

# Executive Summary

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In September 2000, member states of the United Nations gathered at the Millennium Summit to affirm commitments towards reducing poverty and the worst forms of human deprivation. They adopted the Millennium Declaration which embodies specific targets and milestones in eliminating extreme poverty worldwide. The Millennium Development Goals (MDGs), set within 2015, affirm and reinforce the agreements on the goals and targets reached at the global conferences of the 1990s.

The MDGs include the following:

## **Goal 1. Eradicate extreme poverty and hunger**

### **Target 1:**

Halve the proportion of people living in extreme poverty between 1990-2015

### **Target 2:**

Halve the proportion of population below the minimum level of dietary energy consumption and halve the proportion of underweight children (under five years old)

### **Target 3:**

Halve the proportion of people with no access to safe drinking water or those who cannot afford it by 2015

## **Goal 2. Achieve universal primary education**

### **Target 4:**

Achieve universal access to primary education by 2015

## **Goal 3. Promote gender equality**

### **Target 5:**

Eliminate gender disparity in primary and secondary education, preferably by 2005, and all levels of education not later than 2015

## **Goal 4. Reduce child mortality**

### **Target 6:**

Reduce children under-five mortality rate by two-thirds by 2015

## **Goal 5. Improve maternal health**

### **Target 7:**

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

### **Target 8:**

Increase access to reproductive health services to 60 percent by 2005, 80 percent by 2010, and 100 percent by 2015

## **Goal 6. Combat HIV/AIDS, malaria, and other diseases**

### **Target 9:**

Halt and reverse the spread of HIV/AIDS by 2015

### **Target 10:**

Have halted by 2015, and begun to reverse the incidence of malaria and other major diseases

## **Goal 7. Ensure environmental sustainability**

### **Target 11:**

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

### **Target 12:**

By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers

## **Goal 8. Develop a global partnership for development**

### **Target 13:**

Develop further an open, rule-based, predictable, nondiscriminatory trading and

**Poverty eradication has emerged as a top priority of the Philippine government from the late 1980s.**

financial system; include a commitment to good governance, development and poverty reduction – both nationally and internationally

**Target 14:**

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

**Eradicating extreme poverty and hunger**

The Philippine government has consistently and explicitly committed itself towards achieving the overarching goal of poverty eradication and protecting the vulnerable groups. Consequently, this has paved the way for the formulation and implementation of various policy reforms and strategies for the improvement of the quality of life of the Filipinos, especially the poor. The administrations of Corazon Aquino and Fidel Ramos have helped reduce poverty incidence of the population to 36.8 percent in 1997 from 49.3 percent in 1985.

Since 1990, the Philippines has made significant improvements in reducing extreme poverty and child and maternal mortality rates; enhancing gender equality; and increasing school participation rate and access to safe water. However, the effects of the 1997 Asian financial crisis compounded by the El Niño and La Niña weather phenomena temporarily crippled the country's improving situation.

Major improvements were observed in reducing extreme poverty. Subsistence poverty declined from 20.4 percent in 1991 to 16.7 percent in 2000. But this issue remains to be addressed as the magnitude of food-poor families increased from 2.4 million families in 1991 to 2.5 million families in 2000. About 78.8 percent of these families live in the rural areas.

Gaps across regions and sectors must also be addressed, especially since rural poverty remained high between 1991 (55.1%) and 2000 (54.5%). Urban poverty has been reduced by almost one third as of the year 2000, from 35.6 percent in 1991.

Achievements in reducing malnutrition need to be sustained, in view of the mixed results. The prevalence of moderately and severely underweight preschoolers 0-5 years old decreased from 34.5 percent in 1989-90 to 28.9 percent in 1996, but rose again to 32 percent in 1998 and decreased to 30.6 percent in 2001. Figures for stunted growth also dipped from 40 percent in 1989-90 to 31.8 percent in 1996, but rose to 34 percent in 1998.

The percentage of people with adequate and safe water supply steadily rose since 1988 after the government launched the Water Supply, Sewerage and Sanitation Sector Master Plan, until the year 2000. By this year, about 78.5 percent of Filipino households already had access to safe drinking water compared to 73.7 percent in 1991.

**Achieving universal primary education**

Universal access to primary education by 2015 is attainable, assuming enough resources are devoted to this end and reforms are pursued with determination. This can be shown by participation rate in the elementary level in both private and public schools, which improved from 85 percent in 1991 to 97 percent in 2000. However, many of the children who enroll do not complete the school year as evidenced by the low cohort survival rate. Further, the cohort survival rate has declined from 68.4 percent to 67.1 percent over the same period.

Eliminating gender disparity in schools is one MDG target that can be attained. Education is one area in Philippine society where women and men have almost equal status. In School Year (SY) 1999-2000, girls had higher participation rates both in the elementary (97.1%) and high school (68.3%) levels than boys with 96.8 percent and 62.6 percent, respectively. The enrolment data for SY 2000-01 show that there were almost an equal number of girls and boys in the elementary level where the ratio of girls to boys was around 96:100. This ratio was higher in the secondary level, with 105 girls to 100 boys.

## **Reducing child mortality**

Government efforts have paid off in reducing infant and under-five mortality rates. Under-five mortality rate was significantly reduced from 80 per 1,000 live births in 1990 to 48 in 1998. Infant mortality rate was also reduced from 57 per 1,000 live births in 1990 to 35 in 1998.

## **Improving maternal health**

Immunization coverage goals were largely attained. The Maternal and Child Health Survey reported that in 2000, 65 percent of all children aged 12-23 months were fully immunized before turning 1 year old. This shows an improvement from the survey of 1997 where only 58 percent were fully immunized. There are more immunized children in the urban areas (68%) than in the rural areas (63%).

The reduction in maternal mortality rate was substantial. The maternal mortality rate (MMR) in 1991-97 is 172 per 100,000 live births as estimated by the 1998 National Demographic and Health Survey (NDHS). This is slightly lower than the estimated MMR of 209 per 100,000 live births in 1987-93 based on the 1993 National Demographic Survey (NDS).

Care for mothers is a big challenge, considering that a low percentage of women get pre- and post-natal checkups, iron and iodine supplements and tetanus toxoid immunization.

## **Combating HIV/AIDS, malaria and other diseases**

With regard to HIV/AIDS, the HIV/AIDS Registry has recorded 1,441 HIV AB seropositive cases (1984-2000), 486 of whom had AIDS; with 218 deaths. Majority of the cases were in the 20-49 years age group. Most cases were male. Of the 1,441 HIV cases, 371 or 26 percent are Overseas Filipino Workers (OCWs). The predominant mode of transmission is sexual intercourse.

Between 1984 and 1992, the reported annual number of confirmed cases remained below 100. However, in the last seven years, 1993-99, the number of cases

per year had exceeded 100, but remained below 200. The number of cases each year has been increasing but there seems to be no indication that such increase will be significant.

While the number of confirmed cases of HIV/AIDS is low and the rate of increase in the number of cases is slow, the potentials for a full-blown epidemic continue to exist. Thus, the country cannot be complacent on this.

The challenge with other major diseases like malaria and tuberculosis is daunting, though. TB incidence in the country remains one of the highest in the world, with 75 Filipinos dying daily from the disease.

## **Ensuring environmental sustainability**

The country's natural resource base continues to be under threat. Total forest cover has decreased from 6 million hectares in 1990 to 5 million hectares in 1997, consequently reducing its share to total land area from 21 percent to 18 percent. The state of the country's forests requires attention due to systemic degradation attributed mainly to fire, logging, kaingin, pests, diseases, mining activities and population encroachment in critical areas.

An alarming rate of biodiversity loss has also been reported. Being one of the 17 megadiversified countries in the world, the Philippines is among those with the highest concentration of endemic plants and wildlife. Ironically, however, the country has also been identified by the Conservation International as one of the "eight hottest spots in the world" where exceptional concentrations of endemic species are undergoing continuous loss of habitat. Priority species facing extinction increased by 97 percent while threatened species, by 180 percent.

According to the Medium-Term Philippine Development Plan (MTPDP) 2001-04, the Philippines arrested resource depletion, but at the cost of slowing down economic activities, i.e., in municipal fishery, mining and forestry resources.

Improving the lives of 100 million slum dwellers continue to be an uphill effort. Housing requirements remain high: for 2000-04 alone, an estimated 3.4 million units are needed. The housing backlog stands at 1 million units.

From 1990 to October 2001, the total number of informal settler-families provided with security of tenure through the Community Mortgage Program (CMP) and Resettlement Program in the country totaled 250,231 households.

### **Developing a global partnership for development**

The continuing unilateral trade reforms appear to have removed much of the distortions of past protectionist policies. It has started to make the economy become more outward-oriented, open, and globally competitive just in time for the international trade changes created by the World Trade Organization (WTO). The WTO, with strengthened rules and discipline, brought about greater transparency and restored order in global trading.

The outstanding debt of the National Government has increased from Php768.5 billion in 1991 to Php 2,648.8 billion in 2000. It was evident that during the years of fiscal surplus from 1994 to 1996, total debt either declined (1994) or grew at a much slower rate (1995 and 1996). As fiscal deficits became larger since the 1997 Asian financial crisis, the debt burden has increased significantly.

Since the start of President Gloria Macapagal-Arroyo's administration, the government has committed itself to achieving growth and poverty reduction. The MTPDP and the government's antipoverty agenda envisions to "win the war against poverty within the decade" essentially through:

- 1) Macroeconomic stability with equitable growth based on free enterprise;
- 2) Agriculture and fisheries modernization with social equity;
- 3) Comprehensive human development and protecting the vulnerable; and
- 4) Good governance and the rule of law.

Other priority measures to fight poverty include: enhancing competitiveness in the industry and services sectors; implementing regional development programs and targeted social development programs including population management; and monitoring poverty.

Given the country's socioeconomic performance, Table 1 shows the probability of meeting the goals and targets. Table 2, which provides the basis for the assessment in Table 1, shows the current rate as well as the required rate of progress to meet the targets by 2015. Table 1 shows a high probability of meeting the goals and targets related to eradication of extreme poverty; improving access to basic amenities, universal primary education, gender equality; and wiping out child mortality, and HIV/AIDS.

There is medium probability in attaining the goals and targets on maternal health care. The target on hunger have been accorded with low probability.

### **What it takes to meet MDGs**

Meeting the resource requirements of the MDGs will entail collaborative effort of the national and the local government units (LGUs) as well as the private sector. The national government will support the MDG financial requirements mainly by: (a) raising tax collection efficiency through improved tax administration and new tax measures; (b) improving efficiency of government operations, especially in procurement; and (c) encouraging LGUs to increase their spending for basic social services.

These measures will continue and will be broadened to help meet the country's MDG commitments by 2015.

Monitoring the MDGs can be supported by expanding and regularly updating the Social Development Management Information System (SOMIS), a database of social development indicators, housed at the National Economic and Development Authority (NEDA).

**Table 1. Status at a Glance**  
**Summary of Progress Towards Meeting the Millennium Development Goals**

Goals/Targets	What is the probability of meeting the goal/target given the current rate of progress				State of Supportive Environment 1/			
	High	Medium	Low	No Data	Strong	Fair	Weak but improving	Weak
EXTREME POVERTY Halve the proportion of people living below the national food threshold by 2015	x					x		
HUNGER Halve the proportion of underweight among under-five years old by 2015			x			x		
BASIC AMENITIES Halve the proportion of people without access to safe drinking water	x					x		
UNIVERSAL PRIMARY EDUCATION Achieve universal primary education by 2015	x				x			
GENDER EQUALITY Achieve equal access for boys and girls to primary schooling by 2015	x				x			
CHILD MORTALITY Reduce under-five mortality by two-thirds by 2015	x				x			
MATERNAL HEALTH Reduce maternal mortality ratio by three-quarter by 2015		x					x	
HIV/AIDS 2/ Halt and reverse the spread of HIV/AIDS by 2015	x					x		

Note: The criterion used in determining whether the target will be met is the ratio,  $\lambda$  between the the annual rate of change needed to reach the target and the current annual rate of the progress. The ratings corresponding to ranges of  $\lambda$  are given below:

Rate needed to reach target/Current rate of progress

<1.5            High  
1.5 to 2.0        Medium  
>2.0            Low

1/ The criteria used in assessing the state of supportive environment are the following:

1. Formulation of appropriate policies
2. Presence of effective programs
3. Availability of budgetary support
4. Capacity to implement policies and programs

2/ Given the current progress where the number of confirmed cases of HIV/AIDS is low and the rate of increase in the number of cases is slow, there is high probability of meeting the MDG goal/target. However, in view of its highly explosive potential, our country cannot be complacent. Efforts will be continued and strengthened to halt and reverse the spread of HIV/AIDS by 2015.

**Table 2. MILLENNIUM DEVELOPMENT GOALS (MDGs)  
Rate of Progress**

# Philippines: The Development Context

## INTRODUCTION

In September 2000, the UN General Assembly concluded the Millennium Summit with the adoption of a Millennium Declaration renewing the global commitment to peace and human rights and setting specific goals and targets to wipe out poverty worldwide.

Included in the targets are:

- (a) reducing by half the number of people who live in extreme poverty, with little access to food and safe drinking water;
- (b) reducing deaths in mothers and children below five;
- (c) making primary education accessible to all;
- (d) reducing gender disparities;
- (e) providing access to reproductive health services;
- (f) pursuing national strategies for sustainable development;
- (g) reversing environmental resources losses; and
- (h) developing a global partnership for development.

The Declaration, which sets year 2015 for fulfilling most of the targets, affirms the International Development Targets (IDTs) initially set in 1996.

The Philippine government through the Multisectoral Committee on International Human Development Commitments and the Social Development Committee of the NEDA Board, in close collaboration with the UN country Team, led the preparation of the first Country Progress Report on the Millennium Development Goals. The process benefited from a series of multisectoral consultations.

## ECONOMY AND POVERTY

The Philippines has 76 million people as of year 2000. Its population is growing at 2.36 percent annually. In 2000, the annual per capita gross national product (GNP) was about \$700, using 1985 prices and exchange rate.

From 1990 to 2000, the GNP increased at an average rate of 3.4 percent annually. The growth peaked in 1996 at 7.2 percent. The Asian financial crisis in July 1997, however, halted the growth momentum, causing the GNP growth to fall to 5.3 percent that year. The after effects were mostly felt in 1998 when the GNP growth fell to 0.4 percent. Contributing to the sharp decline were the peso depreciation and the El Niño weather phenomenon. In 1999, however, the economy showed signs of recovery, posting a growth rate of 3.7 percent. The following year, it grew by 4.5 percent.

About one half of the Philippine population make a living from rural-based crops like rice, corn, coconut, and tobacco. Although agriculture accounts for only 20 percent of the national income, 40 percent of the population depend on it as a source of livelihood. With globalization, however, the present economic thrust of the government is now geared towards industrialization. Among the country's exports are electronics, garments, oil, and lumber. The services sector, which absorbs around half of the population who are employed, contributes the largest share of the country's output, comprising more than 40 percent of the country's GNP.

The poverty incidence of the population fell from 49.3 percent in 1985 to 39.4 percent in 2000. Poverty is more widespread in the rural areas and in some areas like Central Mindanao and the

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Autonomous Region of Muslim Mindanao (ARMM). Income inequality is also a problem, as the Gini coefficient has remained high at 0.48 in 2000.

In 2000, the Philippines ranked 77th out of 162 countries with respect to the Human Development Index (HDI).

Life expectancy has increased to 66.3 years for males and 71.6 years for females in 2000. The maternal mortality rate has gone down from 209 per 100,000 live births in 1990 to 172 in 1998. The children under-five mortality rate has also decreased significantly from 79.6 per 1,000 live births in 1990 to 48 in 1998.

The functional literacy rate of the population 10 years and older in 1994 is 94 percent. Significantly, the net elementary enrolment rate also rose from 85 percent in 1991 to 96 percent in 2000.

## GOVERNMENT EFFORTS

Although poverty has been a major problem in the Philippines since the 1950s, it was not until the late 1980s that poverty alleviation became the top one priority in government development plans.

Government administrators have been tackling the problem of poverty since 1986. The Aquino and Ramos governments helped bring down its incidence from 49.3 percent of the population in 1985 to 37 percent in 1997. Although the Philippines did not suffer as badly as its other neighbors from the Asian financial crisis in July 1997, there was a significant rise in unemployment.

The Arroyo administration has committed itself to pursue the war against poverty and unemployment. A comprehensive set of policies and programs directly aimed at addressing the needs of the poor has been outlined in the MTPDP for 2001-04. Its core strategies are:

- 1) Macroeconomic stability with equitable growth based on free enterprise;
- 2) Agricultural and fisheries modernization with social equity;

- 3) Comprehensive human development and protecting the vulnerable; and
- 4) Good governance and the rule of law.

The policies and strategies set forth in the MTPDP are complemented by the government's Anti-Poverty Agenda popularly known as KALAHI or "*Kapit-Bisig Laban sa Kahirapan*" (Linking Arms Against Poverty) Program. The KALAHI is the current Administration's centerpiece antipoverty program which adopts the Comprehensive and Integrated Delivery of Social Services (CIDSS) approach that provides holistic intervention at the community level, specifically in the 5<sup>th</sup> and 6<sup>th</sup> class municipalities. It aims to improve access to social services, empowerment and management of resources. It responds immediately to the most pressing needs of the poorest communities and vulnerable groups and ensures that all stakeholders are important partners.

