

Chapter 12

Responding to Basic Needs of the Poor

I. SITUATIONER

A. Poverty Situation

Poverty incidence worsened to 34 percent in 2000 from 33 percent in 1997. The number of poor individuals increased by 2.59 million from 23.95 million in 1997 to 26.54 million in 2000. In particular, subsistence poverty or the number of poor Filipinos in the country who could not afford to meet their food requirements has increased by 751,000.

Philippine poverty is basically rural poverty since almost three out of four (or 73%) of the total number of poor in the country reside in the rural areas. The poverty level in rural areas is much higher at 48.8 percent against 18.6 percent in urban areas. This means almost 5 out of 10 rural residents are poor compared with almost 2 out of 10 urban residents.

Poverty in the regions has generally worsened, with Regions V, VI, VII, IX and the Autonomous Region in Muslim Mindanao (ARMM) posting substantial increases in both poverty and subsistence incidences.

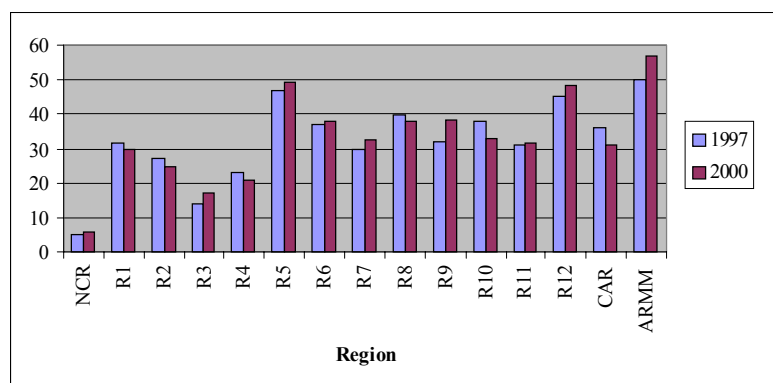
Rural poverty remains tied to the state of agriculture and the environment. The rural poor, consisting mainly of small and landless farmers, farm workers, fisherfolk and indigenous people, continue to lack access to productive resources including land, credit, technology and rural infrastructure. This situation of impoverishment has led them to adopt unsustainable practices. It, moreover, fails to inspire in them the capability or desire to diversify into activities that result in new and higher value products. Thus, productivity in agriculture remains low while the degradation of the environment continues.

Poverty reduction policies, programs and strategies thus give the highest priority and focus to rural and agricultural development by: (a) supporting rural enterprises and rural cooperatives; (b) constructing more farm-to-market roads; (c) providing greater access for farmers and indigenous people to land, credit and technology; (d) lessening the exploitation of farmers and fisherfolk by middlemen; (e) more strategic, effective and timely interventions and safety nets during natural disasters and economic shocks; and (f) improving the quality of life of the rural poor (*see Chapter 2: Agribusiness*).

1. Poverty in the Regions

It has been observed that the level of poverty is more severe in the Bicol Region and almost all the regions in Mindanao. The ARMM, in particular, registered a poverty incidence of almost 60 percent in 2000, the worst among the regions. In contrast, majority of the regions in Luzon are less impoverished (Figure 12-1).

Figure 12-1 Poverty Incidence, By Region



Sources of Basic Data: 1997 and 2000 Family Income and Expenditure Surveys (FIES) (NSO).

Poverty measures disaggregated at the provincial level highlight the disparities in poverty incidence among the different regions of the country in 2000. These show that majority of the poorest provinces in terms of income are found in the ARMM while those with the lowest incidences are in Luzon, particularly Regions I to IV (Table 12-1).

Table 12-1 Ranking of Poor and Least Poor Provinces

POOREST PROVINCES			LEAST POOR PROVINCES		
Rank*	Province	Poverty Incidence	Rank	Province	Poverty Incidence
1	Sulu	63.2	68	Davao del Sur	18.2
2	Masbate	62.8	69	Nueva Vizcaya	15.9
3	Tawi-tawi	56.5	70	Pampanga	14.4
4	Ifugao	55.6	71	Benguet	14.1
5	Romblon	55.2	72	Cavite	10.2
6	Maguindanao	55.1	73	Bataan	9.9
7	Lanao del Sur	55	74	Laguna	8.6
8	Sultan Kudarat	54.3	75	Rizal	8
9	Camiguin	53.1	76	Batanes	7.5
10	Camarines Norte	52.7	77	Bulacan	5.4

Source of Basic Data: 2000 Family Income and Expenditure Survey,

* Rank 1 indicates the highest poverty

While poverty exists in all regions and provinces in the country in varying levels, the ARMM and the Bicol Region, being the poorest, need more economic and anti-poverty interventions, not only in terms of bigger budgets but also greater and more extensive capacity-building of their respective local government units (LGUs). Partnerships among LGUs, national government agencies, the private sector, civil society organizations especially those from the basic sectors and communities, must also

be intensified and institutionalized (see Chapter 6: Infrastructure and Chapter 14: National Harmony: The Peace Process).

