workshops are being held to enable the schools to perform school-based management. On the other hand, supervisors and educational managers from the division up to the central level are performing more oversight functions (supervision, program review, monitoring and evaluation, provision of technical assistance, etc.). A number of existing policies are also being reviewed with the end goal of facilitating the smooth implementation of school-based management by the schools themselves which includes, among others, the grant of MOOE resources direct to these institutions.
Challenges and priorities for action

• **Improving school-retention capacity**
  Formal and alternative approaches to reduce dropout rate should continue to be extended to children and their families especially those in remote areas with armed conflict, in extreme poverty, and belonging to indigenous communities. Antipoverty measures need to be intensified as non-school inputs such as health and nutrition, livelihood support programs for parents, community support system, and other social protection programs are also crucial to keep the children in school and to raise their level of achievement.

• **Improving quality**
  Another urgent and pressing challenge is improving the quality of basic education. Since the positive impact of the recently introduced reforms has yet to be realized, it is clear that the efforts to improve the quality of education must be equally intensified alongside that of improving access. The greater challenge is how to pursue programs that address the exceedingly low performance of students, and the incidence of low-quality education in some regions and in indigenous peoples (IP) communities. The utilization of the pedagogical innovations developed under the existing programs and projects that have been crucial in improving education outcomes must be expanded.

• **Improving governance and resource allocation and utilization**
  The implementation of RA 9155—especially with regard to the shift in the functions of the DepEd’s subnational level offices (i.e., regional, division and school), defining their roles and responsibilities in terms of resource allocation, and program and project implementation—has yet to be followed up with specific department orders and guidelines to be fully implemented. Similarly, a rationalized allocation of resources for education inputs like facilities, teachers and instructional materials must be set in response to the growing school population. This must be accompanied by realistic deployment of teachers as well as efficient distribution of textbooks and other basic education resources.
Goal 3: Promote gender equality

Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015

Status and trends

Results from the 2003 Functional Literacy, Education and Mass Media Survey (FLEMMS) indicate females having higher rates than males in both simple (94.6 percent vs. 93.2 percent) and functional (86.3 percent vs. 81.9 percent) literacy.

On a regional basis, females dominated males in simple literacy except in the Cordillera Administrative Region (CAR) (91.4 percent vs. 92.4 percent), Ilocos Region (97.5 percent vs. 97.7 percent), Central Luzon (97.1 percent vs. 97.2 percent), Mindoro-Marinduque-Romblon-Palawan (MIMAROPA) (91.6 percent vs. 92.5 percent), and the ARMM (69.7 percent vs. 71.7 percent).

Female advantage is more pronounced in functional literacy, as female rates are higher in all regions (with the exception of ARMM with rates of 62.1 percent and 63.6 percent for females and males, respectively). Likewise, the range of gender disparity in functional literacy is much wider. Eastern Visayas showed the widest gap with females having a 10.4 percentage point advantage over males (82.1 percent vs. 71.7 percent).

Schooling data for SY 2003-2004 showed that girls have higher participation rates than boys at elementary (82.59 percent vs. 80.88 percent) and high school (51.19 percent vs. 42.97 percent) levels. Disparity is generally minimal across regions at the elementary level except in the ARMM which posted a gender parity index (GPI) of 1.10 (93.31 percent: 84.85 percent). Larger ratio discrepancies were posted in the secondary level with GPIs ranging from 1.08 (58.02 percent: 53.8 percent) in the NCR to 1.34 (48.99 percent: 36.66 percent) in Eastern Visayas.

Enrolment figures for Grade 1 (SY 2003-2004) likewise indicated that there were more girls (45.99 percent) who started school than boys (41.88 percent). Boys also lagged behind girls in terms of cohort survival rate (CSR) in both the elementary (68.13 percent vs. 59.50 percent) and secondary (67.68 percent vs. 53.42 percent) levels. The same can be said of completion rates where girls still emerged to be at an advantage over boys in elementary (66.86 percent vs. 57.76 percent) and high school (63.7 percent vs. 48.77 percent) levels.

The results of the 2002 Annual Poverty Indicators Survey (APIS) also offered useful insights. Schooling status data showed more females attending school than males (72 percent vs. 66 percent)—a trend consistent in both urban and rural areas. For males, the most frequently cited reasons for not attending school were employment concerns (30 percent), lack of personal interest (25 percent), and the high cost of education (23 percent). Among females, employment-related

1 All basic education data cited in this section cover only public schools.
2 Gender Parity Index (GPI) is the ratio of female to male values of an indicator. A GPI of 1.0 indicates gender parity (equality). A GPI greater than 1.0 indicates a gender disparity in favor of females (i.e., there is a higher proportion of females than males).
3 The World Bank Human Development study in ARMM (Human Development for Peace and Prosperity in the Autonomous Region in Muslim Mindanao, November 2003) noted that there is a higher dropout rate among boys in their early teens. It also observed that the increase in boys’ dropout rate occurs about two years earlier compared to boys in other regions of the country, and three years earlier than girls in ARMM. This trend is primarily attributed to the recent armed conflict in the Region and its adverse impact, which appear to affect more young teenage boys than girls.
4 While it can be generally said that females are at par, or even better off, in terms of educational indicators, particular attention must be given to vulnerable persons (such as street children, indigenous peoples and those in conflict-affected areas). The Report on the State of Filipino Women (RSFW) 2001-2003 cited that female access to basic education is lower in these groups/areas.
concerns (22 percent) also turned out to be the primary deterrent to school attendance, followed by the high cost of education (21 percent) and housekeeping responsibilities (16 percent).

With more females successfully completing high school and generally more predisposed to schooling, higher education is still female-dominated. In SY 2001-2002, females comprised 55 percent of total enrollees. The graduation figures for SY 2000-2001 showed greater disparity as 60 percent of those who graduated were females.

The entry of females into several of the “traditionally” male-dominated disciplines has steadily continued. Female enrollees (SY 2001-2002) in the fields of agriculture, forestry, fishery and veterinary medicine, and mathematics and computer science comprised 50 percent and 54 percent, respectively. The most dramatic increase in female enrolment (79 percent) was in trades, crafts, and industrial courses. The participation of women in the military and police academy has also increased. In 1997, there were seven women who graduated from the Philippine Military Academy (PMA); one of them obtained the highest honors.

In technical-vocational education and training (TVET), the total number of graduates for SY 2002-2003 indicated an almost equal distribution between females (49 percent) and males (51 percent). The same can be said of total enrolment based on SY 2003-2004 data which also showed a 49:51 percent female-male share. However, regional enrolment data suggested uneven degrees of disparity. In the NCR, for example, females outnumber males 14:10 while in Region II, the opposite was noted with a female-male ratio of 6:10.

On employment, the number of employed persons in 2003 was 30.7 million, of which 61.6 percent were males and 38.4 percent were females. Employment rates (2003) for males and

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5 Higher education figures are from both public and private institutions. It excludes post-graduate level data.
6 TVET data cover public and private school-based regular and extension/short-term programs.
FIGURE 19: Secondary Education Participation Rate Gender Parity Index, SY 2003-2004

Source: Department of Education – Research and Statistics Division (Basic Education Information System)
females were 89 percent and 88.1 percent, respectively. Data on the occupation of employed persons (2003) show that majority of employed females work as laborers and unskilled workers (35.4 percent) and as officials of government and special interest organizations, corporate executives, managers and supervisors (16.6 percent). For males, majority were employed as farmers, forestry workers, and fishermen (27.7 percent), and as laborers and unskilled workers (27.2 percent).

In terms of labor force participation from 1990 to 2003, the male and female labor force participation rates or LFPRs appear to be generally flat across time, i.e., participation levels by sex have not substantially changed. However, this does not mean that female participation has not improved. There have been increases although minimal, notable of which is the trend beginning 1999 during which female participation reached 50 percent and seemed to be stable. The female LFPRs for 2001 and 2003 were 51.8 percent and 51 percent, respectively. Nevertheless, regional figures showed disparities, which may be far from the average.

Regional data for 2002, for example, showed that Region X (Northern Mindanao) posted the highest female LFPR of 64 percent while the ARMM had the lowest at 31 percent.

The country’s gender-related development index (GDI) based on the UNDP Human Development Report showed improvement from 0.739 in 1998 to 0.751 in 2002. This showed that gender inequality in achievement in the three basic dimensions captured in the human development index (i.e., a long and healthy life, knowledge, and a decent standard of living) is slowly being reduced. Likewise, women are increasingly being empowered as indicated by progress in the gender empowerment measure (GEM), which captures gender inequality in economic and political participation as well as decision making and power over economic resources. In 2004, the Philippines posted a GEM of 0.542, an improvement from its 1999 level of 0.48.

Women’s participation in governance improved with a greater number of women being elected in LGUs and appointed to the Cabinet, Career Executive Service (CES) positions, embassies and consulates, and the judiciary. In the legislature, there are presently 36 (15 percent) and four (19 percent) women in the House of Representatives and the Senate, respectively.

### TABLE 9: Employed Persons by Major Occupation Group and Sex, 2001 and 2003 (In thousands except percent)

<table>
<thead>
<tr>
<th>Major Occupation Group</th>
<th>2001</th>
<th></th>
<th></th>
<th>2003</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Percent</td>
<td>Female</td>
<td>Percent</td>
<td>Male</td>
<td>Percent</td>
</tr>
<tr>
<td>Officials of Government and Special Interest-Organizations, Corporate Executives, Managers, Managing Proprietors and Supervisors</td>
<td>4,794</td>
<td>6.7</td>
<td>6,887</td>
<td>15.3</td>
<td>5,775</td>
<td>7.6</td>
</tr>
<tr>
<td>Professionals</td>
<td>1,688</td>
<td>2.4</td>
<td>3,604</td>
<td>8.0</td>
<td>1,710</td>
<td>2.3</td>
</tr>
<tr>
<td>Technicians and Associate Professionals</td>
<td>1,523</td>
<td>2.1</td>
<td>1,469</td>
<td>3.3</td>
<td>1,736</td>
<td>2.3</td>
</tr>
<tr>
<td>Clerks</td>
<td>1,732</td>
<td>2.4</td>
<td>3,535</td>
<td>7.9</td>
<td>1,834</td>
<td>2.4</td>
</tr>
<tr>
<td>Service Workers, Shop and Market Sales Workers</td>
<td>4,820</td>
<td>6.7</td>
<td>5,507</td>
<td>12.3</td>
<td>5,297</td>
<td>7.0</td>
</tr>
<tr>
<td>Farmers, Forestry Workers, and Fishermen</td>
<td>21,096</td>
<td>29.4</td>
<td>4,316</td>
<td>9.6</td>
<td>20,899</td>
<td>27.7</td>
</tr>
<tr>
<td>Traders and Related Workers</td>
<td>8,819</td>
<td>12.3</td>
<td>3,480</td>
<td>7.7</td>
<td>8,580</td>
<td>11.4</td>
</tr>
<tr>
<td>Plant Machine Operators and Assemblers</td>
<td>8,387</td>
<td>11.7</td>
<td>745</td>
<td>1.7</td>
<td>8,647</td>
<td>11.5</td>
</tr>
<tr>
<td>Laborers and Unskilled Workers</td>
<td>18,377</td>
<td>25.6</td>
<td>15,304</td>
<td>34.1</td>
<td>20,536</td>
<td>27.2</td>
</tr>
<tr>
<td>Special Occupations</td>
<td>459</td>
<td>0.6</td>
<td>79</td>
<td>0.2</td>
<td>480</td>
<td>0.6</td>
</tr>
<tr>
<td>Total</td>
<td>71,695</td>
<td>100.0</td>
<td>44,926</td>
<td>100.0</td>
<td>75,494</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: National Statistics Office

7 From 2000 to 2003, there is no significant change in trend for this indicator. Employment rates for 2000 were 89.1 and 88.4 percent for males and females, respectively.
Second Philippines Progress Report on

Priority policies and programs

In line with overall developmental thrusts, the promotion of gender-sensitivity in learning content and teaching approaches has been steadily progressing. The DepEd prepared teaching guides for the inclusion of gender in the elementary and high school curricula. The 2002 Restructured BEC now takes into consideration gender issues in all of the five learning areas of Filipino, Science, Math, English and Makabayan (Social Studies, History, Arts, Technology and Home Economics). The DepEd likewise initiated teacher-training activities along these areas.

The skills training program of the DSWD, through its nationwide network of Productivity and Skills Capability Building for Disadvantaged Women (PSCB) centers, contributed in improving women’s access to training and expanding their employment opportunities. In 2001, the program reached 31,827 disadvantaged women trainees, majority of whom (87 percent) eventually got employed.

The Technical Education and Skills Development Authority (TESDA) put up the Kasanayan-Kabuhayan One-Stop Shop to address the needs of displaced women workers and workers in the informal sector. The Shop serves as a referral facility that provides relevant information and services for expanding employment opportunities through skills assessment, career counseling, information on support services in overseas and local employment, skills training and retraining, scholarship grants on information and communications technology and entrepreneurship development training, capital and credit availment, and networking.

Other government agencies such as the Department of Environment and Natural Resources (DENR) have also started to give particular attention to the gender dimension of their programs. One of the initiatives of the DENR in gender mainstreaming was to include gender analysis in the implementation of its community-based forestry program. This led to the increase in stewardship contracts awarded to women, thus improving gender equity in the control of forest resources. Likewise, participating people’s organizations were trained to ensure women’s participation and decision making in community livelihood projects. As a flagship program, the positive experiences and best practices identified have provided impetus in reorienting other DENR programs to be more gender-sensitive.

The national government continued to carry out measures to improve the implementation of the 1995 Gender and Development (GAD) Policy which directs all government departments, bureaus, offices and agencies to set aside an amount of their annual appropriations for projects designed to address gender and development issues. To provide clearer and more operational concepts on mainstreaming GAD in planning and budgeting, the National Commission on the Role of Filipino Women (NCRFW), the Department of Budget and Management (DBM), and the National Economic and Development Authority (NEDA), in time for the 2005 budget preparation, issued Joint Circular 2004-1 - Guidelines for the Preparation of GAD Plan and Budget and Accomplishment Report to Implement the Section on Programs/Projects Related to GAD of the General Appropriations Act (GAA). Among others, two important features introduced by the guidelines were: the responsibility of oversight agencies in preparing GAD plans and budgets in pursuit of their supervisory roles (which exacts greater accountability in ensuring that agencies adequately address GAD concerns), and the mainstreaming of GAD activities into the existing monitoring and evaluation system of agencies.

To improve the incorporation and coordination of GAD concerns in development initiatives, the NEDA, NCRFW, and the Official Development Assistance (ODA)-GAD Network came up with the Harmonized GAD Guidelines (2005) for Project Development, Implementation, Monitoring and Evaluation. The Guidelines primarily provides the government, donor agencies and development practitioners with a common set of analytical concepts and tools for integrating gender concerns into development programs and projects.

At the local level, gender mainstreaming has been likewise gaining ground. Several LGUs crafted...
their own GAD Codes, which laid out their vision of promoting, protecting and fulfilling women’s rights and gender equality, and identified comprehensive interventions to address the practical and strategic gender concerns of both women and men. Among the exemplary GAD Codes are those of Davao City, Cotabato Province, Misamis Occidental Province, Quezon City and Angeles City. In the Province of Aklan, for example, activities aimed at strengthening the provincial GAD coordinating mechanism and advocacy with top level officials helped to sort out its priority gender issues and prepare plans on concerns such as reproductive health and violence against women.

The private sector has also initiated effective GAD programs. The efforts of the Mindanao Commission on Women, a newly formed nongovernment organization (NGO) of Muslim, Christian and Lumad women leaders committed to the pursuit of peace and equitable development, for example, helped push the GAD agenda in Mindanao. It crafted a three-year comprehensive program (2003-2005) on women empowerment anchored on three major areas: peace and multiculturalism, poverty reduction (covering education, health and income), and politics and governance. Their activities included campaigns and public advocacy (such as the 2003 “Mothers for Peace” national campaign for peace in Mindanao), the organization of women’s fora, trainings/seminars, networking activities, and the establishment of a Mindanao Fund for Women. The Commission has also come up with a timely Position Paper for the Government of the Republic of the Philippines-Moro Islamic Liberation Front (GRP-MILF) Final Peace Agreement.

The Millennium Development Goals

Challenges and priorities for action

- **Understanding the sociocultural nuances of Philippine gender issues**
  
  Current education indicators show that females generally hold an advantage over males when it comes to education. As this appears to be a continuing phenomenon, the comparatively low completion and retention among males in the school system are issues that should be considered in the planning and implementation of interventions. More appropriately, the DepEd and other stakeholders should move toward a deeper understanding of the sociocultural nuances of gender disparity so as to make educational programs more responsive to particular situations. The deterrents, motivations, and incentives for attending school, which information such as the APIS results have partially shed light on, provided gender dimensions with variations across areas as shown by regional disparities.

- **Strengthening the Alternative Learning System (ALS)**
  
  The alternative learning system has to be strengthened to provide a viable option for those who are deterred from entering or staying within the existing formal education system. Gender issues should be adequately integrated with the concerns in improving the DepEd’s service-delivery capacity in partnership with the private sector.

  The DepEd should take full advantage of the issuance of Executive Order No. 356, which renamed the Department’s Bureau of Non-Formal Education (BNFE) to the Bureau of Alternative Learning System (BALS) and strengthened the functions of the BALS to meet the learning needs of marginalized learners and ensure that all types of learners outside the school system are reached through a more flexible approach.

- **Improving the gender content of education**
  
  Efforts to review and improve BEC content to eliminate gender role stereotypes and promote positive roles for both women and men (such as joint parenting and non-traditional skills and livelihoods, among others) should be expanded up to the tertiary level in both private and public schools. Likewise, support for further training and orientation on gender-sensitive approaches to education should be continued to reach a wider audience of teachers and school administrators.
• Making media more gender sensitive
Interventions in steering the media to be more sensitive on gender issues should be intensified since they wield much influence in shaping public opinion and serve as a powerful channel of education. This will entail developing an effective and strong partnership between the government and the private media entities.

• Providing better opportunities for women
While women appear to be better off in terms of educational participation and performance, these do not automatically spell out improved economic and social opportunities for them. More than providing equitable quality education, the freedom and choices of Filipino women have to be guaranteed and expanded. Toward this end, the government has to continuously improve its poverty alleviation strategies for women, especially those in the informal sector who lack access to support systems such as social security and health insurance. Measures to eliminate gender bias and stereotypes in social and private institutions also have to be sustained.

• Mainstreaming the GAD Policy
The government has to carry on the challenging task of mainstreaming and fully operationalizing the GAD policy at the local levels along with the improvement of data gathering and utilization of gender-related information. Likewise, a system for monitoring the utilization of the GAD budget and the conduct of a gender audit in government agencies should eventually be installed.

• Strengthening government and civil society collaboration
As one of the most important lessons so far, the involvement of advocacy groups should be more vigorously encouraged with the government creating the mechanisms and environment conducive to active people’s participation. The growing awareness and initiatives among legislators and public officials on GAD issues need to be coupled with effective monitoring strategies on the part of civil society.
fund allocation. From the period 2000 to 2003, the local government was able to raise a total of PhP4.8 M.

Each barangay identified GAD advocates who were later trained by the GAD Council, local religious groups and NGOs to help in the advocacy campaign. Likewise, the GAD Council met with religious men and women leaders to revise the generic module on Women's Rights. Islamic principles and values were integrated, making the module responsive to the generally Muslim population. The training design for barangay advocates was critically studied and revised with the help of women’s religious groups and the different line agencies to suit the cultural and religious affiliations of the Maguindanao. The courses were conceptualized based on the result of a training needs assessment conducted by the GAD Council. The major focus areas identified were: Gender Equity in the Context of Islam, Functional Literacy and Adult Education, Entrepreneurship and Skills Training on Basic Sewing, Food Processing, and Welding and Steel Fabrication.

Given the need for skills development, the GAD Council prioritized the putting up of a Municipal GAD Training Center with line agencies providing technical assistance and training equipment. The Basic Skills Development Training started in 2001 with Functional Literacy and Adult Learning Modules integrated in the training design. Three training courses are offered annually: Basic Sewing and Dress Making, Welding, and Cooking and Food Preservation. The Punong Barangays selected trainees using the set of criteria developed by the GAD Council.

Aside from conducting trainee assessment, the GAD Council also evaluates the program impact. Information is gathered on graduates and how the training has helped improve their lives. At the end of the year, the municipal GAD Council evaluates its general performance, as well as those of the trainors, trainees and the barangay GAD advocates.

Benefits and Impact. The inception of the program has certainly contributed to the empowerment of Maguindanao women. It has produced 260 trained GAD men and women advocates, and capacitated 485 women with livelihood skills, consequently increasing the rate of participation of women in the workforce.

Seeing the success of the program, the municipal government further supported other initiatives such as the improvement of the Municipal Library and construction of a conference hall for the use of trainees and students. The GAD Program was institutionalized by incorporating it in the Municipal Development Plan. This was further supported by the Sangguniang Bayan through the approval of the GAD Work Plan and Budget.

At present, most of the trainees are already engaged in the fields where they were trained. Some have already established their welding shops and metal craft shops, battery charging shops, and small carinderias while others are either employed in the textile factory in a nearby municipality, or working abroad.

According to the DSWD and local police in the municipality, some women now go to their office to report abuses committed against them or against their children. Also noticed was the increasing number of women in politics. The program opened not only opportunities for women to know their rights and develop their skills but also helped men to see the importance of education for women.

Through a well-coordinated and culture-responsive GAD program, Maguindanao women were given a chance to become agents of development, not just beneficiaries.
Second Philippines Progress Report on Strengthening LGU provision and management of MCH services

The 1991 Local Government Code decentralized many central government functions, making the LGU the primary provider of basic health care services, including management and control of maternal and child health programs. However, without pre-existing capacity to fulfill their new role, LGU-managed health care systems have broken down, compromising many of the basic services needed by the population.

To address this challenge, local government units must be strengthened by improving (1) management systems for service delivery, (2) financing options for key community-based health programs, and (3) enhancing performance indicators among service providers.

Currently, there are some informed and active community interest groups that motivate and assist local officials in finding solutions to the systemic problems that have evolved (USAID Report).

To ensure that LGUs maintain a greater focus on the need to strengthen health care management in their localities, advocacy groups will have to be formed and trained on policy dialogue. Relatedly, there is also a need to enhance LGU capability and accountability, both of which are prerequisites for long-term sustainability of maternal and child health programs and other services.
**Increasing the advocacy for the financing and delivery of under-five health services at the local level**

Both the government and the NGOs must involve the public when giving feedback to LGUs regarding the need to improve health services. Active monitoring by civil society organizations can be effective in raising important issues with LGUs such as the equitable and sustained financing of under-five health programs. Domestic financing policies must be instituted to support service provision. Illustrative activities include assistance in the establishment of community-based health committees and mechanisms to inform local chief executives and LGU legislative bodies, and the Sanggunian, on under-five health issues.

**Increasing the supply of affordable and fortified foods**

The Food Fortification Law was passed in 2000 with its Implementing Rules and Regulations. This provides an opportunity to greatly expand the number and quality of fortified foods in the market. National Government technical assistance to the LGUs should be directed toward enhancing the continuing efforts to enforce and promote the fortification of more products in the market, e.g., salt, sugar, oil and flour, and making these fortified products widely available.

**Improving policy environment for financing and provision of services**

Poor dissemination and weak enforcement of implementing rules and regulations both at the national and local levels affected the delivery of child health interventions. An amendment of the existing Milk Code is necessary to address problems on breastfeeding. A technical working group composed of representatives from the Department of Health (DOH), Bureau of Food and Drugs (BFAD), and other concerned agencies are on their eighth revision of the Implementing Rules and Regulations (IRR) of the Milk Code. Strengthened implementation of the ASIN Law and the Rooming-in and Breastfeeding Act including imposition of sanctions against major violators should also be done. In addition to this, policy gaps within these programs need to be looked into. Some policy initiatives that could be adopted may focus on policy measures that will (1) ensure long-term vaccine security, (2) improve service provision, and (3) ensure sustainable financing for information, services and products that will facilitate the delivery of MCH services. The program emphasis may later shift to support development of mechanisms and tools to effectively implement the policies once these are established.

**Improving policy dissemination**

The timely dissemination of policy is essential to facilitate its implementation and maximize its impact. In this regard, efforts have been geared towards improving policy dissemination by considering approaches that can be best used to reach all stakeholders, (e.g., policy forum and development of innovative modes of advocacy and information, education and communication campaigns).

**Developing perinatal and neonatal programs**

Infant deaths during the first week of life are mostly due to conditions originating in pregnancy or during childbirth. These are results of inadequate and inappropriate care during pregnancy, childbirth, or the first critical hours after birth. After the first week, deaths are mostly due to infections acquired after birth, either at the health facility or at home. There is a need, therefore, to develop perinatal and neonatal programs to ensure the survival of infants after birth. Various departments dealing with maternal, newborn and child health responsibilities should be strengthened, and mechanisms for improving coordination among their efforts should be established.

**Advocating infant and young child feeding**

Advocacy efforts for infant and young child feeding including exclusive breastfeeding need to be strengthened. Thus, reasons provided by mothers for non-breastfeeding and stopping from breastfeeding as well as their knowledge, attitudes and practices regarding complementary feeding should be considered as important inputs in planning/formulating activities. Breastfeeding support groups present in the community should be able to provide assistance and breastfeeding counseling to pregnant and lactating mothers.
Goal 5: Improve maternal health

Target 6 Reduce maternal mortality rate by three-quarters by 2015 (half by 2000, half by 2015)

Status and trends

Data from the 1993 and 1998 National Demographic and Health Survey (NDHS) tend to show a declining trend in the maternal mortality rate (MMR). The MMR dropped from 209 per 100,000 live births for the period 1987-1993 to 172 per 100,000 live births for 1991-1997. However, due to large sampling errors associated with these estimates, it is difficult to conclude that the MMR has really declined. Furthermore, the absence of no new official data makes the assessment of maternal health doubly difficult.

In the absence of new data, related or proxy indicators were analyzed, namely, (a) maternal anemia; (b) births attended to by health professionals; (c) births delivered in a health facility; (d) prenatal care coverage; (e) postnatal care coverage (f) tetanus toxoid injections; and (g) iron tablet supplementation.

Maternal anemia in pregnant women decreased from 50.7 percent in 1998 to 43.9 percent in 2003. The proportion of births attended to by health professionals increased from 56 percent in 1998 to 60 percent in 2003. Likewise, the percentage of births delivered in a health facility increased from 34 percent in 1998 to 38 percent in 2003. Prenatal care coverage remained consistently high at 94.1 percent in 2002 while postnatal care coverage was 89 percent compared to 59 percent in 1998. The 89 percent postnatal care coverage exceeded the DOH target of 80 percent. The percentage of those injected with tetanus toxoid increased from 68.5 in 1998 to 70.7 in 2003. Provision of iron tablet supplements also continued to increase from 81.4 percent in 2001 to 82.2 percent in 2002. All these developments support the assumption that the MMR is likely to have gone down. However, this is not conclusive and therefore caution in its interpretation is still suggested.