The antipoverty agenda has five major strategies, namely:

- 1) asset reform by redistributing physical and resource assets to the poor, especially land and credit;
- 2) human development services by strengthening the capacities of the poor by increasing public spending on basic social services and raising the poor's access to basic services;
- 3) employment and livelihood opportunities by creating jobs through agriculture and fisheries activities and providing seed capital to micro and small businesses for the poor;
- 4) participation of basic sectors in governance by strengthening political participation and cultural expression of basic sectors and communities; and
- 5) social protection and security against violence by reducing the risk and vulnerability of the poor to immediate effects of economic shocks and natural and human-caused disasters.

**Table 3: Key Development Indicators**

Indicator	Value	Year
Population Size	76,498,735	2000
Population Growth Rate	2.36%	2000
HDI, HDI rank	0.744, 77 <sup>th</sup>	2000
GDI	0.739	1998
GNP per capita, PPP (US\$)	3,815	1999
Real GNP per capita (US\$)	653.5	2000
NG Tax Revenue/GDP	13.91%	2000
Budget/GDP	12.70%	2000
Exports/GDP	55.13%	2000
Total Outstanding NG Debt/GDP	65.60%	2000
External debt (% of GNP)	7.68%	2000
ODA	US\$14.13 billion	1992-1999
Social Sector Expenditures (as % of total)	40.20%	2000
Life Expectancy at Birth		
Male	66.33	2000
Female	71.58	2000
Poverty headcount ratio (% of population below national poverty line)	39.40%	2000
Reported HIV/AIDS cases of all ages, cumulative	1,441	1984-2000
Population with access to safe water supply	77.90%	1998
Proportion of underweight children (0-5 years old)	32%	1998
Functional Literacy	84%	1994
Elementary Participation Rate	96.40%	2000
Ratio of girls to boys in elementary education	95.73:100	2000
Under-5 mortality rate (per 1,000 children)	48	1998
Maternal Mortality Rate (per 100,000 live births)	172	1991-1997

Within the four-year time frame, the government is committed to the development and adoption of innovative delivery and financing mechanisms for health care, education, social welfare and housing services. It will continue to prioritize basic social services, like primary health care, nutrition, basic education, water and sanitation facilities.

Sustained growth is central to poverty reduction because in bad times, it is the poor who are hurt the most. For the poor to enjoy its benefits, growth should be broad-based and equitable.

Statistics from 1994 to 1997, however, show that the benefits hardly trickled down to the poor in periods of economic growth. Poverty alleviation programs, therefore, should entail not only sustained growth in aggregate terms but also higher growth in the sectors where the poor are mostly concentrated, like agriculture and small-scale industries.

**Table 4. Government Targets Under the Medium-Term Philippine Development Plan, 2001-2004**

<b>SOCIO-ECONOMIC TARGETS</b>
GDP growth is expected to accelerate from 3.3% in 2001 to 6.3% to 6.9% in 2006.
Gross national savings (as a % of GNP) will average around 20.5% in 2001-2006.
Exports will grow by 9.5% to 10% by 2006.
Agricultural growth to accelerate from 3.1% in 2001 to 3.9% to 4.9% by 2006.
Public savings will increase to 4.1% of GNP in 2006 from -1.3% in 2001
The consolidated public sector financial position will move towards a surplus by 2006.
Debt service ratio to increase from 12.3 in 2000 to 17.4 in 2004. Inflation to decline from 6% to 7% in 2001 to 4.5% to 5.5% in 2006.
Domestic employment is expected to grow by 3.2% to 3.5% in 2001-2006 while unemployment rate will go down to 7.6% to 8.6% by 2004 from 11.2% in 2000.
A total of 860,000 hectares of land for land reform to be distributed during the period 2001-2004.
Prevalence of underweight children aged 0-5 years old (Phil. Reference Standards) to be reduced to 7.4% by year 2004.
Access to safe water supply and sanitary toilet facilities to reach 91.8% and 86.8% respectively in 2004
Elementary participation rate to increase to 98% by SY 2004-2005.
Elementary cohort survival rate of 82% by SY 2004-2005.

## Progress by Goal

This section presents the status and trends for the indicators under the eight goals. The supportive policies and programs characterize the policy environment. It also presents the challenges and the areas for priority action. Given past performance, an assessment is made on whether or not the targets are likely to be met.

# GOAL 1

## ERADICATE EXTREME POVERTY AND HUNGER

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

**Poverty in the Philippines is still largely a rural phenomenon. About 70 percent of the poor live in rural areas.**

**A**s of 2000, 16.7 percent of total families (or 20.9% of the population) in the Philippines were core poor (i.e., food poor or lived below subsistence). The subsistence threshold or the family income needed to satisfy the food requirements of a family in 2000 was estimated to be Php 45,915<sup>1</sup>.

Although core poverty declined from 24.4 percent (28.5% of the population) in

1985, the magnitude of food-poor families increased from 2.4 million families (15.4 million of the population) in 1985 to 2.5 million families (16.4 million of the population) in 2000. About 78.8 percent of these families reside in the rural areas. In 2000, the ARMM and the Bicol region had the highest incidence of families who could not meet basic food needs.

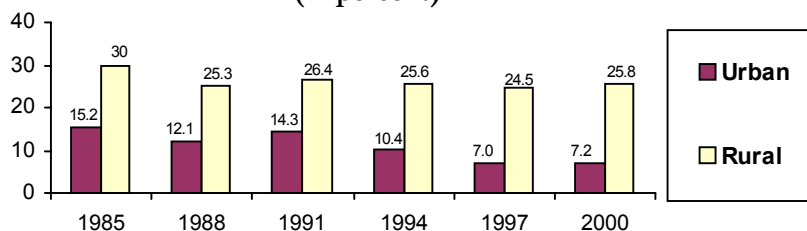
**Table 5. Subsistence Incidence, by Family, by Region**  
(in percent)

	1985	1988	1991	1994	1997	2000
<b>Philippines</b>	<b>24.4</b>	<b>20.3</b>	<b>20.4</b>	<b>18.1</b>	<b>16.5</b>	<b>16.7</b>
<b>NCR</b>	6.0	5.0	2.1	0.7	0.8	1.5
<b>CAR</b>	-	16.4	31.8	27.7	24.9	18.0
<b>Region I</b>	15.5	19.6	24.6	23.5	17.8	15.9
<b>Region II</b>	19.1	18.4	20.1	16.8	13.5	12.4
<b>Region III</b>	11.6	10.2	11.1	9.4	4.7	4.6
<b>Region IV</b>	20.3	21.7	17.1	13.3	10.5	10.1
<b>Region V</b>	37.4	31.5	31.6	32.9	30.2	34.0
<b>Region VI</b>	33.6	25.9	21.8	22.2	19.5	22.1
<b>Region VII</b>	39.6	27.6	23.3	17.3	19.8	22.5
<b>Region VIII</b>	42.4	31.2	26.1	23.4	25.7	24.8
<b>Region IX</b>	34.6	22.8	28.0	25.9	20.6	26.7
<b>Region X</b>	33.4	27.2	33.6	30.0	26.8	26.3
<b>Region XI</b>	23.3	24.0	26.2	21.2	21.7	20.0
<b>Region XII</b>	29.6	16.8	34.3	32.6	30.6	28.0
<b>ARMM</b>	-	-	26.7	25.3	27.7	35.5

Source: National Statistical Coordination Board

<sup>1</sup> National average for a family with five members.

**Figure 1. Subsistence Incidence, by Area**  
(in percent)



Source: National Statistical Coordination Board

On the other hand, poverty incidence of families (below the poverty threshold) rose to 33.7 percent (or 39.4% of the population) in 2000 from 31.8 percent (36.8% of the population) in 1997 as the Asian financial crisis in that year slowed down economic growth and caused greater unemployment. Average growth of domestic production (GDP) slowed down to 2.4 percent in 1998 to 2000 while average unemployment rate rose to 10.4 percent from 8.7 percent in 1997.

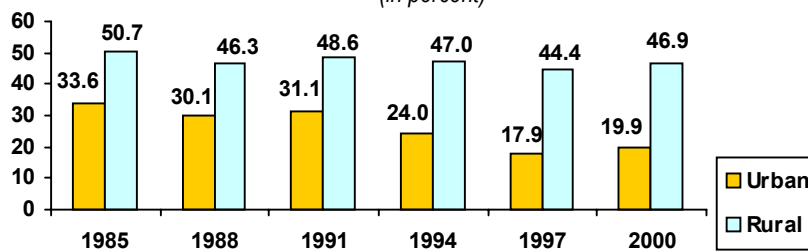
The persistently high population growth rate of 2.36 percent further weighed down the growth of per capita income. Average annual per capita income rose by a mere 9.2 percent from 1998 to 2000 to reach Php44,591 as of 2000. The annual per capita poverty threshold in 2000 was estimated at Php13, 823.

As of 2000, there were 5.1 million poor families, or 30.8 million poor people. Poverty in the Philippines remains a rural phenomenon. In 1985, more than half of

the total families in rural areas were poor. This has changed slightly, with 46.9 percent of rural families still considered poor in 2000. Relative to the total number of poor families in 2000, rural poor families account for 70.9 percent or about 3 out of 4 families. On the other hand, poverty incidence in urban areas had significantly declined from 33.6 percent in 1985 to 19.9 percent in 2000.

In 2000, poverty incidence across regions was highest in the ARMM (66%), followed by the Bicol Region (55.4%) and Central Mindanao (51.1%). Poverty incidence was lowest at 8.7 percent in the National Capital Region (NCR). Meanwhile, a remarkable drop in poverty incidence occurred from 1985 to 2000 in Regions IV and VII, both the fastest growing regions during this period. On the contrary, poverty incidence worsened during 1994-2000 in ARMM as the peace and order situation deteriorated. Poverty incidence in all the Visayas and Mindanao regions was higher than the national average of 33.7 percent.

**Figure 2. Poverty Incidence, by Area**  
(in percent)



Source: National Statistical Coordination Board

**Table 6. Regional Poverty Incidence, by Family**  
(in percent)

	1985	1988	1991	1994	1997	2000
<b>Philippines</b>	44.2	40.2	39.9	35.5	31.8	33.7
<b>NCR</b>	23	21.6	13.2	8	6.4	8.7
<b>CAR</b>	-	41.9	48.8	51	42.5	36.6
<b>Region I</b>	37.5	44.9	48.4	47.9	37.8	37.1
<b>Region II</b>	37.8	40.4	43.3	35.5	32.1	29.5
<b>Region III</b>	27.7	29.3	31.1	25.2	15.4	18.6
<b>Region IV</b>	40.3	41.1	37.9	29.7	25.7	25.3
<b>Region V</b>	60.5	54.5	55	55.1	50.1	55.4
<b>Region VI</b>	59.9	49.4	45.3	43	39.9	43.1
<b>Region VII</b>	57.4	46.8	41.7	32.7	34.4	38.8
<b>Region VIII</b>	59	48.9	40.1	37.9	40.8	43.6
<b>Region IX</b>	54.3	38.7	49.7	44.7	40.1	46.6
<b>Region X</b>	53.1	46.1	53	49.2	47	45.7
<b>Region XI</b>	43.9	43.1	46.2	40.3	38.2	40
<b>Region XII</b>	51.7	36.1	57	54.7	50	51.1
<b>ARM</b>	-	-	50.7	60	57.3	66

Source: National Statistical Coordination Board

Poverty incidence in the Philippines is highly correlated with the level of educational attainment. Three out of every 5 families whose heads did not attend school are poor. On the other hand, only 2 out of every 100 families whose heads are college graduates are poor.<sup>2</sup>

Poverty incidence is also highest among families whose heads are engaged in agriculture. From 1985 to 2000, poverty incidence among farm households remained at more than 50 percent or more than half of total families whose heads are farmers who do not have enough income to meet their basic needs.<sup>3</sup>

### **PRIORITY POLICIES AND PROGRAMS**

Under the MTPDP, 2001-04, the four major thrusts addressed to fight the war against poverty consists of the following: (a) ensuring macroeconomic stability with equitable growth; (b) modernizing the

agriculture and fisheries sector; (c) pursuing comprehensive human development and protecting the vulnerable; and (d) ensuring good governance and rule of law. Other priority measures to fight poverty include: enhancing competitiveness in the industry and services sector; implementing regional development programs and targeted social development programs, including population management; and monitoring poverty.

### **Ensuring Macroeconomic Stability and Sustained Growth with Equity**

Real gross domestic product (GDP) is projected to expand by 5.8 – 6.0 percent in 2006 from 4.0–4.5 percent in 2002. To support this growth, policies will ensure macroeconomic stability and long-term industrial restructuring based on market reliance, privatization, and liberalization of trade and investments.

<sup>2</sup> Celia M. Reyes. *The Poverty Fight: Have we Made an Impact?*

<sup>3</sup> Philippine Institute for Development Studies (PIDS), 2002.

<sup>3</sup> Ibid.

Adherence to fiscal discipline is integral to ensuring macroeconomic stability. As the government maintains prudence in spending, it also protects expenditures for core priorities like education, training, health, agricultural modernization and technological progress, which are essential to poverty reduction and productivity growth.

Monetary and financial policy remains supportive of growth and in keeping inflation low. Inflation is projected to stabilize at 3.0 – 4.0 percent by 2006 from 4.5 – 5.5 percent in 2002. A growing and well-regulated banking system is essential to the country's growth. The government is working towards addressing the banks' nonperforming loans problem through the creation of Special Asset Management Companies (SAMCs) that will infuse greater liquidity and improve bank profitability.

Equitable growth hinges on the generation of full, decent and productive employment. Employment which is vital to poverty reduction is projected to grow at 3.6–3.9 percent by 2004. There are measures to improve job generation and the preservation, enhancement and facilitation of employment. Productivity is enhanced through economy-wide modernization and investments in education, science and technology (S&T), and information and communication technology (ICT) which allow training and retraining of workers in preparation for the new economy. At the same time, harmonious employer-employee relations are promoted through measures upholding the rights of workers to collective bargaining, and through mediation and voluntary arbitration in resolving conflicts.

### **Enhancing Competitiveness in the Industry and Services Sectors**

To sustain productivity in the long term, the competitiveness of industry and services will be promoted through liberalization and regulatory reforms. Investments in S&T and a research and

development (R&D) culture will be promoted. Infrastructure development and transport systems will be expanded to boost the rural economy and domestic trade.

Micro, small and medium enterprises (MSMEs) will have access to skilled workers, credit, low-cost capital and advanced technology, among others.

Priority will be given to capacity building to prepare the industry and services sectors for global competition and technological change. ICT will be promoted to take advantage of the country's competitive edge in the sector and harness productivity and efficiency gains for industries and services, especially the MSMEs.

### **Modernizing the Agriculture and Fisheries Sectors**

The modernization of the agriculture and fisheries sector is being pursued through the full implementation of the Agriculture and Fisheries Modernization Act (AFMA) of 1997. This provides for speedy development of agricultural support services such as irrigation, training and credit; increasing the efficiency and effectiveness of key sectoral interventions; encouraging private sector investments; and modernizing a rationalized technology extension system.

As productivity in agriculture is raised, government will provide training and retraining and expand skills-acquisition programs to assist the workers released from agriculture to secure jobs in industry and services.

The government will also facilitate access of farm and off-farm enterprises to credit through micro credit and SME lending programs. Tariff reforms and import liberalization will allow the acquisition of least-cost capital equipment and other production inputs.

The government is also promoting social equity in the countryside through asset reform through the full implementation of land distribution under



the Comprehensive Agrarian Reform Act within the decade. As agriculture is modernized, policies that promote environment-friendly technologies and sustainable farming practices will be pursued.

### **Pursuing comprehensive human development and protecting the vulnerable**

The KALAHI-CIDSS is the government's centerpiece focused, accelerated, convergent and expanded anti-poverty program. The KALAHI program which is orchestrated by the National Anti-Poverty Commission (NAPC), prioritizes five areas of concern in poverty reduction: (a) asset reform; (b) human development services; (c) employment and livelihood opportunities; (d) participation of the basic sectors in governance; (e) social protection and security against violence.

The CIDSS is a national community-based program consisting of interventions designed to empower disadvantaged individuals. The primary focus of CIDSS is on the 5<sup>th</sup> and 6<sup>th</sup> class municipalities and some 3<sup>rd</sup> and 4<sup>th</sup> class municipalities where poverty incidence is high and where vulnerable groups are present.

To expand the economic capabilities and choices of the poor, the government implemented self-employment, livelihood and credit assistance programs. Providing credit through microfinance institutions has been a significant component of this poverty alleviation effort. The government granted funds to nongovernmental organizations (NGOs) engaged in microcredit with market on lending rates and established a council for microfinance institutions composed mostly of private practitioners.

Several self-employment and livelihood assistance programs for the youth, farmers, women, and persons with disabilities have been put in place. These include: (a) Promotion of Rural Employment through Self-Employment and

Entrepreneurship Development (PRESEED); b) *Tulong Alalay Sa Mga Taong May Kapansanan* (TULAY); (c) *Kasanayan-Kabuhayan* One Stop Services (KKOSS) Window; (d) Women Worker's Employment and Entrepreneurship Development (WEED); (e) Self-Employment Assistance *Kaunlaran* (SEA-K) Program; (f) Youth Entrepreneurship Program; (g) Enterprise Development; and (h) direct lending to poor microentrepreneurs through various lending methodologies such as the Grameen and Association for Social Advancement (ASA).