The ARMM Social Fund for Peace and Development projects as well as Region V’s Bicol River Basin Development Project – both of which are funded by the World Bank, need to be given special attention and implemented immediately. The latter project was revived by the President in September 2004 through Executive Order (EO) No. 359.

2. Transient and Chronic Poverty

Another feature of poverty in the country is that a significant number of the population suffers from what is called transient poverty. Studies show certain groups (roughly one-fifth of the poor in 2000) moving in and out of poverty since 1997, thereby differentiating them from those identified as the “chronic poor.”

In 2002, households surveyed in the Family Income and Expenditure Survey (FIES) in 1997 and the Annual Poverty Indicators Survey (APIS) in 1998 and 1999, were included in a panel table that was constructed mainly to observe movements of income groups in terms of their income status (Table 12-2).

Table 12-2 Chronic and Transient Poverty: Income Movements of Poor and Nonpoor Households, 1997-1998

1997	1998	1999	Pattern	Magnitude	Proportion
Poor	Poor	Poor	PPP	3,881	21.7
Poor	Poor	Nonpoor	PPN	665	3.7
Poor	Nonpoor	Poor	PNP	578	3.2
Poor	Nonpoor	Nonpoor	PNN	488	2.7
Nonpoor	Poor	Poor	NPP	1,551	8.7
Nonpoor	Poor	Nonpoor	NPN	1,154	6.4
Nonpoor	Nonpoor	Poor	NNP	1,277	7.1
Nonpoor	Nonpoor	Nonpoor	NNN	8,303	46.4
TOTAL				17,897	100

Source: Celia Reyes, “The Fight Against Poverty: Have We made an Impact”, (2002).

The panel table above shows the different patterns exhibited by the same households surveyed from 1997 to 1999. A total of 17, 897 households were surveyed continuously for three years, out of a total average sample size of 40,000. For purposes of comparison, 1999 was used as the ‘reference’ year. Interestingly, households who were poor in 1999 were not necessarily poor in previous years. There was a set of households that was poor throughout all the three periods (1997 to 1999) but a portion of those who were poor in 1999 were either nonpoor in 1997 or in 1998, or both. This study classified those who were poor in all three years as undergoing chronic poverty while households who were poor in 1999 but were previously nonpoor, either in 1997 or 1998, or both, were described as transient poor.

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Households falling into this transient poor category formed 19 percent of the total panel households or 3,406 households. This suggests that a significant portion of households – those that are nonpoor – became vulnerable to shocks as the years covered in the study had two crises: the El Niño phenomenon and Asian financial crisis. Furthermore, the 22 percent of nonpoor households in 1997 became poor in 1998 reflect those who immediately succumbed to the effects of the crises. Looking at the profile of the panel household respondents, those who were more prone to transient poverty had the following characteristics: (a) low educational attainment of household head; (b) a large family size; and (c) occupation of the household head was in the agriculture sector.

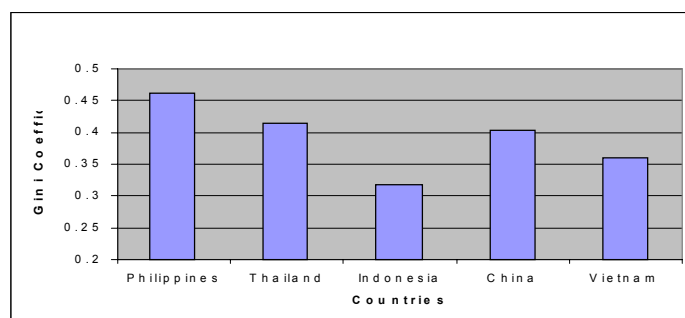
The above data suggest that the poor must not be treated as a homogeneous group and that poverty alleviation measures towards the chronic poor must be different from those being used for the transient poor. Greater study and better analysis of this phenomenon would result in the refinement of the antipoverty strategies and safety nets for the transient and chronic poor.

3. Income and Welfare Disparities

In terms of income distribution, the Philippines' Gini coefficient (a measure of income inequality) improved slightly from 0.4881 to 0.4822¹.

However, compared with some of the country's neighboring Asian countries, the Philippines exhibits greater disparity in income distribution i.e. the gap between upper income groups and lower income groups is wider (Figure 8). This is a disturbing indication that benefits from economic growth and productive resources in the country are distributed unequally, with more going to the rich than to the poor. Again, the government's propoor agenda and policies must address this to ensure that the benefits of development and growth are more equitably shared among all Filipinos.