Priority policies and programs

The government promotes maternal health through a two-pronged strategy that involves providing health services to pregnant women (safe motherhood) and providing family planning services.

Safe motherhood

The basic premise of the Safe Motherhood Initiative is that childbirth must not carry with it the risk of death or disability for the woman and her infant. Deaths due to pregnancy and childbirth are both high in developing countries; in the Philippines, most of the maternal and infant deaths could have been prevented.1

Given the premise, the following safe motherhood strategies were instituted: (a) training; (b) information dissemination; (c) social mobilization; (d) community participation; (e) promotion of gender sensitivity at all levels; (f) quality assurance schemes; (g) MMR audit; (h) upgrading of equipment for obstetric emergencies; and (i) making quality care accessible.

The DOH issued Administrative Order No. 79 series of 2000 to promote Safe Motherhood and

1 Taken from the DOH Safe Motherhood Website
women’s health to ensure healthy newborns.

In 2002, the government included a maternity package among the outpatient service packages of the National Health Insurance program. Pregnant mothers could thus avail of outpatient consultation and diagnostic benefit package through accredited rural health units (RHUs), health centers, private clinics or authorized hospitals for prenatal and baby care.

The Second Phase of the Women’s Health and Safe Motherhood Project is being implemented to provide quality women’s health and safe motherhood services as an important component of the LGUs’ health service package. Specifically, the project ensures that structural, health-facility and human resource capacities necessary to deliver health services are installed and maintained at appropriate levels of the local health delivery system.

To enable the DOH’s Women’s Health and Child Protection Unit (WCPU) to respond to the needs of women and children victims and survivors of violence, a training of WCPU staff in DOH hospitals was conducted in 2002. In relation to this, financial support amounting to PhP3 million was provided for the operations of three WCPUs.

To revitalize and renew public interest in Safe Motherhood, a nationwide campaign was launched in 2002 with the participation of LGUs. The Safe Motherhood Technical Working Group was also reconstituted to set directions in program implementation, starting with the finalization of a five-year strategic plan and development of protocols for birthing homes and lying-in clinics.

**Family planning**

The DOH adopted four major principles relating to Family Planning. These are: (a) responsible parenthood; (b) respect for life; (c) birth spacing; and (d) informed choice.

Responsible parenthood (RP). Responsible parenthood is the will and ability to respond to the needs and aspirations of the family. Couples are free to decide on the timing and size of their families in pursuit of a better life. It is a shared responsibility between men and women to achieve a desired number of children, their spacing and the timing of their birth according to their own family aspirations. Beyond RP is responsible parenting which is the proper upbringing and rearing of the children for a healthy and productive citizenry;

Respect for life. The 1987 Constitution protects the life of the unborn from the moment of conception. Abortion is unacceptable as a method of FP.

Birth spacing. Three-year birth spacing within the context of RP is needed so that women could recover from pregnancy and improve their potential to be more productive.

Informed choice. Couples and individuals will be provided with all the information and services on the natural and artificial methods of FP to be able to make informed choice.

The Responsible Parenthood Movement was launched during the celebration of International Women’s Day/Women’s Health Day on March 8, 2003. The President focused on the promotion of Natural Family Planning emphasizing the BBB methods: Birth Spacing through Billings or Cervical Mucus methods; Basal body temperature; and Body signs or sympothermal method.

As a follow-up activity, the DOH launched the Responsible Parenthood Campaign in cooperation with the Inner Wheel Club of the Philippines, Inc. District 381 and the City Government of Manila. It was attended by parents, government and LGU officials, NGOs, partner agencies’ representatives, and about 10,000 couples. The Responsible Parenthood Campaign seeks to enable families to make informed choices on family planning.

Other noteworthy activities on the Family Planning Program were: (a) mainstreaming of Natural Family Planning Method which will enforce the policy of providing full information to couples in their choice of FP methods. It will be implemented with the development of a strategic plan for 2002-2006; (b) deployment of 640 volunteer health workers in KALAHI areas of NCR for the provision of FP services to the urban poor; (c) training of Barangay Health Workers (BHWs) from 250 municipalities on Community Based Management Information System (CBMIS) and FP provisions; (d) development, pretesting and production of framework and module for Fertility Awareness and Natural Family Planning; (e) participation of 16 CHDs and 23 DOH hospitals in the national consultative and planning workshop on family planning; and (f) implementation of the Door-to-Door Family Planning Campaign.

The main objective of the Door-to-Door Family Planning Campaign is to identify the unmet needs for family planning and to provide services whenever and wherever needed. Department Order No. 2146 s. 2004, Creation of a DOH Task Force and Inter-Agency Committees for Barangay to Barangay Door to Door FP Campaign was signed to ensure the successful implementation of the campaign which will start nationwide in 2005.3

Other noteworthy local health endeavors include the UNFPA-assisted Gattaran Birthing Center Projects in Gattaran, Cagayan. In 1996, this project was honored by the Commission on Population (POPCOM) as one of the best practices in Reproductive Health Care. Given the strength of this model, focus should be placed on facility-based birth policies.

3 Source: Population Commission
Zero Maternal Death in Gattaran, Cagayan

In 1996, the “Babae, Ikaw Lamang, Wala Nang Iba” Project of Gattaran, Cagayan was recognized by the Commission on Population as an emerging “best practice”. At that time, Gattaran, led by its dynamic and indefatigable Municipal Health Officer (MHO), Dr. Nida Nolasco-Rosales, was already gaining a reputation for advances in maternal health. From 1998 to 2004, UNFPA provided assistance to the municipality, mainly in terms of training for service providers, medical equipment for the municipal hospital, and support for community-based initiatives. For the past five years, Gattaran has consistently maintained its zero maternal death rate. What is its secret?

Crucial to the project’s success were: (a) the establishment of birthing centers in the relatively far barangays of the municipality which assured pregnant women of quality safe motherhood and family planning services; and (b) the installation of a highly functional and reliable referral system to the Municipal Hospital where the MHO, who is an experienced Ob-Gyne, was ready to provide the necessary medical response to complications. The MHO trained the midwives, barangay health workers and traditional birth attendants in maternal health and family planning well and formed them into teams who regularly checked on the pregnant women (Pregnancy Watch) and provided 24 hour service in the birthing clinics. These teams hosted “Buntis Parties” to inform the pregnant women on how they should take care of themselves and their babies before, during and after delivery and what to watch out for in terms of signs and symptoms of complications.

A major contributing factor was the local support from the barangay councils which had passed ordinances requiring pregnant women to give birth only in the birthing homes to ensure safe delivery. The barangay councils had a system of providing ready transport support to the hospital for complicated cases. The barangay also paid for the electricity and other utilities of the birthing center.

To make the delivery affordable, the MHO introduced an innovative system of prepaid perinatal services (PPS) where the woman saves for her delivery by paying a portion of the fees during the prenatal service. Half of the P1,000 fee pays for the medicines and medical supplies to be used by the client while the other half is shared by the barangay (P250), the barangay health worker in attendance during delivery (P100), the birthing home caretaker (P100) and the midwife (P50). This scheme made the birthing centers sustainable.

Community drugstores known as Botika sa Birthing made over-the-counter medicines and supplies readily accessible. Youth groups and male motivators have also been organized by Dr. Rosales to promote the dissemination of correct reproductive health information and to advocate for responsible sexuality, gender equality and reproductive rights.

The dynamic leadership and innovativeness of the MHO, the full support of the municipal and barangay officials, the dedication and commitment of the health workers, and the whole-hearted cooperation of all stakeholders all contributed to the zero maternal death rate of Gattaran.

Challenges and priorities for action

- **Improving data collection and data quality**
  
  The unavailability of timely and accurate information makes appropriate decision-making on the promotion of maternal health difficult. There is a substantial lag time between the gathering, publication and dissemination of data on maternal health. Moreover, some maternal deaths are not reflected as such and are attributed to other causes. Thus, enhancement of data collection and quality has to be given attention to enable decision-makers to develop appropriate policies and programs to improve maternal health.

  In relation to this, the National Statistics Office (NSO), being the primary data collection agency of the government, plans to enhance the civil registration system to monitor the MDGs with focus on improving the system for generating MMR and under-five mortality rate data. To do this, the NSO proposes to increase the number of respondents for an MMR survey so as to collect more reliable results.

- **Accelerating efforts to improve maternal health**
  
  While the maternal health situation is improving, the rate of progress is rather slow. This is due to the limited resources for maternal health services. Fiscal constraints faced by the national government and the LGUs have affected the delivery of such services.

  In order to sustain the benefits from the implementation of maternal health services, it is necessary to develop alternative and creative strategies that would provide adequate funding. It is also necessary that all stakeholders participate in this effort since their contributions (which includes the mobilization of communities and families, among others) ensure its success.

  The improvement of Emergency Obstetrics Care (EMOC) services should also be stressed since this is a very crucial program for saving the lives of our pregnant women.
**Brain drain**

The exodus of our health workers, specifically doctors and nurses, remains a perennial problem. According to POEA data, approximately 55,000 nurses had already left the country from 1995 to 2002. Also, every year 15,000 nurses leave for abroad. According to a UP study, 90 percent of the alumni of the UP College of Nursing while at least 65 percent of doctors from the UP College of Medicine are working abroad. The result is a depleted health care delivery system.

In general, there have been efforts to address this concern but a lot more needs to be done. The retention of health professional graduates remains a problem because the country is unable to match the economic opportunities offered abroad. Thus, it is necessary to review the compensation, incentives and benefits of health workers and work towards a more attractive compensation package. Moreover, a national health human resource plan has to be formulated and adopted to ensure that the country’s health services have an effective, well-motivated and appropriately-managed workforce.

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**Status and trends**

It is hard to assess whether or not the country is on target since there is no indicator system to monitor accessibility to RH services notwithstanding that there are 10 service components of RH. In the absence of RH indicators, the DOH recommended the use of proxy variables such as the number of antenatal check-ups (ANC), percentage of deliveries that are attended to by health professionals, percentage of pregnant women receiving post-partum check-ups (PPC), total fertility rate (TFR), contraceptive prevalence rate (CPR), and unmet need for FP, among others.

Based on the 2003 National Demographic and Health Survey (NDHS), only seven out of 10 women, who had a live birth in the five years preceding the survey, received a minimum of four ANCs, of which more than half (53 percent) were performed during the first trimester. Almost 88 percent of all deliveries were attended to by health professionals and nearly 72 percent received PPCs in accordance with the DOH recommendation that mothers receive a PPC within two days after delivery.

The country has actually achieved a modest decline in fertility. While the total wanted fertility rate in the country is 2.5 children per woman, the actual TFR for the period 2001-2003 was 3.5, a 0.2 decline from the TFR of 3.7 for the period 1996-1998 (NDHS 2003). This is still one child more than the wanted fertility rate. In terms of regional fertility rates, the gap between wanted and achieved fertility was larger in Bicol, Eastern Visayas and Zamboanga Peninsula, reaching almost two children.

The CPR slightly increased from 47 percent in 1998 to 49 percent in 2003 (NDHS 2003). This is due to the increase in the use of modern contracep-
FIGURE 20: Unmet Need for Family Planning

Source: National Demographic and Health Survey 2003
The profile of the Filipino youth published by the National Statistics Office (NSO) in 2000 revealed that the fertility rate of adolescents 15-24 years old was 1.12 children per woman by the time she reached 25 years old. Adolescent fertility, particularly among those below 20 years old, is low.

Based on the 1994-2002 Young Adult Fertility and Sexuality Survey (YAFSS), twice as many females (about 70 percent) than males (about 35 percent) reported having experienced any RH problem and their levels have not changed much over the period. RH problems among females were less serious compared with males. However, a significant increase in the levels of serious RH problems was observed among females (19 percent in 1994 to 23 percent in 2002) which was attributed to the increasing proportion of females engaging in sexual-risk behaviors and low level of contraceptive use. On the other hand, males had significantly higher levels of serious RH problems than females (23 percent vs. 19 percent in 1994 and 26 percent vs. 23 percent in 2002). However, it should be noted that the levels of serious RH problems were increasing for both male and female.

Despite the presence of significant numbers of RH symptoms, health utilization is low among adolescents in the country. Only 19 percent and 21 percent of young women and men, respectively, sought medical help for any RH problem they encountered in 2002.

In 1994-2002, an increase in the percentage of 15-24 years old who had experienced premarital sex (18 percent in 1994 compared to 23 percent in 2002) was observed. Indications also show that about 10 percent of girls with sex experience were forced into sexual relations by their partners and that many young people engaged in premarital sex without adequate knowledge on how to avoid pregnancy or STDs.

The number of teenagers who have begun childbearing is increasing although still below 10 percent of all women in the NDHS sample (Cabigon, 2002). Teenage childbearing is much higher among rural and low-educated females. Adolescent women today delay childbearing past their teen years compared with the previous generation. The opposite is true among less educated women. Young women today generally want smaller families.

Teenage pregnancies accounted for 17 percent of induced abortion cases. Teenagers who have unprotected sex or unwanted pregnancies were more likely to resort to abortion. The largest proportion (28 percent) of women who had complications due to induced abortion belonged to the 20-24 age group (Raymundo et al., 2001). Restricted access to contraceptive supplies and RH services as well as social pressure influenced the relatively high rates of abortion among young women (Cabigon, 2002).

As of May 2004, the HIV/AIDS registry of the National Epidemiology Center (NEC) of DOH confirmed 2,073 HIV/Ab seropositive cases, of which four percent (40 cases) were aged below 19 years old and almost 30 percent (620 cases) belonged to the 20 to 29-year-old age group.

Despite legal measures, violence against women (VAW) still persists. In the first semester of 2004, there were 3,516 VAW cases reported to the police (NCRFW). Of these cases, 53 percent were victims of physical injuries/wife battering and 18 percent were victims of rape (incestuous and attempted rape). Region VII has the most number of reported cases during the same period (22 percent) while Region II has the least.

Data from DOH estimates that there are 400,000 induced abortions occurring annually, mostly among married women between the ages 25 and 34 who cannot afford to raise another child. Usually, abortion is resorted to after the fourth child. One in five abortions ends up in hospital because of complications like excessive bleeding, vaginal infection and nervous breakdown. Abortion cases are one of the top three causes of admission in public hospitals.
Second Philippines Progress Report on

The Commission on Population (POPCOM) formulated the Philippine Population Management Program (PPMP) 2001-2004, the PPMP Strategic Operational Plan (SOP) and PPMP Public Investment Program (PIP) 2002-2004 which called on concerned national government agencies (NGAs) and other stakeholders to: (a) assist couples in achieving their desired fertility goals and prepare individuals to become responsible parents with special focus on poor couples and adolescents with unmet needs for RH/FP information and services; (b) improve the RH of individuals and contribute to the reduction of maternal, infant and early child (under 5 years of age) mortality; (c) reduce the incidence of teenage pregnancy, incidence of early marriage and other RH problems; and (d) contribute to policies that will help government achieve a favorable balance among population distribution, economic activities and the environment. It also spearheaded the development of the International Conference on Population and Development (ICPD) country report. The report represents the achievements as well as the gaps and challenges, and the corresponding strategies of the country vis-à-vis the commitments on the key actions of the ICPD Program of Action (PoA) in 1994.

The DOH formulated a 10-year RH Plan which spelled out major RH strategies and activities as well as the required budget from 2001 to 2010. The plan estimated the commodity requirements of the National FP Program based on trends of contraceptive method use and population program goals.

The DOH issued the following Administrative Orders (AOs) in support of the National FP Program: (a) AO No. 79 series of 2000, specifying the Safe Motherhood Policy as mentioned under Target 7; (b) AO No. 132 series of 2004, creating the DOH Natural FP Program and Its Program Management, which ensures the availability of appropriate natural FP advocacy and services to Filipinos of reproductive age who prefer the method over the use of artificial methods; and (c) AO No. 158 series of 2004, adopting the Guidelines on the Management of Donated Commodities Under the Contraceptive Self-Reliance (CSR) Strategy. This focuses on the formulation and implementation of critical policies and plans, complementary actions and supportive measures that are necessary to prevent any possible disruption in the delivery of FP services with the phase-out of donated contraceptives and to sustain continued increase in FP use for eventually eliminating the unmet need for FP.

The DOH, in partnership with the United Nations Population Fund (UNFPA), embarked on an innovative strategy of organizing and mobilizing Muslim religious leaders (MRLs) in support of RH activities in Autonomous Region in Muslim Mindanao (ARMM), Regions IX, X and XI. A National Fatwah among these organized MRLs was issued to formally declare Islam’s support for RH and FP. On January 2004, the Grand Mufti of Egypt (highly recognized Islamic Leader by the Filipino Muslims) endorsed the Fatwah. Two months later on March 2004, an MRL Assembly was held in Davao City to officially and publicly launch the Fatwah.

Likewise, the Philippine Legislators’ Committee on Population and Development (PLCPD) organized the Interfaith Partnership composed of various faith-based organizations, national and local legislators, civil society and government representatives. This partnership pledged to prevent abortion, promote FP, work for a decent standard of living for all Filipinos, conduct adolescent sexuality education, and support the enactment of the RH Care and Integrated POPDEV bills in Congress.

A major milestone in the promotion of RH in the country over the past 10 years is in the area of networking, partnership and alliance building. Twenty-three institutions representing RH service delivery organizations, women’s groups and advocacy organizations have united to form the RH Advocacy Network (RHAN). The network is instrumental in increasing the awareness of the public on RH and reproductive rights (RR).

In February 2000, the Philippine NGO Council (PNGOC) for Population, Health and Welfare successfully hosted the 1st Asia-Pacific Conference on RH in Manila. Some 1,300 delegates from 37 countries attended the conference. Among the results of this conference was the formation of the Asia-Pacific Alliance for RH, a network of individuals and organizations in the Asia-Pacific region working in the field of RH.

In 2003, President Arroyo advocated the implementation of the four pillars of the population and FP policy, namely: (a) responsible parenthood (RP); (b) respect for life; (c) three-year birth spacing within the context of RP; and (d) informed choice as described under Target 6.

The natural FP methods were actively promoted at the national level. At the same time, the LGUs and the NGOs were encouraged to ensure delivery of basic health services including the
promotion of all FP methods.

The government has taken steps to create an enabling environment to protect adolescents and the youth’s sexual RH and rights. The DOH issued AO No. 34-A series of 2000 or the Adolescent and Youth Health Policy which institutionalized a comprehensive program for the health of adolescents and youth.

The Department of Education (DepEd) issued Memorandum Order (MO) No. 132, series of 1999 which ensures the continuous conduct of school teacher training on population education (POPED) and adolescent reproductive health (ARH). The National Youth Commission (NYC) formulated the 1999-2004 Philippine Medium-Term National Youth Development Plan (PMTNYDP) which provides a clear policy for developing responsible RH behavior among adolescents through an integrated and comprehensive package of preventive and curative health care services at all levels of health care.

POPCOM included an Adolescent Health and Youth Development Program (AHYDP) as one of the major components of the PPMP-DP 2001-2004 which provides for scientific and policy-consistent information, knowledge, education and services on population and RH for adolescents and youth. The DSWD spearheads POPED for the out-of-school youth (OSYs) through their Unlad Kabataan Program, using new approaches to address the emerging needs of the OSYs and help them become more actively involved in community activities.

On the other hand, nongovernment organizations (NGOs) also launched their respective programs for adolescents and the youth. The Philippine NGO Support Program (PHANSuP) implemented the European Commission (EC)-supported Program on Accelerating Community-Based Responses to Reproductive and Sexual Health which aims to decrease the youth’s vulnerability to STIs, HIV/AIDS and other RH problems through peer education and counseling, participatory community-based education approaches as well as provision of medical services. The Foundation for Adolescent Development (FAD) implemented the following: (a) SEXTERS, an out-of-classroom program to nurture socially, emotionally and sexually-responsible teenagers; (b) Teen Health Quarters Project which offers medical services to the youth; and (c) Teen Centers which provide counseling to OSYs and in-school youths through innovative approaches such as Dial-A-Friend, Friends On Line, and E-mail A Friend.

The country has also made significant gains to address the issue of violence against women (VAW) through the following legislations: (a) the Anti-Sexual Harassment Act (RA 7877) which declares sexual harassment unlawful in employment, education and training institutions; (b) the Special Protection of Children Against Child Abuse, Exploitation and Discrimination Act (RA 7610 amended by RA 9231) which protects children against abuse, exploitation, discrimination, prostitution and trafficking; (c) the Anti-Rape Act (RA 8353) which classifies rape as a crime against persons rather than a crime against chastity; (d) Rape Victim Assistance and Protection Act (RA 8505) which strengthens the government mechanism to respond to VAW through the establishment of a women’s crisis center in every province and municipality in the country; (e) Anti-Trafficking in Persons Act (RA 9208) which institutes policies to eliminate trafficking in persons especially women and children, establishes the necessary institutional mechanisms for the protection and support of trafficked persons and sets sanctions and penalties to traffickers, to those who facilitate trafficking, and to those who buy or engage the services of trafficked persons for prostitution; and (f) Anti-Violence Against Women and Children (VAWC) Act (RA 9262) which promotes the welfare of Filipino women and children who have struggled against various forms of violence and abuses.

The DOH issued AO No. 1-B series of 1998 or the Establishment of Women and Children Protection Unit in all DOH Hospitals. This unit in all DOH hospitals is intended for treatment and care of victims/survivors of domestic violence, rape, incest, torture, sex trafficking, and other abusive and exploitative acts. It also provided for the development of a training manual on VAWC.

In 2001, the National Council on the Role of Filipino Women (NCRFW) established a 15-member interagency VAW Coordinating Committee (VAWCC) to formulate an integrated, systematic and synergized approach to eliminate gender-based violence and review protocols and training designs for frontline workers. It drafted a national action plan and developed performance standards for VAW interventions.

The DOH also issued AO No. 45-B series of 2000 or the Prevention and Management of Abortion and Its Complication (PMAC) Policy which strengthens the capability of the country’s health care system in PMAC and improves the accessibility of quality post-abortion care services to all women of reproductive age in the country. The policy will provide comprehensive preventive and medical health care services that include the following three key elements: (a) prevention and treatment of abortion and its complications; (b) counseling; and (c) linkages between PMAC and other RH services.
Challenges and priorities for action

- **Need for legislation on reproductive health**
  To address the lack of a strong and consistent population policy as well as to comply with the country’s commitment to international conferences such as the ICPD, the national government through the legislature should pass a law that clearly states the policy with respect to fertility and population growth reduction and possible objectives for the FP program.
  Stakeholders should lobby for the formulation and legislation of specific policies on ARH such as teaching of ARH education in all secondary schools in both public and private schools; and establishment of teen health quarters for counseling and information services in all LGUs. The POPED Program needs to be broadened and strengthened by molding values among youth through the incorporation of the elements of ARH education, the life-planning approach, and the peer counseling strategy.

- **Establishment of a strong partnership among the various RH stakeholders**
  There is a need to establish a strong partnership among all stakeholders (NGAs, NGOs, LGUs, private and commercial sectors) in the formulation, implementation, and monitoring and evaluation of RH/FP strategies. Strategic alliances with stakeholders should be initiated and enhanced to overcome the continuing problem of policy ambivalence.
  The National Government and LGUs need to show unequivocal support and political will to push for stronger population and RH programs. These programs must be among the priority agenda of government at the national and local levels.
  It is strategic to link with community and religious leaders as well as IPs to make RH/FP widely acceptable and made part of the basic health packages for the communities. Communities empowered through information dissemination and networking will enable individuals to take part actively in achieving RH goals and objectives.
  To expand the participation of the NGOs and the private sector in the provision of RH/FP information and services, it is necessary to: (a) assess the operational drawbacks and limitations of NGOs and private sector providers; (b) identify strategic areas for NGO and private sector interventions; and (c) tap and mobilize community-based private associations (e.g., midwives and other paramedical personnel).
  On ARH, there is a need to involve sectors such as parents, teachers, and other youth organizations. Moreover, NYC as oversight agency for all youth concerns should coordinate the efforts of different agencies in the implementation of youth programs as well as disseminate these programs among the youth to create greater impact. The Sangguniang Kabataan (SK) and other youth organizations should be tapped in all stages of the program and project processes.
  The VAWCC needs to be strengthened to further implement the comprehensive, coordinated and multiagency approach to VAW to ensure timely, responsive support for women victims.

- **Anticipated shortage of FP commodities**
  The most serious challenge to the country’s FP Program is the anticipated shortage in FP commodities due to the withdrawal of the USAID grant to purchase contraceptives. Problems related to accessibility and affordability of various contraceptives and other RH services by the poor who are completely dependent on the free services and supplies provided by public health facilities are foreseen. In view of this, the CSR should be implemented and monitored vigorously. Priority should be accorded to the study of various alternatives for procuring contraceptives. The government should maximize available funds for the FP Program by improving resource management and mobilizing alternative sources of support. Other donor agencies should be tapped for funding assistance. A strong advocacy campaign using mass media should be conducted to help enhance the sustainability of the FP program.

- **Expansion of the National Health Insurance Program**
  The government’s NHIP benefits package should be expanded to cover all RH services including other FP methods. Local governments at the municipal level should expand their health services to include comprehensive RH services particularly FP. LGUs should be encouraged to coordinate with NGOs and the private sector to come up with area coverage schemes for paying and nonpaying clients to ensure that both public and private resources are maximized and that quality standards will not suffer. Likewise, they must find alternatives for ensuring the availability and accessibility of a desired range of contraceptives.
Efforts to address the data gaps on RH, e.g. data on access to reproductive health services, should be fasttracked, as this significantly affects the responsiveness of policies to the real needs of women and men. Health statistics must also be routinely disaggregated by sex and other attributes.

There is a need for a reliable database on ARH that will provide the basis for determining the services available for program development, replication and referral. Researches should be continuously undertaken to gain insights into adolescent attitudes, values and behavior, especially toward sexuality and RH.

Data gaps on VAW should be addressed. The government through the National Statistical Coordination Board (NSCB), should coordinate with NGOs and other research institutions towards the development of a more comprehensive and in-depth database on VAWC.

**Put in place culturally-sensitive, high quality, accessible and user-friendly services on RH**

Capability building of workers in the primary health facilities should be updated/upgraded, particularly on the new RH/FP approaches.

A more sustained gender sensitizing training should be conducted for policemen, medical professionals, social workers, health workers and barangay officials involved in assisting survivors. Aside from the training, government agencies need to set up the necessary facilities and support mechanisms/institutions such as family courts and gender-sensitive judges to attend to victims of violence and abuse.

The approach on VAW should likewise address the cyclical nature of violence and focus on reforming and rehabilitating the perpetrator. Preventive measures should also be part of the solution. These could include a more aggressive education campaign to inform women about their rights, and how and where they can get support including legal recourse and gender sensitivity training for women victims and the perpetrators of VAW crimes.