### **Ensuring Good Governance and Rule of Law**

#### *Institutional and Governance Reforms*

Productivity is highly related to the state of governance. Development strategies will be underpinned by adherence to good governance and the rule of law. The government will pursue a coordinated effort to fight graft and corruption. Civil society watchdogs will be engaged in this effort through initiatives such as the Tax Watch and Key Appointment Watch.

Service delivery will be improved based on principles of transparency and accountability. Comprehensive and enduring reforms shall seek to develop a performance-based and results-oriented bureaucracy. These include: (a) reduction in processing time of licenses and administrative requirements of frontline agencies; (b) computerization of government procurement system; (c) further enhancement of efficient financial management; and (d) use of ICT to streamline government processes.

New partnerships between the government at all levels on one hand, and business and civil society on the other, will be forged and strengthened as the bureaucracy is streamlined. To safeguard democratic political institutions, electoral reforms shall be put in place.

## **CHALLENGES/PRIORITIES FOR ACTION**

### **Spatial Disparities and Deteriorating Peace and Order Situation**

Reducing poverty entails bridging the disparities in development levels between Metro Manila and the rest of the regions. To do this, the government is working for the development of urban centers outside of Metro Manila. Enhancing capabilities of LGUs to practice greater fiscal discipline and improve collections is important. To improve planning and instill discipline in the use of scarce resources, a well-coordinated statistical system at the local level will be established.

To attain unity amid the diversity in religion and culture of stakeholders, special attention is focused on ensuring lasting peace and development in Mindanao.

### **Rapid Population Growth**

The Philippine Population and Management Program (PPMP) Directional Plan, together with the Population Investment Plan, embodies the government's population policies. These policies call on the government to assist couples in achieving their fertility goals and likewise prepare individuals to become responsible parents. To support this, the following efforts are encouraged: (a) allocation of National Government (NG) budget for responsible parenthood and reproductive health (RH) programs; (b) organizing government agencies and NGOs for the preparation of the population investment plan; and (c) mobilizing resources from private commercial sector, NGOs and LGUs for the PPMP programs.

The PPMP has three component programs namely: responsible parenthood and Family Planning, adolescent health and youth development; and population and development (POPDEV) integration.

Advocacy and information activities will be conducted on POPDEV integration. This means that population variables are blended into development policies plans and programs. Thus, LGUs are, for example, expected to integrate POPDEV concerns in their local development and investment plans.

To assist couples on reaching their desired family size, quality information and reproductive health services will be made available and accessible to them. Similarly, programs such as Teen Centers, Counseling on Air, and peer counseling will be launched to provide adolescents with age-appropriate information, knowledge, education on reproductive health and responsible sexual behavior.

### **Monitoring poverty through APIS and FIES**

The government will continue to conduct the triennial Family Income and Expenditures Survey (FIES) and Annual Poverty Indicators Survey (APIS) on non-FIES years to monitor the poverty situation in the country and determine the status of our MDG commitment of halving extreme poverty (subsistence poverty) by 2015.

The FIES and APIS are both household-based surveys. The FIES, which generates family incomes and expenditures data, is used in estimating statistics such as the poverty and subsistence incidences, poverty and income gaps and income distribution. The APIS, on the other hand, provides information on correlates of poverty relating to survival, security, enabling indicators, and other minimum basic needs.

### **Strengthening safety nets**

The government continues to pursue policies to enhance access of the poor to health financing. About 40 percent of the urban poor beneficiaries have been identified for enrollment under the National Health Insurance Program (NHIP). As of

December 2001, some 156,039 urban poor families were enrolled nationwide. Awareness of the NHIP among the urban poor also increased.

Improvements introduced in the NHIP include the following: (a) increase in certain in-patient benefit item ceilings that would have impact on members, i.e., laboratory services, drugs and medicines, by as much as 43 percent; (b) approval of the implementation of the Relative Value Scale 2001 and International Classification of Diseases to improve payment schemes for physicians; (c) roll-out of Outpatient Diagnostic Package (general consultation, laboratory fees, x-ray) in Health Sector Reform Agenda (HSRA) convergence and Plan 500 areas; (d) implementation of the Plan 500 to ensure enrolling 500,000 indigent urban poor families each year; and (e) aggressive marketing and enrollment of the Individually-Paying Program.

As a safety net, social insurance programs are important in minimizing the income shocks that comes from work-related injury, illness, old age, and disability, especially of the poor and those dependent on single sources of income. As such, the implementation of social and health insurance programs are being improved to expand the coverage of these services.

The implementation of the Social Security Act of 1997 will be intensified by empowering the Social Security System (SSS) to authorize duly registered cooperatives to act as collecting agents with respect to their members. The development of a feasible set of guidelines and measures to implement this new policy on coverage and collection is underway.

Moreover, the SSS, through its SSS Flexi-Fund Program, will provide better social protection assistance for members who are Overseas Filipino Workers (OFWs). This program is a voluntary and

defined contribution scheme that enables OFWs to save more of their relatively higher incomes from overseas employment. It also aims to provide financial assistance for other needs of returning OFWs such as housing, education and business capital. This program is being implemented in 13 SSS Foreign Representative Offices and has already enrolled 2,799 registrants with a collection totaling to Php1.2 million.

On the other hand, social security to an estimated 1.4 million public servants will be enhanced by the Government Service Insurance System (GSIS) through the expansion of service delivery structures such as conduit banks and other media. Social security benefits will also be increased specifically on disability, old age, and survivorships pensions and housing assistance.

## **Target 2: Halve the proportion of population below minimum level of dietary energy consumption and halve the proportion of underweight children (under five years old)**

### **STATUS AND TRENDS**

The aggregate food supply available in the country from domestic production and imports more than satisfies consumption levels of the population. Based on the 1998-2000 Food Balance Sheets of the Philippines, food supply over consumption ratios for calories, protein, and fats were estimated at 133.9 percent, 136.9 percent and 139.4 percent, respectively. Although readily available, many do not have enough money to buy the food they need. Poverty is a major cause of food inadequacy particularly in the rural areas.

On the consumption side, the 4<sup>th</sup> National Nutrition Survey in 1993 conducted by Food and Nutrition Research Institute-Department of Science and Technology (FNRI-DOST) as cited in the 2001 Philippine Nutrition Facts and Figures shows that the average Filipino food and nutrient intake of Filipinos is generally inadequate. Trends in food consumption indicate a general decrease in the intake of various foods.

The mean one-day per capita food consumption decreased from 869 grams in 1987 to 803 grams in 1993, and the mean one-day per capita energy intake went down from 1753 kilo calories to 1684 kilo calories in the same period. Energy, iron, calcium and ascorbic acid intakes significantly decreased from 1987 to 1993, and this can be traced to the general downward trend in food consumption, particularly of rice along with the decreases in fish and meat consumption during the period.

Most of the food groups except for eggs and egg products and milk and milk products show lower consumption levels in 1993 as compared to the 1987 figures. This means the vitamin and mineral intake

remains grossly inadequate except for protein, which meets the corresponding RDA (106.2%) standard.

Malnutrition is still a major threat to the Filipino child's survival. The prevalence of underweight preschool children 0-5 years old decreased from 34.5 percent in 1989-90 to 30.8 percent in 1996, then increased to 32 percent in 1998 and decreased to 30.6 percent in 2001.

There is a wide disparity across regions in terms of the nutritional status of children. For instance, Bicol has almost twice as much underweight preschoolers (37.8%) than the NCR, which has only 20.3 percent. The next two regions with the highest underweight prevalence exceeded the national average rate of 30.6 percent. These are Western Visayas (35.2%) and Northern Mindanao (34.1%). CAR and Central Luzon, on the other hand, registered the lowest prevalence rates at 23.4 percent and 25.9 percent respectively, following NCR.

Figures for stunted growth, indicative of prolonged deprivation of food and susceptibility to frequent infections, decreased from 40 percent in 1989-90 to 34.5 percent in 1996, and almost stagnated until 1998 at 34 percent.

### **PRIORITY POLICIES AND PROGRAMS**

The Philippines will ensure protection of the rights of the children, particularly their right to survival, protection, development and participation. The government will continue to implement the Philippine Plan of Action for Nutrition (PPAN), a companion plan of both the Philippine Plan of Action for Children (PPAC) and the Filipino Children 2000 and Beyond, which embody the country's efforts towards achieving the nutrition goals of the World Summit for Children.

It will continue the NUTRITION Agenda which comprises, among other strategies, nationwide salt iodization, micronutrient supplementation and food fortification, nutrition information and education, targeted assistance for food and nutrition security, advocacy for increased investments for nutrition and integration of nutrition considerations in sectoral policies and programs. National government agencies and NGOs will also extend technical assistance and logistics support to the LGUs.

The positive effects of interventions on micronutrient deficiencies and malnutrition led the interagency National Nutrition Council (NNC) to agree on focusing its efforts on the prevention and control of micronutrient deficiencies in 1993. The strategy involved heavy investments in the short-term and relatively more expensive universal supplements specifically for Vitamin A and iodine from 1993-96.

More food-based strategies, i.e., food fortification, nutrition education and food production were emphasized later. Food fortification was private/business sector-led and focused on staple foods like rice, sugar, cooking oil, wheat flour, salt and drinking

water. Nutrition education sought to change dietary behaviors consistent with the country's nutritional guidelines, specifically increasing the consumption of foods rich in Vitamin A, iodine, and iron, prolonged breastfeeding and proper introduction of complementary foods to help prevent protein-energy malnutrition (PEM) and micronutrient deficiencies.

The NNC has developed a Strategic Plan to reduce and control Protein-Energy Malnutrition. It established the Food Insecurity and Vulnerability Information and Mapping Systems (FIVIMS) to monitor food insecurity and vulnerability at the national level. The National Nutrition Education Plan shall consolidate and harmonize all nutrition education efforts in the country initially for key government agencies and selected NGOs.

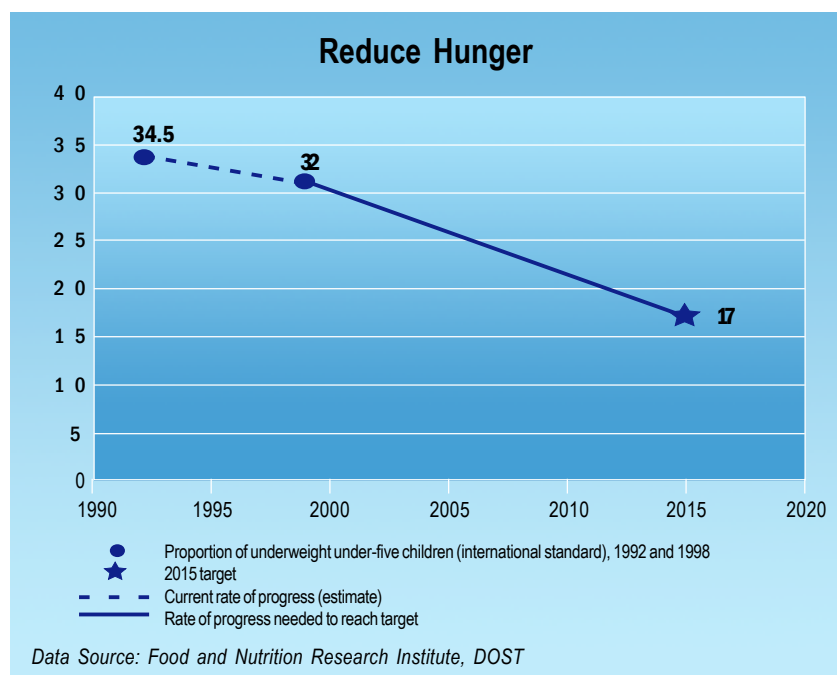
An Executive Committee on Food Security was established on Dec. 5, 1996 at the Cabinet level to implement the Rome Declaration and Plan of Action on Food Security. To improve food security, the AFMA, has delineated the policy framework that will encourage investments in agriculture particularly in irrigation, post-harvest facilities, rural infrastructure, a viable credit program, and research, development and extension.

Legislative measures will focus on strengthening the national nutrition program.

## CHALLENGES AND PRIORITIES FOR ACTION

### Resurgence of malnutrition associated with increased poverty

Evidence shows that the nutritional status of Filipinos is affected by outside economic downturns and natural calamities. A recent research on the Micro Impacts of Macro Economic Adjustment Policies (MIMAP) disclosed that events like the peso devaluation in July 1997 and the El Niño phenomenon had an adverse impact on the Filipinos' nutritional status.



However, the right amount of investments in social services can counter their ill effects both in the short and long term. A more aggressive nutrition program will be laid out by government to combat the problem.

### **Wide spatial disparities**

Focused targeting for programs is needed to address the wide regional disparities. Special target areas for uplifting the nutritional status of children are the Visayas (i.e., Antique, Southern Leyte, Bacolod City) and Mindanao (i.e., Marawi City, North and South Cotabato). Nutrition advocacy for policy makers, especially in the LGUs, will be intensified.

### **Targeting of strategic areas and groups**

Ways should be identified to actually enforce focused targeting of nutrition interventions. This will help ensure greater economic returns of limited resources and ensure that the most at-risk groups and areas are the ones relieved by services. Focusing on strategic areas or areas with high malnutrition prevalence rates will also help in substantially achieving the MDG of halving the proportion of 0-5 underweight children.

### **Intensifying advocacy to LGUs to address nutritional problem**

The advocacy will involve dialogues with local chief executives and their functionaries and will emphasize the magnitude and consequences of malnutrition and the need to sufficiently fund nutrition services to address the identified nutritional problems in their communities. Priorities for advocacy will be the areas with the highest malnutrition prevalence.

### **Low use of Iodized Salt**

The country has not met the goal of universal salt iodization set in 2000. From 1996 to 1998, only 2.6 percent of the annual requirement of Filipinos for iodized salt was met despite the passage of the salt iodization law in 1995. The implementation of the nationwide salt iodization program will be pursued through the enforcement of the ASIN Law. Partnerships with LGUs and the private sector will also be forged to sustain initiatives for nationwide salt iodization.

### **Ineffective Nutrition Intervention Mix**

There is a need to assess which nutrition interventions have the most impact at the least possible cost. With the declining trend of nutritional status, a cost effective nutrition mix will be identified.

### **Other Challenges**

The following challenges remain: (a) increased occurrence of underweight and wasting among children, particularly among 1-2 year-old preschoolers and among 9-10 year-old schoolchildren; (b) vulnerability of 0-5 year-old children, particularly boys, to stunted growth and wasting; (c) high iron deficiency anemia across all population groups, especially among infants, and pregnant and lactating women; (d) Vitamin A deficiency among pregnant and lactating women; (e) iodine deficiency; (f) high prevalence rates of overweight and chronic energy deficiency problems among adult females 20 years old and over and older persons 60 years old and above; and (g) protein energy malnutrition.

### Target 3: Halve the proportion of people with no access to safe drinking water or those who cannot afford it by 2015.

#### STATUS AND TRENDS

According to the National Objectives for Health, from 1960 to present, there has been a significant increase in households with access to safe drinking water at an average rate of 2 percent increase yearly. It is likely that the 87 percent access goal

1988	1991	1994	1997	1998	1999	2000
71.9	73.7	77.3	76.9	78.1	79.1	78.5

Sources of Data: Family Income and Expenditures Survey (FIES); 1988, 1991 and 1994

Sources of Basic Data: FIES; 1997 and Annual Poverty Indicators Survey; 1998 and 1999

National Statistics Office

can be met by 2015. The MTPDP target is actually higher at 91.8 percent.

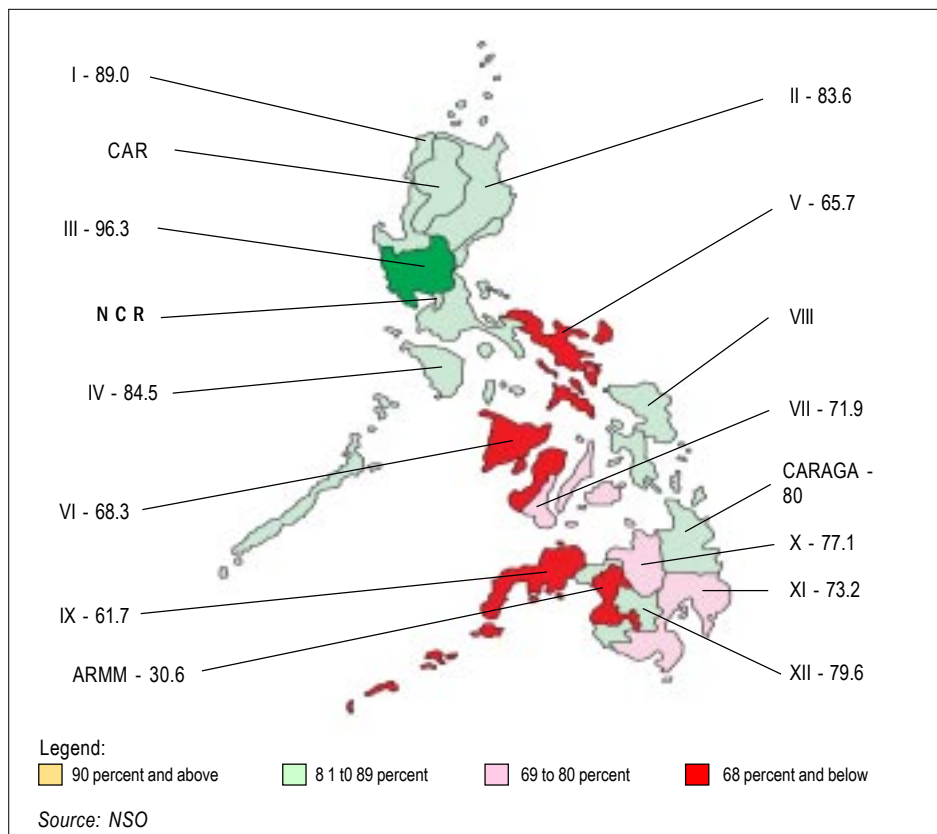
There has been a modest improvement in water supply coverage since 1988, when the government launched the Water Supply, Sewerage and Sanitation Sector Master Plan, covering the period up to the year 2000. In 2000, about 78.5 percent of Filipino households already had access to safe drinking water. Although this was an improvement from 73.7 percent figure of 1991, it was a 0.6 percent point decline from the 79.1 percent figure of 1999. There was also a minimal decline (0.4%) from 77.3 percent in 1994 to 76.9 percent in 1997. However, the progress in the provision of water supply facilities has been slower in rural areas than in urban areas.