Figure 12-2 Gini Coefficient in Selected Asian Countries



Source of Basic Data: 2004 UNDP Human Development Report

It has been observed that regions with the highest poverty incidence do not necessarily have high levels of inequality. In fact, the ARMM which registered as the poorest region in 2000 had the lowest Gini measure compared with the NCR with its relatively high level of inequality. The areas with severe inequality, or where the gap between the rich and the poor is widest, were found in the Visayas, particularly Regions VII, or Central Visayas and VIII, or Eastern Visayas (Table 12-3).

¹ The Gini coefficient is a number between 0 and 1 and that which is closer to 1 indicates a more unequal distribution of income.

Table 12-3 Regional Gini Coefficients, 2000

Region	Gini coefficient	Region	Gini coefficient
NCR	0.4451	Region VII	0.4691
CAR	0.4439	Region VIII	0.4807
Region I	0.4071	Region IX	0.4732
Region II	0.4227	Region X	0.4794
Region III	0.3591	Region XI	0.4318
Region IVA	0.4086	Region XII	0.4631
IVB	0.4076	ARMM	0.3171
Region V	0.4455	CARAGA	0.4118
Region VI	0.4594		

Source: National Statistical Coordination Board (NSCB)

Welfare disparity between urban and rural areas are also felt in terms of access to essential services. The ARMM is the most disadvantaged region in this respect, particularly in terms of accessibility to electricity and clean and safe water sources. About one-third of the families in region, irrespective of income level, use water coming from community water systems or tube/piped wells.

Aside from the poor, there is also a growing number of vulnerable groups in the country who are continuously threatened and marginalized by social, economic and environmental pressures as well as by natural disasters and economic shocks. These groups include women in especially difficult circumstances, children in need of social protection, disadvantaged youth, persons with disabilities, older persons, workers in the informal sector, indigenous peoples and upland settlers, dysfunctional families, victims of disasters and calamities, landless farmers/rural workers/farm workers, fisherfolk in coastal, marine and freshwater ecosystems, persons adversely affected by socioeconomic risks and shocks, workers in the formal sector vulnerable to work hazards and arrangements, and returning migrant workers.

The results of the 2002 Annual Poverty Indicators Survey (APIS) show that majority of the families (53.9%) perceived their quality of life to have not changed in the previous 12 months while 15.3 percent and 30.8 percent felt they were better off and worse off, respectively (Table 12-4). Among the reasons cited by families for their better conditions in life were more earnings, better health, and new jobs with higher salary.

On the other hand, reduced income, increased food prices, and loss of jobs were the reasons given in describing situations as worse off. The family's most common means of coping with their worse-off situations were changes in eating patterns, increase in working hours, and assistance from friends.

Table 12-4 Family's Perception on Welfare

Family's Perception	2002	1999
Total Families ('000)	15,925	14,746
<i>In the last 12 months</i>		
Better Off	15.3	13.8
Worse Off	30.8	33.9
About the same	53.9	52.3
<i>In the next 12 months</i>		
Improve	34.6	29.4
Stay the same	51.7	50.1
Worsen	13.7	20.5

Statistic Office (NSO)

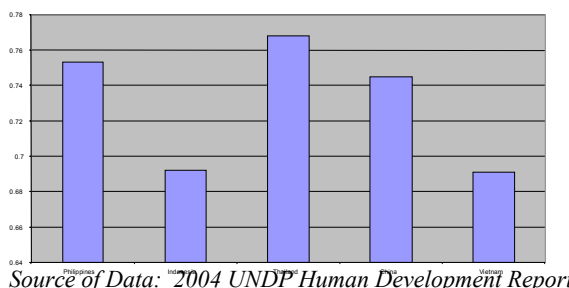
4. Poverty and the Human Development Index (HDI)

Poverty, being a multidimensional construct that goes beyond income measurements, the UN Human Development Index (HDI) summarizes a composite index of life expectancy, adult literacy rate, combined primary, secondary and tertiary gross enrolment ratio and GDP per capita, among others. In terms of the HDI, the country has improved its rating from 0.735 in 1995 to 0.753 in 2002, or an increase of 2.4 percent.

With a multidimensional framework, the government is in a better position to assess the poverty situation, understand the determinants and causes of poverty and design strategies best suited to the situation.

Compared with some of the country’s Asian neighbors, namely Indonesia, Thailand, China and Vietnam, the Philippines posted a relatively higher level of human development except for Thailand (Figure 12-3).