Efforts to mainstream ARH must be pursued by putting in place culturally-sensitive, high quality, accessible and user-friendly services. Moreover, these services must respect the right of adolescents and the youth to privacy, confidentiality and informed consent. ARH care providers need to be specially trained and oriented so that they are competent and sympathetic in relating with adolescents who seek RH-related preventive and curative care services.

Youth programs dealing with ARH information dissemination should tap interactive media such as the Internet and the cell phone networks to reach more adolescents and youth for their programs.

The media, being the new “surrogate parents” of young Filipinos by fast becoming their main source of information and guide to “what is right” and “what is wrong,” should be sensitized on youth issues and be involved in addressing ARH issues.

NGAs, NGOs and LGUs should continue to provide adolescent and youth counseling services. Conscious effort should be made to ensure that counseling is included as one of the services for adolescents and youth.
Goal 6: Combat HIV/AIDS, malaria and other diseases

Halt and reverse the spread of HIV/AIDS by 2015

Status and trends

Based on the HIV/AIDS Registry of the National Epidemiology Center, the cumulative number of HIV/Ab seropositive cases since 1984 increased from 1,451 in 2000 to 2,200 in December 2004. Philippine epidemiologists and experts estimate that the actual number of HIV cases is around 10,000. Despite the increasing number of cases, the prevalence rate remains consistently below one percent.

Of the total HIV/Ab seropositive cases, 676 had AIDS and 263 of these had already died due to AIDS-related complications. Majority of the cases (1,472) belonged to the 20-39 years age group and 63 percent (or 1,388) were males. Sexual intercourse is still the leading mode of transmission. Notably, 725 (or 33 percent) of the cases were overseas Filipino workers (OFWs). These OFWs include seafarers (36 percent), domestic helpers (17 percent), employees (9 percent), health workers (7 percent), and entertainers (6 percent).

It should be noted that despite the low prevalence and the slow rate of increase in the number of cases, the preconditions for a full-blown epidemic are present. These preconditions include: low condom use, prevalence of sexually-transmitted infections (STIs), increasing rural-urban migration, relatively young sexually active population, and a thriving sex industry in selected areas. Based on the 2002 National HIV/AIDS Sentinel Surveillance (NHSS) System Technical Report, consistent condom use among the high risk groups (sex workers) was low (30 percent). The Philippine National AIDS Council (PNAC) now describes the epidemic to be “hidden and growing.”

In addition, the level of awareness varied across the country. The 2003 National Demographic and Health Survey (NDHS 2003) revealed that men and women in some regions of the country were less likely to have heard about AIDS. Eighty-eight percent of women and 89 percent of men said there is a way to avoid the disease. However, in the Autonomous Region for Muslim Mindanao (ARMM), only 67 percent of women and 46 percent of men believe there is a way to avoid AIDS. Also, misconceptions about AIDS and HIV transmission remain. The NDHS 2003 showed that only 36 percent of women and 30 percent of men correctly rejected the two most common misconceptions about AIDS (i.e., that AIDS can be transmitted by mosquito bites and sharing food with a person who has AIDS).

Although there is almost universal awareness of AIDS among the youth, a sizeable proportion of them have misconceptions. Around 27 percent believe AIDS is curable and 73 percent think that there is no chance of them getting AIDS in the future. Furthermore, the prevalence of premarital sexual activity among the youth increased from 18 percent in 1994 to 23 percent in 2002 (Young Adult Fertility and Sexuality Survey, 2002). These findings indicate the need for greater preventive efforts.

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<tr>
<th>Population Groups</th>
<th>Sexually Transmitted Infections</th>
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<td></td>
<td>Chlamydia Trachomatis</td>
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<td>Women</td>
<td>5.6</td>
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<tr>
<td>Men</td>
<td>4.4</td>
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<tr>
<td>Female youth</td>
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<td>Male Youth</td>
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Source: Family Health International/Department of Health, 2002
Generally, the policies and programs implemented in the country were in line with the RA 8504 or the Philippine AIDS Prevention and Control Act of 1998, and the Third Medium-Term Plan (MTP III) on AIDS for the period 2000-2004.

Various prevention and control efforts were undertaken by both government agencies and NGOs. Efforts to educate workers on HIV/AIDS were continuously done through the trade unions, employers, the Occupational Safety and Health Center of the Department of Labor and Employment (OHSC-DOLE), and some NGOs. Trainings, lectures and even counseling were conducted in several private enterprises. Results of the survey conducted in 2003 by the Employee Confederation of the Philippines (ECOP) on HIV/AIDS awareness and response among 64 member firms revealed that HIV programs in the workplace predominate among firms in the manufacturing sector (41.7 percent). However, much remains to be done in this regard given the large magnitude of workforce in the country.

To mainstream knowledge on HIV/AIDS, information was incorporated in the curricula of the education system through the School-based AIDS Education Program (SAEP). The full adoption of the revised school-based AIDS education module for the new basic curriculum started in 2004. In terms of care and support, treatment and counseling services for persons living with HIV/AIDS (PLWHAs) were provided by NGOs through training sessions and workshops on home-based health care programs. In 2003, hospital AIDS core teams (HACT) were retrained and established in various government hospitals. Clinical guidelines on the management of HIV/AIDS in hospitals were likewise developed. As a result of advocacy efforts of NGOs, the procurement of anti-retroviral (ARV) drugs became less expensive with the inclusion of generic ARV drugs in the National Drugs Formulary.

Community-based strategies were also undertaken through capability-building for social workers and volunteers and publication of guidebooks (Care and Support Manual for Social Workers, “Gabay sa HIV/AIDS Para Sa Mga Lider at Bantay Ng Pamayanan”) in 2001-2003. Some NGOs created community-based support centers that provide prevention, care and support among PLWHAs and other modalities of treatment. As of 2002, there were around 16 NGOs throughout the country that have undertaken care and support activities. In addition, the Department of Social Welfare and Development (DSWD) also mainstreamed HIV/AIDS topics in its programs namely: ERPAT (Empowerment and Re-Affirmation of Parental Abilities Training) and the PES (Parent Effectiveness Service).

Surveillance activities were continued through the National HIV Sentinel Surveillance System consisting of both the HIV Serological Surveillance and Behavioral Sentinel Surveillance under the supervision of the National Epidemiology Center of the DOH. NGOs and some LGUs continued to play a major role in some of the surveillance activities. Parallel efforts were undertaken to develop the capacity of the STD/AIDS Central Cooperative Laboratory (SACCL) and the Research Institute for Tropical Medicine (RITM) in conducting HIV testing.

In terms of accelerating local responses, local AIDS councils have been established in sites previously given foreign assistance. USAID provided assistance in the early 90s through the AIDS Surveillance Education Project (ASEP) in 10 sites. In 2002, The Futures Group (TFG) assisted eight more LGUs to initiate their local responses. Local HIV/AIDS policies were formulated in these sites, and some LGUs have even allocated budgets for HIV/AIDS related programs and activities. In addition, the Philippine National AIDS Council (PNAC) was able to mobilize the Global Funds on HIV/AIDS to support additional LGUs. It is envisioned that these sites will likewise implement local HIV/AIDS policies and programs. Activities at the local level were undertaken both by the local government and NGOs. In addition, LGUs, NGOs and civil society organizations (CSO) in areas supported by the UNFPA 5th Country Program moved to institutionalize local AIDS councils (LAC).

Currently being developed is the national HIV/AIDS monitoring system. The development and operationalization of this monitoring system involved multi-sectoral participation. Furthermore, preparatory activities are being undertaken with regard to the formulation of the Fourth Medium-Term Plan for AIDS covering the period 2005-2010.

With the institutionalization of the PNAC by virtue of RA 8504, interaction among various institutions and individuals became regular. The PNAC is composed of government agencies and selected NGOs. The PNAC meetings served as the primary venue for sharing information and discussion of crucial issues. Subnational conferences among the NGOs and other stakeholders were likewise held from 2000-2003. Moreover, annual national conferences are being held where “good practices” on HIV/AIDS prevention and treatment are shared.
Challenges and priorities for action

For 2000-2003, an acceleration of local response against HIV/AIDS has been observed. However, sustaining prevention activities and strengthening multisectoral involvement remain critical challenges. Although HIV/AIDS prevalence remains below one percent, the threat of an impending epidemic remains given the increasing patterns in high risk behaviors. In addition, there exists a number of gaps in terms of assistance coverage, scope and level of assistance being provided including the quality of the assistance or activities being implemented. Current efforts in prevention and control should be sustained and further accelerated. In particular, the following should be given focus:

Scaling up and improving the quality of preventive interventions targeted to identified highly vulnerable groups

- **Intensify IEC efforts towards behavioral change**

  Some groups (such as the youth, civil servants, informal sector) remain uninformed about HIV/AIDS prevention because of limited resources. Awareness levels may be high in some areas, but recent surveys show correct information needs to be further disseminated. Harmonization of the core messages of these IECs should be improved towards influencing behavior change. An inventory of existing IEC materials must be conducted to ensure that effective ones are replicated in other areas. These strategies can be effectively done if a clearinghouse for the IEC on STI/HIV/AIDS is established.

- **Addressing the growing needs of Overseas Filipino Workers (OFWs) for AIDS services**

  Information on HIV/AIDS are integrated into the predeparture orientation seminar (PDOS, for departing OFWs) being conducted by the Overseas Workers Welfare Administration (OWWA). There is a need to strengthen this effort and supplement it with education materials that they could bring onsite. Prevention services onsite, where vulnerabilities are great, should also be explored. For OFWs infected with HIV, there is a need to develop a functional system for reintegration into the community.

Strengthening institutional and general public preventive interventions

- **Development of a unified advocacy plan**

  One of the major constraints in the national response to HIV/AIDS is the lack of a unified advocacy plan that provides focus, effective approaches, appropriate messages and monitoring indicators. The plan may incorporate capability-building assistance for those who are willing to implement advocacy work.

- **Expanding voluntary counseling and testing services**

  Voluntary counseling and testing services need strengthening and more centers should provide such services especially in far-flung areas. The quality of counseling in the conduct of HIV antibody testing and improvement in HIV/AIDS case reporting should also be monitored and ensured.

Scaling up and improving the quality of treatment, care and support services for people infected with and affected by HIV/AIDS

- **Scaling up treatment, care and support**

  Care and support mechanisms, such as a functional referral chain, community and home-based care system, and HIV positive community support group should be established and strengthened to increase PLWHAs’ access to essential HIV/AIDS care services. In addition, coverage of treatment services such as ARV therapy should be made accessible in other areas. Presently, only DOH retained hospitals and medical centers have
been trained to provide a minimum level of care and support services. To keep the prices of ARV drugs affordable, plans to include ARV drugs in the parallel drug importation program of the DOH and the Philippine International Trading Corporation (PITC) should be looked into. Establishing and strengthening more operational, sensitive and non-discriminating HIV/AIDS core team (HACT) providing quality services to PLWHAs and affected families all over the country should be one of the major actions in the coming years.

Integrate stigma-reduction measures in the preventive, treatment, care and support services and in the design of management systems

- Improving supportive nondiscriminatory policies, guidelines and systems
  
  With the implementation of RA 8504 over the years, it has become apparent that there is a need to review and amend policies, standards, protocols and guidelines on STI/HIV/AIDS. More importantly, there is a need to strengthen existing policies to ensure compliance of nondiscrimination and avoid stigmatization.

- Guideline manualization and standardization
  
  Although improvements can be observed with regard to defining high-risk areas, scoping of intervention options, and focusing interventions on vulnerable groups, these approaches should be harmonized and translated into a manual of operations to guide any stakeholder in undertaking HIV/AIDS prevention and control activities. Effective interventions must be properly documented and disseminated for possible adoption in other areas.

- Expanding collaboration with the private sector including faith-based organizations
  
  The private sector is being tapped only in terms of initiating workplace programs on HIV/AIDS. Yet, only few private enterprises have formulated workplace programs on HIV/AIDS. Given the meager resources of the government, it may be high time to mobilize financial support from the private sector in order to expand the coverage of care and support services as well as preventive activities. Expanding collaboration with private sector in particular as advocates and implementers of the ILO Code of Practice on HIV/AIDS in the World of Work and integrating this code into their workplace programs must be pursued.

  Faith-based organizations have also provided counseling, spiritual upliftment and care and support services to PLWHAs. However, these need to be more positively involved in other aspects of HIV/AIDS prevention efforts.

- Fasttrack the establishment of the monitoring and evaluation system
  
  The monitoring and evaluation system needs to be established to fasttrack efforts undertaken in relation to national response. The monitoring system should take into account the initiatives in the field and the efforts of NGOs and other stakeholders.

- Expanding local response
  
  High-risk zones have already been identified in the country. These zones include: southern side of Luzon (along the national highway from Batangas to Sorsogon); western side of Luzon (along the national highway from Bulacan to Ilocos), central and eastern Visayas covering Cebu, Bohol, Leyte and Samar islands), and southeastern side of Mindanao (covering SOCSARGEN and Davao). Notably, only a third of the identified high-risk zones have come up with local responses. These local responses include: social preparation, IEC activities, formation of local AIDS councils, and other local HIV/AIDS policies. In addition, mechanisms to coordinate local responses have not been fully established. There is also a need to clarify coordinative linkages among stakeholders at the local level with that of the local AIDS councils.
Status and trends

Malaria

Malaria is the 8th leading cause of morbidity in the country. The malaria morbidity rate was posted at 48 cases per 100,000 population in 2002 representing a decline from the 1998 rate of 72 cases per 100,000 population. The 2002 figure, however, was slightly higher than the 2001 data of 45 cases per 100,000 population. Similarly, the mortality rate due to malaria declined from 0.9 deaths per 100,000 population in 1995 to 0.7 deaths per 100,000 population in 1997 and further declined to 0.11 deaths per 100,000 population in 2002.

Malaria is endemic in 65 provinces in the country but data indicated that more than 90 percent of cases were found only in 25 provinces. It is also in these provinces where 65 percent of the total deaths occurred. The deaths were traced to delayed consultations, irregular delivery or unavailability of necessary drugs for treatment of severe cases in the peripheral health services, and hospital-based physicians untrained on the proper management of severe malaria. It has also been observed that the threat of drug resistance poses a potential increase in the number of malaria cases in the underserved areas.

The geographical distribution of malaria cases based on a ten-year average (1991-2001) is as follows: Luzon - 46 percent; Visayas - 1 percent and Mindanao - 53 percent. In 2001, the top ten provinces in terms of the number of cases were Palawan, Tawi-tawi, Agusan del Sur, Sulu, Davao del Sur, Isabela, Davao del Norte, Compostela Valley, Apayao and Cagayan.

Tuberculosis

Tuberculosis (TB) remains a major public health problem in the country. It was the sixth leading cause of death and morbidity in 2001. Data on notifiable diseases from the Field Health Service Information System (FHSIS) show that the mortality rate due to TB has slightly declined from 39 deaths per 100,000 population in 1995 to 38 deaths per 100,000 population in 2001. The TB morbidity rate likewise declined from 173 cases per 100,000 population in 1995 to 166 cases per 100,000 population in 2000 and further declined to 142 cases per 100,000 population in 2001.

With the adoption of the Directly Observed Treatment Short Course (DOTS) Therapy for TB control, a 100 percent coverage of the target population was reached. The case detection rate was posted at 61 percent in 2003, representing an increase from the 2000 figure of 27 percent. The cure rate for TB improved from 74 percent in 2001 to 78 percent in 2002. Latest figures (1997) indicate that the prevalence of multidrug resistance cases was less than 10 percent.

In 2002 and 2003, the regions with the most number of TB cases were NCR, Central Luzon, Western Visayas, Bicol, Southern Tagalog and Central Visayas. The regions with the least number of cases were CAR and ARMM.
Malaria

The DOH continued to implement the Malaria Control Program (MCP) in partnership with LGUs, NGOs and the communities at risk. The program aims to broaden and sustain the existing DOH-LGU-community partnership to empower the population at risk, further enhance the delivery of health services in malaria endemic areas in the context of ongoing health sector reform and ensure sustainable malaria control. Program implementation was guided by the following principles: focus on the disadvantaged groups to help address inequity; position MCP to improve its performance; ensure sustainability through community and multisectoral involvement; and use of evidenced-based approaches. Specific strategies adopted included the following: early diagnosis and effective treatment; utilization of insecticide-treated mosquito nets; immediate and effective responses to malaria epidemics; distribution of IEC materials; and selective vector control in areas where it can be afforded and sustained.

The upsurge of cases during the first semester of 2002, particularly in the northern part of the country, compelled the use of combination treatment regimen. This gave rise to the approval of a new national policy on diagnosis and chemotherapy for malaria using microscopy or rapid diagnostic tests and combination treatment regimen in August of 2002. This policy calls for laboratory-confirmed diagnosis and supervised treatment as well as ensuring proper drug dispensing. It applies to all government and private facilities nationwide. The policy, however, remains to be implemented nationwide pending the training of peripheral health workers and the procurement of new drugs and diagnostics.

In terms of budgetary support, the MCP has been successful in obtaining and coordinating donor funding for malaria control activities in selected project sites from external sources such as the World Health Organization/ Rollback Malaria Program (WHO/RBM); Australian Agency for International Development (AusAID); United States Agency for International Development (USAID); United States-Navy Medical Research Unit 2 (US-NAMRU2) and Global Fund for AIDS, TB and Malaria (GFATM). The Japan International Cooperation Agency (JICA) also supported malaria activities in three endemic areas in 2001. A corporate-LGU-DOH partnership has been established in Palawan province but the corporate support ended in 2002. Except for the WHO/RBM and GFATM grant, funds are mainly for training and capacity building. Budget support for drugs/diagnostics and insecticide purchase is lacking.

Tuberculosis

The National Tuberculosis Control Program (NTP) continued to promote the DOTS therapy as its main strategy for TB control. Many of the activities were continuations of previous undertakings although some innovations allowed for a more dynamic program that is able to meet new demands. Major events/activities in the NTP during the period 2002-2004 include: installation of the Public-Private Mix DOTS (PPMD) centers; TB summit and the signing of the Comprehensive and Unified Policy for TB Control (CUP); initiation of the drug resistance survey which will be completed in 2005; introduction of the TB communication package (TB network); and orientation/training of regional trainers on the use of the fixed dose combination anti-TB drugs. Several other activities to improve case finding and case holding were also initiated, namely, hospital DOTS, quality assurance and operational research on TB among children and TB in prisons. A GFATM-assisted National Prevalence Survey is being planned for 2007. The Philippine Coalition Against Tuberculosis (PHILCAT) remains a key partner in DOTS advocacy and in the implementation of the PPMD.

The CUP for TB control, which covers the guidelines for the implementation of the NTP in government agencies other than the DOH, was formulated. It also includes policies that would formalize the involvement of the private sector, particularly private physicians, in TB control. Specifically, the CUP covers the following: National TB Program (core policy); guidelines for the implementation of the NTP in government agencies; guidelines for the implementation of the NTP by private physicians and NGOs; revised TB policies of the Social Security System, Government Service Insurance System and the Employees’ Compensation Commission and the new TB benefit package of the National Health Insurance Program. It is envisioned that the CUP will be fully implemented by the end of 2004. Meanwhile, the President issued Executive Order No. 187 enjoining government agencies and private sector organizations to work in partnership with regard to the dissemination and training on the CUP. TB prevention and control activities are funded from the regular budget of the government as well as from external sources such as the Canadian International Development Agency (CIDA), GFATM, WHO, JICA, USAID, Medicos del Mundo, etc.
Challenges and priorities for action

Significant strides have been achieved in the area of malaria and tuberculosis prevention and control, particularly in terms of giving priority attention to underserved areas, training of frontline workers, and forging stronger coordination and partnership with stakeholders. However, certain issues remain and lessons learned from program implementation provide a strong basis for further improvements in the design of more effective policies and activities to address these diseases.

• Improving service provision

In the provision of services, four challenges remain: meeting the unmet requirements; addressing the new requirements; improving the quality of services; and ensuring funds availability.

On unmet requirements, drugs and other logistics which are prerequisites for the strategies of both the MCP and the NTP are presently inadequate. For instance, the MCP is seriously constrained by the irregularity and/or inaccessibility of drug supply and other essential commodities such as bed nets and insecticides. Diagnostic services are also not always available, most especially in far-flung areas. It is therefore necessary to ensure the availability of these requirements for the programs to meet their targets.

With regard to addressing the new requirements, the adoption of the PPMD in the NTP entails additional program activities, e.g., an installation package, clarifying the implementation and monitoring set-up. Moreover, capacity-building should be continued on the use of fixed drug combination in TB treatment as well as the adoption of new treatment policy for malaria. Diagnostic services as well as improved systems for implementation of new policies should also be expanded. In addition, technical capacities to address drug resistance have to be strengthened. Giving attention to drug resistance now will spare the NTP and the MCP from a potentially serious situation in the future.

Meanwhile, improving the quality of services entails upgrading the managerial and technical capacities of the health workers in both the public and private sectors. It also involves upgrading laboratory services and equipping other government health facilities to enable them to perform needed services and establish better networks. Improved and sustained quality service most especially in the public sector can be a motivating factor for patients to seek treatment and care, thus preventing further disease transmission.

Addressing the unmet needs, the new requirements and improving the quality of services call for adequate financial resources. At present, the implementation of program activities is hampered by budgetary constraints. For instance, in the MCP, funds for field operations are not sufficient to carry out vector control measures. As mentioned earlier, donor support is mainly for some operations and capability-building activities but not for other program needs. Similarly, in the NTP, expansion of activities under the PPM would need additional funds. It is therefore necessary to review program budgets and ensure that these are spent on priority areas. Focused-targeting has to be continued in the light of low level of available resources. In addition, alternative sources of financing as well as cost-efficient interventions need to be identified and adopted.

• Strengthening program support services

Given the need for quality services, strengthening program support services such as monitoring/supervision and evaluation is imperative. The periodic review of program activities and performance will enable program managers to redirect activities as necessary. Lessons learned/good practices gained can be applied/replicated in areas where these are appropriate. In the NTP, stronger monitoring/supervision and evaluation is needed especially in the low performing sites to help them achieve their benchmarks. A TB database for PPMD needs to be developed and integrated into the current recording and reporting system. For the MCP, surveillance for monitoring treatment response/drug resistance needs to be set up. Prevalence surveys for TB and malaria should be conducted regularly to determine the real status of these diseases.

Meanwhile, advocacy to improve the health seeking behavior of the population has to be undertaken to disseminate and heighten awareness on the key initiatives of the NTP and the MCP. Moreover, it is also important to empower the communities to manage and sustain program initiatives, e.g., they can be mobilized to undertake community-based surveillance or the peer support groups can act as motivators, advocates as well as treatment partners.

Finally, it is important that efforts be geared towards further strengthening public-private, NGO, and community partnerships to sustain initiatives and to generate and effectively manage the resources for the programs. Specifically, it is necessary to increase private sector participation in the implementation of the NTP. Moreover, PHIC accreditation of health facilities has to be improved, as this is critical to the access of its OPD package in tuberculosis. In addition, strict enforcement of the CUP is imperative to sustain the gains and further improve NTP performance.
Goal 7: Ensure environmental sustainability

Implement national strategies for sustainable development by 2005, to reverse loss of environmental resources by 2015

Status and trends

One of the reasons for the widespread poverty in the country is the mismanagement of its natural resources. Latest environment indicators rate the various aspects of the country’s environmental sustainability as either poor or low. Overall, the ability of the major ecosystems to provide and maintain a regular stream of economic goods and ecological services has been significantly constrained by declining stocks and reduced coverage and quality. Thus, there is an urgent need to properly manage the country’s natural resources and protect the environment to improve the quality of life of the present as well as that of the future generations.

Forest resources and watersheds

The Philippine land area of about 30 million hectares is classified into forest land and alienable and disposable (A&D) land. About 15,854,922 hectares or 52.9 percent are classified as forest land while 14,145,078 hectares or 47.1 percent are A&D land.

The latest land/forest cover statistics were generated in early 2004 using satellite images taken in 2002 and 2003 through a joint undertaking of the Forest Management Bureau (FMB) and the National Mapping and Resource Information Authority (NAMRIA). The analysis was done using harmonized land/forest cover terms and definitions in accordance with international standards.

Results of this undertaking show that the total forest cover is about 7.2 million or 24 percent of the total area of the country. The new data is 11 percent higher than the 1988 forest area of 6.5 million hectares. Closed forests cover about 2.6 million hectares while open forests cover about 4 million hectares. Both closed and open forests consist of broadleaved, mixed and coniferous stands. Mangrove areas cover about 247,362 hectares and plantations cover about 329,578 hectares (Table 11).

The increase in forest cover, in both forest and A&D lands, can be generally attributed to the slowdown in commercial timber harvesting due to the imposition of logging moratorium in several provinces, log and lumber export bans and the implementation of the National Forestation Program (Forestry Sector Loan 1) in the late 1980s. In addition, there was a shift in logging from old-growth forests to residual forests in the early 1990s. It was also during this period that the Philippine Forestry Master Plan was formulated and many timber license agreements (TLAs) started to expire and nonperformers were cancelled. Expired TLAs were not renewed in consonance with the provision of the Constitution. Instead, the implementation of Integrated and Socialized Forest Management Agreements was expanded. This covered much of the areas of expired TLAs. In 1995, the Community-Based Forest Management strategy was adopted as the national strategy for the management of forest lands, where many forest-based communities are now active stewards. It was also during this time that the Forestry Sector Loan II Project commenced. These forest policy shifts and initiatives and subsequent awareness by the public on Sustainable Forest Management contributed significantly to the increase in the country’s forest cover.