A baseline study under the Urban Health and Nutrition Project (UHNP) in 1995 showed that majority (72%) of households among slum dwellers have access to piped water or tube wells. However, 36 percent of the water was contaminated at the point of consumption than it had been at source (17%). This was due to improper transport, handling and storage of drinking water.

The National Demographic and Health Survey conducted in 1998 indicated that 62 percent of households take between 1-15 minutes to draw water from the source and bring it to the households which implies a better access to water supply.

#### PRIORITY POLICIES AND PROGRAMS

Through the nationwide campaign under the International Decade of Water and Sanitation, the government has set up projects to address the concerns of water resources agencies. The government will pursue a water resources management action plan which recommends a shift from a purely sector approach to one which integrates and coordinates all water-related



efforts with more focus, such as a river basin approach.

The National Water Resources Board's (NWRB) role as the government coordinating and regulating body for all water resources-related development could be more effective if it is made independent from direct claimants to water resources. In this light, the NWRB was reconstituted accordingly through EO No. 123.

There are three major areas of responsibility in Water Supply, Sewerage and Sanitation: (a) Metro Manila, which is served mainly by the MWSS through its two concessionaires, Manila Water Company, Inc. (MWCI) and Maynilad Water Services, Inc. (MWSI). A substantial portion of the Metropolis is also being served by Small Scale Independent Providers (SSIPs) including Homeowners' Associations; (b) provincial urban, served by water districts (WDs), LGUs and private utilities; and (c) provincial rural, served by Rural Waterworks and Sanitation Associations (RWSAs), Barangay Waterworks and Sanitation Associations (BWSAs) and LGUs.

The total population directly served by MWSS through its two concessionaires as of December 2001 is 9.5 million or 82 percent of the 11.6 million total population under MWSS service area. However, the problem of nonrevenue water (NRW) persists, particularly for the West Zone under MWSI as NRW increased from 66.2 percent in 2000 to 67 percent in 2001. Rapid urbanization and development is the main reason why new water sources must be developed, aside from the high NRW and scarcity of water sources.

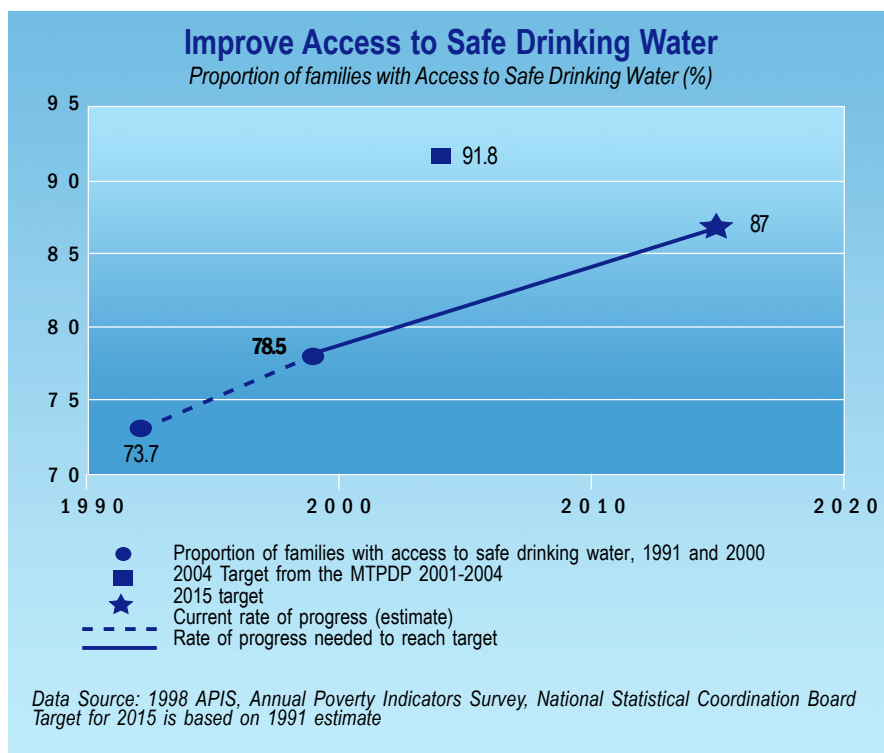
Around 26.7 million or 55 percent of the country's rural population are now being served still with mostly Level I (120.2 million) systems and in some cases, Level II (2.9 million) and Level III (3.6 million) systems by LGUs, BWSAs and RWSAs under the jurisdiction of DILG and the DPWH. Private utilities serve a further 0.5M or 1.4 percent of the country's rural

population and 0.2 million or about 2.2 percent of Metro Manila.

The provincial urban population served by LWUA/WDs as of 2001 is 10.8 million, or 50.7 percent of the total population in urban areas outside MWSS coverage. The average NRW of WDs stood at 29 percent in 2001, lower by 2 percentage points from 31 percent in 2000.

In Metro Manila, sewerage and sanitation services are expected to increase once the Manila Second Sewerage Project (MSSP) is completed. The DOH and DILG, meanwhile, will continue to assist LGUs in providing basic sanitation services (4<sup>th</sup> Draft MTPDP, water sector).

The government will continue its efforts in: (a) strengthening public health programs; (b) institutionalizing water quality management system for LGUs; (c) developing the capacity at the national, regional and local levels in providing environmental health testing laboratories; and (d) developing the skills and qualifications of personnel within the DOH and at the local levels on environmental health (Source: DOH, EOHO, MTPDP)



To sustain the gains in access to safe water supply, the government will: (a) shift emphasis from Build-Operate-Transfer (BOT) scheme to concessions and similar arrangements in terms of privatization of water supply activities; (b) develop and provide incentives for contiguous water districts to blend into single business entities to attain economy of scale in project development cost; (c) encourage water facilities to graduate into different institutional types based on their level of viability; and (d) ensure the financial and technical performance of water utilities to address the sustainability of water supply.

The government will also pursue the Water Regulatory Commission Act to establish a single agency for the rational and effective economic regulation of all piped-water supply and sewerage systems and the Amendment of PD 198 (Provincial Water Utilities Act of 1973) to increase capitalization of Local Water Utilities Associations.

## **CHALLENGES/PRIORITIES FOR ACTION**

### **Disparities across regions**

There are wide disparities across the regions. Some regions have already exceeded their targets but there are areas that are far behind. For instance, only 29 percent of all households in the Autonomous Region of Muslim Mindanao have access to safe drinking water, compared with the 97 percent of Central Luzon households which have safe water facilities. The condition has not improved significantly in the ARMM since 1994 when only 26 percent of its households had safe drinking water. Thus, efforts will be focused on areas that have not come close to their targets.

### **Deterioration in quantity and quality of water resources**

Ground water has been the principal source of municipal water, representing about 46 percent. However, the recent increase in ground water use in the country led to problems like the intrusion of saline water into aquifers and water pollution.

### **Low level of investment**

Although the government encourages private capital infusion in development undertakings, investments from the sector have not been as substantial as anticipated.

One cause of such apparent unenthusiastic response from the private sector, apart from tariffs, is the absence of a strong and independent regulatory board that, among others, sets and approves tariffs as well as allocates finite water resources among various competing users. An effective and credible economic regulatory environment weighs two conflicting objectives – quality of service and reasonableness of tariffs. The regulatory body will also have to provide incentives to suppliers to improve efficiency without compromising the welfare and interests of consumers.

The current practice for cost-recovery varies for the different services of water delivered. For urban water supply (Level III), services are provided on the basis of recovery of full-costs. In the case of rural water supply (Levels I and II), cost recovery through user charges is only for the operation and maintenance (O&M) of the systems (4<sup>th</sup> Draft MTPDP, water sector).

## GOAL 2

### ACHIEVE UNIVERSAL PRIMARY EDUCATION

#### Target 4: Achieve universal access to primary education by 2015

##### STATUS AND TRENDS

**W**ith more access to basic education, the literacy rate has improved. The 89.8 percent simple literacy rate in 1989 rose to 93.9 percent in 1994 or by 4.1 percentage points, without a significant difference between men and women. The functional literacy rate of 75.4 percent in 1989 improved to 83.8 percent or by 8.4 percentage points in 1994 with no marked gender bias.

The participation rate in the elementary education level in both public and private schools improved from 85.1 percent in 1991 to 96.9 percent in 2000. However, many of the children who enroll do not complete the school year as evidenced by the low cohort survival rate. The cohort survival rate has declined from 68.4 percent to 67.1 percent over the same period. Completion rate, however, slightly increased from 65.5 percent in 1991 to 66.1 percent in 2000.

##### PRIORITY POLICIES AND PROGRAMS

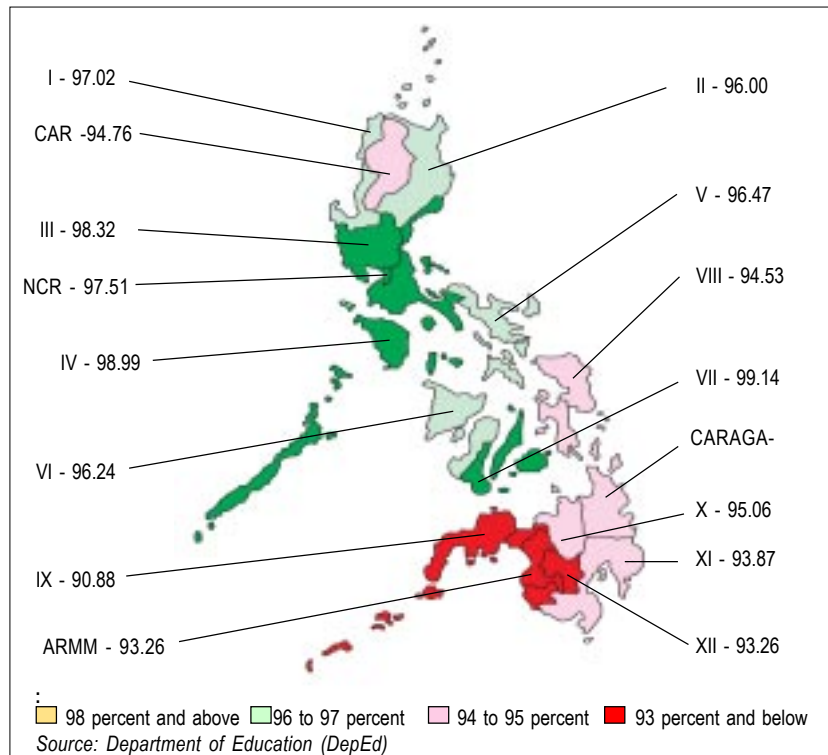
The Department of Education (DepEd) continues to implement policies, programs and projects to improve the quality of education and make it accessible to all Filipinos and more responsive to the country's twin goals of global competitiveness and people empowerment.

##### Access to Basic Education

Access to basic education has been expanded through the twin strategies of

establishing elementary schools in villages not being served by the system, and completing "incomplete" schools through multigrade classes. Between 1995 and 2000, the number of barangays without elementary schools, was reduced from 5,119 to 4,569 out of 41,940 barangays. It was further established that of these remaining barangays, only 1,507 needed schools. The number of "incomplete" elementary schools decreased from 11,420 in 1993 to 8,647 in 2000.

Several policy reforms were initiated to enhance access to basic education. Among these were: (a) prioritize underserved or marginalized groups or areas; (b) broaden and deepen stakeholder involvement and participation through



school or community-based planning and adapting effective fund mobilization schemes; and (c) explore and maximize the use of educational resources. Partnerships have also been established among government agencies, LGUs, NGOs, business groups, parents and community organizations.

Various programs were implemented, including the Dropout Prevention Program, Multi-Grade Program in Philippine Education (MPPE), Adopt-a-School-Program, Projects EASE (Effective and Affordable Secondary Education), Distance Learning Educational Program, Balik-Paaralan for Out-of-School Adults Program, Government Assistance to Students and Teachers in Private Education, Third Elementary Education Program, Secondary Education Development and Improvement Project, and the School Feeding Program. The NGOs and private institutions also implemented the Children in Need of Special Protection (CNSP) program and gave out scholarship grants to poor but deserving students.

Literacy levels of the marginalized sectors are enhanced through the Philippine Non-Formal Education Project (PNFEP) with the NGOs as active partners. The NFE Accreditation and Equivalency System is a major program for those 15 years old and above who are unable to go to school or who have dropped out from formal school.

The strict implementation of the Ganson Law (RA 5546) banning the collection of compulsory contributions and presentation of birth certificates for enrolment resulted in a 5 percent increase in enrolment in SY 2001-2002.

### **Empowerment of Teachers**

Recognizing the vital role of teachers, several reforms were implemented to empower them. These include increasing their take-home pay, providing teacher

training, increase in election per diem, loan structure, checkless payroll system and freeing teachers from non-teaching duties to allow them to concentrate on teaching.

### **Improved Quality of Education**

The DepEd instituted measures to improve the quality of education by restructuring the curriculum, installing computers in public high schools, teacher training, improving basic education facilities and testing programs and providing preschool and early childhood services.

The new curriculum aims to raise the quality of the Filipino learners and empowering them for lifelong learning. It focuses on the basics of reading, writing, arithmetic and values. Given this thrust, functionality will be the touchstone of quality and achievements. It stresses integrative and interactive teaching approaches.

One encouraging development is the narrowing of the disparity between public and private schools in terms of achievement level in the elementary and secondary level. Higher improvement rates have been noted in test scores of public school children compared to their private school counterparts over the last five years.

### **Good Governance**

Several measures were set in place to promote good governance. The DepEd has formulated new bidding and procurement procedures for more transparency, resulting in cheaper textbooks, school desks and armchairs. Greater civil society participation in educational policy formulation was also encouraged.



## CHALLENGES/PRIORITIES FOR ACTION

### Trifocalization of management system and resource allocation

The trifocalization of the education system complicated resource allocation, management effectiveness and efficiency, as well as sector planning and monitoring. There is an urgent need for an effective coordinating mechanism, the proposed National Coordinating Council for Education (NCCE). This will harmonize crosscutting issues on resource allocation, administrative jurisdiction, supervising functions over schools, program development and tuition fee matters.

### Improving quality

Although access to education has been significantly addressed as indicated by high participation and literacy rates, achieving quality education leaves much to be desired. Cohort survival rate and achievement level remain exceedingly low. There is still a formidable task ahead in reducing discrepancies between schools in rural and urban areas. More alarming is the apparent incidence of low-quality education in some regions and in indigenous communities.

Resource allocation will be set realistically for basic requirements like facilities, teachers, and instructional materials as offshoots of a growing school population.

A new system of educational outcome assessment will be undertaken to address the quality of basic education.

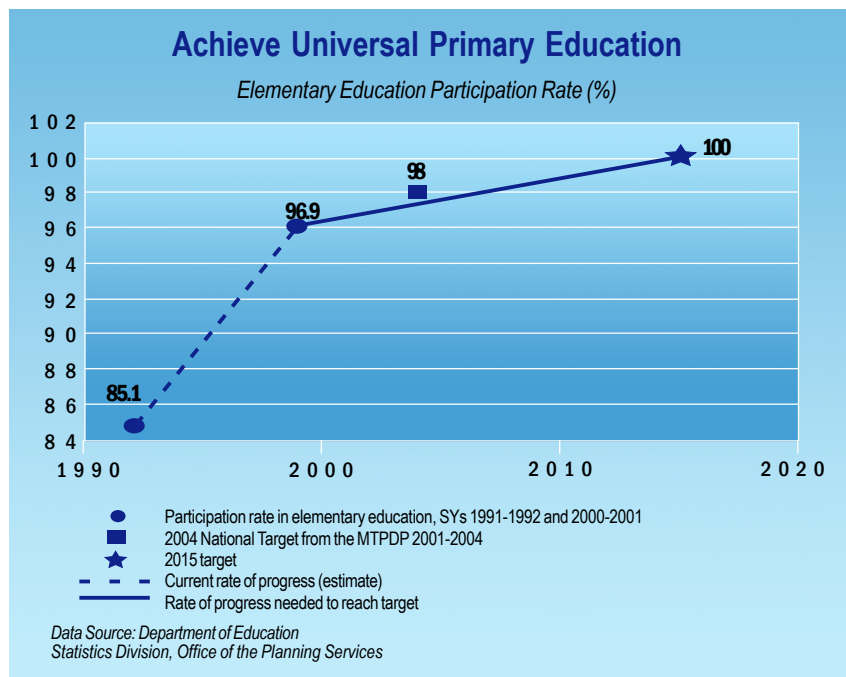
Further, more, innovative approaches will complement traditional delivery systems. This will involve reaching out to youths outside the school system such as working children, street children, those with disabilities, neglected and abused, and those in conflict with law.