Figure 12-3 Human Development Index (HDI) in Selected Asian Countries



Consistent with the poverty situation patterns in the country’s regions, provinces in Mindanao particularly the ARMM had the lowest HDI ratings while those in Luzon had the highest (Table 12-5).

Table 12-5 Provincial Human Development Indices

PROVINCES WITH LOWEST HDIs			PROVINCES WITH HIGHEST HDIs		
1	Sulu	0.351	68	Isabela	0.649
2	Tawi-tawi	0.39	69	Pampanga	0.665
3	Basilan	0.425	70	Batangas	0.683
4	Ifugao	0.461	71	Ilocos Norte	0.684
5	Maguindanao	0.461	72	Laguna	0.709
6	Lanao del Sur	0.464	73	Batanes	0.717
7	Agusan del Sur	0.482	74	Rizal	0.733
8	Samar (Western)	0.511	75	Cavite	0.735
9	Lanao del Norte	0.512	76	Bataan	0.746
10	Sarangani	0.516	77	Bulacan	0.76

Source: 2000 Philippine Human Development Report.

B. Health Situationer

Despite the poverty situation, there has been a general improvement in the health status of Filipinos as evidenced by the decline in infant mortality rate (IMR) from 48.9 per 1000 live births in 1998 to 29 per 1000 live births in 2003. Reductions in prevalence of underweight were also observed

among 0-5 and 6-10 year old children from 32 percent in 1998 to 27.6 percent in 2003, and 30.2 percent in 1998 to 26.7 percent in 2003, respectively (Table 30). In addition, fertility rates steadily fell over the last 30 years. In 2002, the average number of children for women (married and unmarried) was 2.1 while that for currently married women was 3.5 (NSO Family Planning Survey, or FPS, 2002). These estimates were similar to figures derived from the FPS of 1996, 1997, 1999, 2000 and 2001.

Table 12-6 Major Health Indicators

Indicators	Actual 1998	Latest Data
Life Expectancy (in years)	67.4	69.8 ^a
Male		67.2 ^a
Female		72.5 ^a
Infant Mortality Rate (per 1,000 livebirths)	48.9	29 ^b
Maternal Mortality Rate (per 100,000 livebirths)	172	Not available
Crude Birth Rate (per 1,000 population)	29.5	25.6 ^b
Crude Death Rate (per 1,000 population)	6.3	4.8 ^c
Male		5.6 ^c
Female		3.9 ^c
Pre – natal Care (% of pregnant women who sought pre-natal care)	62.5	87.6 ^b
Post-natal Care (% of women who sought post natal care)	70.6	Not available
Immunized children (in %)	89	70-90 ^b
Access to Safe Water Supply (in %)	78.1	80 ^d
Access to Sanitary Toilet Facility (in %)	80.8	86.1 ^d
Health insurance coverage (in %)	38	78 ^e
Prevalence of underweight preschool children aged 0-5 years old (%)	32	27.6 ^f
Prevalence of underweight school children aged 6-10 years old (%)	30.2	26.7 ^f
Prevalence of anemia (%)		
Infants 6 mos. to <1 yr	56.6	66 ^f
Pregnant women	50.7	43.9 ^f
Lactating women	45.7	42.2 ^f

Sources of Data:

a- 2003 projections based on the 1995 Census of Population and Housing;

b- 2003 National Demographic and Health Survey;

c- 2000 Census of Population and Housing;

d- 2002 Annual Poverty Indicators Survey;

e- Philippine Health Insurance Corp.

f- 2003 National Nutrition Survey (Preliminary results), DOST-FNRI

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While fertility rates have been falling, it can be observed that 20 percent of the close to 20,000 women surveyed in the 2002 FPS “were not using any method of family planning and reported that they did not want any more children or preferred to space births”. This gives an estimate of 2 million women with unmet family planning needs, of which 50-70 percent might be classified poor. They will be the target of a nationwide door-to-door family planning campaign in early 2005.

In terms of health expenditures, its share as a percentage of GNP has been decreasing from 3.3 in 1999 to 2.7 in 2002. The distribution, accessibility and availability of low cost medicine as well as the coverage and benefits of social health insurance have remained limited. Public and private sector partnerships need to be further harnessed, and technical assistance in the delivery of health, nutrition and population development services especially at the local level should be provided. In addition, regulatory capacities of health institutions should be strengthened to ensure quality health products, services and facilities.

C. Gender and Development

In the gender dimension, available UN data show that the Philippines has slightly improved its advancement of women’s rights and concerns. The Gender Development Index (GDI), a composite measure of various development indicators (including health, educational attainment, life expectancy) to show disparities between sexes, reveals that gender development in the Philippines has slightly improved from 0.748 to 0.751, from 2001 to 2002 (Table 12-7).