<table>
<thead>
<tr>
<th>TABLE 11: Forest Cover by Forest Type, 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
</tr>
<tr>
<td>---------------------------</td>
</tr>
<tr>
<td>Total Forest</td>
</tr>
<tr>
<td>Closed Forest Broadleaved</td>
</tr>
<tr>
<td>Mixed Coniferous</td>
</tr>
<tr>
<td>Mixed Mixed</td>
</tr>
<tr>
<td>Mixed Coniferous</td>
</tr>
<tr>
<td>Open Forest Broadleaved</td>
</tr>
<tr>
<td>Mixed Coniferous</td>
</tr>
<tr>
<td>Mixed Mixed</td>
</tr>
<tr>
<td>Mixed Coniferous</td>
</tr>
<tr>
<td>Mangrove</td>
</tr>
<tr>
<td>Plantation</td>
</tr>
</tbody>
</table>

Source: Forest Management Bureau (FMB)

Annual average reforestation rate for 1996-2003 declined to about 37,000 hectares (Table 12). About 88 percent of reforestation in 2003 was undertaken by government and about 12 percent by the nongovernment sector.
## TABLE 12: Area Reforested, 1990-2003 (in hectares)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Government</th>
<th>Percent</th>
<th>Non-Government Sector</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>15,087</td>
<td>13,195</td>
<td>87.5</td>
<td>1,892</td>
<td>12.5</td>
</tr>
<tr>
<td>2002</td>
<td>25,620</td>
<td>20,682</td>
<td>80.7</td>
<td>4,938</td>
<td>19.3</td>
</tr>
<tr>
<td>2001</td>
<td>31,440</td>
<td>26,524</td>
<td>84.4</td>
<td>4,916</td>
<td>15.6</td>
</tr>
<tr>
<td>2000</td>
<td>27,632</td>
<td>21,740</td>
<td>78.7</td>
<td>5,892</td>
<td>21.3</td>
</tr>
<tr>
<td>1999</td>
<td>42,165</td>
<td>31,183</td>
<td>74.0</td>
<td>10,982</td>
<td>26.0</td>
</tr>
<tr>
<td>1998</td>
<td>42,368</td>
<td>33,219</td>
<td>78.4</td>
<td>9,149</td>
<td>21.6</td>
</tr>
<tr>
<td>1997</td>
<td>66,236</td>
<td>49,301</td>
<td>74.4</td>
<td>16,935</td>
<td>25.6</td>
</tr>
<tr>
<td>1996</td>
<td>46,096</td>
<td>18,869</td>
<td>40.9</td>
<td>27,227</td>
<td>59.1</td>
</tr>
<tr>
<td>1995</td>
<td>65,233</td>
<td>21,841</td>
<td>33.5</td>
<td>43,392</td>
<td>66.5</td>
</tr>
<tr>
<td>1994</td>
<td>49,551</td>
<td>18,032</td>
<td>36.4</td>
<td>31,519</td>
<td>63.6</td>
</tr>
<tr>
<td>1993</td>
<td>19,211</td>
<td>6,347</td>
<td>33.0</td>
<td>12,864</td>
<td>67.0</td>
</tr>
<tr>
<td>1992</td>
<td>40,593</td>
<td>24,304</td>
<td>59.9</td>
<td>16,289</td>
<td>40.1</td>
</tr>
<tr>
<td>1991</td>
<td>93,039</td>
<td>73,602</td>
<td>79.1</td>
<td>19,437</td>
<td>20.9</td>
</tr>
<tr>
<td>1990</td>
<td>191,663</td>
<td>153,949</td>
<td>80.3</td>
<td>37,714</td>
<td>19.7</td>
</tr>
<tr>
<td>Annual Average</td>
<td>53,995</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: DENR Annual Report

The country has 421 river basins/watersheds. Of these, most 18 are considered major river basins, among the important of which are the Agno and Cagayan River Basins in Northern Luzon, Pampanga River Basin in Central Luzon, Ilog-Hilabangan and Panay River Basins in the Visayas, and the Agusan and Mindanao River Basins in Mindanao.

At present, there are 125 proclaimed watershed forest reserves covering an aggregate area of 1.50 million hectares. The National Irrigation Administration has identified 140 critical watersheds that provide water for agricultural, commercial and domestic use mainly in the lowland areas. Thus, a massive reforestation program needs to be implemented.

### Biodiversity resources

The Philippines is recognized as one of the 17 megadiverse countries in the world, which hold about 70 percent of the world’s total biodiversity in flora and fauna. There are over 52,000 species in the country. Of these, 13,500 are plants comprising five percent of the world’s total flora.

While the country’s overall biodiversity has been acknowledged globally, there is an even higher regard for the endemism of local species or species unique to the Philippines and can be found nowhere else in the world. About 78 percent of amphibians, 68 percent of reptiles, 64 percent of mammals, 44 percent of birds and flowering plants are considered unique to the Philippines.

The species in the Philippines, however, are also considered to be the most threatened in the world. The International Union for the Conservation of Nature (IUCN) has identified our country, together with Madagascar, as being the “hottest of the hotspots” or the most severely threatened of the megadiverse countries.

Biodiversity resources offer many economic opportunities such as ecotourism, sources of raw ingredients for pharmaceutical and industrial products, and genetic materials for the development of crops and animals for food and commerce. Biodiversity also nourishes the forests and is largely responsible for forest regeneration. However, continued degradation of forests, wetlands and marine areas have caused substantial biodiversity loss in the country.

Loss of biodiversity has primarily been caused by logging, clearing of forest cover for agriculture and settlements, hunting for food and wildlife trade, pollution of coastal waters and overextraction of biodiversity resources. About 50 national parks have diminished biological importance because of habitat and ecosystem degradation. About 50 percent of the 63 national parks lost their biological importance in 1992 due to various levels of degradation.
Coastal and marine resources
The Philippines, coastal zone extends to an area of about 11,000 sq. km. of land and 267,000 sq. km. of water. The coastal and marine ecosystems are considered important sources of livelihood for about 70 percent of the municipalities and make up 80 percent of the country’s territory. These serve as rich sources of fish and aquatic products used for food, habitat for countless underwater wildlife, and natural areas for recreation, tourism and related activities. However, the productivity of the coastal and marine ecosystems has been continuously threatened by overfishing, destructive fishing methods, siltation and pollution, among others. It is estimated that only 5.0 percent of the country’s coral reefs are in excellent condition while mangroves have declined by as much as 57.0 percent in the last 23 years and seagrass losses have been estimated at 30-50 percent over the last 50 years. The widespread loss of mangroves, living corals and sea grass beds has severely eroded the capacity of this particular ecosystem to support life. In addition, an increasing number of coastal communities and land have become more vulnerable to tidal surges and waves that are highly associated with the country’s seasonal typhoons.

Air quality
Pollution remains a problem in Metro Manila and major urban centers for the last two decades. In 2004, data gathered from the eight new air quality monitoring stations in the Metro Manila airshed, which includes LGUs in NCR and parts of Regions III and IV, showed that ambient air quality is within standards in terms of nitrogen dioxide (NO2), carbon monoxide (CO), sulfur dioxide (SO2) and ozone. On the level of total suspended particulates (TSP) in 2003, data gathered from the old monitoring stations nationwide showed that air quality was not within the standards, with the exception of the cities of Cavite and Davao. It is projected that the volume of air pollutants (e.g., TSP, particulate matter (PM10), sulfur oxide (SO2), nitrogen oxide (NO2) will continue to increase due to greater industrial activity, heavy traffic and the large number of vehicles plying the streets, many of which are smoke-belching public utility vehicles. In 1995, WHO reported that the increasing air pollution contributed to the high incidence of upper respiratory tract diseases in major urban centers like Metro Manila. Public utility drivers and pedestrians are especially vulnerable to said diseases.

Water resources
Despite the high average rainfall, the Philippines is estimated to have second to the lowest per capita freshwater in Asia as of 2000. The supply of freshwater is diminishing due to overextraction of groundwater, water pollution, denuded forests and watersheds and the lack of catchment basins and, occasionally, the El Nino phenomenon.

The issues besetting the water sector include disparities in water supply coverage across regions, depletion of groundwater especially in Metro Manila and Metro Cebu, lack of cost recovery on investments, institutional weaknesses and low willingness of consumers to pay. In addition, pollution of water sources such as rivers and lakes is evident in many parts of the country. About 462 water bodies have already been classified by the DENR as of 2003. Of these, about 35 percent meet the water classification of “Class C” or quality of water which can support life systems. About 16 rivers nationwide are considered biologi-
Waste and toxic chemicals

Solid waste generation in Metro Manila is estimated at 5,345 tons per day. This is expected to double by 2010. Only about 65-75 percent of total waste generated in Metro Manila are collected and about 13 percent are recycled. The 25-35 percent uncollected waste gets thrown anywhere, especially in esteros and creeks, resulting to health problems and flooding.

Urbanization has inevitably increased the use of chemicals which, in turn, resulted in increased incidents particularly the release of ammonia and chlorine over the years. At present, about 45 percent of the total industries using chemicals such as cyanide, mercury, asbestos and ozone depleting substances (ODS) have been registered. For polychlorinated biphenils or PCBs (e.g., coolant or oil for transformer), only 25 percent have been inventoried.

Based on a Japan International Cooperation Agency (JICA) Study (2001), about 700 industrial establishments in the Philippines generate about 273,000 tons of hazardous waste annually. It was further estimated that 5,000 potential hazardous waste generators will produce about 2.41 million tons of hazardous waste. Moreover, an Asian Development Bank (ADB) study on hospital waste revealed that there are about 30,000 tons of hospital waste generated yearly.

At present, there is no integrated treatment facility for hazardous waste in the country. However, there are about 95 small-to-medium-scale treatment facilities that treat hazardous waste (i.e., used oil, sludge). There are approximately 50,000 tons of hazardous waste stored on or offsite due to lack of proper treatment and landfill facilities. Other hazardous waste are exported to other countries for recovery and disposal (e.g. metal bearing sludge and used solvents) and treatment (e.g. PCB). However, this exportation entails additional costs to industries which consequently affects their international competitiveness, especially locators in economic zones.

Priority policies and programs

The adoption of Sustainable Forest Management pursuant to EO 318 provides a comprehensive framework for the sustainable management and utilization of forest resources, strengthening watershed protection, protecting the country’s biodiversity and preventing/mitigating landslides and other ecological disasters.

Forest resources and watersheds

In compliance with the Revised Forestry Code of the Philippines, the Watersheds Code and other related forestry laws and regulations, the DENR continues to implement its forest management programs to improve forest cover, provide access to impoverished groups for forestry-based livelihood activities, and improve governance with better information and plans. These efforts undertaken by DENR include: (a) preparation of an Updated Master Plan for Forestry Development (MPFD); (b) provision of technical support to the private sector and NGOs in the establishment of industrial forest plantations through the Industrial Forest Management Agreement (IFMA) program and other forest plantations within private lands; (c) reforestation of denuded watersheds and protection of forest resources from any form of destruction such as forest fires and illegal logging; (d) adoption of Community-Based Forest Management (CBFM) approach in the rehabilitation of degraded forest lands through forest plantation establishment and agroforestry development to benefit upland dwellers and indigenous cultural communities; (e) delineation of permanent forest lines to address forest conversion into other land uses and fake titling of forest lands; and (f) research and development on new technologies, packaging and transfer of tested technologies.

Recent initiatives of DENR in forest and watershed management include: (a) adoption of the Watershed Ecosystem Management approach in forestry planning, resource use allocation and program implementation; (b) implementation of Community Livelihood Assistance Special Program (CLASP) which will serve as a center for facilitating access of poor communities to technologies,
technical assistance and funding sources; (c) launching of timber corridors in Mindanao by establishment of industrial tree plantation in 120,000 hectares of denuded lands; (d) more vigorous campaigns against illegal logging and erring DENR officials; (e) survey of priority watersheds for rehabilitation and protection; (f) promotion of tissue culture and cloning of seedlings for massive reforestation and establishment of 16 clonal nurseries nationwide for production of timber species, ornamental and fruit-bearing trees; (g) conduct of characterization/profile of watersheds necessary in the preparation of watershed management plans; (h) implementation of urban forestry through planting of trees and ornamental plants such as palms, bamboos, shrubs, vines and ferns in urban areas; and (i) implementation of the project Tanim Ko, Aalagaan Ko whereby interested stakeholders, e.g. religious groups, academe, civic organizations, and NGOs, will adopt and undertake reforestation of denuded forest areas.

Biodiversity resources

The NIPAS Act (RA 7586) outlines the primary policies for biodiversity resources management. It provides for the identification of protected areas, standardization of the planning process, recognition of ancestral rights and institutionalization of environmental impact assessment. Recently, the Wildlife Act (RA 9147) was passed to regulate the collection and trade of wildlife species. It lays down the rules for the exportation/importation of wildlife, bioprospecting and biosafety, commercial breeding and propagation of wildlife among other provisions. DENR is also upscaling its efforts to implement the NIPAS Act and continues to undertake a biodiversity conservation program that focuses on the protection and conservation of biological diversity and genetic resources through the National Biodiversity and Action Plan (NBSAP).

The National Caves and Cave Resources Management and Protection Act (RA 9072) was passed in 2001 to conserve, protect and manage caves and cave resources as part of the country’s natural wealth.

Coastal and marine resources

The Fisheries Code (RA 8550) and the Agriculture and Fisheries Modernization Act (RA 8435) provide the major policies that guide the utilization and conservation of coastal and marine resources in the country.

DENR adopts the integrated coastal area management approach as a main response to the growing problems of coastal resources degradation. This approach employs the participation of coastal communities and other stakeholders in decision-making and involves resource inventory and assessment, community organizing, mangrove rehabilitation, coastal database development, and sustainable alternative livelihood projects. DENR provides technical assistance in the conduct of Participatory Coastal Resource Assessment (PCRA) and in the preparation of Municipal Coastal Environment Profile (MCEP). Recent initiatives in Coastal Resources Management (CRM) also include the DENR working with DA for the issuance of an order on the delineation of municipal coastal boundaries consistent with archipelagic principle espoused by the DAO 17.

The DA through the Bureau of Fisheries and Aquatic Resources (BFAR) also implements the Fisheries Resource Management Program (FRMP). FRMP counts the support of various stakeholders in the fisheries sector to revitalize the threatened resource base of the seas and implement measures to address poverty in the coastal areas. At the moment, FRMP is one of the biggest and most comprehensive coastal resource management (CRM) projects in the country. FRMP’s concerns and activities cover resource management, income diversification and capability building in 100 municipalities in 18 bays and gulfs all over the country. It is primarily funded by the ADB and the JBIC, with the counterpart funding coming from the Philippine government and executed by DA-BFAR and the participating LGUs.

Air quality

To curb the increasing level of pollutants in the atmosphere, the DENR acted to phase out lead in gasoline in 2000. The Clean Air Act was also passed in 1999. The Act, which provides for a comprehensive framework for the management of air quality, mandates the reduction of sulfur content in diesel fuel from 0.50 percent in mid-1999 to 0.20 percent by December 2000 and 0.05 percent by 2004. It also provides for the reduction of aromatics and benzene contents of gasoline from 45 percent to 35 percent and from 4 percent to 2 percent, respectively, by 2003.

Other programs being implemented by DENR are: (a) the antismoke belching program with the support of the Land Transportation Office (LTO) and Metro Manila Development Authority (MMDA); (b) Investment Program for the Phase-out of ODS; (c) Metro Manila Air Quality Improvement Sector Development Program, which aims to reduce air pollution from mobile and stationary sources and to strengthen ambient air quality monitoring in Metro Manila; (d) provision of financial assistance to jeepney drivers for the purchase of remanufactured engines with emission control devices in cooperation with the Federation of Jeepney Operators, Drivers Association of the
Philippines, Filipinas Engine Remanufacturing and Reconditioning Corporation, and Petron; (e) establishment of airsheds (areas with common weather or meteorological conditions and sources of air pollution which affect the interchange and diffusion of pollution in the surrounding atmosphere) and formation of Governing Boards for each airshed; (f) the Smoke-Free EDSA Campaign involving roadside apprehension of smoke-belching vehicles; (g) Linis Hangin Program, which includes series of awareness-raising activities as follows: Bantay Tsimneya, for industrial firms; Bantay Sunog-Basura, for households that burn their wastes; Smoke-Free Malls; Bantay Tambutso and Bantay Usok for smoke-belching vehicles; and the giving out of the “First Metro Manila Public Transport Award”; (h) the continued promotion of cleaner fuel by reducing the aromatics and benzene content of gasoline last January 1, 2003 and reducing the sulfur content in automotive diesel from 0.2 percent to 0.05 percent (a 75 percent reduction) by volume ahead of schedule in the Clean Air Act. Low sulfur diesel was sold in stations in Metro Manila as early as September 2003 (or four months ahead of the mandated January 2004 schedule); (i) continuous coordination with the DOE in promoting the use of alternative cleaner fuels (bio-diesel, liquefied petroleum gas, compressed natural gas); and (j) full enforcement of the ban on the use of incinerators for disposing hospital wastes ensures the ability of hospitals to handle their hazardous waste by coordinating with the DOH and the Philippine Hospital Association (PHA).

Water resources
EO 123 is the latest policy on water resources management. It subsumes NWRB under the supervision of DENR and provides for the formulation and implementation of an integrated water resources development and management system among its other functions. Presidential Decree (PD) 1067, also known as the Water Code of the Philippines, remains the most comprehensive guide in regulating water resources utilization and management. The Code is a consolidation of laws and regulations relating to the development, utilization, exploitation and conservation of water. A law declaring a national policy favoring local operation and control of water systems, the Provincial Water Utilities Act and Local Water District Law (PD 198), authorizes the formation of Local Water Districts to provide for and manage the water needs of local districts.

Government initiatives to improve the planning and development of water resources include the following:

a. Creation of a Presidential Task Force on Water Resources Development and Management (PTFWRDM) under the DENR in October 1996 to serve as an oversight body for ensuring the efficient sourcing and use of water resources. Its responsibilities include: water supply planning, coordination and efficient allocation of water resources to its different users; prioritization of programs and projects; coordination of water policies and programs; and pricing on water resources; and

b. Preparation of the National Strategy and Action Plan for the Water Supply and Sanitation Sector. The plan envisions putting in place a sustainable water sector management that provides affordable water supply for various uses at the optimum quality and affordable waste water treatment and disposal for the present and future generations.

To improve water quality, DENR also conducted the following undertakings:

a. Facilitated the issuance of the Clean Water Act (RA 9275) which provides a comprehensive water management program to protect the country’s water bodies from land-based sources of pollution such as industries, mining, agricultural operations, as well as community or household activities.

b. Implementation of the following activities: Beach Ecowatch in which 57 major beaches are being monitored for water quality; Tapwatch, a
project that is aimed at ensuring use of potable water in depressed areas; the continued classification of water bodies to cover the remaining 202 unclassified principal rivers.

Waste and toxic chemicals

The basic policy for solid waste management is contained in the Ecological Solid Waste Management Act (RA 9003 of 2001) which provides for waste reduction, recycling and proper disposal and treatment. The management of toxic chemicals and hazardous waste is governed by RA 6969, otherwise known as the Toxic Substances and Hazardous and Nuclear Waste Act of 1990, which provides for the proper handling, transport, treatment and disposal of toxic chemicals and hazardous waste.

For management of solid waste, a number of programs are being implemented by DENR in collaboration with MMDA, LGUs, and NGOs to remedy the worsening garbage situation in many cities throughout the country. These include:

a. Closure of dumpsites in Meycauayan, Bulacan and in Dasmarinas, Cavite. Open dumpsites which expose communities to the health hazards of wastes were ordered closed by DENR in accordance with the provisions of existing environmental laws. Closure of eight open and illegal dumpsites in Makati City, Caloocan city, Valenzuela city and in the provinces of Bulacan, Cavite and Rizal was also undertaken;

b. Solid Waste Management Program launched by NGOs. Several groups of NGOs are helping the government by undertaking their own initiatives and projects in educating the public and advocating to them the segregation, reuse and recycling of household wastes;

c. Implementation of the Ecological Solid Waste Management (ESWM) System in 48 pilot LGUs. These LGUs have different composting activities such as household, market, centralized municipal composting, some of which are usually located within the Materials Recovery Facilities (MRF);

d. Designation of 213 ESWM Coordinators nationwide to put ecowaste management in place in all DENR offices nationwide and to assist other stakeholders;

e. Provision of technical assistance in the conversion of open dumpsites to controlled ones (e.g., rehabilitation and conversion of Payatas dumpsite into controlled dump, with resource recovery facilities such as gas recovery and organic waste composting); and

f. Nationwide Search for Model Barangays for ESWM System. This search is one way of encouraging the 42,000 barangays all over the country to implement RA 9003 or the Ecological Solid Waste Management Act of 2000.

With regards to management of hazardous waste and toxic chemicals, the following are being undertaken by DENR:

a. Completion of a Master Plan on Hazardous Waste Management in the Philippines. With funding support from JICA, the DENR-EMB is completing a Master Plan to properly register, monitor and regulate the use of toxic and hazardous substances in the country. The plan also lays out the various acceptable methods/technology for the treatment and disposal of toxic and hazardous wastes;

b. ODS import regulation, consistent with the Montreal protocol. For 2003, CFC importation dropped to 1,422 metric tons from 1,632 in 2002. Based on importation clearance issued, total importation for 2004 is only 67.5 percent of the allowable quota; and

c. Issuance of guidelines for proper utilization, disposal and storage of polychlorinated biphenyls (PCB), including clean-up activities of PCB-contaminated sites.

Other DENR initiatives to safeguard the quality of environment in the country include:

a. Establishment of partnerships with industries in environmental management and cleaner production. In line with this, DENR issued Administrative Order No. 2003-14 or the Philippine Environmental Partnership Program (PEPP) to support industry self-regulation and achieve superior environmental performance and global competitiveness through adoption of environmental management systems (EMS) and cleaner production practices. To date, 14 industry sub-sectors have signed the Environmental Consent Agreement (ECONA) through which the industry members commit to adopt sound environmental management through self-monitoring and self-regulation;

b. Streamlining of the Environmental Impact Statement (EIS) System by further reducing the processing time of the Certificate of Non-Coverage or CNC (from 15 to seven days) and the Environmental Compliance Certificates or ECC for Projects Requiring IEE Checklist (from 30 to 15 days); and

c. Use of market-based instruments (MBI), proper pricing of natural resources and other incentive/disincentive mechanisms to address air and water pollution. In line with this, DENR issued Administrative Order No. 2002-16 or the National Environmental Users` Fee and its IRR, where those discharging wastewater into any receiving water body will have to pay for the cost of the damage and rehabilitation. DENR also started the Philippine Eco-labelling Program and the Industrial Ecowatch System.
Challenges and priorities for action

On the medium term (2004-2010), the Environment and Natural Resources Sector will pursue the following five major thrusts, consistent with the 10-Point Agenda of the present administration:

- **Sustainable and more productive utilization of natural resources**
  The government has undertaken initiatives to improve the status of the environment through strict compliance with and implementation of policies and programs that would ensure proper management and protection of the country’s natural resources. However, despite these efforts, the Philippines still rated poor in terms of sustaining and managing its natural wealth. Thus, to ensure environmental sustainability and maximization of the use of natural resources, the areas for action are as follows: (a) maximize physical planning as a development tool for greater and sustained job creation; (b) create a climate conducive to investments and production; (c) opening up of more forestlands that are denuded or no longer suitable for protection forest for development; (d) promote investments in permanent production forest areas; (e) initiate the development and sustainable utilization of biodiversity resources (e.g., promote the establishment of 15 wildlife farms and zoos); and (f) clearly delineate areas for protection, exploration and utilization through the survey and mapping of maritime zones starting in 2005 with particular emphasis on expediting the delineation of municipal waters in coastal areas with offshore islands.

- **Focus and strengthen the protection of vulnerable and ecologically fragile areas**
  Considering that the country is home to many distinct species of flora and fauna, the government emphasizes the need to protect them and their environment to prevent extinction. The following are the areas for action: (a) rehabilitate and strengthen protection of critical watersheds; (b) expand coverage and strengthen protection of coastal and marine ecosystem; (c) delineate 6.336 million hectares nationwide for protection; and (d) develop protected areas into viable management areas.

The Lamlunay Research and Learning Center: Bringing Hope to Barangay Upo, Maitum, Saranggani Province

Barangay Upo is located at the western part of the municipality of Maitum. It has a land area of 2,430 hectares representing 7.49 percent of Maitum’s area. A total of 650 hectares are within the alienable and disposable land area and 1,780 hectares are part of the forestland of the municipality. Approximately 30 percent of the 1,780 hectares forestland is denuded due to the illegal cutting of trees; as a result, flash floods and soil erosion are among the major concerns of the local government.

Barangay Upo in the 1970s to 1998 was known to be an MILF-infiltrated area, classified as one of the poorest barangays under the SRA-MBN survey results in 1998. Constituents relied on forest and agriculture produce as source of livelihood with an average income of PhP2,000.00/month per household which is far below the poverty threshold level of PhP6,500.00. No economic activity could be observed in the barangay because of the unstable peace and order situation.

To prevent further deterioration of the area and to secure the lives and properties of the village people, the Lamlunay Research and Learning Center (LRLC) was put up in 1999. The 108 hectare-LRLC is an integrated LGU-led development project owned by Barangay Upo, the Municipality of Maitum, and the Province of Saranggani. The 97-hectare forestland serves as the resource center for endemic forest trees and wildlife sanctuary, while 11 hectares serve as demonstration center for farming systems and technologies for crops, livestock and inland fishery. Designed to be self-liquidating, the demonstration farm is a site for studies, tourism and for rev-
the Millennium Development Goals

- **Create healthier environment for the population**

  The environment plays a vital role in the improvement of the wellbeing of the people particularly the poor. Living in a healthy environment will minimize the occurrence of diseases brought about by pollution, wastes and toxic chemicals. Thus, the government stresses the following areas for action: (a) improve air quality in major urban centers and reduce air pollution (total suspended particulates or TSP) in Metro Manila by 90 percent to bring air quality within acceptable standards and sustain standard TSP level (90 ug/Ncm) in other urban centers; (b) adopt the Integrated Water Resources Management Approach which involves the coordinated development and management of water, land and related resources within the hydrological boundaries, to optimize economic and social welfare without compromising the sustainability of vital ecosystems; (c) provide potable water for the entire country by 2010; (d) ensure clean water resources for the entire country by fully implementing the Ecological Solid Waste Management Act and the Clean Water Act; (e) improve management of solid waste especially in Metro Manila by fully implementing the RA 9003; (f) on a sustained basis, clean and rehabilitate esteros, especially in eight major esteros in Metro Manila and 32 prioritized esteros in other urban centers that contribute significantly to flooding; (g) establish management system and facilities for toxic and hazardous wastes; and (h) totally phase out ODS consumption nationwide.

- **Mitigate the occurrence of natural disasters to prevent the loss of lives and properties**

  The country has recently been hit by natural calamities (e.g. landslide, flood, typhoon) which resulted in the loss of many lives and destruction of properties. Major environmental disasters in the Philippines include the Ormoc and Antipolo landslides and the recent flooding in Aurora and Quezon provinces. Some of the disasters have been attributed to the degradation of forests and poor maintenance of floodways, esteros, and drainage systems. In order to help reduce the impact of natural disasters and to equip the people with knowledge on disaster preparedness and management, the following are the priority areas for action: (a) complete the geohazard mapping of the remaining 13 regions; (b) conduct soil stability measures (e.g., reforestation and planting in river banks) for landslide-vulnerable areas; (c) implement disaster risk management plan, establish warning systems and conduct capacity building activities; (d) ensure integration of disaster preparedness and management strategy into the development planning process at all levels of governance through periodic risk assessments, updating of respective land use policy based on the assessment, conduct of disaster management orientation/training among LGU officials and concerned local bodies, institutionalization of community-based mechanisms for disaster management (e.g. inclusion of legitimate disaster management organizations in various Disaster Coordinating Councils), and advocating for the bill on Strengthening the Philippine Disaster Management Capability; (e) keep at the optimum the conveyance capacities of existing river channel floodways, drainage canals, esteros through riverbank protection, dredging/desilting, observance of river easements, relocation of informal settlers, proper disposal of garbage, and efficient maintenance in coordination with LGUs; and (f) provide adequate flood control and drainage facilities in all flood/sediment disaster prone areas to mitigate flooding as well as rehabilitate and improve existing facilities.