### Focusing outreach strategy

Geographical, economic and cultural barriers and disparities between and among regions suggest the need to expand and institutionalize the pilot alternative learning schemes and delivery systems like hard-to-reach school programs which target students at risk.

### Further improvements in governance

Lastly, to improve the delivery of quality education, the government will identify and remove hindrances and adopt enabling or enhancing mechanisms. These include: (a) decentralization, including the delegation of certain functions and authorities from the central office to the local levels; (b) rationalization measures relative to the use and the allocation of education-related resources; and (c) performance accountability within the budgetary process.



## GOAL 3

### PROMOTE GENDER EQUALITY

#### Target 5: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015

**Women have managed to penetrate territories once traditionally dominated by men like military schools.**

#### STATUS AND TRENDS

**E**ducation is one area in Philippine society where women and men have almost equal status. In SY 1999-2000, girls had higher participation rates both in the elementary (97.1%) and high school (68.3%) levels than boys (96.8 percent and 62.6 percent, respectively). The enrolment data for SY 2000-2001 shows that there was almost an equal number of girls and boys in the elementary level where the ratio of girls to boys was around 96:100. This ratio was higher in the secondary level, with 105 girls to 100 boys.

women at 68.8 percent. This could be due to the lack of educational opportunities, the lack of access to schools, or the tendency of some parents to discourage their daughters from attending school.

Given the opportunity, girls have higher survival rates in school. The enrolment data for SY 1999-2000 show that slightly more boys than girls start school (51.5% vs. 48.9%) at the elementary level. However, more girls move on to the next level as they now slightly outnumber boys in high school (51.4% vs. 48.6%). In SY 1996-1997, the females have higher cohort survival rates for both elementary (73.02%) and high school (78.11%) than the males (63.41% and 68.84% respectively). With regard to completion rates, available data (SY 1999-2000) show better performance of girls than boys at both elementary (73.27% vs. 63.99%) and secondary levels (76.36% vs. 63.59%).

Because they tend to stay longer in school, women are greater in number than men pursuing higher education. University enrolment is female-dominated. In SY 1997-1998, 53.2 percent of students were women.

Women are seen to increasingly invade traditional male domains. In the case of men, the reverse is not happening as they continue to stick with their traditional choices. Women have managed to penetrate territories once traditionally dominated by men like military schools. The fields of agriculture, forestry, fishery and veterinary medicine, once regarded as masculine enclaves, now admit female student who constitute 50.2 percent of the enrollees. Mathematics and computer science (55.1%) as well as tradecrafts and

**Table 8. Participation Rates, by Sex**

	1996	1999
Elementary	94.33	96.95
Male	95.27	96.80
Female	93.36	97.11
Secondary	63.36	65.44
Male	58.65	62.63
Female	68.22	68.33

*Source: Office of the Planning Service, DepEd*

Literacy rates, for both simple and functional literacy are higher for women. While simple literacy rates have increased for both females and males, the latest available estimates (1994) indicate a slightly higher rate (94%) for women than men (93.7%). There is, however, a gross disparity in the functional literacy rates of women between urban and rural areas. In 1994, 83.9 percent of urban women were functionally literate compared to rural



industrial courses (52.5%) are gradually being dominated by women. Women entry into the maritime profession, however, remains a challenge.

On employment, the labor force participation rate (LFPR) of women rose from 47.5 percent in 1990 to 52.9 percent in 1999. In spite of this, men's LFPR were still much higher than women at 81.2 percent in 1990 and 86.3 percent in 1999.

More than half of all employed women were in the informal sector doing home-based work, vending and retailing, laundry work, domestic service, and animal and vegetable raising, among others. Work in the informal sector is characterized as hazardous, unprotected and mostly unregulated where workers have no access to protective and promotive services, e.g., maternity, health and other benefits.

In governance, women are increasingly becoming visible as leaders and decision makers in the various sectors in society. However, their participation is still not proportional to their numbers. While the country has had two women Presidents, there are only three women out of 24 senators and 33 out of 205 legislators in the House of Representatives. Although the bureaucracy is slightly dominated by women employees, accounting for 53 percent of the total work force, more men

(65.2%) are appointed to the third level positions of managers and executives. In the judiciary, there are only two women members out of the 15 Supreme Court Justices. There are also more male justices in the Court of Appeals and the Sandiganbayan as well as in the regional and local courts.

The Human Development Report shows that the country's gender development index for 1998 is 0.739, which places the Philippines in the 77<sup>th</sup> position among 174 countries and under the category "medium human development". However, this is lower than the country's HDI at 0.744, which means that the average achievements in HD have not been equitably distributed between women and men.

### **SUPPORTIVE POLICIES AND PROGRAMS**

One of the recent innovative approaches to education is a gender-sensitive approach to instruction. Following the DepEd's policy of providing equal access to education, the elementary education bureau integrated human rights and sex education modules into the curriculum. It evaluated new generation textbooks for use in the public schools to

make them more gender-sensitive and thereby help in improving the self-image, lives and work opportunities of girls, particularly in areas where women have traditionally been under-represented, such as mathematics, science and technology.

Gender reforms in the educational system are continuously being pursued through the revision of textbooks, curricula, instructional materials and teaching methods to eliminate gender biases and stereotyping.

In 1997, the Science and Technology Scholarship Act (RA 8248) gave women and men equal opportunities to pursue careers in science and technology. The passage of RA 7192 in 1991 also gave women “equal opportunity for appointment, admission, training, graduation, and commissioning in all military or similar schools of the Armed Forces of the Philippines and the Philippine National Police”.

The Commission on Higher Education (CHED) gave out more scholarships, study grants and loan programs for disadvantaged and hard-up students in college or post-graduate courses, particularly to women. They outnumbered males by about two to one: 21,862 females and 10,659 males, in SY 1997-98. The following year’s distribution was even more uneven: 19,426 females and 8,614 males. This could partially be attributed to low achievement rate and low cohort survival rate of males, giving rise to more women finishing basic and secondary education. Relatively, they are more qualified to acquire higher levels of learning than males.

The Bureau of Non-Formal Education (BNFE) offers Functional Education and Literacy Programs (FELP). Female Functional Literacy classes with Maternal and Child Care as core topics are made available in all 16 regions.

The government also expanded alternative nonformal education systems for indigenous communities such as *Magbasa Kita* (Let Us Read) that teaches

women and girls and parents of working children to read. School-based child-minding centers were also set up in the cultural communities so older children, mostly girls of school age who take care of younger siblings, can attend classes despite baby-sitting chores.

The government also instituted in 1996 an affirmative action policy so women can enroll in industrial courses traditionally dominated by men. In 1997, the country launched a technology-based education and training program for women through the National Vocational Training and Development Center for Women, which adopts a holistic approach to women’s economic empowerment.

The government has enacted laws and directives to provide credit, training and employment opportunities for women such as RA 782 or the Provision of Assistance to Women in Micro and Cottage Business Enterprises; RA 8289 or Promotion and Development of and Assistance to Small and Medium Enterprises. The government also adopted RA 6972 mandating the setting up of day care centers for every village nationwide, enabling women to engage in economic activities, including part-time or full-time employment outside the home.

In support of gender and development, the government is behind two resource mobilization strategies to promote women’s advancement and gender concerns. These strategies are the Gender and Development (GAD) Budget provision in the annual national government budget (General Appropriations Act) and RA 7192 (Women in Development and Nation-Building Act), which allocates official development assistance (ODA) to gender-related programs, projects and activities.

The 1995 GAD Budget policy directs all government departments, bureaus, offices and agencies to set aside an amount of their annual appropriations for projects designed to address gender issues. The cost of the gender-related activities should be at least 5 percent of their total budget. To implement this, the government issued

a memorandum outlining guidelines for integrating gender concerns in agency plans and budgets. A budget analysis reveals that the government-wide allocation stood at Php2.7 billion in 1998 to Php2.8 billion in 2001.

### **CHALLENGES/PRIORITIES FOR ACTION**

While significant progress has been made in addressing gender concerns in the past, there still remain issues and challenges that need focus, especially in the light of globalization, decentralization and devolution of government functions, and the effects of the financial crises.

Data in education tend to indicate that gender inequality is not a problem insofar as women and girls are concerned. Attention should be given to the growing phenomenon of boys being disadvantaged in terms of quality outcome and retention in the school system.

While females appear to be in step with their male counterparts in education, there is still a need to strengthen efforts to remove the stereotype contents of textbooks and other instructional materials being used in the classroom. Serious attention will also be drawn towards enhancing the relevance of the school curriculum, eliminating gender biases.

This effort will be complemented by strengthening the gender perspective of teachers and even parents, especially regarding career counseling.

It is also necessary to overcome obstacles to education such as multiple burdens of the girl-child who, unlike her male counterpart, carries more domestic responsibilities.

The government will continue to implement its policies and programs on employment generation, preservation, enhancement, and facilitation. This will

be undertaken through: effective employment facilitation; more responsive self-employment and livelihood interventions, particularly for women in the informal sector, and enhancement of productivity and competitiveness of both men and women.

The government will improve generation of sex-disaggregated data in order to determine the needs and situation of women and men, particularly in the informal sector, a growing sector in the country.

To enhance women's leadership roles and participation in decision making, the government will promote gender-responsive management and leadership. The role of women's organizations in anti-corruption program and peace building and conflict resolution will be strengthened.

## GOAL 4

### REDUCE CHILD MORTALITY

#### Target 6: Reduce children under-five mortality rate by two-thirds by 2015

**The decline in the mortality rates was the result of programs, services and initiatives for children such as the expanded program on immunization (EPI), improvement in breastfeeding practices, Vitamin A supplementation every six months and the improvement of case management at home and in health facilities.**

#### STATUS AND TRENDS

**G**overnment efforts have paid off in reducing infant and child mortality rates. Under-five mortality rate among children was significantly reduced from 80 per 1,000 live births in 1990 to 48 in 1998. Infant mortality rate was also reduced from 57 in 1990 to 35 in 1998.

The Maternal and Child Health Survey reported that in 2000, 65 percent of all children aged 12-23 months were fully immunized before turning a year old. This shows an improvement from the survey taken in 1997 where only 58 percent had full immunization. Children in the urban areas had a higher percentage (68%) than those in the rural areas (63%).

#### PRIORITY POLICIES AND PROGRAMS

The decline in the mortality rates was the result of programs, services and initiatives for children such as the expanded program on immunization (EPI), improvement in breastfeeding practices, Vitamin A supplementation every six months and the improvement of case management at home and in health facilities.

The EPI aims to reduce infant and child mortality caused by the six immunizable diseases (tuberculosis, diphtheria, tetanus, pertussis, poliomyelitis and measles). Because of its aggressive campaign to eradicate polio, the country had been classified polio-free within the Western-Pacific Region at the Kyoto Meeting on October 29, 2000. There was, however, resurgence in 2001. Moreover,

sustaining high EPI coverage has been a challenge in view of the devolution of health services. The LGUs experienced problems of irregular supply of vaccines (as well as other essential drugs and micronutrients) due to inadequate funds.

To address the problem of micronutrient malnutrition, the government embarked on supplementation, nutrition education and food fortification initiatives. These initiatives include the issuance of Administrative Order (AO) No. 3 s. 2000, or Guidelines on Vitamin A and Iron Supplementation, by the DOH. It provides that therapeutical supplementation will be provided to all cases of Vitamin A Deficiency. It also provides that preventive supplementation will be given in three categories: universal – children (6-9 months); regular routine - pregnant and lactating women and high -risk children; and supplemental – during emergencies.

On food fortification, a five-year food fortification strategic plan was adopted. The goal is to make Vitamin A, iron and iodine fortified foods widely available in order to increase the micronutrient intake by at least 50 percent of RDA of the vulnerable groups (preschool children and women of reproductive age).

Other initiatives to improve child health and nutrition include the Integrated Management of Childhood Illness (IMCI) strategy as well as the Enhanced Child Growth (ECG) strategy. The IMCI is aimed at reducing morbidity and deaths due to common childhood illness. It has been adopted nationwide and it is in the process of integration into the medical, nursing and midwifery curriculum. The ECG, on the

other hand, is a community-based intervention that aims to improve the health and nutritional status of children through improved caring and seeking behaviors. It operates through health and nutrition posts established throughout the country.

In terms of legislation, the following, among others, are being implemented: a) Rooming In and Breastfeeding Act of 1992, which requires both public and private health institutions to create an environment where physical and psychological needs of mothers and infants are satisfied; (b) Nationwide Salt Iodization Act of 1995 (RA 8172) that mandates the iodination of all food-grade salt for human and animal consumption; and (c) RA 7846 which requires compulsory immunization against hepatitis B for infants and children below eight years old.

The Health Sector Reform Agenda (HSRA) was also institutionalized in 2000. It aims to improve health financing, health regulation, hospital systems, local health systems, and public health programs.

### CHALLENGES AND PRIORITIES FOR ACTION

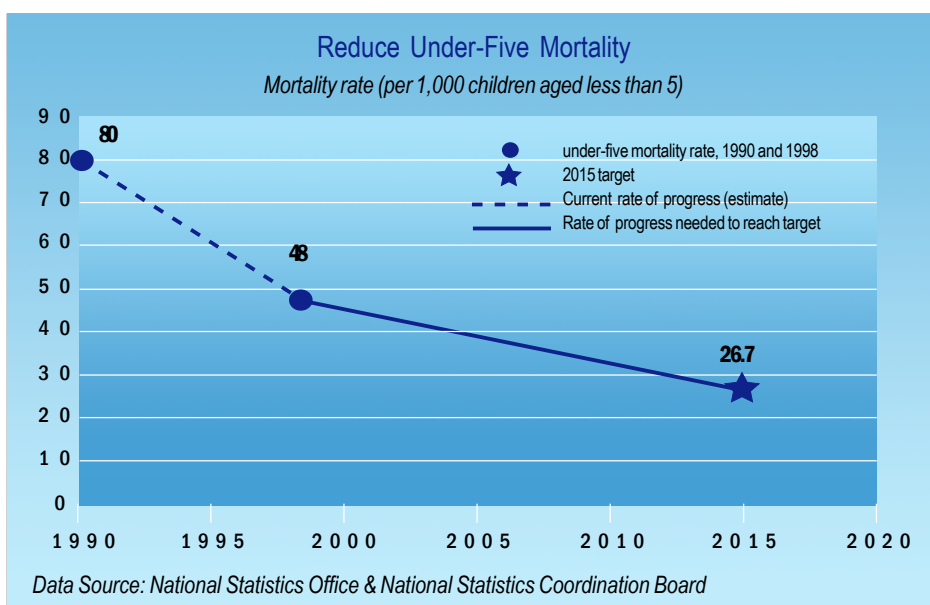
Despite improvements in child health status, certain issues remain to be addressed. Infectious diseases affecting children (and which are vaccine preventable) persist at high rates. The impact of these diseases on child survival depends on several factors namely: low levels of immunization, age at infection, inadequate malnutrition and other complicating diseases inadequate health care services. Another contributing factor is crowded living conditions. Large variations in child health status exist across population groups, income classes and geographical areas. This situation is made even worse by the inadequacies in the health care delivery system, i.e., absence or limited access to health care services, inadequate health care services, health care financing and health standards and regulations.

### Maintaining gains in full immunization, vaccination drives

The government's massive immunization and vaccination campaign netted substantial gains which must be sustained. Maintaining high immunization coverage is crucial in eradicating the vaccine-preventable diseases, which greatly affects child survival. This needs a supplementary budget from Congress and fresh financial support from donors since the funding of EPI vaccines is not provided for in the newly approved General Appropriations Act of 2002.

### Strengthening public health programs

Public health programs particularly at the local level need to be strengthened and supported. Specifically, management skills and capabilities have to be upgraded to ensure effective and efficient implementation. The gains from preventive and promotive health services, maternal and child health and nutrition will be promoted and sustained to ensure health from infancy and childhood to adulthood and old age. A healthy lifestyle and healthy environment will also be advocated.



### **Support for local health systems development**

A strong local health system supported by well-trained and highly motivated health workers is necessary to sustain the gains in child health. It is thus imperative to develop a functional local health system to carry out public health programs and deliver personal health care services. Capacity building for LGUs and creating better mechanisms for generating resources needed to meet the health needs at the local level will be undertaken. Moreover, private sector participation will be strengthened to address backlogs in the local health delivery system.

### **Increasing investments for child health**

Further improvements in child health require increased investments for appropriate child health interventions at all levels of the health care delivery system. New mechanisms for grant funds and cost-sharing schemes with other stakeholders, e.g., LGUs, NGOs, private sector groups will be looked into. Active social marketing for more investments in child health interventions will likewise be undertaken.

A challenge in financing health care includes facing the problem of delayed remittances of contributions, hampering the implementation of health insurance programs for the poor. Local governments also continue to face difficulties, especially in supporting the NHIP.

The benefits and the coverage of the NHIP will be expanded through the LGUs and through community participation. Aggressive enrolment under the NHIP will be pursued to meet the target of universal coverage by 2010.