Table 12-7 Gender and Development in the Philippines

Year	GDI Rank	GDI Value	Life Expectancy		Adult Literacy Rate		Combined enrollment ratio		Estimated earned income	
			Female	Male	Female	Male	Female	Male	Female	Male
2001	66	0.748	71.6	67.6	95	95.3	81	79	2,838	4829
2002	66	0.751	71.9	67.9	92.7	92.5	82	81	3144	5326

Sources: 2003 and 2004 UNDP Human Development Reports.

In terms of the Gender Empowerment Measure (GEM) the country has slightly improved from 0.539 to 0.542, but its ranking went down from 35 to 37 (Table 12-8).

Table 12-8 Gender Empowerment in the Philippines

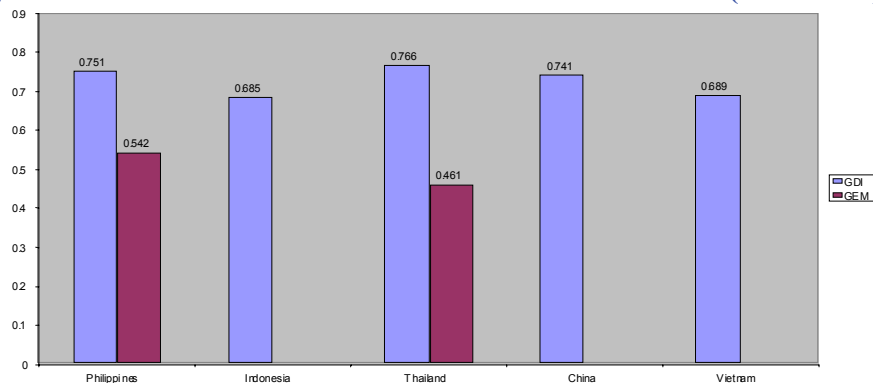
Year	GEM Rank	GEM Value	Seats in parliamentary held by women	Female legislators, senior officials, and managers	Female professional and technical workers	Ratio of estimated female to male earned income
2001	35	0.539	17.20%	58%	62%	0.59
2002	37	0.542	17.20%	58%	62%	0.59

Sources: 2003 and 2004 UNDP Human Development Reports.

Compared with various countries, Filipino women have a higher ratio in educational attainment than Filipino men. It is also interesting to note that women live longer than men in this country. These differences notwithstanding, particularly in economic and political participation, women earn much less compared to men and the proportion of women elected into public office, particularly in the Legislature, is much lower.

In comparison with other Asian countries, the Philippines is faring well in terms of gender development and empowerment. It is doing better than Indonesia and Vietnam in its GDI and is showing better progress in terms of its GEM as compared with Thailand (Figure 12-3).

Figure 12-4 GDI and GEM for Selected Asian Countries (Year 2002)



Sources: 2003 and 2004 UNDP Human Development Reports

One of the most noticeable gaps in data when it comes to gender is the absence of direct, sex-disaggregated measurement of income poverty. While several researchers in the country have attempted to observe poverty incidences among male and female-headed households, the data proved to be inconclusive and prone to error given the problem concerning the surveys' definition of household head.

However, given the wide inequality of incomes between gender as shown in the UN's GDI (59:100 is the ratio of estimated female earned income to male earned income), it could be inferred that women are poorer than men, which has led to the statements that "poverty has taken on a woman's face" or that there is a "feminization of poverty." Efforts to have sex-disaggregated data collected and analyzed must be intensified to examine the different roles and positions of women and men.

Since women are the majority target of microfinance initiatives, programs should aim not just to reduce income poverty, but to empower women as well. Women's active participation in decision making ensures that programs are sensitive to women's specific needs and roles especially as wives and mothers, that they exercise control over their microenterprises and also benefit personally from them.

D. Empowering the Poor and the Vulnerable

During 2001-2004, the government implemented major policy and institutional reforms and key programs aimed at protecting and empowering the poor and the vulnerable groups. Its banner program for poverty reduction consisted of a comprehensive and integrated convergence approach, called the *Kapit-Bisig Laban sa Kahirapan* (KALAHI). This propoor strategy sought to: (a) improve access to and quality of human development and social services; (b) ensure fuller and meaningful participation of the basic sectors in governance and decision making in all levels of government; (c) accelerate urban asset, agrarian land and ancestral domain reforms, (d) provide greater social security and protection of the poor and identified vulnerable groups from violence; and (e) enhance employment, livelihood and entrepreneurial opportunities for the poor.

Significant achievements were made particularly in the area of ‘convergent’ and integrated delivery of social services. This can be attributed to the sustained commitment of LGUs, cooperation and assistance of national government agencies, infusion of external assistance and more meaningful partnership with local civil society organizations, the private sector, and the beneficiaries.