- **Ensure environmental accountability for all industries**

  There is also a need to ensure that all resource-based industries (e.g. mining, logging, paper) in the country will strictly observe environmental accountability and will adhere to the principle of sustainable development in all their business operations.
Household access to safe water supply has a small percentage increase from 78.69 percent in 2000 (Census, NSO) to 80 percent in 2002 [Annual Poverty Indicators Survey (APIS) of the National Statistics Office (NSO)]. On basic sanitation, households with sanitary toilet facility8 also increased from 81.97 percent in 2000 (Census, NSO) to 86 percent in 2002 (APIS, NSO). Given the rate of increase from 2000-2002, it is likely that the 87 percent access goal can be met by 2015. The Medium-Term Philippine Development Plan (MTPDP) 2004-2010 has actually set a target of 92-96 percent for safe drinking water and 86-91 percent for access to sanitary toilet facility, goals which are higher than the 2015 MDG target.

According to the 2002 APIS of the NSO, eight out of 10 families (80 percent) have access to clean and safe water.9 The Autonomous Region in Muslim Mindanao (ARMM) is the most disadvantaged region in terms of having access to clean and safe water. Only one-third of the families in ARMM use water coming from community water systems or tubed/piped wells. In contrast, 96 percent of families in Central Luzon obtain water from these sources. With regard to basic sanitation, the percentage of households with sanitary toilets was 86.1 percent. Among the regions, NCR had the highest proportion of families with sanitary toilets (98 percent), while ARMM remained to have the least, at 44.7 percent. This shows that there is still a wide disparity across regions. Decline in water supply and sanitation coverage (between urban and rural areas) is largely due to the rapid increase in demand. The Philippine population grows at an annual rate of 2.34 percent, or 1.8 million more to be served each year. Thus, efforts shall be focused on “waterless”10 areas.

Safe drinking water is essential for health and sanitation. The Final Results of the 2003 National Demographic Health Survey (NDHS) also conducted by NSO indicated that two out of five households (40 percent) have piped water into dwelling/yard/plot as their main source of drinking water. The main source of drinking water in rural areas is protected wells (35 percent), while in urban areas is piped water (56 percent). The majority of the households live within 15 minutes from the source of water (87 percent). On the use of private flush toilet, two in three households use this type of sanitation facility. It is common in urban areas than in rural areas (77 and 54 percent, respectively). Furthermore, 15 percent of households in rural areas have no toilet facility, compared with only 4 percent in urban areas.

Water is distributed by the Metropolitan Waterworks and Sewerage System (MWSS) through the two water concessionaires in Metro Manila, the water districts, the water associations, the local government units (LGUs), the cooperatives, and the private sector and bulk water suppliers. The reach of these systems, however, are limited and over two million households still do not have access to water that is clean and affordable.

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8 Sanitary toilet facility refers to water sealed and closed pit type of toilet facility.
9 Considered clean and safe sources of water supply in the APIS report are own-use faucet, shared faucet, own-use tubed/piped well and shared tubed/piped well.
10 “Waterless” is defined as “areas/municipalities with less than 50% water supply coverage.”
Over the years, the government has implemented projects and programs that address priority issues related to: (a) water supply, sewerage and sanitation; (b) irrigation; (c) flood and drainage management; and (d) hydropower. However, the laws on regulation and protection of water resources have been poorly enforced resulting in severe deterioration of water quality and exploitation of groundwater resources. Thus, the Integrated Water Resources Management (IWRM) approach was adopted. This approach involves the coordinated development and management of water, land and related resources within hydrological boundaries to optimize economic and social welfare without compromising the sustainability of vital ecosystems.

The general strategy in the MTPDP 2004-2010 is to identify Water Resources Regional Councils (WRRCs)/River Basin Organizations (RBOs) while strengthening existing RBOs to promote devolution of decision-making processes to the lowest appropriate levels capable of handling such tasks, normally to local governments and community-based institutions. Water assessment shall also be conducted in terms of availability and demand for prioritized water constraint areas as identified in the 1998 Master Plan Study on Water Resources Management in the Philippines (National Water Resources Board).

Related developments were the signing into law of the Philippine Clean Water Act of 2004 (RA 9275) by the President during the National Water Forum in celebration of the World Water Day last March 22, 2004. The Philippine Clean Water Act of 2004 mandates the DENR to implement a comprehensive quality management program to guarantee effective water utilization and conservation. It aims to protect the country’s water bodies from pollution from all sources (industries and commercial establishments, agriculture and community and household activities). Moreover, it provides for a comprehensive and integrated strategy to prevent and minimize pollution through a multisectoral and participatory approach involving all stakeholders.

Further, EO 123, [Reconstituting the National Water Resources Board (NWRB)] shall be implemented. The NWRB will continue to formulate an organizational structure to effectively and efficiently carry out its mandate including economic and resource regulation. Through EO 123, NWRB shall act as the independent economic regulator for the water sector. Hence, increase in private-sector participation and investment for water resources is expected.

EO 279 instituted reforms in the financing policies in the Water Supply and Sewerage Sector and for the water service providers (WSPs). The reforms include a graduation policy for Water Districts (WDs) and other WSPs to the private capital market over time and include providing incentives for self-sufficiency in utility operations, amalgamation, greater accountability of service providers to consumers and pooling of resources between and among LGUs and WSPs to facilitate access to financial institutions. These reforms are expected to accelerate access to potable water supply.

The National Anti-Poverty Commission (NAPC) has been tasked by the President to spearhead the government’s plan to provide potable water to waterless communities. The Office of the Water and Power Czar (OWAPC) under the Water and Sanitation Coordinating Office (WASCO) of NAPC shall be empowered to muster all resources to attain the goal, oversee implementation of targets, and spearhead resource mobilization.
Challenges and priorities for action

- **Focusing on waterless areas**
  It is expected that potable water will be provided to the entire country by 2010, with priority given to at least 212 “waterless” areas in Metro Manila and 633 “waterless” municipalities outside Metro Manila through private-sector or public investment. The 633 municipalities include those which are classified under peace areas. To achieve the priority target, it is estimated that PhP2.87 billion and PhP4 billion are needed for the waterless areas and municipalities, respectively.

  Considering that the provision of potable water is a priority, government financing should be increased for water supply and sanitation (WSS). The provision of budget support, however, should be based on the agency’s capacity to institute efficiency reforms, more effective poverty-focused strategies and better program outcomes. Moreover, given the fiscal constraints, it is imperative to develop innovative financing schemes involving LGUs, communities, private sectors and NGOs. While the implementation of WSS projects is now devolved to the LGUs, some LGUs still lack the capacity and political will to fully finance WSS projects. It is also necessary to continue reviewing/refining the NG-LGU cost-sharing policy. In addition, support for the ongoing activities for the review of WSS indicators has to be sustained.

- **Giving importance to sanitation services**
  The provision of safe water supply necessitates improvements in environmental sanitation to reduce incidence of water-borne diseases. At present, many poor households remain without access to safe excreta disposal while water districts lack the needed incentives and support to provide or improve sanitation services. A range of low-cost sanitation programs is required as well as long-term investments in hygiene promotion.

  The provision/implementation of water supply facilities and projects should have the corresponding sanitation facilities for proper disposal of wastewater/septage. Moreover, institutional strengthening programs within the Local Water Utilities Administration (LWUA) and DILG should be commenced to build up the capacity of WSPs and water user associations. In this regard, there is a need to develop sanitation toolkits on the different options available and to improve capacity building programs on WSS planning, management and implementation by LGUs. Likewise, sustainability of sanitation facilities (including their proper maintenance) should also be assured. In doing all of these, there is a need to develop a National Strategy for Sanitation to improve access to basic sanitation, as well as to monitor the initiatives being undertaken at the local level.

The Molave Experience

Molave Foundation, a Philippine NGO, has joined efforts with Water Supply and Sanitation Collaborative Council (WSSCC in Geneva) in its global campaign called WASH (Water, Sanitation and Hygiene for All) to draw attention to the plight of millions of people, mostly the poor, without adequate sanitation and without access to safe water supply. The campaign aims to mobilize political awareness, support and action towards achieving the MDGs, specifically Target 10 of Goal 7.

In collaboration with the Non-Formal Education Services (NFES) of the Division of City Schools of Manila and Approtech Asia, the WSSCC Southeast Asia Coordinator implemented the WASH Manila Project. The project developed and trained a cadre of WASH Change Agents or Advocates who are instrumental in spreading the message of WASH. They are composed of Teacher Community Coordinators (TCCs) of NFES who have been tasked to promote, propagate and champion the objectives of the WASH campaign. The project also organized Community WASH Days in selected communities in Tondo. The Day highlighted the various components of the WASH campaign such as: (a) health promotion and disease prevention; (b) hygiene and sanitation; and (c) livelihood skills.

Another activity is the WASH Caravan initiative which was launched in Baseco, Tondo, Manila in November 2004. For the launch, a caravan of Philippine jeepneys were used to bring the products and services of WASH to communities. Among the services of the WASH Caravan are: (a) medical mission; (b) primary health care promotion focusing on hygiene and sanitation; (c) technology transfer, demonstration and exhibits of water and sanitation (WATSAN) technologies; (d) development and promotion of multimedia and IEC materials; (e) livelihood and entrepreneurial skills training; and (f) preparation of nutritional supplements.

Through the project, “WASH Caravan: Moving the MDGs in Water and Sanitation Forward in the Philippines”, it is hoped that the WASH and MDG on Water and Sanitation advocacy and communication campaign will be further replicated in other parts of the country towards the achievement of the MDGs.
Status and trends

In 2002, the government estimated that there were 588,853 informal settler families or squatter households nationwide. More than half of the informal settlers or 51 percent were in the National Capital Region (NCR), Region VI and Region IV. On the other hand, the areas with the least number of informal settlements were Cordillera Administrative Region (CAR), Region I and the Autonomous Region for Muslim Mindanao (ARMM). These informal settlers live in dwelling units that are substandard or are not durable for at least five years, mostly in urban areas characterized by slums with little or no basic or auxiliary services such as safe water, health center, elementary and high schools, and decent and gainful livelihood opportunities. The national government aims to provide security of tenure to 300,000 households annually. This is broken down into: (a) 150,000 land tenure units for the urban poor; (b) 70,000 socialized housing units; and (c) 80,000 low-cost housing units.

In pursuit of the global MDG target, the government and the private sector provided security of tenure or shelter security units (i.e., house and lot, house only or lot only) to 382,285 households from 2001 to 2004. The government programs included the Asset Reform Program of the Housing and Urban Development Coordinating Council (HUDCC); slum upgrading, sites and services, land tenurial assistance, community land acquisition support, grants-in-aid for housing, cooperative housing, resettlement, emergency housing assistance, housing materials assistance, medium-rise housing projects, and completed housing of the National Housing Authority (NHA); and the Community Mortgage Program (CMP) of the National Home Mortgage Finance Corporation (NHMFC). The private sector through the Couples for Christ Gawad Kalinga 777 (GK 777) Project and the Habitat for Humanity Project provided a total of 8,979 units for slum dwellers.

<table>
<thead>
<tr>
<th>Region</th>
<th>Informal Settler Families</th>
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<tbody>
<tr>
<td>Philippines</td>
<td>588,853</td>
</tr>
<tr>
<td>NCR</td>
<td>174,085</td>
</tr>
<tr>
<td>CAR</td>
<td>2,586</td>
</tr>
<tr>
<td>Region I (Ilocos)</td>
<td>2,735</td>
</tr>
<tr>
<td>Region II (Cagayan Valley)</td>
<td>9,674</td>
</tr>
<tr>
<td>Region III (Central Luzon)</td>
<td>24,064</td>
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<tr>
<td>Region IV (Southern Tagalog)</td>
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<tr>
<td>Region V (Bicol)</td>
<td>47,122</td>
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<tr>
<td>Region VI (Western Visayas)</td>
<td>69,170</td>
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<tr>
<td>Region VII (Central Visayas)</td>
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<td>Region VIII (Eastern Visayas)</td>
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<tr>
<td>Region IX (Zamboanga Peninsula)</td>
<td>34,801</td>
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<td>Region X (Northern Mindanao)</td>
<td>20,537</td>
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<tr>
<td>Region XI (Southern Mindanao)</td>
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<td>Region XII (SOCSARGEN)</td>
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<tr>
<td>Caraga</td>
<td>24,445</td>
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<td>ARMM</td>
<td>2,757</td>
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Source: 2002 Annual Poverty Indicators Survey (APIS), NSO

<table>
<thead>
<tr>
<th>Program</th>
<th>Number of Household Beneficiaries</th>
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<tr>
<td></td>
<td>2001</td>
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<tr>
<td>HUDCC Asset Reform Program</td>
<td>133,900</td>
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<td>NHA Housing Programs</td>
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<td>NHMFC Community Mortgage Program (CMP)</td>
<td>28,474</td>
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<td>National Government Center (NGC) East-West Project</td>
<td>8,739</td>
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<td>North and South Rail Relocation</td>
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<tr>
<td>Gawad Kalinga (GK 777)</td>
<td>1,000</td>
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<tr>
<td>Habitat for Humanity</td>
<td>1,878</td>
</tr>
<tr>
<td>Total</td>
<td>221,762</td>
</tr>
</tbody>
</table>

Sources: HUDCC, Couples for Christ, Habitat for Humanity
FIGURE 21: Informal Settler Families, by Region

Source: 2002 Annual Poverty Indicators Survey (APIS), NSO
Priority policies and programs

To facilitate security of tenure for the informal settlers, the National Home Mortgage Finance Corporation (NHMFC) revised the Community Mortgage Program (CMP) Guidelines which, among others, increased the loan ceiling from PhP100,000 to PhP120,000 in Metro Manila as well as other highly urbanized areas; and, from PhP85,000 to PhP100,000 in other areas. The required documents for the CMP were also significantly reduced from 56 to 18, and technical assistance and financing were provided to the beneficiary communities for expenses related to transfer of title to hasten the processing of CMP projects.

The housing agencies, under the guidance of the HUDCC, have also been working closely with the NGOs and private sector groups such as the GK 777 Project of the Couples for Christ, Gawad Kapatiran and Habitat for Humanity for the improvement of some blighted communities and provision of dwelling units for the informal settlers. The HUDCC extended technical and financial assistance to Gawad Kalinga for the attainment of its vision of providing 700,000 housing units in 70,000 communities in seven years. Moreover, the HUDCC entered into a partnership with Couples for Christ Gawad Kalinga Community Development Foundation to provide a financing facility for development of housing units to benefit the GK beneficiaries.

To further improve access to housing by the poor, EO 272 (s. 2004) was issued, which authorized the creation of the Social Housing Finance Corporation (SHFC) that will cater to the housing needs of the bottom 30 percent poor population. EO 272 also transferred the implementation of the Community Mortgage Program and Abot-Kaya Pabahay Fund Program from the NHMFC to the SHFC as the former’s subsidiary.

Challenges and priorities for action

To attain the MDG goal on improving the lives of slum dwellers, the following challenges and priorities must be addressed:

• Continuing to meet the housing requirements of the informal settlers
  Meeting the housing requirements of the informal settlers would entail: (a) scaling up proven multistakeholder and cost-effective housing programs; (b) improving the security of tenure of households, improving the land registration process, and adopting and developing innovative tenure arrangements to address the affordability factor; (c) relocating informal settlers occupying danger areas in Metro Manila in a just and humane manner; (d) supporting LGU and private sector-led housing programs; and (e) developing new centers for housing in Luzon, Visayas, and Mindanao.

Proven multistakeholder and cost-effective housing programs that may be expanded include the Community Mortgage Program, the GK 777 Project, and the Habitat for Humanity projects. Innovative tenure security arrangements that need to be further developed and pilot-tested include public rental, lease purchase and shared ownership, rent-to-own, usufruct or long-term lease of up to 99 years particularly for properties in urban centers. To address the influx of informal settlers in danger zones (e.g., railways, Riverside, esteros) in Metro Manila, the relocation of these settlers must be given priority and undertaken in a just and humane manner. Identified priority sites for relocation include the North and South Rail, Pasig River, and esteros in Metro Manila.

• Pursuing an urban asset reform program
  In line with the MTPDP 2004-2010, an urban asset reform program shall be pursued by providing property rights for informal settlers. This would involve unlocking “dead capital” or lands occupied by informal settlers through the granting of legal rights to the occupied lands. The informal settlers can use the rights to raise capital for microenterprises. This approach should be pursued as it provides both security of tenure and livelihood opportunities for slum dwellers.

• Promoting sustainable source of housing finance
  To promote a sustainable source of housing finance, the proposed legislation that will operationalize the Social Housing Finance Corporation (SHFC) as the primary institution responsible for addressing the housing needs of the bottom 30 percent poor households should be pursued. The SHFC should have adequate capitalization and be authorized to enter into loans or issue bonds and other debentures to raise funds for socialized housing construction.
Expanding private sector participation in socialized housing finance and construction

There is an urgent need to expand private sector participation in socialized housing (i.e., housing package below PhP225,000) finance and construction by:
(a) establishing an active and liquid secondary mortgage market;
(b) fast-tracking disposition of assets and nonperforming loans to generate additional funds for housing;
(c) rationalizing the subsidy mechanism for socialized housing to remove distortions and leakages; and
(d) pursuing strategic linkages with client and sectoral groups, and private developers for joint venture arrangements.

The development of the secondary mortgage market is a scheme for fund generation in housing that is long awaited. The market will be stimulated for the buying and selling of mortgage-backed securities (e.g., housing loans, housing bonds) at a discount especially for the PhP42 billion NHMFC portfolio. At the same time, the subsidy mechanism for socialized housing should be rationalized from the current interest-based subsidy towards a more transparent, up-front amortization-based subsidy on the principal payments for socialized housing loans. Thus, there is a need to institutionalize an “on-budget” amortization subsidy scheme for socialized housing to maintain its affordability and which should be kept separate from the housing finance market. Joint venture schemes with the private sector should also be developed for public housing for the informal sector (i.e., nonmembers of HDMF, GSIS and SSS) in government properties proclaimed for housing purposes. These approaches will redefine the role of government in housing finance to ensure a better distribution of responsibilities and risks with the other stakeholders.

Rationalizing coordination for housing and urban development

To rationalize and strengthen the institutional capacity of the housing agencies, there is a need to elevate the Housing and Urban Development Coordinating Council (HUDCC) into the Department of Housing and Urban Development (DHUD). The DHUD is envisioned to strengthen the housing sector’s institutional framework by establishing a lead agency that will address the pressing issues posed by a runaway population growth, rapid urbanization, urban poverty, growth disparities, and poor urban environment. The creation of the DHUD should strictly adhere to the scrap-and-build policy of the government so that neither additional budgetary allocation nor new personnel would be required.

Strengthening housing regulation

There is a need to establish Local Housing Boards in every city and municipality. The proposed Local Housing Boards shall formulate, develop, implement and monitor policies on the provision of housing and resettlement areas and on the observance of the right of the underprivileged and homeless to a just and humane eviction and demolition. The Boards shall have the authority to:
(a) prepare local shelter plans;
(b) assist in the preparation of Comprehensive Land Use Plans (CLUPs);
(c) approve preliminary and final subdivision and development plans;
(d) evaluate and resolve issues on the issuance of development permits;
(e) ensure compliance with the 20 percent balanced housing requirement in the Urban Development and Housing Act (UDHA) (which provides that in every housing development project, at least 20 percent of the units or project cost should be for socialized housing); and
(f) identify lands for socialized housing, among others.

There is also a need to institute the National Land Use Policy (NLUP) which shall integrate efforts, monitor development relating to land use and evolve policies, regulations and directions of land use planning processes. The proposed NLUP mandates the formulation of national planning and zoning guidelines and standards, which will guide LGUs in the formulation of their CLUPs and enactment of zoning ordinances. The Policy also categorizes uses of land into protection, land use, settlements development, and infrastructure development.
The Philippine economy grew moderately over the period 2001-2004 with GNP and GDP expanding at average rates of five percent and four percent, respectively. In comparison with other Asian countries, the country exhibited a modest growth relative to its pre-1997 Asian Financial Crisis (Table 15). Investment to GDP ratio grew slightly from 19.3 percent in 2002 to 20.1 percent in 2004. The minimal increase in foreign direct investment from US$1.43 billion in 2002 to US$1.49 in 2004 did not significantly contribute to the decline in unemployment. Gross Domestic Savings-GDP ratio was likewise low at 21 percent in 2004 compared to Thailand (30.5 percent) and Malaysia (41.8 percent). The low propensity of Filipinos to save is attributed to a number of factors such as high population, low returns offered by banks to depositors, minimal investment opportunities, and nonexistence of a savings culture among majority of Filipinos.

The Philippines’ rank in the Global Competitiveness Ranking continued to slide down from 48 in 2001 to 76 in 2004 based on the 2004 World Competitiveness Report. The interest and confidence of foreign investors to infuse capital in the country were largely weakened by internal issues on fiscal instability, lingering peace and order problems, inadequate infrastructure, corruption, and slow dispensation of justice.

At the trade front, exports have not grown steadily since 2001 relative to imports (Table 16). However, export growth from 2003 to 2004 was due largely to the country’s major products such as electronic products, apparel and clothing accessories, machineries, and transport equipment, coconut products and mineral products. Japan, US, and Netherlands have remained the top buyers of the country’s exports. In terms of the economic sectors, the services group played a critical role in pumping in employment opportunities through the expansion of telecommunications companies, new investments in call/contact centers, business process outsourcing and software development.
Priority policies and programs

• Investment liberalization
  The Philippines continued to pursue investment liberalization measures in order to maximize the opportunities and benefits offered by the global market and at the same time minimize the economic and social costs of globalization.
  Adhering to the principles of fair and transparent trade, the Philippines further gained ground in its trade agreements with ASEAN partners through the reduction of tariffs under the Common Effective Preferential Tariff (CEPT) Scheme of the ASEAN Free Trade Area. This trade policy has generally increased the range of available products in the domestic market, reduced the cost of raw materials for local consumers, and encouraged local producers to compete with foreign counterparts.
  Unilateral tariff reduction and elimination measures were also undertaken to lower cost of production inputs, such as the reduction to one percent of the rates on 917 tariff lines of raw materials, intermediate inputs and capital equipment in 2002, and further reduction of tariffs on additional 268 products in 2003. A supporting policy was also issued to allow products manufactured in special economic zones (SEZs) and sold domestically to enter the Philippine customs territory under CEPT rates, subject to rules of origin. Besides fostering competition and lowering consumer prices in the domestic market, this policy seeks to make Philippine SEZs attractive to potential investors and encourage existing SEZ locators to establish forward linkages with the domestic market.

• Trade promotion
  In terms of promoting domestic and foreign investment, reforms were made on the harmonization of trade-related procedures with other countries, allowing 100 percent foreign ownership in retail trade enterprises especially those specializing in high-end or luxury goods; providing tax incentives to investors in IT zones; and issuance of Implementing Rules and Regulations (IRR) of the Electric Power Industry Reform Act. Market promotion activities and selling/investment missions were held both in the country and abroad, resulting in the generation of millions of dollars in exports sales and billions of pesos in investments especially in electronics and IT-related services.
  In addition, greater access of Philippine products to foreign markets was negotiated. The country entered into agreements with Taiwan, Vietnam and Thailand to boost various product sectors such as food processing, electronics, garments, and oil and natural gas through trade promotion and industrial development cooperation measures. The Philippines also engaged in bilateral talks with nontraditional markets, e.g., Austria, India, China, and certain countries in Eastern Europe. The country also continued to encourage trade with other ASEAN countries under the ASEAN Industrial Cooperation Scheme and, as a member of the ASEAN, is presently engaged in the forging of free trade agreements with China, Japan and India.

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<td>Japan</td>
<td>15.73</td>
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<td>16.17</td>
<td>4.67</td>
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<td>27.93</td>
<td>26.71</td>
<td>19.79</td>
<td>3.30</td>
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<td>Singapore</td>
<td>7.18</td>
<td>7.60</td>
<td>6.86</td>
<td>7.11</td>
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<td>-0.74</td>
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<td>Republic of Korea</td>
<td>3.25</td>
<td>4.12</td>
<td>3.70</td>
<td>28.19</td>
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<td>China</td>
<td>2.47</td>
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<td>59.77</td>
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<td>Taiwan</td>
<td>6.62</td>
<td>7.64</td>
<td>6.15</td>
<td>16.81</td>
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<td>-11.53</td>
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<td>Hong Kong</td>
<td>4.91</td>
<td>7.26</td>
<td>8.63</td>
<td>49.29</td>
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<td>Saudi Arabia</td>
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<td>0.11</td>
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<td>0.11</td>
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<td>Malaysia</td>
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<td>40.93</td>
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<td>-20.25</td>
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<td>-3.59</td>
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Source: National Statistics Office (NSO)
Besides promoting Philippine products in the global market, the government took steps to ensure that these products are of the best quality. Quality tests have been conducted on the products of over 800 firms. Domestic product standards have also been aligned with international standards to facilitate the access of domestic products into foreign markets. In 2002, the Philippines became a full signatory to the Pacific Accreditation Cooperation/International Accreditation Forum Multilateral Arrangement (PAC/IAF MLA). The arrangement lowers the cost of product certification for Philippine exporters by allowing the PAC/IAF MLA members in the APEC and ASEAN regions to recognize the product certificates issued by certifying bodies accredited by the Bureau of Product Standards.

The Government has likewise created an Investor Relations Office (IRO) which is intended to formalize and facilitate the active dialogue between the authorities and the market participants, contributing to more stable flows of international capital and helping prevent crises.

**Micro, small and medium enterprises (MSMEs) development**

In support of the national agenda on economic development and poverty reduction, the micro, small and medium enterprises (MSMEs) were further developed and assisted in the areas of credit, technology, and marketing. Developing, promoting and empowering these MSMEs is an effective and sustainable strategy in ensuring that Filipinos as workers can still be given work after being displaced by the closure of companies adversely affected by globalization. The full implementation of the Multi-Fiber Arrangement in 2005, removing all textile quotas, will pose threats to the productivity, profitability and work security in the country’s garment industry.

In 2001, MSMEs accounted for 99.6 percent of the total business enterprises (811,589) and generated a 69.1 percent share of total employment. Bank lending policies and procedures are being reviewed and modified to enable these enterprises to access and afford capital for their productive use. In terms of credit assistance, the government has directed a large number of external assistance to beef up the credit line of these enterprises. To sustain the quality of MSMEs in trade and credit, the government initiated efforts in putting up a credit bureau to keep track of the financial and operational performance of these enterprises.

As an empowerment and capacity building strategy for MSMEs, the Bangko Sentral ng Pilipinas (BSP) has ventured into several policy reforms in promoting and integrating microfinance principles into the broad range of financial services in the banking system. These reforms cover deposit, loans, payment services, money transfers and insurance to poor and low-income households and their microenterprises. The BSP’s implementation strategy includes the following:

- promoting the entry of existing banks into microfinance and establishing microfinance-oriented banks;
- encouraging the conversion of existing microfinance organizations into microfinance-oriented banks;
- providing rediscounting loans to existing microfinance-oriented banks;
- establishing standards of performance and business practices to guide the operations of microfinance-oriented banks;
- providing information and/or training to BSP bank examiners and/or microfinance-oriented banks on best practices in microfinance and microfinance technology packages; and
- institutionalizing a microfinance program in the BSP.