### **Ensuring quality of health care**

The quality of health care remains wanting in many areas. Some health facilities have deteriorated and poor quality services exist. Low quality drugs and medicines are present in the market. These have been attributed partly to the weak enforcement of health regulations. These concerns will be addressed to ensure the best of care for the population most especially the children.

In this regard, a quality improvement program for all health facilities and services at all levels of the health care system will be pursued. Regulatory capabilities, systems and procedures will be upgraded and strengthened. The support of all stakeholders in the initiatives to attain quality care will also be strengthened and sustained to keep pace with greater

## GOAL 5

### IMPROVE MATERNAL HEALTH

#### Target 7: Reduce maternal mortality rate (MMR) by three-quarters by 2015 (half by 2000, half by 2015)

##### STATUS AND TRENDS

**T**he 1998 National Demographic and Health Survey (NDHS) estimates the country's MMR at 172 per 100,000 live births for the period 1991-97. This figure is lower than the estimated MMR for the period 1987-93 which is 209 per 100,000 live births based on the 1993 National Demographic Survey (NDS). However, due to large sampling errors associated with these estimates, it is difficult to conclude that the MMR has declined.

Disparities across provinces also remain wide. MMR was highest in ARMM at 320.28, which is almost three times the rate of NCR which stood at 119.07 in 1995.

The life time risk of dying from maternal causes is about 1 in every 100 Filipino women. Maternal deaths made up less than 1 percent of the total deaths in the country in 1988 but contributed about 14 percent of all deaths of women aged 15-49. The major causes of maternal deaths are postpartum hemorrhage, eclampsia and severe infection. High incidence of high-risk births, inadequate prenatal care and lack of information and means to manage complications in difficult pregnancies account for much of the increased risks of dying during pregnancy and childbirth.

Modest gains have been achieved on factors related to risks of maternal mortality. The 1998 NDHS revealed that while 77 percent of mothers received the minimum three prenatal check-ups, only 59 percent received postpartum care. Of women who received prenatal care, few obtained complete care. Most women receive only 6-11 of the 12 required elements of antenatal

care. Both the 1993 NDS and the 1998 NDHS data revealed that urban women were more likely to receive adequate prenatal care than women in rural areas. Access to trained prenatal care providers is much greater among women with some college education than among those with lower education. The 1998 NDHS further showed that 56 percent of deliveries were attended by skilled health professionals. As to the other factors, a little over 57 percent received iodine supplements and 75 percent got iron supplements. The 2000 Maternal Care and Health Survey (MCHS) showed that 70.9 percent of women have received tetanus toxoid injections.

##### PRIORITY POLICIES AND PROGRAMS

Women's health programs like the Safe Motherhood and Women's Health Program employ strategies such as skills upgrading so that skilled and caring care providers can attend to as many births as possible. The other major components of the program include family health for the urban poor; sustainable community-based family planning/maternal care (FP/MC) unit projects with special focus on women; and strengthening of maternal and child health services projects.

Other government efforts include the conduct of the following: (a) information, education and communication (IEC) activities to encourage informed decisions and promote better health-seeking behavior; (b) quality assurance schemes

**The life time risk of dying from maternal causes is about 1 in every 100 Filipino women. Major causes of maternal deaths are postpartum hemorrhage, eclampsia and severe infection.**



such as the *Sentrong Sigla* which sets certain minimum standards for public health facilities at various levels; (c) improving access to maternal care through the deployment of midwives to hard-to-reach and underserved areas and providing primary level health facilities with basic supplies and equipment and essential drugs; (d) strengthening the institutional capacities of the Department of Health (DOH) and forging partnerships with local government units (LGUs), non-government organizations (NGOs) and the communities to increase awareness, promote participation and mobilize resources for women's health and maternal care; and (e) various programs and projects identified in the Philippine Plan for Gender Responsive Development (PPGRD) 1995-2025 to address issues concerning women's welfare.

### **CHALLENGES AND PRIORITIES FOR ACTION**

Problems on the devolution of health care services to local governments continue to thwart efforts in reducing maternal mortality rate. Many local governments do not have adequate institutional preparation to take on the

responsibility for health care (e.g. shortages of technical manpower for health operations, lack of equipment, inadequate health facilities, and inadequate referral systems among health facilities).

In response, the government, in partnership with civil society, will pursue by the end of 2004 to reduce the level of MMR from 172 deaths per 100,000 live births in the 1990s to less than 100 deaths per 100,000 live births and eventually, achieve the MDG target to reduce the rate by 75 percent by 2015.

## **Target 8: Increase access to reproductive health (RH) services to 60 percent by 2005, 80 percent by 2010, and 100 percent by 2015**

### **STATUS AND TRENDS**

#### **Family Planning**

The percentage of currently married women aged 15-44 using contraceptives declined from 50.7 percent in 1995 to 49.5 percent in 2001 based on the Family Planning Survey (FPS). The 1998 NDHS placed the total fertility rate (TFR) at 3.7 children per woman, a mere 10 percent decline from the 1993 TFR of 4.1. This is higher compared to the TFRs of other Asian countries like Thailand which has 2, Vietnam with 2.3, Indonesia with 2.8, and Malaysia with 3.2 children per woman. Married couples exceed their “wanted” fertility by 1 birth and this unintended fertility is even higher in the rural areas.

In 1993, the unmet need for FP was 26.2 percent. This declined to 19.8 percent in 1998. The slow decline in unmet need for FP may be attributed to the strength of fertility preferences, perceived risk of conceiving, perceived effects of contraception on health among both husbands and wives, husband’s fertility preferences, and husbands’ and wives’ acceptance of FP. Only around 11 percent of married women who do not want more children use contraception.

#### **Adolescent Reproductive Health (ARH)**

The Young Adult Fertility and Sexuality Survey (YAFSS) II shows that although 50 percent of young people have experienced RH problems, only 5 percent of them seek medical attention. This is due to: (a) their poor health seeking behavior; and (b) the unresponsiveness of medical and FP services among adolescents.

Fertility among adolescent women declined by about 8 percent in the five years

before the 1998 NDHS. However, the number of teenagers who have begun childbearing is increasing, based on this survey, although it is still below 10 percent of all women. Teenage childbearing is much higher among rural and low educated females. It is also crucial to note that out of some 2.5 million or 18 percent of the youth (1.8 million boys and 670,000 girls) who had had premarital sex, around 80 percent did not use any method of protection. Sexually transmitted diseases (STDs) are most frequent in the age group 15-24 years.

#### **Prevention of Abortion and Management of its Complication**

It is estimated that the number of abortions in the Philippines has reached 400,000 cases annually, with teenagers accounting for 17 percent of these cases. Based on DOH records, 12 percent of all maternal deaths in 1994 were due to complications related to abortion, making it the fourth leading cause of maternal deaths in the country. The most vulnerable women, whether married or unmarried, are the poor. One of the top three reasons cited for terminating pregnancies is economic difficulty.

#### **Violence Against Women (VAW)**

According to the 1993 Safe Motherhood Survey (SMS), 1 out of 10 women experiences physical abuse even while pregnant. Other common forms of VAW are rape and acts of lasciviousness. About 3 percent of SMS respondents said they were physically forced to have sex with a man. Of these, more than 60 percent did not seek help and most were women in younger age groups.

## Men's Reproductive Health

The leading cause of cancer deaths in men 20-35 years old is testicular cancer. The incidence is 35 times higher among men with undescended testes. The second most common cancer in men is cancer of the prostate. Its incidence has been increasing from 12.5 per 100,000 male population in 1980-82, to 19.6 per 100,000 male population in 1993-95. Other male RH concerns are sexual dysfunctions such as impotence, premature ejaculation and erection dysfunctions.

RH programs for men also deal with their participation in household responsibilities and in women's health projects. In the review of 177 women's health projects in five cities, it was found that 47 percent of the projects involved men in the areas of RH, domestic violence and STD/HIV/AIDS, although male participation in RH was peripheral. Other surveys show that men are beginning to share somewhat household chores such as caring for sick members of the family, shopping for food and preparing household budgets.

### Prevention and Treatment of Infertility and Sexual Disorders

Data on infertility reveals that 10 percent of couples are not able to conceive after a year of unprotected, adequately timed intercourse. There has been little or no service available to infertile couples in the country probably because only 2 percent of women are considered infecund. There is no data at all for infertile men and services for infertility. The latter is provided only by a few training hospitals in the country. Infertile couples, particularly in rural areas, resort to traditional rituals and use of herbal medicines.

## PRIORITY POLICIES AND PROGRAMS

The Philippines, as signatory to the Programme of Action of the 1994 International Conference on Population and Development (ICPD), subscribes to the broadening of population policies and programs beyond FP, and to a much closer collaboration among development agencies as the primary mechanism to attain the RH approach objectives. Moreover, the 1995 International Conference on Women in Beijing stressed women empowerment as the key to healthy and productive lives, and hence called for the promotion of the RH approach.

In response, the Arroyo Administration pursues a population policy on responsible parenthood (RP), highlighting on the health rationale of FP and the exercise of RH. It emphasizes shared responsibility between men and women in deciding the number, spacing, timing of their children within the context of gender equity and sensitivity to their cultural beliefs and traditions.

The above policy is spelled out in the Commission on Population's (POPCOM's) Philippine Population Management Program (PPMP) as indicated in the Directional Plan (DP) for the period 2000-04. The latter gives emphasis to addressing the high unmet need for FP of Filipino couples especially the poor and disadvantaged. Specifically, the PPMP aims to: (a) help couples and individuals achieve their desired family size within the context of RP and sustainable development; (b) improve the RH of individuals and contribute to further reduction of infant and maternal mortality; (c) reduce the incidences of teenage pregnancy, early marriage and other RH problems; and (d) contribute to policies that will assist government achieve a favorable balance between population distribution, economic activities and the environment.

To reduce the incidence of teenage pregnancy, early marriage and other

**The 1994 International Conference on Population and Development (ICPD) emphasized the link between population and sustainable development and recommended a comprehensive approach in formulating and implementing reproductive health policies and programs**

adolescent RH problems, the Adolescent Health and Youth Development Program (AHYDP) has been adopted to provide for appropriate information, knowledge, education and services on population and RH for adolescents and the youth. The 1999-2004 Philippine Medium Term National Youth Development Plan (PMTNYDP) also provided a clear policy for developing responsible RH behavior among adolescents through an integrated and comprehensive package of preventive and curative health care services for the youth at all levels of health care.

The DOH also issued administrative orders (AOs) to provide the policy framework for RH and FP. One of these is AO 1-A which created the Philippine RH Program. It identifies and adopts the 10 essential service elements of RH, namely: (a) FP; (b) MCH care including nutrition; (c) prevention of abortion and management of its complications; (d) prevention and treatment of reproductive tract infections (RTIs) including HIV and AIDS; (e) prevention and appropriate treatment of infertility and sexual disorders; (f) prevention and treatment of breast cancers, cancers of the RH system and adverse gynecological conditions; (g) counseling and education on sexuality and sexual health; (h) adolescent RH; (i) male RH; and (j) prevention and management of VAW. To establish a National FP Policy, AO 50 was issued. It shifts the focus of the FP Program from a demographically driven approach to one which upholds FP as a health intervention. It prescribes essential policies for FP as an element of RH, and aims to improve the health status of Filipinos by helping couples attain their desired fertility. AO 125 was also issued to adopt the National Natural FP Strategic Plan for 2002-2006. It focuses on the policies, standards, strategies and activities needed to mainstream NFP methods within the country's FP Program.

Another priority program on RH is the Women's Health and Development Program, which aims to ensure women's health and development through participatory strategies that enable women to have control over their health and their lives.

## **CHALLENGES AND PRIORITIES FOR ACTION**

Various challenges remain on the implementation of the country's RH program. First, efforts will be geared towards addressing the data gaps on RH as this significantly affects the responsiveness of policies to the real needs of the public. Second, the concept of RH as based on Filipino culture should be concretized, clearly defining the scope of universal rights of all men and women to RH. An environment for more open discussion about emerging issues such as abortion and emergency contraception will also be ensured. Likewise, clear and sufficient policies and guidelines on the provision of medical RH services for the underserved groups such as adolescents, men and even older persons will be made. Efforts to mainstream RH will be continued by putting in place culturally sensitive, high quality, accessible and user-friendly services which must respect the rights of adolescents and youth to privacy and informed choice.

With the phase-out of contraceptive support by the United States Agency for International Development (USAID), sustainable funding for contraceptive supplies and related RH/FP programs has to be secured so that access, especially by the poor, to quality RH and FP services can continuously be improved. To do this, the Philippine Government will turn to the NGOs, private health service facilities, businesses, people's organizations (POs), and grassroots groups to provide for contraceptive supplies to married couples of reproductive age particularly those with unmet FP needs.

## GOAL 6

# COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES

### Target 9: Halt and reverse the spread of HIV/AIDS by 2015

#### STATUS AND TRENDS

The first AIDS case in the country was identified in 1984. Since then until December 2000, the HIV/AIDS Registry has recorded 1,441 HIV AB seropositive cases, 486 of whom had AIDS. It also recorded 218 deaths.

Majority of the cases belonged to the 20-49 years age group. Most cases were male. Of the 1,441 HIV cases, 371 or 26 percent are Overseas Filipino Workers (OCWs). The predominant mode of transmission is sexual intercourse.

Between 1984 and 1992, the annual number of confirmed HIV/AIDS cases reported remained below 100. In the last seven years (1993-99), however, the number of cases per year exceeded 100, but remained below 200. While the number of cases each year has been increasing, there seems to be no indication that the numbers would significantly rise.

Philippine epidemiologists estimate the actual number of HIV cases at between a low of 5,000 to a high of 13,000. Even the high estimate would place the current national HIV prevalence rate at 0.02 percent of the total population. There are, however, some groups whose prevalence rates are significantly higher than the rest of the population. These include female sex workers, men who have sex with men and intravenous drug users.

Using the available evidence in the country, international experts call the Philippines' HIV/AIDS situation as a "nascent epidemic". This is so since the number of confirmed cases of HIV/AIDS

is low and the rate of increase in the number of cases is slow. The potentials for a full-blown epidemic, however, continue to exist. Thus, the country cannot be complacent on this.

#### SUPPORTIVE POLICIES AND PROGRAMS

The government has actively responded to the HIV/AIDS concern since the first AIDS case was diagnosed in 1984. Sero surveys were undertaken on a regular basis and in 1987, the DOH officially declared the government's initial official response to the problem.

#### Plans and Programs

The first Medium-Term Plan (MTP 1) on HIV/AIDS for the period 1988-93 was formulated and adopted. The plan covered five program components, namely: surveillance; care and support for HIV-infected persons; diagnostic and laboratory facilities; information, education training; and program management.

For MTP 1, the following major events are worth noting: (a) creation of the National AIDS Prevention and Control Program (NAPCP) in 1988 leading to the eventual creation of the Philippine National AIDS Council (PNAC) through EO 39 in 1992; (b) drafting and approval of 12 policy guidelines of HIV Infection/AIDS Prevention and Control in 1989; (c) formulation of the National HIV Sentinel Surveillance in 1991; (d) signing of the bilateral agreement for the AIDS

Surveillance and Education Project (ASEP) between the government and USAID; and (e) integration of the Sexually Transmitted Diseases (STD) Control Program into the NAPCP in 1993 and the emergence of what is now called the National AIDS/STD Prevention and Control Program (NASPCP).

The NASPCP covers the following:

(a) continuous assessment of the status of infection in the country to guide appropriate interventions; (b) information, education and dissemination of information for individuals at risk as well as for the general population on a voluntary and confidential basis; and (c) strengthening clinical management. The program aimed to prevent the spread of STD/AIDS among women and men, especially those working in the sex and entertainment industries, and cushion the psychological impact of the diseases on the patients, their families and communities.

While awareness raising was the main thrust of MTP 1, prevention of transmission and reduction of HIV/AIDS were the priority strategies of the second Medium-Term Plan (MTP II). Some of the achievements under the MTP II include: (a) adoption of Republic Act (RA) 8504 or the Philippine AIDS Prevention and Control Act of 1998; (b) implementation of Memorandum Order (MO) 495 s.1996 integrating HIV/AIDS education in all schools nationwide by the DepEd; and (c) implementation of foreign assisted projects such as European support for HIV/AIDS and STD in the Philippines, USAID Model Community Health/STD Facilities in Commercial Sex Areas in the Philippines, and JICA Project for the Prevention and Control of STD etc.

Meanwhile, the MTP III for the period 2002-04 is currently being implemented. It calls for the acceleration of the country's response to get ahead of the epidemic and prevent the infection from taking off beyond its current low level. Program activities are implemented with the cooperation of the NGOs, GOs, LGUs, private sectors and the concerned communities.

## **Legislations and Policies**

RA 8504 is a response to the need for an institutionalized and comprehensive multisectoral effort at the highest levels of government. The law reaffirms the rights of HIV/AIDS infected individuals. It mandates measures on education, information, and adoption of safe practices and procedures, as well as the conduct of testing, screening and counseling and provision of health support services. It formalizes the creation of the Philippine National AIDS Council (PNAC) which serves as the country's central advisory policy making and program directing body on HIV/AIDS matters.

Basic policy guidelines and technical standards have been issued by the government on such matters as laboratory testing for HIV, management of AIDS patients in hospitals, prevention and control of sexually-transmitted diseases, quality of informational and educational materials on HIV/AIDS, and implementation of safe blood services, among others. Rules and regulations to implement RA 8504 have also been issued. These policies were disseminated to relevant agencies and organizations responsible for their implementation.