Full and effective implementation of this strategy was hindered by problems such as budgetary constraints and delays in fund releases, and the low appreciation and commitment of some LGUs in investing on social protection interventions (e.g. health insurance for the indigents). In this regard, the government faces the following challenges: (a) full localization of the Comprehensive and Integrated Delivery of Social Services (CIDSS) approach; (b) fund sufficiency for KALAHIs programs; (c) strengthening of livelihood and entrepreneurship interventions; (d) affordability and accessibility of social security/health insurance; (e) adequacy and responsiveness of social safety net measures; (f) full advocacy and enforcement of laws and policies; and (g) data adequacy and timeliness, including sex-disaggregated data, where appropriate.

On governance and decision making, efforts have been exerted to institutionalize the meaningful participation of civil society in governance. Examples of this are the participation of the 14 identified Basic Sector Groups in the national and regional structures of the National Anti-Poverty Commission (NAPC). These groups have also been active partners in programs of national agencies such as the National Commission on the Role of Filipino Women (NCRFW), Council for the Welfare of Children (CWC), National Youth Commission (NYC), Presidential Commission for the Urban Poor (PCUP), Bureau of Fisheries and Aquatic Resources (BFAR), Presidential Agrarian Reform Council (PARC), and the National Council for the Welfare of Disabled Persons (NCWDP). Civil society groups have also participated in local development and other decision-making processes at the barangay and municipal levels.

However, some of the mandated mechanisms for civil society participation at the local level are still to be fully implemented. Hence, the challenge to both government and civil society is to ensure that the full and quality participation of the latter is achieved, sustained and guided by transparency, accountability and openness. Capacities of the basic sectors must also be enhanced to enable them to ensure their quality participation in the development process.

There is also a need to strengthen the capacity of indigenous cultural communities (ICCs) as well as to provide for basic sector representation in local legislative councils. The Department of Interior and Local Government (DILG) has already issued a memorandum on civil society representation in local special bodies.

LGUs, through the Local Poverty Indicators Monitoring System (LPIMS) should be able to identify the needs of their constituents especially the poor, and encourage their participation in governance, especially in making decisions on the appropriate poverty alleviation programs or projects to be implemented in their localities.

E. Poverty and Education

On education, poverty continues to weaken access of families and individuals to formal and alternative learning systems. This is aggravated by the continuing decline of the quality of formal basic education provided by the state and private sector (*Chapter 18: Education*).

F. Housing

Performance of the housing sector has been modest relative to the huge housing need of 3.6 million for the period 2001–2004. Against the total target of 1.2 million units of housing assistance or shelter security units, the housing sector provided 822,823 shelter security units or an accomplishment rate of 68.6 percent. For land tenure for the urban poor, socialized housing (below PhP225,000), and low-cost housing (PhP225,000-PhP2 million), against a target of 900,000 units for 2001-2003, the sector delivered 707,240 shelter security units or an accomplishment rate of 79 percent (*Chapter 4: Housing Construction*).

G. Asset Reform

On agrarian reform, the slight reduction in the operating targets compared with the projected targets in the previous MTPDP was attributed to increased acquisition values of the privately-owned lands, and constraints in the budget for land compensation. The Supreme Court decision on the Marcos ill-gotten wealth in 2001 (PhP38 billion) has been ordered to be given to the government for land acquisition, distribution and development while a certain amount shall be legislated for compensation of human rights victims during Marcos' Martial Law Regime. The government is likewise looking at the possibility of using the fund for ancestral domain reforms.

Efforts on the titling of ancestral domains were undermined by continuous dislocation of ICCs from their ancestral lands due mainly to large development projects (including mining projects), overlaps in existing and/or potential claims on property rights, and conflicts in the implementation of policies on land tenure and resource use. Other gaps include: (a) the lack of accurate data on the actual extent and location of ancestral domains nationwide; (b) lack of institutional capacity for ancestral domain and land delineation and mapping; (c) need to capacitate indigenous peoples (IPs) and their communities in coming up with their own development plans; and (d) the need to make local development consistent and sensitive to ancestral domain plans. Congruence will be advanced through the judicious securing of free, prior and informed consent (FPIC) of concerned IPs as mandated in EO 270-A.

For aquatic resources reform, the claim of small artisanal fisherfolk over municipal waters was strengthened with the issuance of the long-awaited delineation guidelines from the Department of Agriculture (DA). In general, the order calls for the exclusive use of municipal fisherfolk of aquatic waters within 15 kilometers from the shoreline. The DA, however, could not issue the next set of delineation guidelines because of the filing of a declaratory relief by commercial fishers with the courts. The challenge now is for DA to assist in the resolution of the issue and push through with the guidelines that will cover all concerned municipalities.