**Financial reforms and price stability**

With respect to the nonbank financial system, a number of laws were passed to effect a more stable financial position for the country. These include the Securities Regulation Code, the Securitization Act and the Anti-Money Laundering Act. The first two laws aim to strengthen the financial system by providing for the demutualization of the stock market, setting the rules governing the debt market, and strengthening the regulatory powers of the Securities and Exchange Commission (SEC). The third law was passed as a measure to remove the Philippines from the Financial Action Task Force list of Non-Cooperative Countries and Territories.

In 2002, the BSP shifted to an inflation targeting framework which is expected to promote greater transparency in the conduct of monetary policy, thus facilitating the functioning of efficient financial markets. To support this, the BSP has been publishing a quarterly Inflation Report explaining the inflation situation and the status of monetary policy and has publicly disseminated a report on the highlights of the Monetary Board discussion on monetary policy issues.
Challenges and priorities for action

Investment and trade growths in the country are challenged by the economy’s capacity to generate trade surpluses through either stronger value-adding export industries or foreign-exchange-saving industries or both. The emergence of China as a major player in the world market and the movement toward closer economic integration taking place worldwide through multilateral, regional and bilateral arrangements have further increased the opportunities and threats faced by local producers who have to constantly improve efficiency and productivity to survive and preserve their niche in the domestic and/or export markets. These developments have brought to the fore the need for a strong and dynamic industry and services sectors that are capable of generating jobs and incomes for millions of Filipinos and of supporting, if not spearheading, the growth and development of the Philippine economy in the twenty-first century and beyond.

To strengthen and sustain the country’s productivity and competitiveness at both domestic and global markets, the government will focus its investments on MSMEs development, strengthening and expanding strategies for export and investment promotion, achieving energy independence and savings, and infrastructure development.

- **Ensure enabling environment for micro and SME development**
  The government will provide an environment conducive to micro and SME development particularly in terms of credit, technology and marketing support. Product development will be continued as part of technology support. Overseas Filipino Workers (OFWs) will be tapped to invest in micro and small income-generating projects and activities.
  To sustain and generate investments, aggressive promotional campaigns shall be pursued especially in the identified priority areas [e.g., infrastructure, IT, automotive, electronics, mining, health care (medical tourism), food] that will support the country’s job creation thrusts. There are sectors where the country has comparative advantage because of its human resources and geographic location. Focused investment promotion in priority markets (e.g., US, Europe, Japan, Taiwan and Singapore) for the retention, expansion and diversification of existing investments shall be undertaken in cooperation with major foreign companies operating in the Philippines and other partners (e.g., foreign embassies, business chambers and associations, international organizations, etc.).

- **Sustain efforts to lower the cost of doing business**
  As input to trade competitiveness, efforts to lower the cost of doing business by simplifying procedures and requirements shall be continued. These include reducing the documentary requirements, processing time, steps and fees as well as the issuance of various certifications. Business facilitation shall be promoted through the implementation of the Philippine Business Registry System which shall serve as platform for one-stop centers for business registration facilitation and harmonized government frontline services delivery. An online Investment Registration and Monitoring System and Business Action Centers - where a comprehensive package of assistance to businessmen/entrepreneurs will be housed under one roof - shall be set up nationwide.

- **Strengthen and expand strategies for investment and export promotion**
  To attain the US$50 billion export target by 2006, the country shall move toward expanding the export base by tapping new markets, developing more competitive export products and services and maximizing opportunities through bilateral and multilateral agreements. Exports and investment opportunities offered by trade agreements shall be maximized. This shall include the conclusion of current trade agreements, namely: the Japan-Philippines Economic Partnership Agreement (JPEPA), ASEAN Priority Investment Projects (PIP), and the ASEAN-China Free Trade Area under the Framework Agreement on Comprehensive Economic Cooperation between ASEAN and the People’s Republic of China. Discussions on economic cooperation initiatives through the Asia-Europe Meeting (ASEM) while pursuing aggressively the European market will be continued. Possible trade agreements with other major trading partners including the US, Taiwan, South Korea, India, Canada, and Australia-New Zealand will be initiated. Studies to identify advantages and disadvantages of these agreements shall be conducted in consultation with various stakeholders.
  Export promotion will focus on the following priority markets: USA, China and Hong Kong, Japan, ASEAN, European Union, Taiwan, Australia-New Zealand, South Korea, India, Canada, United Arab Emirates and Kingdom of Saudi Arabia. Export/import procedures and facilitation will be simplified to improve efficiency, transparency and accountability.
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Over the past years, fiscal flexibility was steadily eroded, with shrinking revenues and rising requirements for nondiscretionary portions of the budget such as personnel expenditures, interest payments and block grants to LGUs. After the deficit problem exploded in 2002, the National Government (NG) began its fiscal consolidation program. The modest fiscal gains in 2003 were sustained in 2004 as the NG turned in a lower-than-target deficit of PhP187.1 billion (3.86 percent of GDP) and higher primary surplus of PhP73.8 billion (1.5 percent of GDP), which helped contain fiscal vulnerability.

While revenue collections improved, revenues did not grow in line with economic growth, as reflected by the decline in tax-to-GDP. As of 2004, tax effort stood at 12.4 percent, below the MTPD target of 12.8 percent.

With the widening fiscal deficit, the NG debt ballooned from PhP2.81 trillion in 2002 to PhP3.81 trillion in 2004, equivalent to 78.7 percent of the country’s GDP and more than five times the government revenues for the year. Net domestic borrowings amounted to PhP161.4 billion. This is 31.4 percent or PhP73.9 billion less than the programmed net domestic borrowings of PhP235.3 billion, a matter resulting from the shift to foreign financing. The combined large deficits of the NG and government owned and controlled corporations (GOCCs) pushed the consolidated public sector deficit (CPSD) to 5.5 percent of GDP in 2003 but tapered down a bit to 4.8 percent in 2004. Nonfinancial public sector debt11 stood at 94.83 percent of GDP as of end-September 2004, up from 93.9 percent of GDP in 2002.

As earlier mentioned, the increasing requirements for nondiscretionary portions of the budget like personal services, interest payments and block grants to LGUs also put pressure on expenditures. The share of personal services in the budget pie increased from 29 percent in 1992 to 32 percent in 2004 while mandated internal revenue allotment (IRA) share accruing to LGUs has more than doubled in terms of the percentage share of the budget from eight percent in 1992 to 16 percent in 2004. Although the share of interest payments slightly declined in 2004 to 29 percent from 31 percent in 1992, it still accounts for the second biggest share in government spending. The increased share of personal services, IRA and interest payments largely contributed to the contraction in capital spending and other productive expenditures. The Philippines’ capital outlay performance vis-à-vis other Asian countries was lowest for 1998-2004, averaging a mere three percent of GDP. In view of this, fiscal flexibility is steadily being eroded as revenues shrink and mandated expenditures remain high.

With regard to expenditures by obligation, the country relied heavily on budget cuts to contain the deficit, given weak revenue collections. With the sheer size of the national debt, debt servicing took the biggest share (almost 1/3) of the 2004 budget pie. From 2000 to 2004, it remains only expenditure that did not experience a decrease in percentage share to the total NG budget. Note that this covers interest payments alone as payments for the principal and loans are classified as “off budget.” Actual total debt service in 2004 (principal and interest payments) was 68 percent of the total NG cash disbursements. Debt service averaged 7.7 percent of GDP from 1986 to 2004 or a total of PhP184.534 billion in interest and principal.

While it has been the policy of the government to traditionally exempt social services (e.g., expenditures pertaining to schools, hospitals and CHED/TESDA-supervised institutions) from the imposition of reserves or budgetary cuts, the delivery of basic services still suffered from its limited fiscal flexibility. The proportion of the NG’s social expenditure to GDP declined from 6.35 percent in 2000 to 5.1 percent in 2004 while that of the LGUs remained fairly constant at 0.7 percent. Many government agencies had to work with reduced budgets. Hence, real per capita spending on health, education, social security, welfare and employment, and housing went down and the financing gap for the

11 Based on a revised methodology which nets out BSP debt, GFI debt, Bond Sinking Fund and intra-sectoral debt holdings (except relent). DOF is currently working on the consolidation of the debt of nonfinancial public sector and financial public corporations (Source: DOF Press Release, 11 January 2005).
attainment of the MDGs widened.

International assistance helped cushion the adverse impact of the country’s tight fiscal situation on the provision of social services. One-third of the total ODA loans disbursements went to social services for 2001-2003. This amounts to almost US$358 million of the total US$1.07 billion total ODA disbursements for the three-year period.

Initiatives, however, have been undertaken to bolster collection efficiency in the future. Increasingly, information technology is being used to help detect leakages promptly, recover revenue losses, and establish audit trails. A strengthened tax administration complements the additional tax policy measures.

Republican Act 9334 (adjusting excise taxes on alcohol and cigarette products) was signed on December 21, 2004, while RA 9335 (Lateral Attrition Act of 2005) was signed on January 25, 2005. The former aims to address weaknesses in the current excise tax system and is expected to generate PhP15 billion in revenues for the government. The latter provides a system of rewards and sanctions through the creation of a Rewards and Incentives Fund and Revenue Performance Evaluation Board to encourage officials and employees of BIR and BOC to exceed their revenue targets for 2005.

The Expanded Value-Added Tax Bill was also signed into law on May 24, 2005. It increases corporate income tax to 35 percent from 32 percent, and gives President Arroyo the authority to increase VAT by two percentage points to 12 percent next year under certain conditions. It also ends VAT exemptions enjoyed by the power and electricity and air and sea transport industries, a measure that has projected annual proceeds of PhP56 to 60 billion. Meanwhile, the proposed reforms in the general tax amnesty and rationalization of fiscal incentives are currently being deliberated in both houses of Congress. Supplementing these, Executive Order (EO) 399 or the No-Audit Program (NAP) was issued in January 2005 exempting from official audit and investigation taxpayers who pay 25 percent above their current income tax payments. This program is designed to reduce corruption and administrative costs while enhancing voluntary compliance.

With these reforms in place, the government revised downward its deficit target for 2005 to PhP180 billion or 3.4 percent of GDP, from the MTPDP target of PhP184.5 billion or 3.6 percent of GDP. The government also focused on improving its capacity to manage and minimize risks associated with public debt. Deficit targets are expected to be cut further when the fiscal responsibility bill is passed, since this will forge an accord between the executive and legislative on the fiscal targets and accompanying strategies that will be pursued to ensure public-sector debt sustainability.

Initiatives to improve ODA utilization were also taken. The Development Budget Coordination Committee (DBCC) and the Investment Coordination Committee (ICC) jointly conducted an ODA portfolio review in early 2003 to review the progress of major ODA-funded projects, recommend deficit-neutral measures to improve ODA performance, and ensure sufficient budget support for 2003 onwards for high-priority projects. Resulting actions include cancellation of excess financing for six projects amounting to US$31 million, rephasing of implementation schedules for 15 projects, reduction in scope for 10 projects, and tapping of other sources of financing (LGUs or GOCCs) for four projects. To date, US$7.2 million of excess financing has been cancelled, implementation periods of six

| TABLE 18: National Government Expenditure Program by Sector, FYs 2000-2005 (net of debt amortization) |
|---|---|---|---|---|---|
| Expenditure | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| Economic services | 24.5 | 22.1 | 20.4 | 20.6 | 18.1 | 17.5 |
| Social services | 31.2 | 30.4 | 31.1 | 28.8 | 28.8 | 28 |
| Defense | 5.3 | 5.1 | 5.2 | 5.1 | 4.9 |
| General Public Services | 18 | 17.1 | 17.9 | 17.1 | 15.9 | 15.5 |
| Net Lending | 0.4 | 0.6 | 0.4 | 0.7 | 0.6 | 0.8 |
| Debt Service | 20.7 | 24.7 | 25.1 | 27.4 | 31.5 | 33.2 |
| TOTAL | 100 | 100 | 100 | 100 | 100 | 100 |

Source: Budget of Expenditures and Sources of Financing FY 2005

12 The AFP Modernization Program was established in 2000. In the same year, some PhP13.318 million was obligated for the program. From 2001 to 2003, actual obligation from releases made were incorporated in the budgets of the attached agencies under the Department of National Defense.
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projects were rescheduled; scope of six projects was reduced, and other sources of financing for two projects were identified and approved.

To improve public expenditure management and fiscal programming, a new ICC policy was adopted in November 2003 requiring resolution of budgetary issues prior to ICC deliberation of new project proposals or requests related to ongoing projects. Even before this, the ICC had been requiring submissions by agencies of medium-term investment programs and DBM-certified budget strategies.

The revised NG-LGU cost sharing policy was also issued to rationalize the terms of financial assistance to credit-worthy LGUs. On domestic borrowing, the NG policy has been directed at raising financial resources for development, minimizing costs and risks, and developing the domestic securities market.

The operational efficiency of government agencies was likewise enhanced. RA 9184 or the Procurement Act was passed to rationalize expenditures and enhance transparency and public accountability in government procurement. The New Government Accounting System (NGAS) was also introduced to replace the 50-year old accounting and auditing system, thus making financial reporting more responsive to the information needs of government managers and supervisors.

Challenges and priorities for action

- **Rapid rise in public debt levels constrains ability to finance development objectives**
  
  Much of the country’s vulnerability stems from rising public debt levels which are intrinsically linked to the deteriorating tax effort. Hence, upfront and sustained deficit reduction—that would reduce the country’s vulnerability to shifts in investor confidence—anchored on sustained revenue mobilization and prudent expenditure management. Higher revenues will create the fiscal space needed to support development expenditures.

  The regulatory structure governing debt management also needs strengthening. Toward this end, the creation and strengthening of a semi-autonomous Debt and Risk Management Office (DRMO) is paramount. The DRMO will develop a centralized risk management system to aid implementation of sound practices in public debt and risk management. The DRMO is envisioned to among others: consolidate and coordinate the country’s debt recording and management activities; forecast debt service requirements; program debt service payments and new borrowings; assess lending terms and negotiate best possible terms for future borrowings and provide advice on the country’s debt management strategy that is consistent with fiscal and monetary policies. As such, the DRMO must have the expertise and infrastructure to strengthen fiscal surveillance and operations.

  As part of the effort to create enough fiscal space for development expenditures, debt-swap arrangements for accelerated spending on basic services to meet the Millennium Development Goals could be explored. The debt-for-MDG swap will be governed by the clear and measurable outcomes and targets. This proposed approach would also likely advance the principle of debt forgiveness that is tied to specific development requirement of the country.

- **Poor management of off-budget risks**
  
  Improving the management of off-budget risks is crucial. The implicit guarantees provided by the national government for GOCCs, LGUs and even private companies expose the country to considerable risk as the government automatically assumes their liabilities once they default, thereby increasing the debt stock. This is very alarming considering that no clear limits are imposed on the accrual of contingent liabilities.

  There is a need to inventory, monitor and quantify contingent liabilities to measure the risks associated with these. The Executive and Congress must also agree on the setting of limits on the accrual of contingent liabilities. Moreover, provisions must be made for their expected costs in the budgetary process. There must also be an optimal sharing of risks between the government and the private sector in projects with private sector participation. The guarantee fee must be based on the duration of cooperation between the government and investors. In addition, the government’s risk tolerance must be used as basis for setting limits on issuance/pricing of guarantees, and structuring reserves against unexpected losses. Special-purpose audits of critical GOCCs will help improve their governance structure and fiscal discipline.

- **Need for shared responsibility and accountability**
  
  The capacity of revenue generating agencies will have to be continuously strengthened in order to rally collective support for the controversial tax policy reforms. Shared responsibility and accountability hinge on transparent and effective communication of reforms being undertaken. Broad institutional reforms in tax administration and expenditure management are equally crucial in building constituencies of support for the fiscal reform agenda.
Status and trends

Drug prices in the country have been documented to be among the highest in the ASEAN. Based on the data from current World Health Organization’s publication, it is estimated that only 66 percent of the country’s population has access to essential medicines (1999 est.). Thus, the government had to find ways to bring down the cost of drugs as one of the means to provide access to affordable medicines. In 2000, the Department of Health (DOH) and the Department of Trade and Industry (DTI) adopted the Parallel Drug Importation Program (PDIP) to reduce the cost of essential medicines. It was expanded to DOH’s project, GMA 50 (Gamot na Mabisa at Abot Kaya). Through this project, parallel drug imports achieved an estimated average of 60.9 percent price reduction, a figure above the 50 percent target. In widening the distribution of commonly used drugs, 800 Botika ng Barangays (BnBs) were given license to operate on January 2005, in addition to the 3,002 already established and functioning nationwide. Low priced medicines were also made available in 72 DOH hospitals and three LGU-run hospitals. Relatedly, the Philippine International Trading Corporation (PITC), through its program, “Presyong Tama, Gamot Pamampiliya” which signed up with 18 local pharmaceutical companies, supplied low cost medicines to 1,496 municipalities, 2,400 BnBs, 112 outlets of the Drugstores Association of the Philippines (DSAP), and 10 outlets of the Coops for Christ. It also signed a Memorandum of Understanding (MOU) with China’s Hebei Medical University and India’s Pharmexcil to expand the supply base of low cost medicines from other countries.

As a result of all of these initiatives, headway was slowly being made. In the Social Weather Station (SWS) survey of the last quarter of 2004, 49 percent of respondents who bought medicines two weeks before the SWS interview claimed they were able to buy low-priced medicines. Forty two percent said that they thought prices of medicines were now cheaper.

Priority policies and programs

To make medicines more accessible and affordable, the government continued to employ several strategies to cut the prices of essential medicines frequently used by the population. Through the GMA 50 program (Gamot na Mabisa at Abot Kaya–50 percent cheaper than commercial retail prices), the DOH expanded the parallel drug importation program from India. Initially operating in a few hospitals with a limited variety of medicines worth five million pesos in 2000, these imports were increased in 2001 to 42 essential drug varieties worth 100 million pesos. These were then made available nationwide through the 72 DOH retained hospitals and a few LGU devolved hospitals.

The price comparison between the parallel imported drugs, which are sold in the DOH Botikas, and their locally sourced counterparts showed an average price reduction of a little over 50 percent in 2001 and 60.9 percent in 2004 compared to prices in 2000.

The DOH also enlisted the support of the pharmaceutical industry, both local and multinationals companies, to help bring down the prices of drugs and medicines. As a result of this initiative in the pharmaceutical sector, two drug companies have put in the market a line of products 30-50 percent less than their regular prices in 2002 and another company announced that it was reducing by at least 30 percent the prices of its saleable essential medicines; generics companies have become more competitive and are now providing medicines to hospitals at prices even lower than competing parallel imports; and four (4) local drug companies have been allowed to consign products in DOH pharmacies. For instance, Cotrimoxazole, which is sold at P24.03 is being sold at P5.07 in DOH pharmacies. To ensure that only high quality medicines will be made available to the public, all prospective suppliers were pre-screened and were required to have a Certificate of Good Manufacturing Practice from the Bureau of Food and Drugs (BFAD).

Considering that generic products in the country have very low acceptability to medical practitioners and the general public, as reflected in terms of sales and use, the DOH made an effort to promote generic drugs through television commercials and
Despite efforts to increase access of the population, particularly the poor, to affordable drugs and medicines through drug price reduction, much remains to be done. This is because drug price management goes beyond actual pricing interventions. Further efforts are necessary in terms of ensuring quality, production efficiency, and cost effectiveness. Issues on marketing, drug utilization as well as regulation and monitoring also need to be addressed. Specifically, the BFAD has to be strengthened. A more efficient and effective BFAD will boost its credibility as a regulatory agency as well as its function of ensuring the quality of drugs. Moreover, it is necessary to promote rational drug use e.g. tracking violative prescriptions, supporting procurement reforms, etc. It is also imperative to continue promoting the use of generic drugs and medicines. Information about the quality and efficacy of generic drugs will give the consumer alternative choices and the opportunity to compete with branded and expensive medicines to challenge them to lower their prices. In addition, to effectively lower the price of branded drugs and medicines, parallel drug imports must be in significant amounts to affect the market shares for similar products. Local government units may also be encouraged to participate in the centralized or pooled bidding in order to reduce the costs drugs and medicines. Meanwhile, the promotion of authentic herbal/traditional/natural or alternative medication or treatments that are cost effective and appropriate for the treatment of certain illnesses or ailments of the poor should be considered and a clear and effective regulatory framework for the marketing, promotion, distribution, and practice of traditional medication and treatment has to be in place. Lastly, improving access to drugs does not only entail lowering drug prices. It also poses the challenge of addressing problems of access to hospitals and other health professionals, problems of availability of certain medicines in the market as well as health insurance issues.
ADVOCATING AND LOCALIZING THE MDGs

Meeting the challenges of the MDGs entails a strong advocacy for national ownership and sustained action to operationalize the goals and targets especially at the local level. This necessitates vigorous and continuous efforts to raise the level of awareness of leaders and other major stakeholders, and promoting policy and programmatic interventions to realize the goals and targets. In the Philippines, national and local level campaigns have been the backbone of MDG advocacy. In pushing the MDG agenda forward, the country builds on the gains and opportunities offered by existing collaboration and evolving partnerships among key players.

As frontline institutions, the LGUs as well as civil society and the business sector have significant roles to play to realize the MDGs. For the most part, the achievement of the MDG targets largely depends on the delivery of devolved basic social services and active participation of the basic sectors. The LGUs, in particular, make a significant portion of public expenditure decisions at the local levels. The national level agencies provide direction and an environment that will enable local institutions to commit and respond appropriately to the basic needs of the community.

ENABLING ENVIRONMENT FOR MDG ADVOCACY AND LOCALIZATION

At the national level, a policy environment conducive to attainment of the MDGs was provided. First, Social Development Committee (SDC) Resolution No. 1 Series of 2003 entitled “Expanding the Functions and Composition of the Multisectoral Committee on International Human Development Commitments (MC-IHDC), Amending SDC Resolution No. 1, Series of 1996” mandates the MC-IHDC, a subcommittee of the NEDA Board SDC, to monitor, report, review and evaluate Philippine compliance with global commitments on human development including the MDGs. As chair and secretariat of the MC-IHDC, NEDA provides overall direction in monitoring compliance to MDGs. Through the same resolution, the Department of the Interior and Local Government (DILG) was tasked as the lead agency for localization of the MDGs.

Second, RA 7160 or the Local Government Code (LCG) tasks the LGUs to be primarily responsible for providing basic social services to their constituents. MDGs, to a large extent, are basic services that are devolved functions to the LGUs. As cited in the LGC, these include promotion of public health and safety, enhancement of people’s right to a balanced ecology, enhancement of economic prosperity and social justice, promotion of full employment among the residents, and maintenance of peace and order, among others. In relation to this, various memoranda have been issued by DILG towards the localization of MDGs. One significant milestone is the issuance of DILG Memorandum Circular No. 2004-152 “Guide to Local Government Units in the Localization of the MDGs” which provides the menu of PPAs per MDG goal and target to guide LGUs in responding to MDGs.

Third, the Medium-Term Philippine Development Plan (MTPDP) 2004-2010 hews closely to the MDGs. The Plan cites the MDGs not just as top priority goals and targets, but a commitment to ensure a brighter prospect for all Filipinos, especially the poor. The Plan also carries national targets for 2010 vis-à-vis MDG targets for 2015.

Fourth, to account how much goes to MDG-related programs, activities, and projects (PAPs), a new dimension was introduced in the formulation of the Medium-Term Public Investment Program (MTPIP), 2005-2010 through identification of investments per goal and target. The operationalization of the MTPIP serves as the critical link between planning, programming, and budgeting.

Fifth, the business sector and civil society organizations (CSOs) are strongly committed to helping the government achieve the MDGs. Lastly, the donor community is strongly supporting the MDGs. The MDGs have been the overriding framework of the donors in country programming, such as the UN Development Assistance Framework, and the Country Programs of the World Bank, Asian Development Bank, Australian Agency for International Development and the European Commission, among others.

One significant UN-led activity was the launching on February 16, 2005 of the Millennium Project Report entitled “Investing in Development: A Practical Plan to Achieve the MDGs.” The head of the project, Professor Jeffrey Sachs, discussed through live video feed how the report can be used in the Philippines. The report proposes straightforward solutions such as poverty mapping, investment strategy and financing strategy to meet the MDGs by 2015. The three critical areas for investment are human capital, physical environment and infrastructure. Professor Sachs described the MTPDP as “among the best, if not the best around”.

Second Philippines Progress Report on
ADVOCACY INITIATIVES

Government Initiatives

The first sparks of the government-led MDG advocacy were lit when the MC-IHDC under the NEDA-SDC took the lead in drafting the first progress report on the MDGs. The report itself has proven to be an important tool for awareness raising, advocacy, alliance building, and renewal of political commitments at the country level, as well as for building national capacity for monitoring.

Launched in January 2003, the First Philippines Progress Report on the MDGs has undergone a series of broad-based consultations with development partners namely, government agencies, non-government organizations, private sector, academe, United Nations Country Team (UNCT) and other donor agencies. The report essentially contains status and trends, policies and programs, and challenges/priorities for action. The report gave the national status of the country vis-à-vis the MDGs for the period 1990 (MDG baseline year) to 2000.

Taking off from the challenges and recommendations of the first progress report, the NEDA in cooperation with the UNCT conducted a strategy workshop on mainstreaming the MDGs among key partners in the socioeconomic field on April 21, 2003. The workshop aimed to start activities that will promote strategic interventions to mainstream the MDGs in the national and local development agenda. The workshop resulted in the following: (a) understanding the MDGs in the context of MTPDP; (b) validation and prioritization of key issues (e.g. on targeting, data/statistics, effectiveness of interventions, capacity building, budget and resources, localization, legislation, and institutional arrangement) that should be addressed in order to attain the MDG targets; (c) identification of key action points; and (d) agreement on the institutional arrangement for the MDGs including roles of lead agencies in mainstreaming the MDGs.

In August 2003, a national workshop on enhancing the capacity to monitor global human development commitments was organized by the NEDA through the Strengthening Institutional Mechanisms for Convergence of Poverty Alleviation Efforts, Phase II (SIMCPAE-2) project implemented by the National Anti-Poverty Commission (NAPC) and funded by UNDP. The workshop participants, most of whom were planning officers from government and NGOs, were able to: (a) validate, update and refine the indicators/data included in the Social Development Management Information System (SOMIS) ensuring their consistency and relevance to international MDGs and national priorities; (b) review institutional setup and necessary linkages among agencies in terms of data collection, analysis, and feedback, including the technology to enhance the current SOMIS; and (c) identify further areas of cooperation among government agencies, the NGOs and International Organizations.