## **Organization and institutional arrangements**

The Philippine National AIDS Council (PNAC) is the legally established body to coordinate and direct the nationwide implementation of the Philippine AIDS Prevention and Control Act of 1998. It utilizes various organizational networks and operational channels for its activities. In several localities, local AIDS councils have been established by local legislation partly in response to the passage of the Act and partly in response to advocacy by the PNAC.

A nationwide network of sentinel surveillance sites operated by DOH with

LGUs is present in 10 cities. It has been operating since 1993 and has been regularly providing the most reliable set of information on status of the HIV infection and the level of risks.

The strengthening of the national network of organizations participating in the HIV/AIDS effort has been greatly facilitated by RA 8504.

### **CHALLENGES AND PRIORITIES FOR ACTION**

Improved capabilities and on-going activities contribute a lot in the prevention efforts against HIV/AIDS. While the country's response is right in scope, it is not adequate in terms of coverage and outputs. This might lead to the country's inability to cope if the epidemic continues to spread. It is thus imperative to scale up and accelerate the response ahead of the spread of infection. The challenge is how to ensure that HIV prevalence does not exceed 2 percent and does not deteriorate from its current low level. To meet this challenge, efforts will focus on the following:

#### **Sustaining Prevention Activities**

Available data suggest that the number of confirmed cases of HIV/AIDS is low and the rate of increase in the number of cases is slow. The country's early start with prevention activities may have made the difference. There is, however, no assurance that the "low and slow" situation would be sustained in the future. Learning from the accomplishments and shortcomings of past efforts are important to keep HIV/AIDS under control.

#### **Strengthening Multisectoral Involvement**

Collaborative efforts among stakeholders are needed to prevent the spread and reduce the impact of HIV/AIDS. The country's approach in addressing this concern is thus multisectoral. This will be strengthened and sustained. The private sector, NGOs, media, religious groups, etc will also be mobilized to ensure full and active participation in the planning, implementation, monitoring and evaluation of HIV/AIDS prevention and control activities.

#### **Mobilizing Local Responses**

The task of mitigating the impact of HIV/AIDS cannot be done by the government alone. LGUs as well as the communities are in the best position to develop and implement plans, policies, programs and projects that would best respond to the needs of their localities. They will thus be mobilized to ensure that appropriate and effective responses are available and accessible at the local levels.

## **Target 10: Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases**

### **STATUS AND TRENDS**

#### **Malaria**

Malaria is still one of the 10 leading causes of morbidity in the Philippines although it is no longer a leading cause of death. It remains a major public health issue and is present to some extent in majority of provinces. A reduction in the morbidity rate has been observed for the past years. Specifically, this declined from 123 cases per 100,000 population in 1990 to 73 cases per 100,000 population in 1998. The mortality rate also fell from 1.5 deaths per 100,000 population in 1990 to 0.9 deaths per 100,000 population in 1995. Deaths are mainly due to delays in seeking treatment, misdiagnosis and inappropriate case management.

#### **Tuberculosis**

Tuberculosis is a major health problem in the Philippines. It is the fifth leading cause of death and the sixth leading cause of morbidity in 1995. The mortality rate from TB has declined in the past 20 years from 69 deaths per 100,000 population in 1975 to 39 deaths per 100,000 population in 1995. At this rate, around 75 Filipinos die everyday from TB. Deaths were higher among males (66%) and among the productive age group 15-64 years old (60%).

The TB morbidity rate shows a variable trend although it has decreased from 314 cases per 100,000 population in 1975 to 173 cases in 1995. Based on the 1998 population, it is estimated that around 100,000 new TB cases develop yearly. TB cases are about two times more common in urban areas than in rural areas. There are also regional and provincial variations in the magnitude of TB. As to the prevalence of multidrug resistance cases, it has been shown that this is less than 10

percent. The 1997 National Tuberculosis Prevalence Survey showed that positive action taking behavior among those with TB is low, i.e., only 21.4 percent of TB symptomatics and 28 percent of TB patients consulted a health provider.

### **PRIORITY POLICIES AND PROGRAMS**

#### **Malaria**

The country's Malaria Control Program (MCP) involves several preventive and control measures. It emphasizes a large scale vector control coverage with insecticide treated mosquito nets, residual house spraying and improved case detection and treatment. Case detection or early diagnosis is by chemical or by blood smear examination.

For treatment, chloroquine is the first drug of choice, while primaquine is given to prevent further transmission and relapse. Control measures vary according to the intensity of transmission. In general, residual households spraying and the use of insecticide treated nets (ITNs) are used for control where incidence rates exceed 10 cases per 1000 population. Selective applications of indoor house spraying is undertaken to control the *Anopheles* mosquito which is sensitive to currently available insecticides.

Recent experiences in Mindanao suggest that community mobilization with targeted deployment of ITNs and rapid diagnostic tests can significantly reduce the problem. Plans are underway to expand this approach to other highly endemic areas. The population protected by ITNs according to 1998 data is around 600,000.

The MCP is being carried out by the DOH in partnership with LGUs, NGOs and communities at risk. This multisectoral collaboration has been successful in controlling malaria in some cases.

## **Tuberculosis**

A National Tuberculosis Control Program has been implemented nationwide since 1978. It has two major components: case finding (identifying TB cases using spectrum microscopy); and case holding (ensuring that TB cases complete prescribed treatment). At present, the main strategy of the program is the Directly Observed Treatment Short Course (DOTS). This strategy was piloted in 1996 and later expanded to 30 areas in 1997 and 1998. The project areas successfully increased the quality of case finding and case holding. The cure rate for TB patients increased from 55 percent to about 80 percent. At the start of 2001, 77 provinces (99%) and 82 cities (98%) were already implementing the DOTS strategy.

### **CHALLENGES AND PRIORITIES FOR ACTION**

#### **Reach vulnerable population in far-flung areas**

Malaria is endemic in areas that are usually rural, hilly or mountainous. It is estimated that the population at risk for malaria in endemic areas is around 11 million in year 2000. The high-risk groups are the indigenous peoples, upland subsistence farmers, forest workers and settlers in frontier areas, migrant agriculture workers and soldiers assigned in endemic areas. Twenty-two of the country's 79 provinces have contributed more than 80 percent of cases since 1993. These provinces are in the CAR, Regions 2 and 4 in Luzon and the ARMM, CARAGA, Regions 9, 10, and 11 in Mindanao.

Considering that most cases and deaths occur in endemic and far flung areas, these will be given priority attention.

#### **Strengthening local capacities**

The decentralization of health services points to the need for capacity building in carrying out public health programs such

as malaria and TB prevention and control.

Frontline health workers have to be adequately trained to effectively carry out program activities. For instance, in TB prevention and control, health workers have to be familiar with the DOTS as this is the main strategy for the program. Their skills in program supervision and monitoring should also be enhanced. They should also be prepared and be more active in mobilizing and sustaining community participation. Support for the health workers should also ensure that the necessary drugs and supplies are available.

#### **Coordination/Partnership with non-government service providers**

The government is not the sole provider of TB care and services. These are also offered by the private sector (through private hospitals, practitioners, pharmacists) and NGOs, etc. These groups may have varying diagnoses, treatments, protocol or guidelines, and may even misdiagnose some cases or may even dispense anti-TB drugs sans prescriptions. This situation could undermine government efforts to prevent and control the spread of the disease and may also lead to multidrug resistant strains of TB.

A stronger coordination and partnership among the various service providers initiated by the DOH is thus necessary. A stronger advocacy for the adoption of DOTS in the private sector will also be pursued. DOH will likewise ensure strict compliance with the law prohibiting dispensing of anti-TB drugs without prescription.

#### **Funding requirements**

While infectious diseases persist at high rates, these can be substantially reduced if prevention and control efforts are sustained. Available program resources are, however, inadequate. Thus, alternative forms of financing program activities must be adopted.

## Goal 7

### Ensure Environmental Sustainability

#### Target 11: Implement national strategies for sustainable development by 2005, to reverse loss of environmental resources by 2015

##### STATUS AND TRENDS

The country's natural resource base continues to be under threat. Total forest cover has decreased from 6.2 million hectares in 1990 to 5.4 million hectares in 1997, consequently reducing its percentage share to total land area from 20.5 percent to 18 percent during the same period. The country's forests need attention due to systemic degradation attributed mainly to fire, logging, kaingin, pests, diseases, mining activities and population encroachment in critical areas.

Soil degradation and erosion are worsened with the increased cultivation of upland areas and massive conversion of forestlands and grasslands into urban use. These have largely contributed to siltation of rivers and irrigation dams. Down the line, siltation also affects the coastal and marine ecosystems. To date, only 4.3 percent of corals remain in excellent condition while the rest have been partially or completely damaged. Mangrove forest cover has decreased from 139,000 hectares in 1988 to 115,000 hectares in 1996.

An alarming rate of biodiversity loss has also been reported. Despite being one of the 17 mega-diversified countries in the world with its high concentration of endemic plants and wildlife, the Philippines has been identified by the Conservation International as one of the "eight hottest spots in the world" where exceptional concentrations of endemic species are undergoing continuous loss of habitat. The percentage of priority and threatened species increased tremendously by 97 percent and 180 percent, respectively.

As of 2000, protected areas cover a total area of 4 million hectares of which 2.7 million hectares are under the National Integrated Protected Areas System (NIPAS). The remaining areas cover the new or additional sites.

Increasing carbon dioxide (CO<sub>2</sub>) emissions particularly from fossil fuels has likewise been observed. In 1998, the national CO<sub>2</sub> emissions from fossil fuel burning, cement manufacture and gas flaring in the country was estimated to be 21 million metric tons (MT) of carbon. Per capita emission is at 0.28 MT and is expected to increase due to the country's high dependency on fossil fuels. However, the passage of the Clean Air Act of 1999 and the implementation of different programs on improving air quality is expected to help reverse this trend.

While economic growth is still within the carrying capacity of the environment, its sustainability is under threat. According to the MTPDP, the country posted gains in arresting resource depletion but at the cost of slowing down economic activities. Based on the Philippine Economic-Environment and Natural Resource Accounting (PEENRA) System's estimates, the growth rate of

**Despite being one of the 17 mega-diversified countries in the world with its high concentration of endemic plants and wildlife, the Philippines has been identified by the Conservation International as one of the "eight hottest spots in the world" where exceptional concentration of endemic species are undergoing continuous loss of habitat.**

Table 9. Total Forest Cover (hectares)

Year	Forest Cover	Percent to Total Land Area
1990	6,158,800	20.53
1995	5,686,055	18.95
2000	5,391,717	17.97

Source: Economic Division, DENR



environmentally-adjusted net domestic products (NDPs) has been higher than that of the unadjusted NDP. This means that gains made in arresting the depletion and degradation of natural resources were attained at the cost of a negative growth on the fishery, mining and forestry sectors' real output or gross value added (GVA).

### **PRIORITY POLICIES AND PROGRAMS**

The government created the Philippine Council for Sustainable Development (PCSD) in order to respond to global sustainable development initiatives. It set into motion the Philippine Agenda 21 in compliance with its commitments under the Rio Declaration. In accordance with the Convention on Wetlands of International Importance, the Philippine government also formulated the Wetland Action Plan.

The Philippine Agenda 21 (PA 21) is part of the country's response to fulfill its commitments in the historic Earth Summit in 1992 where government and key sectors of the society agreed to implement an action agenda for sustainable development. The impact and extent of implementation of the PA 21 have been

assessed through the reports of key informants from the concerned Departments and institutions in the government sector. From 1997 to 2001, the extent of the implementation of its agenda is as follows:

Action Agenda 1. Across Ecosystem	49%
Action Agenda 2. Forest/Upland Ecosystem	77%
Action Agenda 3. Lowland/Agriculture Ecosystem	65%
Action Agenda 4. Urban Ecosystems	30%
Action Agenda 5. Coastal/Marine Ecosystem	53%
Action Agenda 6. Freshwater Ecosystem	50%
Action Agenda 7. Minerals/Mines Ecosystems	97%
Action Agenda 8. Biodiversity Ecosystem	90%

Factors that hinder the effective implementation of PA 21 were limited resources, inadequate capacities, policy gaps, unclear and overlapping roles among national government agencies and changes in leadership both at national and local levels.

The Agenda's major impacts include growing sustainable development consciousness and the popular acceptance of consensus building as a critical part of

decision making. The constituency of sustainable development advocates must be broadened among sectors and levels of governance. There is also a need to anchor activities along specific institutional and agency mandates.

Consistent with the sustainable development framework espoused in the PA 21, the MTPDP embodies the priority policies and strategies for the environment and natural resource sector. The sector is classified into: forest/upland ecosystem, lowland/agriculture ecosystem, coastal/marine ecosystem, biodiversity ecosystem, minerals/mines ecosystem, urban ecosystem.

For the **forest/upland ecosystem**, the watershed approach is the primary strategy adopted for forest management. This ensures the sustainable use of the forest as resource base of forest product and as habitat for wildlife and source of water, among others. To further protect the country's forest, the total log ban policy covering old growth or virgin forests and all other protection forests and all other protection forests has been continued.

Multistakeholder partnership is critical to the conservation and protection of the natural resources. Programs have thus been pursued in partnership with NGOs and LGUs. Investment in production reforestation, private sector participation and co-production sharing agreements, were also encouraged.

Cloning technology was utilized and clonal nurseries were established nationwide where genetically improved premium species were produced on a massive scale.

To rehabilitate the watersheds, structural adjustments and the restoration of the vegetative cover were undertaken. For the medium term, 108 priority watersheds were identified nationwide for rehabilitation and agricultural development activities.

The community based forest management program (CBFMP) was



implemented for areas not covered by industrial forest plantations. With the CBFMP, participation of local communities, indigenous peoples and other stakeholders are strengthened in the protection, management, development and conservation of forestlands and resources. The CBFMP is expected to transform upland dwellers into self-reliant communities. It is now being implemented in 4,950 sites covering 5.7 million hectares and benefiting 496,160 households.

For the **lowland/agriculture ecosystem**, government adopted the National Framework for Physical Planning (NFPP). This provides the framework for the allocation, utilization, development and management of the country's natural and physical resources. In particular, it addresses the concern on environmental degradation due to conflicts in land uses.

For the **biodiversity ecosystem**, the National Integrated Protected Areas System (NIPAS) was implemented to preserve biologically diverse habitats. In line with this, the government established the Apo Reef Natural Park, Mt. Apo Natural Park, Siargao Island Protected

Landscape and Seascape, Mt. Kitanglad Range Natural Park, Agusan Marsh Wildlife Sanctuary, and the Sarangani Bay Protected Seascape. The government also adopted the Mt. Makiling Reserve Area and Laguna de Bay Region Master Plan, which shall serve as the development framework for those areas.

For the **coastal/marine ecosystem**, a Presidential Task Force on Water Resource Management was created through EO 374 to oversee and coordinate the policies and programs of agencies involved in water resource management.

For the **mineral/mines ecosystem**, the government enacted RA 7942 (An Act Instituting a New System of Mineral Resource Exploration, Development, Utilization and Conservation). It also developed the National Mineral Policy to address the environmental, economic, health and social impacts and benefits of mining and promote transparency and accountability for sustainable mining and minerals development. Moreover, a Mine Rehabilitation Fund under the Mining Act was established to foster sustainable mining practices.

For the **urban ecosystem**, the government passed the RA 8749 or Philippine Clean Air Act (PCCA) of 1999. This seeks to promote a healthy ecology by internalizing the cost of pollution using market-based instruments (MBIs). This entails a participatory approach to air quality planning and monitoring through public information and education.

To address the growing problem on garbage, the Ecological Solid Waste Management Act (RA 9003) was passed. The following are being instituted as a result: (a) mechanisms for waste minimization; (b) appropriate collection and transport services; (c) adoption of environmentally-sound technologies for treatment and disposal of garbage; and (d) the implementation of the provision on the establishment of materials recovery

facilities nationwide.

For **toxic/hazardous waste management**, the importation and use of ozone depleting substances (ODS) was reduced and efforts were undertaken to eliminate the production, trade and use of other toxic chemicals (e.g., DDT, chlordane).

## CHALLENGES AND PRIORITIES FOR ACTION

The DENR under the present administration has set its priorities in attaining environmental stability. These include sustainable management and protection of forests; conservation of biodiversity; cleaning the air; saving inland, coastal and marine resources; solving the garbage crisis; urban greening; and development of sustainable energy sources.

The following are areas for action:

- 1) Promote environmental sustainability by integrating environmental concerns in planning and decision-making at all levels of the bureaucracy; and by strengthening the monitoring and enforcement of compliance to environmental laws, rules and regulations at the national and local levels;
- 2) Promoting broader participation of stakeholders in natural resources management;
- 3) Ensuring equitable access to productive resources and services; and
- 4) Encouraging value-added and technology-based forestry and natural resources production.

Environmental pressure is expected to be significantly reduced to help ensure sustainability of Philippine ecology.

## **Target 12: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers**

### **STATUS AND TRENDS**

Slum dwellers live in heavily populated urban areas which are deteriorated, hazardous, unsanitary or lacking in standard conveniences. They are concentrated in being self-employed in highly marginal occupations (e.g., service workers, manual workers, hawkers, vendors). Services for slum dwellers vary and may include basic education, health services, vocational/skills training. Most informal settlers, or those occupying private or public spaces without the consent of the owner, are slum dwellers.