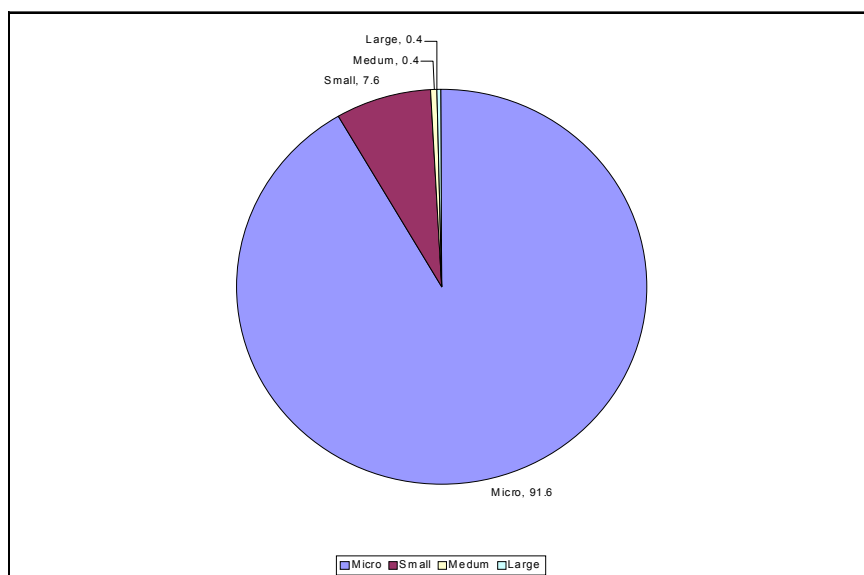
H. Microenterprise Development

In a recent report from the Department of Trade and Industry, microenterprises comprise around 91.6 percent of the country's businesses (Figure 12). The strengthening of this sector would positively affect the country's economy. In addition, microfinance is one of the main strategies and has proven to be an effective tool in alleviating poverty.

In view of this, there is a need to prioritize initiatives towards microenterprise development: diversification of products and skills, improvement of productivity, increase in value-added output, and

greater access to market to bridge the very wide gap between microenterprises and SMEs (Chapter 1: Trade and Investment).

Figure 12-5 Share of Sectors to All Businesses



Source of Data: Department of Trade and Industry (DTI) presentation entitled "Current Situation of SMEs and the SME Development Plan" (May 2004).

Several factors have contributed to the growth of the microfinance industry in the country such as: (a) the encouragement given by government to the private sector to go into microfinance; (b) the shift of government agencies from retail to wholesale delivery of microfinance services and towards capability of conduits and beneficiaries; (c) adoption of market-oriented financial and credit policies (EO 138), banking rules flexibility for microfinance operations, particularly the New Banking Act of 2000 and other BSP Circulars related to microfinance; (d) provision of additional capital both for on-lending and capacity-building; and (e) the formulation of microfinance performance standards, among others. All these have provided an environment conducive to growth and viability of existing and new microfinance institutions (MFIs), which include rural banks, cooperatives, NGOs, and people's organizations.

The wholesale portfolio of the People's Credit and Finance Corporations (PCFC), which is tasked to mobilize resources and deliver financial services to MFIs, grew significantly with funding support from external sources. As of June 2004, the government financial institutions/government-owned-and-controlled-corporations (NLSF, TLRC, SBGFC, BSP, with PCFC as the main lending arm) have released a cumulative amount of Php6.882 billion of microfinance loans to 1,536,697 poor clients through the various MFIs.

For the same period, the PCFC alone reported an outstanding loan portfolio of about Php2.5 billion, which it had lent through 191 private institutional conduits reaching 1,575,439 million microborrowers in 80 provinces, 115 cities and 1,495 municipalities nationwide. The repayment rate of PCFC's conduits averaged 99 percent while repayment rate of end-borrowers stood at 95 percent.

Capability-building needs of MFIs have been supported through several donor-funded programs, like the NAPC-UNDP Microfinance Sector Strengthening Project (MSSP), the USAID funded Microenterprise Access to Banking Services (MABS), Cooperative Union Empowerment and Strengthening (CUES), among others. However, the funds for the People's Development Trust Fund (PDTF) have yet to be allocated from the general appropriations for the capability building of MFIs and the development of microenterprises as mandated by the Social Reform and Poverty Alleviation Act of 1997 (RA 8425). A concessional loan of PhP100 million from National Livelihood Support Fund has also already been released to jumpstart PDTF operations. Likewise, grants of US\$250,000 from the Asian Development Bank (ADB) and US\$900,000 from AusAID for the MSSP-Phase 3 and a US\$300,000 donation from the North-American Association of Filipino-Americans for the PDTF seed fund are in the pipeline.