To advocate critical governance reforms within the Administration’s 10-point legacy agenda and MDG commitments, the GOP-UNDP Governance Portfolio Management Office embarked on a multisectoral campaign-festival called the “10 to 10” from October to December 2004. Overall theme of the campaign is “Engaging People and Communities: Advancing Governance Reforms towards the Realization of the MDGs.” Five thematic areas in the campaign respond directly to the MDGs, namely: (a) Human Rights, Gender, and MDGs: People’s Rights First in the Realization of the MDGs; (b) Public Administration Reforms (PAR): Enhancing the Administration of Service Delivery; (c) Environmental Governance: Strengthening Governance towards Environmental Sustainability; (d) Anti-Poverty: Empowering and Engaging the Basic Sectors in Governance; and (e) Local Governance: Scaling up the Gains in Local Governance.

There were also efforts toward reframing the “20-20” campaign of the Task Force on the 20-20 Initiative towards the MDGs. In accordance with EO 145, “Pursuing the Rationalization of the Organization and Supervision of Agencies Under/Attached to the Office of the President” and its Implementing Rules and Regulations (IRR), the mandated functions of the Task Force on the 20-20 Initiative has been subsumed under the MC-IHDC. The MC-IHDC undertakes advocacy campaigns that ensure integration of the country’s MDG commitments vis-à-vis the 20-20 Initiative Framework.

Through funding assistance from the Office of the UN Resident Coordinator and UNDP, posters and brochures on the MDGs were also produced and disseminated to various sectors of society.
Legislative Briefings

Briefings among the legislators, both from the Upper and Lower Houses of Congress were undertaken in 2004. To further engage leaders and members of the Senate and the HOR in the discussion of urgent and responsive legislation in achieving the MDG targets, the PLCPD, in partnership with the United Nations Resident Coordinator (UNRC), UNFPA, NEDA, Senate Economic and Planning Office (SEPO), Congressional Planning and Budget Department (CPBD), Philippine Business for Social Progress (PBSP), People’s Legislative Advocacy Network (PLAN), and Social Watch Philippines held a series of roundtable discussions (RTDs) entitled “Crafting a Legislative Agenda in Pursuit of the MDGs” from August 18 to September 22, 2004.

The roundtable discussions and the subsequent HOR Legislative Agenda Planning Conference gave opportunities to increase the ranks of legislative champions and policy advocates of MDGs. As a result, 12 key policy areas for reforms were identified as priorities for legislation and integrated in the Legislative Agenda for the 13th Congress namely, fiscal and debt management, trade reforms, agro-industrial development, population management, reproductive health and health access, nutrition, quality education, gender equality, environment protection and natural resource management, and good governance and human security.

More significantly, the HOR formally created the Special Committee on the MDGs with Congresswoman Nerissa Corazon Soon-Ruiz serving as Chair. The Special Committee will function as an oversight body of HOR in attaining the MDGs. It will: (a) ensure the passage of MDG-supportive bills; (b) study and assess the effectiveness of MDG-supportive laws; (c) institute a progress review of the MDG policy agenda every 18 months; and (d) ensure budget allocation in the annual General Appropriations Act (GAA) for MDG-supportive programs.

Civil Society Organization Initiatives

Social Watch Philippines (SWP) led the CSOs in ensuring the realization and localization of MDGs. SWP stems from the Social Watch international network which aims to monitor national obligations to economic and social rights within the context of an international enabling environment for social development.

SWP’s advocacy on the MDGs started during its participation in the United Nations International Conference on Financing for Development in 2000. Since 2002, SWP has been organizing a series of island-level as well as national level activities on various issues around social development, poverty and more specifically, the MDGs. In March 2004, during the National Consultation of CSOs on the MDGs, two important roles of the CSOs were highlighted— as campaigners and as accountants. As campaigners, they must be steadfast in advocating for the MDGs while as accountants, they must monitor and measure results efficiently. An important outcome of this conference was the Conference Declaration that embodied the CSOs’ commitments to actively monitor the implementation of the MDGs. Among the CSO initiatives to be undertaken to ensure the realization of the MDGs are: (a) develop creative alternatives and share best practices in achieving human development within the framework of democracy and human rights; (b) pressure the national and local governments to make MDGs the centerpiece of government policy on social and economic development; (c) use the MDGs as benchmark for monitoring government performance; and (d) encourage stakeholders to go beyond the prescribed MDGs and identify local goals and targets that are relevant and responsive to conditions and needs at the community down to the household levels.

In line with their monitoring task, the SWP developed the Social Watch Monitoring System. Designed for small area monitoring, i.e., provinces and municipalities, the system aims to localize social watching and ensure that national goals and strategies are translated into concrete programs and projects at the local level. The system was implemented in pilot areas and resulted in a publication, “Tracking Progress: Accomplishments and Shortfalls in Local Social Development.”

Cases documentation was completed along the following concerns: quality of employment, reproductive health, health information system, peace initiatives and partnership between government and civil society groups.

With assistance from the EC, the Action for
Economic Reforms (AER), an SWP partner, has launched a project to establish a local monitoring system on the MDG to improve local capacity to monitor progress in the MDGs by developing a functional information system appropriate to local needs and resources. Results of the study may be used to complement and improve the DILG-endorsed CLPIMS.

The SWP is also pushing policy advocacy at the national and local levels. At the national level, SWP provided the civil society perspective during government-civil society consultations on the MDGs. SWP will soon publish its mid-term review of the status of the MDGs in the Philippines from a civil society perspective in time for the forthcoming Millennium Summit.

At the global level, SWP has joined the civil society campaign on the Global Call to Action against Poverty (GCAP) which advocates the eradication of poverty and achievement of the MDGs.

**Business Sector Initiatives**

In 2002, at the forum of business leaders and social development practitioners hosted by the International Business Leaders’ Forum (IBLF) and the UNDP, the Philippines was one of three countries (the others being Brazil and South Africa) identified as models to demonstrate how the business sector engages government and civil society for social development and MDG attainment.

The Philippine Business for Social Progress (PBSP) led the business sector in crafting the Philippines MDG Framework for Business Action, through a series of consultations with business executives and leaders of corporate foundations, corporate officers, CEOs and partners from government, NGOs and the donor community.

The framework for action shows how business can help attain the MDGs through three key areas, namely, core business, social investment, and policy advocacy, along four major concerns—poverty, education, health and environment (Table 19). These action points were presented in a CEO Forum during the Corporate Social Responsibility Expo in July 2004 attended by representatives from business, NGOs, the UN and multilateral/funding organizations and business agencies.

The business sector has completed and published an MDG-Business report entitled “Responding to the Millennium Development Challenge: A Roadmap for Philippine Business.” This contains best practices on corporate social responsibility as business’ response to the MDGs, the action plans or strategic action points drafted by the square tables of each MDG cluster, and the process of drafting the Business and MDG action plans.

The strategic action points above were translated into concrete programs and projects, which business can adopt to help achieve the Philippine MDG targets. These flagship programs/projects were presented in a series of CEO Forums on Poverty, Education, Health and Environment to 55 CEOs, corporate officers and business groups to create buy-in.

All 198 PBSP member-companies committed

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to support the Business and MDG Programs. Outside of this membership are seven companies which initially signified interest to adopt and support the programs. PBSP as the secretariat forged partnerships with some institutions to carry out the programs and committed to monitor and report the progress of the business sector commitment to the MDGs.

**Academe Initiatives**

The National College of Public Administration and Governance (NCPAG) of the University of the Philippines is a major advocate in mainstreaming the MDGs among schools of public administration and the LGUs. Through the Association of Schools of Public Administration in the Philippines (ASPAP) network, it has helped build the capacities of schools of public administration in the Philippines to participate in and influence local development. Building on its proven institutional capacity, it has influenced better policy decisions on governance reforms.

As a contribution to the 10 to 10 Campaign on governance, particularly under Public Administration Reforms: Enhancing the Administration of Service Delivery, the UP-NCPAG and ASPAP organized the national conference and general assembly for schools and teachers of public administration last October 2004. With the theme, “Public Administration and the MDGs: Challenges and Reforms for Effective Teaching and Capacity Building for Service Delivery,” the conference allowed participants to: (a) discuss the need for collective action for reforms in view of the MDGs; (b) recognize the role of public administration in poverty alleviation; (c) set and enforce standards in public administration; and (d) determine the core competencies for the public administration curriculum. The conference validated the need for academe and schools of public administration to expand their roles and be more relevant to good governance and MDGs. Their role as key providers of knowledge and information needs improvement for them to be responsive to the needs of the LGUs where they are operating.

An immediate offshoot of the national conference was the conduct of a regional conference on mainstreaming the MDGs in local governance spearheaded by an ASPAP member-school, the University of Northern Philippines (UNP) from November 30 to December 1, 2004. The conference provided an opportunity to articulate the MDGs in the development plans of local government and NGOs, particularly in Vigan City, Ilocos Sur.
Local Level Initiatives

Workshops and consultations were held to advocate MDGs at subnational levels. Targets of advocacy were regional officials who were in turn expected to initiate advocacy activities in their respective regions. In April 2003, the NEDA and DILG jointly mounted the UNDP-funded Regional Workshop on Mainstreaming the MDGs and Social Development Management Information System (SOMIS). This was intended to increase level of awareness and appreciation of NEDA and DILG Regional Directors on the MDGs and the SOMIS indicators.

In 2004, through the collaboration of NEDA, POPCOM, DILG, UNFPA and MEDCO, a series of workshops on the MDGs and ICPD for national and regional partners were held in Cebu, Davao and Manila. This aimed to deepen the knowledge and understanding of national and regional partners about MDGs and ICPD and their linkage as well as formulate action plans to advocate and mainstream MDGs and ICPD in planning, programming, monitoring and evaluation processes. Multisectoral fora were subsequently conducted in various provinces in each region. In Region V, their MDG Regional Task Force took the lead in organizing the Multisectoral Fora on the MDG and ICPD+10 in several provinces in the region. In attendance were provincial governors, vice-governors, mayors, vice-mayors, Sangguniang Bayan officials, local planning and action officers, and representatives of provincial offices. Aside from UNFPA assistance, financial resources were mobilized from the regional offices of POPCOM, DOH and DENR to fund these advocacy activities.

Within Metro Manila and Region IV, NEDA, DILG and the UNRC provided briefing sessions on the MDG in response to requests from various groups, i.e., regional, provincial, city and municipal planners and program implementers, Leagues of Municipalities, Cities and Provinces.

Regional (Inter-Country) Level Initiatives

The Philippines attended the First Regional Workshop on the MDGs in Asia and the Pacific organized by the United Nations Development Group Office (UNDGO) in cooperation with the UNDP in October 2002 at Vientiane, Lao PDR. Participating countries learned from the experiences and approaches of others in the region that have completed their first MDG Report and initiated advocacy campaigns. The workshop was effective in clarifying conceptual and technical issues relating to the MDGs as well as in identify-
ing key challenges that need to be addressed in order to create a sense of national ownership for the achievement of MDGs. Among other outputs, the workshop resulted in the development of Country Action Plans.

Jointly organized by UN ESCAP and UNDP and hosted by the Institute for Strategic and Development Studies, the Sub-Regional Workshop on Disseminating the First Regional MDG Report was held on February 4-5, 2004 in Manila. The workshop, attended by policy makers, NGOs and UN agencies from 10 East and Southeast Asian countries, aimed to disseminate the regional report “Promoting the MDGs in Asia and the Pacific: Meeting the Challenges of Poverty Reduction.” The discussion on common issues and sharing of country experiences paved the way for awareness raising on the MDGs, pilot testing of key MDG messages, further development of coalitions, and stimulating participant countries in accelerating the implementation of national actions for MDGs.

The UNDP-Asia Parliamentary Policy Analysis Network (APPAN) conducted a back-to-back workshop and the Third APPAN meeting among legislators, public policy makers and parliamentary policy analysts from Asia and the Pacific on March 15-16, 2004 in Manila. The workshop-cum-meeting tackled the parliament’s role in advancing the MDGs to address poverty alleviation. Sessions included: The Millennium Declaration and the Parliamentarians, Trade and Human Development Post Cancun and the Goal of the Millennium Declaration, and Organizing to Make a Difference: The Women’s Political Caucus. Philippine Senate President Franklin Drilon and Speaker of the House of Representatives Jose de Venecia, Jr. gave the welcome address.

In August 2004, a follow-up regional workshop on the MDGs in Asia-Pacific was held in Manila, jointly organized by UNDP, UNDGO and Asian Development Bank. The workshop provided an intercountry forum for experience sharing and stocktaking of MDG action plans that countries have prepared and have been implementing. A significant output of the meeting was the 2005 work plan of each participating country on the MDG agenda especially with reference to 2005 Millennium Summit + 5. The Philippine delegation, through the NEDA-Social Development Staff (SDS) presented the 2004-2005 MDG Country Action Plan including accomplishments based on the 2003 Action Plan prepared during the 2002 Vientiane Regional MDG Workshop. In attendance were government, civil society organizations, donor communities and business sector representatives from China, India, Indonesia, Iran, Malaysia, Pakistan, Sri Lanka, Thailand, Vietnam and the Philippines.

The 2004-2005 Philippines MDG Action Plan includes the following activities aimed at increasing the level of appreciation of the broader public on the MDGs: (a) nationwide essay writing contest; (b) MDG songs produced and disseminated to develop public opinion supportive of the MDGs; (c) media for MDGs and advocacy to increase media reportage on the MDGs; (d) orientation and training of national government officials including government Information Officers; (e) MDG localization in planning, budgeting, and replication of best practices; (f) popularization of WASH (Water, Sanitation and Hygiene for All) Caravan; (g) monitoring the MDGs; and (h) MDG policy agenda for Mindanao to look at critical issues and challenges in the region related to attaining the MDGs.

The country also participated in the conference on “Translating the MDGs into Action through Water Supply and Sanitation (WSS)” organized by the Water and Sanitation Program-East Asia and the Pacific (WSP-EAP) in February 2003 in Rayong, Thailand. The conference enabled participants to collectively understand how improving WSS can contribute to achieving various MDGs in East Asia and identify implications of achieving the MDGs for
sector strategies and modes of operation including synergies with other sectors in the EAP.

Lastly, the country participated in the Inception Seminar/Workshop in Upgrading Statistical Capabilities on MDG Indicators held at Kerala, India on December 13-15, 2004. The Seminar/Workshop was organized by the United Nations Statistical Institute for Asia and the Pacific (SIAP). As a result of the Seminar/Workshop, the participants, composed of 40-45 heads of national statistical offices and UNDP MDG focal points, were able to increase their knowledge and appreciation of the main statistical challenges related to the targets and indicators and the MDG reporting process; and came up with an action plan for improving the availability of MDG indicators including timeliness, required levels of disaggregation as well as their reliability.

LOCALIZATION INITIATIVES

The national government provides an enabling environment for the LGUs to be aware, committed and capacitated to address the MDG targets in the locality. The MDG localization initiatives are guided by the MDG localization framework (see Annex 1) developed by the DILG the primary government agency responsible for localizing MDGs. The framework identified a set of desired outcomes for an MDG-responsive LGUs which include the following: (a) a local development plan that includes MDG targets with increasing budget for MDG-related programs, projects and activities (PPAs); (b) local policies that facilitate the achievement of the MDGs; (c) improved delivery of basic services and continuing replication of good practices; (d) local monitoring system which is able to track down accomplishments vis-à-vis targets; (e) LGUs having ownership and accountability of the MDG-related PPAs; and (f) inclusion of accomplishment of MDG targets as one of the performance commitments of the LGUs.

To attain the desired outcomes, various initiatives have been carried out both at national and local levels which can be categorized according to the following major interventions: (a) policy formulation; (b) tools development; (c) capacity building, and (d) documentation and replication of good practices.
Policy Formulation

Issuances of policy guidelines, memoranda and resolutions were made at national and subnational levels. A significant milestone is the issuance of DILG Memorandum Circular No. 2004-152 “Guide to Local Government Units in the Localization of the MDGs” dated November 10, 2004, which provides the following: (a) menu of PPAs per MDG goal and target to guide LGUs in responding to MDGs; (b) diagnosis of local situation using existing local indicator and monitoring system; and (c) call for documentation and replication of good practices.

To monitor the implementation of MDGs at subnational levels, LGUs were enjoined to use the “Policy Guidelines for the Adoption of the Core Local Poverty Indicators in Planning” as contained in the DILG Memorandum Circular No 2003-92 dated April 29, 2003. The guidelines were meant to aid the local government units in assessing and understanding poverty and its dimensions at the barangays, municipalities, cities and provinces to be able to formulate and implement their local poverty reduction action plan.

Various resolutions were also issued by the Regional Development Councils (RDCs), to wit: (a) RDC IV Memo Circular 2001-02 “Instituting a Planning and Budgeting Measure to Ensure that Nutrition Program Interventions are Funded”; (b) RDC XII Resolution No. 53, Series of 2003, “Approving the Mainstreaming of the MDGs in the Development Planning Processes at the Regional and Local Levels”; (c) RDC V SDC Resolution 05-01 Series of 2004, “Adopting the 2015 MDGs to Include the Monitoring, Review and Evaluation of the Set Goals and Integration of MDG Monitoring in Each Line Agency’s Monitoring System”; and (d) RDC V Resolution No. 05-21 Series of 2004, “Approving and Endorsing the Localization and Mainstreaming of the MDGs and the ICPD in Development Processes at the Regional and Local Levels.”

As a result of the UNFPA-funded regional workshops on the ICPD and MDGs held in Cebu, Davao and Manila, all RDCs issued in their respective regions a resolution “Enjoining Support to the Localization of the MDGs and the Celebration of the 10th Anniversary of the International Conference for Population and Development (ICPD).”

Tools Development

The DILG is working very hard to localize the MDGs contained in DILG Memo Circular No. 2004-152. In consultation with oversight and implementing government agencies and the Leagues of Provinces, Municipalities and Cities, it developed an LGU guide to localize the MDG. The LGU guide options recommend specific projects and activities which the LGUs may implement to address MDG targets under each goal. With these options, LGUs are expected to increase their budgetary allocation for basic social services responsive to MDGs.

Led by DILG, there are also ongoing consultation meetings to discuss the guidebook on simplified planning and budgeting. This guidebook shall be an MDG-responsive local planning and budgeting document that will help local planners and planning advocates simplify the integration of planning requirements including the MDGs.

A number of local monitoring tools has been developed and are already being used to monitor poverty reduction at the local level, i.e., Minimum Basic Needs-Community-Based Information System (MBN-CBIS), Integrated Rural Accessibility Planning (IRAP), Local Government Performance Measurement System (LGPMS), and Core Local Poverty Indicator Monitoring System (CLPIMS). It should be noted that a consensus was made among various government agencies to review existing local poverty monitoring systems and establish a set of comparable core indicators across monitoring systems. CLPIMS was the end result of this initiative which was approved by the National Anti-Poverty Commission (NAPC) en banc in 2003. Through DILG Circular No. 2004, LGUs, especially those which have no local monitoring tools, are encouraged to use the CLPIMs (13+1 indicators) to assess their local situation and gather baseline information to identify interventions that will help achieve the country’s MDGs by 2015.

Capacity Building

To carry out the task of localizing MDGs, LGUs need to be equipped with skills in planning, designing, implementing and monitoring local projects. Over the past years, capacity building interventions for LGUs have been provided through the Local Government Academy. Jumpstarting Course and Looking Forward Course for newly elected and reelected officials, respectively, were linked to the attainment of the MDGs, focusing on leadership and accountability, advocacy capacities, resource management, and improvement of technical skills.
Localizing the MDGs: The Naga City Framework

Naga, a medium-sized city, is made up of 27 barangays, covering a total of 77 sq. kilometers. Notwithstanding its geographical disadvantage, i.e. a landlocked location in the middle of Bicol flood plain and distant from Metro Manila, Naga went on to be one of the more innovative Philippine cities earning the distinction of being one of the most awarded and recognized cities in the country.

The city’s core philosophy of “growth with equity” endeavors to simultaneously promote economic development and sustain implementation of pro-poor equity enhancing projects. Underpinning this philosophy is Naga’s model of good governance, to wit: (a) progressive leadership building prosperity for the community at large with an enlightened bias for the poor; (b) functional partnership with the private sector and civil society guided by principles of role definition, resource complementation, and specialization; and (c) people participation through the Naga Socialized Program for Empowerment and Economic Development (SPEED), Empowerment Ordinance, and i-Governance (Inclusive governance, Information openness, Interactive engagement, Innovative management). As important as MDGs is the empowering process that goes with them. Poverty, after all, is not merely lack of income or low survival rates but also the disempowerment of the individual.

Localizing the MDGs

Naga City’s efforts in localizing the MDGs include: (a) translating the targets and indicators through the Naga City People’s Council; (b) setting the baseline through interpolation of regional or provincial figures in the absence of data; (c) reorienting the reporting system to match the MDG indicators since the MDGs are already adequately covered in its poverty alleviation program; and (d) monitoring and evaluating the MDGs on a sampling basis with full surveys reserved during election years to serve as benchmark for the new administration.

Kaantabay sa Kauswagan (Partners in Development) Program

Naga’s effort in attaining the MDGs can best be illustrated by the Kaantabay sa Kauswagan (Partners in Development) Program. The Kaantabay sa Kauswagan is a social amelioration program primarily designed to empower squatters and slum dwellers which comprise some 25 percent of the city population residing in 21 urban villages of the Naga City. Quartered by the Urban Poor Affairs Office, the Program has now evolved into what is nationally and internationally considered as the Philippine’s best urban poor program, having been featured in two editions of the League of Cities-sponsored City Sharing Workshops and in an international gathering in Surabaya, Indonesia; and was site visited by Indian local government officials.

Since its inception, the program has disposed a total of 33 hectares of private and government-owned lands to a total of 2,017 urban poor families, 617 of them in 1994 alone, which already represent around half of the total urban poor population in the city. In addition, it has upgraded 27 urban poor communities hosting around 2,700 families and secured, as part of its land banking strategy, a total of 25.4 hectares for future housing projects of the city government.

More importantly, it has institutionalized a functional tripartite mechanism for permanently settling land tenural problems between landowners and land occupants; elevated living conditions of the urban poor through on site area upgrading projects for blighted urban poor communities; established intra-city relocation sites for victims in extreme cases involving eviction and demolition; and provided them with livelihood opportunity by introducing a livelihood component to the program to cushion the impacts of urbanization.

Source: Localizing the MDGs: The Naga City Framework, a paper presented by Mayor Jesse M. Robredo at the Joint Session of the United Cities and Local Government (UCLG) and the UN Habitat at the World Urban Forum held in Barcelona, Spain on 17 September 2004
MDGs should not be looked at as a new set of goals and targets that require separate and additional actions. A broad range of initiatives by various development partners has been supportive of the goals and targets. The task is to secure a sharper focus and specific time-bound results based on the MDGs. The strategies for advocating and localizing MDGs are dynamic and will continue to evolve based on various experiences gained at the regional, national and local levels. Following are the challenges that have to be dealt with and the priority actions to be implemented.

- **Develop an Advocacy Plan**
  Much has already been accomplished to make the UN development partners aware of the MDGs but a lot still needs to be done to reach the broader public and get them to be active partners working and advocating for the MDGs. An Advocacy Plan should be in place to harness the synergy of advocacy initiatives of various stakeholders at the regional, national and local levels. Priority attention should be given to areas where MDG information are most needed, i.e., ARMM, CAR, Region V.

- **Sustain and scale up campaign for localization**
  Initiatives of the LGUs, CSOs and the business sector need to be sustained and scaled up to cover all provinces. There is a need for wider partnership and collaboration with a range of actors and stakeholders especially those whose contributions are critical to mobilize commitments, resources and capacities for advocacy. Capacities of partners in advocacy, especially at the local level, have to be enhanced. The MDG localization process must ensure the active participation of the people in the community in the planning and decision-making process. They should be treated not as mere beneficiaries but as partners in development.

  Data emerging from reports like the Philippines Progress Report on the MDGs, the Business Sector Report and others have to be disseminated to build and/or improve level of awareness and galvanize public opinion in support of MDG-related policies and programs.

- **Improve efficiency and increase spending for MDGs**
  Given the enormous financial requirements of the MDGs, and with increasing share of the LGUs in the internal revenue allotment and their accountability on basic services, it is critical to make LGUs increase their spending for MDGs. To realize this, they must first be provided access to knowledge and best practices in providing BSS and other MDG-related services. LGUs are encouraged to make full use of the inventory of best practices already documented by DILG. They may also partner with existing successful campaigns of government and NGOs, i.e., popularizing and implementing the WASH Caravan.

  LGUs have to be given training on local planning and budgeting incorporating MDGs. National government should also help mobilize resources to support poor LGUs in implementing MDGs.
Meeting the MDGs does not always mean additional resources. Efficiency in spending has to be improved to maximize results out of limited resources. Studies have shown that LGUs and local partners are good at this. It has been documented that LGUs are able to construct public schools cheaper than the DPWH does. Construction of sanitary toilets has been reported to cost less through the CIDSS project than when implemented by the DPWH.

**Continue documentation of best practices on MDGs**

Innovative, indigenous and efficient practices have been demonstrated in the provision of basic social services. Hence, there should be continuing documentation of these practices so that others may learn from these lessons and replicate them in their locality and network.

**Monitoring**

There is a need for a systematic and sustained tracking of progress of the MDGs at the local level - disaggregated by sex, location, and population groups. Stakeholders will have to be regularly updated of the status and shortfalls to keep the focus on the MDGs.

LGUs have to be assisted to enhance their monitoring capacities and in the process appreciate the necessity of generating and analyzing data for planning and programming. Their capacities in data gathering and poverty diagnosis should be improved, i.e., through conduct of trainings for the CLPIMs. MDGs need to be part of performance targets of local officials in the delivery of basic services allowing them to take corrective actions to improve performance.

LGUs, however, must be assisted on how to translate MDG targets into local targets.

Aside from the LGUs, CSOs must continue to engage in monitoring status and trends of MDG targets and tracking LGU performance. As partners, the constituents themselves must help in monitoring whether LGUs are performing their mandates, i.e., attending to the community’s basic needs.

**Business sector and CSO participation**

Critical partners such as the CSOs and the business sector should continue to collaborate with government in achieving the MDGs. CSOs must continue to be MDG advocates and monitors. In particular, Social Watch needs to pursue and expand its monitoring beyond the initial pilot areas and refine the system to ensure its impact on policies and programs. The business sector should firm up business action points and implement identified MDG-related projects on poverty, education, health and environment.
FINANCING THE MDGs

Total government expenditures on social services for 2001 reached PhP158 billion or 27.5 percent of the total national government expenditures. For 2002, social services made up 30 percent (PhP179 billion) of the total national government expenditures. Expenditures for these services comprised 27.6 percent (PhP181 billion) of the total national government expenditures in 2003 and 44 percent (PhP192 billion) in 2004.

For the past years, Education, Culture and Manpower Development consumed majority of the expenditures, which on average made up about 70 percent of the total expenditures of the national government on social services. Social security, welfare and employment came in next with about 20 percent of the total national government expenditures on social services in 2001-2004.