In October 2000, about 1.3 million informal settler families were identified in key urban centers, with 57 percent in Metro Manila. These settlers occupy spaces as follows: government-owned lands – 34 percent; private lands – 24 percent; danger areas – 21 percent; national government infrastructure – 20 percent; local government infrastructure – 1 percent. Given an average family size of 6, there were 7.5 million informal settlers in October 2000.

Lands occupied by slum dwellers are blighted areas, i. e., areas of declining property values caused by the deterioration and obsolescence of housing facilities. Their poor living conditions mirror the condition of urban areas where facilities for healthful living are wanting. About 60 percent of Metro Manila households have direct service water connections, while only 47 percent in other urban areas have direct connections and access to public faucets. Only 20 percent of the Metro Manila population has direct connections to a centralized sewer treatment facility. About 1,000 tons of solid waste in Metro Manila are uncollected everyday. Flood control and drainage

facilities likewise need to be improved considering the damage caused by floods and typhoons.

### **PRIORITY POLICIES AND PROGRAMS**

The National Shelter Program (NSP) 2001– 2004 will extend assistance for the poor 880,000 households, about 61 percent of whom are informal settlers. The assistance will include resettlement, slum upgrading, sites and services development, core housing, and proclamation of government-owned lands for housing the poor.

The NSP, which is in consonance with the 1987 Philippine Constitution, implements policies for the welfare of slum dwellers. The more recent ones include, among others, the Urban Development and Housing Act (UDHA), the Comprehensive and Integrated Shelter Financing Act (CISFA) and the National Urban Development and Housing Framework (NUDHF).

The UDHA provides for a comprehensive and continuing urban development and housing program, with the cooperation of the private sector. It seeks to uplift the conditions of the underprivileged and homeless in urban areas and in resettlement areas by making available to them decent housing at affordable cost, basic services, and employment opportunities. On October 1, 2002, EO 131 was issued, declaring open for socialized housing purposes government-owned lands which have been unused for the past 10 years upon the effectivity of UDHA.

To comply with the UDHA requirement that a National Urban Development and Housing Framework be prepared every five years along with the

MTPDP the NUDHF 1999-2004 was formulated by the Housing and Urban Development Coordinating Council (HUDCC). The Framework primarily aims to rationalize, manage, and harness urbanization toward economic growth and spatial integration. It also intends to utilize cities and urban units to deliver shelter and basic services, particularly to the poor including the informal settlers.

The CISFA endeavors to increase and regularize the yearly appropriation for the major components of the NSP. This will ensure continuous funding support for the government's programs for urban and rural housing, resettlement, sites and services, development, and the renewal of blighted areas.

### **CHALLENGES AND PRIORITIES FOR ACTION**

Addressing the needs of the slum dwellers involve the provision not only of shelter but auxiliary facilities and livelihood. The government will work with business and civil society to meet the needs of the urban poor and the informal sector. The organization of the slum dwellers will facilitate the process toward their full integration as partners in development.

## GOAL 8

### DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT

**Target 13: 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**

#### STATUS AND TRENDS

The continuing unilateral trade reforms appear to have removed much of the distortions of past protectionist policies. It has started to gear up the economy towards becoming more outward-oriented, open, and globally competitive just in time for the changes created by the World Trade Organization (WTO). The WTO, with strengthened rules and discipline, brought about greater transparency and restored order in global trading.

Since substantial unilateral trade reforms were undertaken starting 1981, the Philippines made limited offers in terms of market opening under the Uruguay Round of multilateral trade negotiations. The country bound itself not to raise tariffs on imports of some 3,544 items beyond a level that is 10 percentage points higher than the 1995 rate. In terms of tariff reduction, only 66 tariff lines were committed.

The Philippines continued to review tariffs periodically to attain the following: (a) further rationalize the tariff structure to remove tariff distortions; (b) promote resource allocation by allowing easier access to raw materials, equipment and new technology; (c) simplify the tariff structure for ease of customs administration and minimize opportunities for smuggling and graft and corruption; (d) provide time-bound protection to existing local industries that may be affected by the removal of quantitative restrictions; and (e) promote a level playing field by allowing more competition.

The tariff reforms also aim to achieve a more uniform level of protection across sectors by 2004. The tariff liberalization for some items, e.g., iron and steel, petrochemicals, garments and textiles, and motor vehicles, however, were slowed down from 1998-2001 due to the Asian financial crisis. To help local industries reduce production costs, tariffs on about 1,000 items were reduced to 1 percent in the first semester of 2002. The Agriculture and Fisheries Modernization Act (AFMA) likewise provided for zero duty on certain agricultural inputs and machinery.

To complement trade reforms in order to further sharpen competitiveness, liberalization measures in areas such as investments, finance, foreign exchange and retail trade were put in place. Structural reforms such as privatization and deregulation efforts also implemented.

#### PRIORITY POLICIES AND PROGRAMS

Faced with the challenges of globalization and openness, the government will undertake the following efforts to enhance the competitiveness of industry and services sectors: (a) provide

**Table 10: Average Nominal Tariffs by Sector (%)**

Sector	1990	1995	2000
Agriculture	34.6	28	14.4
Mining	14.1	7.3	3.2
Manufacturing	27.1	14.0	7.0
Overall	27.8	15.9	8.0

Source: Tariff Commission

clear and simplified rules and regulations; (b) encourage investments in science and technology and research and development (R&D); (c) continue infrastructure development and industrial peace; and (d) enhance stable macroeconomic policies. Opportunities and benefits of globalization will be balanced with stronger regulatory capability, more transparency and effective implementation of safety nets.

Liberalization and regulatory reform policies will be sustained to facilitate the flow of trade and investments. Capacity-building mechanisms will be undertaken, with special focus on small and medium enterprises (SMEs), for industry and services to compete in a highly competitive global economy.

The Philippines will expand its horizons through market and investment opportunities offered by participation in bilateral, regional, and multilateral trading arrangements. Likewise, it will forge greater partnerships and cooperation among business, scientific and technological, and public sectors to harness new technology.

With the growing financial integration, the Philippine government will continue to undertake fiscal, financial, monetary and exchange rate policies to reduce vulnerability of the economy against volatile capital flows and exchange rates. The country's monetary policy will be aimed towards price stability and efficient financial intermediation amid a flexible exchange-rate system.

To strengthen the banking system, the country is committed to a regulatory framework aligned with international norms. Bank consolidation will be encouraged in line with prudential banking standards. Legislative measures will likewise be pursued to eliminate money laundering and rationalize taxation of financial intermediation.

To win the battle against poverty and achieve sustained growth and development, the government is fully committed to good governance. Through collaborative efforts with the business organizations and civil society, governance

shall be aimed at: (a) improving moral standards in government and in society; (b) implementing a philosophy of transparency; and (c) strengthening the ethic of effective implementation in the bureaucracy.

## **CHALLENGES/PRIORITIES FOR ACTION**

The growing integration of the Philippines in the arena of world trade still poses both benefits and perils to the country. The global economy offers a bigger market for Philippine exports. On the other hand, globalization presents a challenge for local producers to compete with their foreign counterparts in a regime of low tariffs. In addition, the integration of the Philippines in world capital markets also creates greater volatility in the foreign exchange market even as the Philippines benefits from equity foreign capital flows.

Large and sudden shifts in capital flows, whether caused by speculation, contagion or changes in the underlying macroeconomic fundamentals, require the continuous pursuit of fiscal, financial, monetary and exchange rate policies. These policies will seek to increase the resiliency or reduce the vulnerability of the economy against volatile capital flows.

While the country reduced its reliance on international trade taxes as a source of government revenues, the failure to boost other sources of revenue has compromised trade reforms. The reduced collection of international trade taxes has, at times, been constrained by the weakness of domestic tax mobilization.

The government also incurred foregone revenues from fiscal incentives extended to attract foreign investments. The incentive system is now being reviewed to correct market failures and distortions and promote industries with comparative advantage.

Finally, it is critical that the benefits from globalization be balanced with stronger regulatory capability, more transparency and effective implementation of safety nets.

## Target 14: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debts sustainable in the long term

### STATUS AND TRENDS

As of 2000, the outstanding debt of the National Government stood at Php 2,648.8 billion. During the years of fiscal surplus from 1994 to 1996, total debt declined (1994) or grew at a much slower rate (1995 and 1996). With large fiscal deficits since the 1997 Asian financial crisis, the debt burden has increased significantly.

Debt servicing has consequently taken up a significant portion of the national budget. In 2000, debt service for interest payments was 20.6 percent of the total proposed obligation budget of Php682.5 billion.

Meanwhile, the country's total foreign exchange liabilities increased from US\$ 28.5 billion in 1990 to US\$ 53.6 billion as of third quarter in 2002. However, debt service remains manageable. The debt service as a proportion of total exports remains well below 20 percent. Most of the foreign debt is also medium- and long term.

Regarding the assistance of the international community to national efforts to reduce poverty, the international donor community has provided 12 percent of total ODA commitments to social services from 1992 to 2000. This translates to about US\$2 billion out of a total of US\$16.7 billion ODA commitments during the nine-year period.

### PRIORITY POLICIES AND PROGRAMS

As part of its objective of ensuring macroeconomic stability, the government remains committed to keeping the country's foreign debt and the national government debt within prudent limits relative to the size of the economy and its ability to generate the resources to pay for its debt.

To ensure this, the government is implementing a fiscal program to achieve fiscal balance over the medium term through a combination of tax and expenditure reforms. Tax measures include:

(a) enhancing efficiency in the collection

**Table 11. ODA Commitments Going to Social Services**

Sector	1992-2000	
	US\$million	% To Total
Social Services	2,000.35	12.0
Grants	1,282.98	8.9
Loans	717.37	32.1
Total ODA Cumulative	16,663.21	100

Source: NEDA-Public Investment Staff

**Table 12. Outstanding Debt of the National Government of the Philippines**  
(in billion pesos)

Year	Fiscal Balance	Domestic	Foreign <sup>1</sup>	Total Debt	Total Debt/ GDP (%)
1991	-26.4	342.5	425.9	768.5	61.6
1992	-16.0	502.9	473.4	976.4	72.2
1993	-21.9	682.1	586.6	1,268.70	86.0
1994	16.3	670.6	556.9	1,227.50	72.5
1995	11.1	724.6	600.9	1,325.50	69.5
1996	6.2	748.3	583.6	1,331.80	60.6
1997	1.6	757.2	866.7	1,624.00	66.9
1998	-50.0	859.6	940.8	1,800.40	67.6
1999	-111.6	986.7	1,155.50	2,142.20	72.0
2000	-134.2	1,080.60	1,568.20	2,648.80	80.1

Source: Bureau of Treasury

**Table 13. External debt indicators**

Year	1990	1995	1996	1997	1998	1999	2000
Foreign Exchange Liabilities (in Billion Dollars)	28.5	37.8	41.9	45.4	47.8	52.2	52.1
Ratio of Debt Service Burden to Exports of	27.2	14.4	12.7	11.6	11.7	14.1	12.5
Ratio of ST debt to total debt	15.3	14	17.2	18.6	15	11	11.4

<sup>1/</sup> Based on the revised methodology from 1990 to 1998. Starting January 2000 the comparative monthly data were based on the concept under the Balance of Payments Manual, 5th edition.

of taxes through audits and industry benchmarking, beginning with the value-added tax (VAT); (b) prescribing ceilings on business deduction; (c) indexation of excise taxes of tobacco and liquor to inflation; (d) rationalization of motor vehicle taxes; (e) organizational reforms in the revenue collection agencies to reduce tax leakages and corruption; and (f) rationalization of fiscal incentives.

The government will also continue to put in place reforms to achieving greater efficiency and effectiveness in its spending. A major area of reform is in government procurement. The passage of RA 9184 or Government Procurement Reform Act paves the way for greater transparency and competition, thereby reducing cost of procurement. The government is also using a medium-term fiscal framework to force agencies to look at three-year, rather than one-year budgetary implications of proposed projects. The government has also began conducting Sectoral Effectiveness and Efficiency Reviews (SEER) to tie up the budgeting exercise with the government's priorities as outlined in the MTPDP, 2001-2004.

The government is also adopting measures to increase the utilization rate of ODA as a source of cheap external financing. Measures are being adopted to strengthen project oversight, minimize project delays, and reduce cost overruns. It is also prioritizing grants and concessional financing to enable the government to implement more socially desirable projects and cushion the debt service impact of commercial sources of external funds.

## **CHALLENGES/PRIORITIES FOR ACTION**

With the fiscal deficit widening anew in 2000, the main challenge for the government is increasing by a substantial margin its tax effort in order to generate resources for the government's antipoverty agenda. Although resources can be further squeezed from introducing greater prudence in spending such as in procurement, this will yield limited results, and capital spending may suffer as the government pursues fiscal discipline. With fiscal discipline as the overriding goal at the moment, revenues have to increase to finance development projects.

# FINANCING AND MONITORING THE MILLENNIUM DEVELOPMENT GOALS (MDGs)

## Financing the MDGs

Meeting the resource requirements of the MDG will entail collaborative effort of the national and the LGUs as well as the private sector. The national government will support the MDG financial requirements mainly by: (a) raising tax collection efficiency through improved tax administration and new tax measures; (b) improving efficiency of government operations, especially in procurement, and; (c) encouraging LGUs to increase their spending for basic social services.

Fiscal reforms are being instituted that will allow the generation of resources to meet the MDGs.

- For 2002-2006, revenue effort is targeted to increase from 13.08 percent of GNP in 2002 to 14.76 percent in 2006<sup>1</sup> with the implementation of the following administrative and legislative measures:
  - (a) Indexation to inflation of excise taxes on sin products;
  - (b) Modification of the taxable base for automobile excise taxes; and
  - (c) Rationalization of fiscal incentives.
- On the expenditures side, savings will be generated by budgetary reform initiatives and more cost-effective modes of delivering basic services. For instance, the government recently initiated a competitive procurement system of government supplies, which generated savings. In the acquisition of textbooks, unit cost of textbook procurement fell by 60 - 65 percent;<sup>2</sup>

- Additional procurement savings are expected in education, health and social welfare with the implementation of the Social Expenditure Management Project (SEMP):

- a) Procurement in educational supplies other than textbooks;
- b) Procurement in health supplies such as drugs, vaccines and other basic hospital care supplies; and
- c) Provision of water supply and sanitation to the poorest municipalities through the Comprehensive and Integrated Delivery of Social Services (CIDSS) Program.

- The fiscal program of the national government continues to prioritize the delivery of social services. The programmed allocation of the national government budget for 2002-2006 is as follows:

The LGUs are tasked with providing the devolved basic health and social welfare services under the Local

Sector	% of Budget				
	2002 <sup>1</sup>	2003 <sup>1</sup>	2004 <sup>2</sup>	2005 <sup>2</sup>	2006 <sup>2</sup>
Social Services	42.86	42.81	46.11	46.11	46.11
Education, Culture & Manpower	29.58	29.95	32.26	32.26	32.26
Development					
Health	3.33	3.23	3.31	3.31	3.31
Social Security and Labor Welfare	7.80	7.80	6.27	6.27	6.27
Other Social Services	2.24	1.84	4.26	4.26	4.26

<sup>1/</sup> Source: Budget Expenditure and Source of Financing (BESF)

<sup>2/</sup> Source: Medium-Term Philippine Development Plan, 2001-2004

Government Code of 1991. The funding support for these devolved functions is mainly supported by 40 percent of the IRA from the national government and is conditional on the successful implementation of the MTPDP. Additional resources can be generated for the provision on basic social services with the LGUs funding the school building program,

<sup>2</sup> DepEd Secretary Raul S. Roco, "Making People Strong: The DepEd Under," October 03, 2002.

<sup>1</sup> Based on 2003 Budget Expenditure and Sources of Financing (BESF) and programmed balanced budget in 2006.

and other educational, health and water and sanitation expenditures.

These measures will continue and will be broadened to help meet the country's MDG commitments by 2015.

### **MONITORING THE MDGs**

A monitoring system has been developed so the government can track down performance levels vis-à-vis international commitments. The Social Development Management Information System (SOMIS) is a database of social indicators available at the NEDA website. It provides data for indicators of the following: poverty, population, health, education, employment, shelter, environment, disaster, crime prevention, social protection, and family. It also shows the various global targets set in previous conferences. However, it does not include all of the MDGs.

Since the data for the different indicators come from different agencies, the SOMIS serves as a bank for accumulated data. The SOMIS can be further strengthened by providing the NEDA Secretariat with the data as soon as these are available for easy updating. Disaggregations for some indicators are needed to show problems that may be obscured by national figures. For instance,

the national estimates of subsistence and poverty incidence do not show existing wide disparities across the regions. Geographic Information System (GIS) maps are very useful in highlighting spatial disparities. Disaggregation of data by sex and the integration of gender in data analysis are also important to determine gender disparities.

This database is dependent on the data collection activities of different statistical bodies and other agencies. Since many of the surveys are conducted every three or five years, many of the indicators do not have current data for more frequent monitoring. For instance, the latest available data on the functional literacy rate was released in 1994, while information on per capita food consumption dates back to 1993.

Table 14 shows the level of capacity of government to monitor and report the MDGs. Among the goals, the monitoring of the achievement of gender equality and environmental sustainability need to be strengthened.

The SOMIS can also be the repository of progress reports. An annual progress report of the country vis-à-vis the goals, using the most recent data, would be an effective tool in fine-tuning policies and programs, and applying resources where they are most needed.

**Table 14. Capacity for monitoring and reporting MDG-process <sup>2</sup>**

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