<table>
<thead>
<tr>
<th>Sector/Year</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Services</td>
<td>88,282,778</td>
<td>94,462,976</td>
<td>96,562,628</td>
<td>101,734,136</td>
</tr>
<tr>
<td>Social Services</td>
<td>157,826,071</td>
<td>178,695,223</td>
<td>181,036,460</td>
<td>192,407,806</td>
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<tr>
<td>Defense</td>
<td>33,946,222</td>
<td>38,114,414</td>
<td>44,423,149</td>
<td>43,846,724</td>
</tr>
<tr>
<td>General Public Services</td>
<td>88,990,702</td>
<td>91,454,991</td>
<td>101,688,379</td>
<td>97,753,380</td>
</tr>
<tr>
<td>Total Productive Expenditures</td>
<td>369,045,773</td>
<td>402,727,804</td>
<td>423,710,616</td>
<td>435,742,046</td>
</tr>
</tbody>
</table>

Table 20: Distribution of Public Expenditures, National Government
By sector, 2001-2004 (in thousand pesos)

Source: DBM, Budget of Expenditures and Sources of Financing

Meanwhile, data on expenditures for social services of LGUs for the period 2001-2004 indicate mixed results. In 2001, it reached a high of PhP29 billion, but decreased in 2002, then gained a tremendous increase in 2003 at PhP34 billion followed by PhP36 billion in 2004.

<table>
<thead>
<tr>
<th>Sector/Year</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Services</td>
<td>15,982,070</td>
<td>45,484,830</td>
<td>52,853,500</td>
<td>58,700,890</td>
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<tr>
<td>Social Services</td>
<td>28,979,110</td>
<td>26,352,690</td>
<td>34,001,700</td>
<td>36,135,990</td>
</tr>
<tr>
<td>Defense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General Public Services</td>
<td>63,375,820</td>
<td>69,580,140</td>
<td>73,954,470</td>
<td>78,545,740</td>
</tr>
<tr>
<td>Total Productive Expenditures</td>
<td>108,337,000</td>
<td>141,417,660</td>
<td>160,809,670</td>
<td>173,382,620</td>
</tr>
</tbody>
</table>

Table 21: Distribution of Public Expenditures, Local Government Units
By sector, 2001-2004 (in thousand pesos)

Source: DBM, Budget of Expenditures and Sources of Financing

For the past four years (2001-2004), ODA for the social reform development sector has been fluctuating. In 2001 for instance, the total ODA committed to the sector was US$ 46.74 million, a meager 2.8 percent of total ODA for that year. On the other hand, in 2002, total ODA that went to the social reform development sector reached a total of US$ 318.55 million, which comprised about 27.32 percent of total ODA for that year. In 2003 (US$113.69 million) and 2004 (US$58.13 million) ODA committed to the sector declined.

<table>
<thead>
<tr>
<th>Sector/Year</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, agrarian reform and natural resources</td>
<td>308.99</td>
<td>126.77</td>
<td>97.15</td>
<td>59.97</td>
</tr>
<tr>
<td>Governance and institutions development</td>
<td>164.18</td>
<td>41.71</td>
<td>141.54</td>
<td>18.96</td>
</tr>
<tr>
<td>Infrastructure development</td>
<td>902.72</td>
<td>662.28</td>
<td>90.24</td>
<td>468.12</td>
</tr>
<tr>
<td>Social reform and development</td>
<td>46.74</td>
<td>318.55</td>
<td>113.69</td>
<td>58.13</td>
</tr>
<tr>
<td>Industry and Services</td>
<td>247.29</td>
<td>2.98</td>
<td>2.02</td>
<td>-</td>
</tr>
<tr>
<td>Total Commitments</td>
<td>1,670.36</td>
<td>1,152.28</td>
<td>444.64</td>
<td>605.24</td>
</tr>
</tbody>
</table>

Table 22: ODA Commitments, By sector, 2001-2004
(US$ million)

Source: NEDA-PIS
Several projects were completed within the period. For the sector with direct effects on the MDGs, the Special Zone of Peace and Development Social Fund (SZOPAD Social Fund) Project, completed facilities which include: 219 Madrasah classrooms, 131 school classrooms, 1,198 meters of pedestrian bridges, 45 Barangay Health Stations, eight timber ports, and one training center. Also completed were the renovation of five Madrasah classrooms, 41 school classrooms, one Barangay Health Station, two small irrigation systems and three dug wells.

The WB-assisted Women’s Health and Safe Motherhood Project produced the following outputs: (a) upgraded obstetric units in 70 Rural Health Units (RHUs) and 74 Barangay Health Stations (BHSs) in 36 provinces, including the provision of furniture and equipment; (b) trained 2,450 Public Health Providers, 26 Project Coordinators, 16 Trainors on the Syndromic Approach to Diagnosis and Management of Reproductive Tract Infection/Sexually Transmitted Disease (RTI/STD) care in 10 provinces in Visayas and Mindanao and public health workers in the 70 RHUs and 74 BHSs in 36 provinces; and (c) constructed and provided 10 RTI/STD clinics with diagnostic equipment in the 36 provinces.

There are several ongoing projects which are directly related to the attainment of the MDGs. Under the health sector, health facilities in five district hospitals were upgraded/renovated while health facilities in one district, three rural health units and seven barangay health stations were replaced/constructed under the Integrated Community Health Service Project. In addition, various equipment for two provincial hospitals and 15 district hospitals were procured and delivered.

As the share of health expenditure to GNP had continually decreased over the last decade (from 3.5 percent in 1997 to 2.7 percent in 2002, according to National Health Accounts), the share from private sources of healthcare had grown over the years (a 7.9 percent increase was noted by NHA in 2002). The assistance from these private sources, which included private insurance and health maintenance organizations (HMOs), helped realize the MDGs through contributions that cover health care goods and services, especially personal health care funding, which comprised 76.9 percent of the overall health care needs of Filipinos.

In the education sector, 1,523 classrooms were constructed/rehabilitated, 475,872 sets/units of tables and chairs were delivered to schools nationwide while 25,882 schools were provided with funds for the repair and maintenance of school buildings under the Social Expenditures Management Project I. In the Secondary Education Development and Improvement Project, 3.2 million textbooks and 54,526 teacher’s manuals were delivered.

Under the Third Elementary Education Project, trainings were given to 108,066 teachers and 731 district supervisors. A total of 12,837 school managers attended various division-based trainings while 72,088 trainees attended various trainings on support component. Moreover, more than 15 million instructional materials and textbooks were delivered.

The private sector and private voluntary organizations were likewise mobilized to assist the government in providing the necessary goods and services to augment the resources of the Department of Education. For instance, school buildings were constructed at a lower cost due to the subsidy extended by the members of the Filipino-Chinese Chamber of Commerce and Industry, Inc. Under the Adopt-A-School program, private sector support netted over PhP 270 million from September 2002 to January 2004. To improve and/or maintain the school facilities, community support through the parent-volunteers enabled the rehabilitation of classrooms and laboratories, among others. By end 2004, there were about 16,086 elementary and secondary schools with participating community parent-volunteers.

To augment the resources of the LGUs, several relending windows from GFIs offered loans for, among others, Water District Development, Mindanao Basic Urban Services, Urban Water and Sanitation Project and Fund for Technical Education and Skills Development. Furthermore, the national government supported programs and projects of LGUs through a matching grant component for investments in health, water supply and environmental protection, among others. From late 2002 until August 2004, the national government (under the Municipal Development Fund Office Policy Governing Board Resolution No. 03-11-29-2002 dated 11 November 2002) made available grant funds to match LGU loans for social development projects which included school buildings, health centers/hospitals, water and sanitation. Depending on the income class level of the LGUs, grant funds of up to 50 percent can be extended to the poorest LGUs. In a way, this subsidy has advocated to the LGUs the 20/20 initiative which was promoted by the national government.
With the present levels of poverty and unemployment and the fiscal problem, the government’s targets and strategies in the MTPDP are set beyond the current performance levels so that poverty would be reduced significantly and greater prosperity is achieved at the end of the six-year period in 2010. The government wants to benchmark itself against the performance of its Asian neighbors who are already growing at rates of around six to eight percent such as Thailand (6.4 percent, S1 2004), Malaysia (7.8 percent, S1 2004), and even Vietnam (7.1 percent, 2003).

Growth needs to accelerate to at least seven to eight percent by 2009 if the Philippines is to significantly reduce unemployment and poverty incidence. With a seven percent GDP growth by 2010, unemployment rate will be reduced to 8.9 percent by 2010, relatively at par with the pre-1997 unemployment rate of 8.6 percent. Poverty incidence (by family) target will also decline to 17.9 percent and subsistence incidence rate (by family) to 8.9 percent by 2010. These are consistent with the MDG commitment of halving extreme poverty by 2015 from 1991 levels. In 1991, poverty incidence rate stood at 39.9 percent while subsistence incidence stood at 20.4 percent. Unemployment and poverty will not be addressed if the economy grows merely by its historical growth of around four percent.

• Revenue Generation

To expand and sustain the programs and projects that are related to the attainment of the MDGs, among others, there must be an efficient and effective means of generating revenues that can meet the expenditure requirements.

The government revenue program is anchored on both increasing tax collection and savings generation. The action plan for revenues includes both administrative and legislative measures. Under the administrative measures, the following are included:

a. periodic adjustment in fees and charges to ensure cost-recovery;

b. tariff rate adjustments including the increase of duty for petroleum products from three percent to five percent;

c. innovative sources of wealth like oil and gas wells exploration, privatization of the National Power Corporation, and creation of economic enclaves to capture long-term investors; and

d. improved enforcement of tax laws particularly in the Bureau of Internal Revenue and the Bureau of Customs.

Under the legislative agenda are the following tax measures:

a. indexation of the excise tax on “sin” taxes like tobacco and alcohol;

b. rationalization of fiscal incentives being granted by different government incentive-giving agencies;

c. general amnesty for corporations and individuals;

d. review of the VAT system to make it attuned to the present environment;

e. tax on telecommunication companies and services;

f. excise tax on petroleum products;

gh. adoption of gross income taxation; and

h. institution of a reward-incentive system among revenue-generating agencies of the government.

The government intends not just to maintain or increase the allocation for basic services but more importantly, to expand the economic pie which is the base of resource allocation. In effect, it is expected that by providing productive work and employment to the poor, they will be able to contribute to the provision of their own health, education and other basic services.

• LGU, private sector and civil society support

Recognizing the limitation of the national government in solely financing the MDG needs and at the same time the potential of LGUs as frontline service providers, the private sector with their existing philanthropic activities, and the work of civil society groups with the grassroots, a more coherent and coordinated cooperation among these stakeholders is needed.

To finance the difference between the Plan’s targets and the fiscal resources of the government, greater private sector involvement, LGU support, and civil society support are vital in meeting the said targets. For instance, in housing finance, only 15 percent of the demand will be shouldered by the national government. The remaining need will be covered by government financial institutions (GFIs) and social security institutions (SSIs) which have earmarked a total of PhP271 billion for the housing projects to some 1.1 million households out of the 3.7 million housing demand. NGOs, like Habitat for Humanity and Gawad Kalinga, can assist in housing provision. Meanwhile, LGUs will be primarily responsible for environment projects such as reforestation and coastal resource management. The private sector will be the engine in the improvement in the digital infrastructure with the
government providing only the policy environment through the passage of both legislative and executive measures. For projects that are also supportive of the Plan but can no longer be funded by national government resources, agencies will identify other financing strategies which can include funding from ODA or through the build-operate-transfer (BOT)-type schemes aside from LGU and GOCC funding.

**Expansion of microfinance services to the poor**

The high cost of expanding the coverage of microfinance services has hampered the potential outreach of the microfinance institutions (MFIs). The government must, therefore, find ways and means to support the expansion efforts of existing MFIs and strengthen the capability of new MFIs especially those in hard-to-reach areas.

To further increase the earning potential of the poor, the government financial institutions, social security institutions, and microfinance institutions will also provide resources to fund the government’s targets in micro, small and medium enterprise development and housing. The Development Bank of the Philippines (DBP), Land Bank of the Philippines (LBP), National Livelihood Support Fund (NLSF), Small Business Corporation (SBCorp), Trade and Industry Development Corporation (TIDCORP), Quedan Corporation (Quedancor), and Social Security System (SSS) have committed PhP273.12 billion to the comprehensive credit program for small and medium enterprises (known as the SULONG program).

Specifically for microfinance, the People’s Credit and Finance Corporation (PCFC), SBCorp, the Technology and Livelihood Resource Center (TLRC), Quedancor and LBP can provide PhP43.5 billion to support an additional three million microfinance borrowers/clients. With the government’s initiative and support, additional resources are expected to pour in from private microfinance institutions.

Technical assistance in the form of grants will continue to be provided to qualified MFIs in order to lessen their high cost of expansion. The People’s Development Trust Fund (PDTF) will be activated as a source of funding for capacity building activities related to microfinance. On the other hand, foreign donors like the AusAID, UNDP, IFAD, among others, will continue to be tapped to provide added resources.

**Pursuit of projects with high economic impact**

The government must continuously strive to enlarge the economic pie in order for the MDG-related activities to gain a bigger share in absolute quantity. Economy-expanding projects on a national scale must, therefore, be pursued.

Priority major projects with great impact on the whole economy have already identified possible funding sources. For instance, the Diosdado Macapagal International Airport (DMIA) will be funded by the Clark Development Corporation; the Subic International Port, North Luzon Expressway (NLEX) and Clark-Subic-Expressway by the Japan Bank for International Cooperation (JBIC); and the Northrail by a loan from China. Such major projects are expected to accelerate the economic expansion of the country.

**Right-sizing the bureaucracy**

Reducing the cost of governance without sacrificing efficiency and effectiveness will be pursued in order to save resources that can be channeled to MDG-related activities, among others.

To decrease the cost of the bureaucracy, the government has instituted austerity measures in its operations. It is also implementing a reengineering program that will weed out redundant agencies and rationalize these agencies into an efficient and effective entity. A loan to fund this reorganization/reengineering program is being worked out. To complement these initiatives, there will also be a moratorium on creating government corporations. An exception is the establishment of the Philippine Infrastructure Corporation which is intended to jump-start strategic infrastructure projects.

**Privatization**

The government will relinquish some sectors to private business in recognition of their inherent comparative advantage in the field. However, it will be ensured that such undertaking will not be to the detriment of the general public welfare.
The most pressing task of government is to settle its debt and obligations which is taking up a huge portion of the annual national budget. The first priority is to clean up the books of the NPC which will entail an initial increase in power rates to reflect their true cost. Inter-grid, intra-grid, and inter-class cross-subsidy will be removed by 2005 to eliminate market price distortions. This will lower the costs of electricity paid by industrial and commercial consumers, but will increase the cost of power paid by residential consumers who are currently benefiting from the cross-subsidy. The government will also introduce time-of-use pricing which will allow the NPC and eventually the GENCO investors to charge the true costs of electricity at different times of the day.

However, over time, power rates are seen to fall with greater competition and lower capacity fee payments arising from the privatization of generating companies and the establishment of the Wholesale Electricity Spot Market (WESM). This will allow end-users with a monthly average peak demand of at least one MW to purchase electricity directly from generators starting July 2006 for Luzon. The government will also seek to reduce stranded costs by concluding ongoing negotiations for the remaining nine independent power producer contracts.

- **Tapping the remittances of the Overseas Filipino Workers (OFWs)**

Remittances from OFWs have continuously helped the national economy in maintaining its foreign currency reserves while at the same time improving the standard of living of the families these workers left behind. According to the Bangko Sentral ng Pilipinas (BSP), remittance from both land- and sea-based OFWs amounted to US$ 8.5 billion in 2004, 11.8 percent higher than the previous year and the highest since the ‘70s. These remittances, which pass through the formal banking sector, provide an opportunity for both the government and the families of the OFWs to provide both direct and indirect avenues in attaining the MDGs. For instance, welfare assistance like health insurance to OFWs can be extended to their immediate families and relatives. OFWs can also be asked to contribute to LGU or NGO projects like supplying potable water, constructing school buildings, and others. On the other hand, remittances and/or savings through the formal banking system can be used as additional funds for lending of microfinance institutions to the entrepreneurial endeavors of the poor, particularly women.

To fully tap the potentials of these remittances, the government will advocate a mutually beneficial collaboration and cooperation with the OFWs and/or their organizations, the local banking sector and the local government units, among others.

**MONITORING**

Effective monitoring of the MDGs is contingent on the availability and level of disaggregation of data. An effective monitoring tool is also necessary in order to provide policy makers, journalists, civil society activists, academicians and the general public the necessary information on the status of the MDGs, as well as data from a variety of sectors including health, nutrition, education, demography, economy, communications and environment.

**The Social Development Management Information System (SOMIS)**

Presently, the Social Development Management Information System (SOMIS) is being utilized for the monitoring of various international commitments on human development including the MDGs. The SOMIS is an IT-based system that enables the tracking of a set of indicators and supporting data and information, describing the state of the country’s social development situation. It puts together data from various surveys, censuses and administrative reports of different agencies in charge of collecting data and/or service delivery related to social development. Indicators consolidated based on inputs from various national government agencies are also incorporated in the SOMIS. Policies and programs relevant to the international commitments are also posted in the SOMIS website. SOMIS data can be used by the various government agencies, researchers, policy makers, and the public to assess the performance of the country on a regular basis.

**The DevInfo: Tool for monitoring the MDGs**

The SOMIS, although an effective tool for monitoring the indicators in various international conferences including the MDGs, does not allow users to manipulate data, i.e., create tables, charts and maps. To be able to do this, the DevInfo software will be utilized. The DevInfo is a user-friendly software derived from the ChildInfo software developed by the UN. Its features allow users to create tables, charts and maps through the use of easy-to-use toolbars and menus. Other features of the system are:

- a. It compiles all national data on human development into one system;
- b. The data is easily retrievable;
- c. It enables one to analyze trends over time;
- d. It has multiple sources of data;
- e. It has scope for countries to add their own indicators to the 48 MDG-related global indicators; and
- f. It makes monitoring of progress easier.
To provide and allow data to be readily available for the monitoring of the country’s progress towards the attainment of the MDGs, the National Statistical Coordination Board (NSCB), through NSCB Resolution No. 10 Series of 2004, “Adoption of and Enjoining Data Support to the Millennium/MDG Indicators” was designated as the repository of the MDG indicators. As such, it serves as compiler and administrator of the MDG database. It has assessed and compiled the indicators on the MDGs, and posted it at the NSCB website (www.nscb.gov.ph/stats/mdg).

Aside from having the MDGs available online, the Board will also make use of the DevInfo as the repository and tool for monitoring the MDG indicators. The National Statistics Office (NSO) generates statistics to be used through censuses and surveys while the NSCB assists NEDA in compiling the needed data from various sources.

NEDA, on the other hand, is already using the DevInfo software and maintains a database on the MDG indicators linked to the NSCB website. Other international commitment indicators (International Conference on Population and Development, National Conference on Shelter and Human Settlements, World Summit for Social Development, World Fit for Children, and World Conference on Women) housed at the SOMIS are already being transferred to the DevInfo database. The use of the DevInfo is already being advocated to the NEDA Regional Offices as well as to the LGUs.

Social Watch Monitoring System

Among the crucial roles of the CSOs is the monitoring of national compliance to international human development commitments. Leading the CSOs in the realization of the country’s commitments to the Millennium Declaration, Social Watch Philippines (SWP) developed the Social Watch Monitoring System. The system aims to localize social watching and ensures that national goals and strategies are translated into concrete programs and projects at the local level. It is designed for small area monitoring, i.e., provinces and municipalities.

Institutional arrangements

In terms of the institutional arrangements for monitoring MDGs, the Multisectoral Committee on International Human Development Commitments (MC-IHDC) of the NEDA-Board Social Development Committee (NEDA-SDC) is being utilized for this purpose. Specifically, it is tasked:

1. To prepare mechanisms for monitoring Philippine compliance with international human development commitments which include, among others, commitments made during the following conferences: Millennium Summit; International Conference on Population and Development (ICPD); World Summit for Social Development (WSSD); Fourth World Conference on Women (FWCW); and Second International Conference on Shelter and Human Settlements (Habitat II);

2. To review reports of the lead agencies tasked to coordinate and monitor compliance with international human development commitments before submission to concerned UN bodies;

3. To recommend policies, strategies, programs and projects to the SDC-Technical Board drawn out from the reports of the lead agencies; and

4. To serve as the venue for coordinating the activities designed to monitor compliance with said commitments of government agencies, non-government organizations, and people’s organizations.

As chair of the Committee, the NEDA is the lead agency in monitoring the MDGs. It leads in the integrative process of preparing the country MDG report. SDC Resolution No. 1 (Series of 2003), “Expanding the Functions and Composition of the MC-IHDC,” which was issued and adopted on July 3, 2003 identified the following lead agencies per area of concern of the MDGs:

THE MDGs
The identified lead agencies are expected to come up with respective strategic action plans, which shall set the tone and provide direction for accomplishing the MDGs and commitments. These action plans should contain specific, doable and strategic interventions that will address the attainment of the MDGs, as well as new legislation. So far, five agencies, namely the DENR, DILG, DOH, NNC and NAPC have come up with their respective action plans and have presented them to the MC-IHDC for deliberation.

Meanwhile, to improve the MDG indicators, NSCB with assistance from the United Nations Office of the Resident Coordinator and in partnership with various data sources and oversight agencies, conducted a consultative meeting on the Millennium Indicators last June 2004. It served as a venue for: (a) introduction and advocacy of the MDGs; (b) discussion of statistical issues; and (c) forging of initial cooperation with data producers and sources in addressing data gaps and other statistical issues through the formulation of statistical development programs.

Data availability

Based on the assessment made by the Philippines, about 48 indicators will be monitored to determine the country’s progress toward the attainment of the MDGs. On the availability and applicability of the MDG indicators in the Philippines, 29 of the 48 indicators can be obtained from the various government surveys and administrative records. Eight indicators are not available while 11 are found to be not applicable to the Philippines. For some of the eight indicators not available, country estimates are available from international organizations such as the UNAIDS, WHO, World Bank and the International Telecommunications Unit (ITU).

The 11 indicators which are not applicable to the Philippines fall under Goal 8: Develop a Global Partnership for Development. Some of these indicators are more relevant to least developed countries (LDCs), Africa, landlocked developing countries, small island developing states, and HIPs.

Based on the 2003 report of the United Nations Economic and Social Commission for Asia and the Pacific (UN-ESCAP), in terms of relative data availability in support of Millennium Development Goals (MDG), the Philippines ranked first among the 11 countries in Southeast Asia. The country obtained a rating of 27 percent followed by Thailand with 25 percent and Indonesia with 24 percent.
Challenges and priorities for action

• Unavailability of data
  From the original 48 MDG indicators, there are seven indicators which are not currently monitored. These include: (1) HIV prevalence among 15 to 24-year-old pregnant women; (2) number of children orphaned by HIV/AIDS; (3) proportion of population in malaria risk areas using effective malaria prevention and treatment measures; (4) proportion of tuberculosis cases detected and cured under directly observed treatment short course (DOTS); (5) energy use (kg oil equivalent) per $ (GDP); (6) proportion of population with access to affordable drugs on a sustainable basis; and (7) personal computers in use per 100 population and internet users per 100 population. The unavailability of data would make it difficult to make appropriate decisions in terms of addressing the issues and concerns related to specific MDGs or targets. The Philippine statistical system should therefore take it as a challenge to include these indicators in their surveys and censuses and to strongly advocate their regular funding. Strategies and programs must be in place to generate currently unavailable indicators through alternative data sources and/or appropriate statistical techniques or generating other indicators that might be better measures or tools to assess attainment of the MDGs.

• Lack of updated data
  The absence of new official data on various MDG indicators such as maternal mortality rate (MMR) is critical in enabling decisionmakers in crafting well-informed decisions on policies and programs. The unavailability of annual estimates of under-five mortality rate (U5MR), infant mortality rate (IMR), and MMR, proportion of population using solid fuels, and proportion of household with access to secure tenure are also essential in coming up with integrated approaches to addressing the MDGs.

  In terms of the quality of available data, improvement in the data collection and quality should be ensured. For instance, there was a large sampling error in the 1998 MMR, making it difficult to conclude whether the MMR has changed since the 1993 NDHS. Furthermore, there is a substantial lag time between the gathering, publication and dissemination of data on maternal health.

• Lack of disaggregated data by sex and province
  Disaggregation by sex and province should be further pursued. Generation of disaggregated data is crucial in monitoring the imbalances in the distribution of resources which will serve as basis for prioritization of development activities across the country. Currently, data on the MDG indicators are available mostly at the national and regional levels, while sex-disaggregated data are not available in most indicators.

• Institutional arrangements at the sub-national level
  While there is clear institutional arrangement in monitoring the MDG indicators at the national level, there is a need to operationalize this at the sub-national level. The operationalization can be built on existing statistical infrastructures and mechanisms such as the Regional Statistical Coordination Committee and indicator systems including the POPDEV Indicator System, Local Governance Performance Management System, and the Core Local Poverty Indicators (13 CLPI + 1), as well as data collection systems of national and local governments.

  The DevInfo will be used to improve monitoring on the MDGs. Philippine participants in the 2004 UNICEF-funded Regional Training on the DevInfo will conduct echo trainings for government and UN partners, especially NEDA where the national monitoring is housed. The Sixth Country Program for Children (CPC 6) will complement this by organizing a pool of trainors and updating the national DevInfo database.

  The monitoring issues specifically those related to the data and statistics of the MDGs are part of existing problems being addressed by the Philippine Statistical System. The government will have to allocate resources to generate the needed indicators to be able to keep track of the country’s progress in attaining the MDGs.
### ACRONYMS

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DEVELOPMENT OF COMMUNICATION PLANS & PROGRAMS
FORMULATION OF NATIONAL POLICIES (NEDA, DILG, NAPC, etc.)
DEVELOPMENT OF ENABLING TOOLS AND INSTRUMENTS FOR LGUs (i.e., Development of Guide for Planning and Budgeting)
DOCUMENTATION OF BEST PRACTICES
ESTABLISHMENT OF INFORMATION MANAGEMENT SYSTEM

NATIONAL LEVEL

INTERVENTIONS

ADVOCACY

ORIENTATION AND AWARENESS GENERATION

SKILLS DEVELOPMENT

TECHNICAL ASSISTANCE FOR REPPLICATION OF BEST PRACTICES (GO-FAR)

LGU LEVEL

MDG MAINSTREAMED AND REFLECTED IN LOCAL PLANS & BUDGET
- Clear and continuous increase in MDG-related targets

LOCAL MDG MONITORING SYSTEM ESTABLISHED & FUNCTIONING
- Inputs made available
- Outputs delivered
- Outcomes being realized

CONTINUING REPLICATION OF BEST PRACTICES

PERFORMANCE AND RESULTS MONITORING AND REPORTING (SOMIS)

DESIRED OUTCOMES (LGU Level)