A major task ahead is to widen the playing field for microfinance providers by: (a) encouraging new players to enter the market and providing them with training to build capacity to expand services; (b) enticing existing microfinance providers to reach over large numbers of the enterprising poor, especially in the hard-to-reach areas, including poor families in identified KALAH I areas; and (c) strengthening and mobilizing cooperatives.

The institutional capacity of microfinance institutions remains a significant constraint to expanding outreach and ensuring its efficiency and effectiveness as a mechanism for poverty alleviation, especially for women who comprise an overwhelming majority of its clientele. To make microfinance a sustainable and holistic tool in poverty alleviation, there is still a need to integrate other social services (insurance, family planning services) and other concerns (gender empowerment, etc) into the MFIs' program and within the KALAH I Framework, with microfinance as the entry point.

II. GOALS, STRATEGIES AND ACTION PLAN

Meeting the basic needs of the masses is one of the top priorities of the Arroyo Administration. Efforts shall thus be intensified to achieve the Millennium Development Goals (MDGs) particularly in the areas of poverty reduction and human development through a broad and strategic partnership among all concerned stakeholders, especially LGUs. This entails giving priority attention to the poor and other vulnerable groups and placing them in the mainstream of development by broadening their access to quality basic social services, livelihood and providing them a voice in decision making, eliminating their vulnerability to adverse shocks, and improving their ability to cope with them.

A 2001 review of poverty reduction programs in the country by a group of researchers and members of the academe (Razon-Abad, Gregorio-Medel and Brillantes) concluded that the following principles could mean the success or the failure of these programs: "clear policy framework, focused targeting, link to the minimum basic needs of the poor, clear implementation plan, convergence, community participation, transparent and participatory monitoring and facilitative bureaucracy."

Through Memorandum Circular No. 33, President Arroyo stipulated that the government's overall poverty strategy is the KALAH I with its five antipoverty thrusts at both the policy and program level, namely; (a) acceleration of asset reform; (b) provision of human development services/ social services; (c) livelihood and employment; (d) social protection and security from violence; and (e) participation of the poor in decision-making. Furthermore, the KALAH I approach embodies the convergent, focused implementation of this strategic thrust especially in the barangay/community level with the participatory involvement of the community itself.

To meet the basic needs of the masses and ultimately promote social justice, the following priority strategies and activities shall be pursued:

A. Livelihood

Livelihood activities shall be further enhanced to generate employment, increase household income, and strengthen the local economy. Three million entrepreneurs shall be supported through microfinance and two million hectares of land for agribusiness, which shall, in effect, contribute to the creation of 10 million jobs in six years.

1. ***Expansion of microfinance initiatives.*** Loans for the poor shall be tripled for the self-employed, microenterprises and hard-to-reach areas including agrarian reform zones (ARZs) and IP communities, among others (*Chapter 1: Trade and Investment*).
 - a. Encourage more credit cooperatives, microfinance NGOs, thrift and rural banks and cooperative banks to participate and offer microfinance products and services; adopt microfinance best practices; and institutionalize capital build-up for microfinance borrowers as demonstrated by programs like the Microenterprise Access to Banking Services (MABS), the Association for Social Advancement (ASA) and Credit Union Empowerment and Strengthening (CUES), Helping Reach Their Aspiration Through Micro Credit (HIRAM), among others;
 - b. Develop a training module for LGUs acting as wholesalers of microfinance rather than retailers;
 - c. Develop gender-responsive microfinance services and products including training, product development, market access, new technologies, social insurance, women's health and family planning, and other basic services (e.g. housing and pension) in partnership with LGUs, NGOs and POs in the communities;
 - d. Fully fund and operationalize the People's Development Trust Fund (PDTF), the fund mandated by Republic Act (RA) 8425 for the capability building needs of microfinance institutions (MFIs) and the poor so they could have access to their services;
 - e. Fully implement the performance standards for effectiveness and viability of MFIs and cooperatives in savings and credit services;
 - f. Facilitate access of rural, informal sector and displaced workers to Kalinga sa Manggagawa Fund;
 - g. Institutionalize the SME Unified Lending Opportunities for National Growth (SULONG) Program through an EO mandating government financial institutions (GFIs) to set aside funds for MSMEs. SULONG is designed to give SMEs greater access to short- and long-term funds by simplifying and standardizing the lending procedures of GFIs, shortening the list of documentary requirements to further facilitate the lending process, creating a wider borderless financing system, and lowering the effective cost of borrowing by SMEs under more liberal requirements. Concerned agencies include DTI, DBP, LBP, National Livelihood Support Fund, Philippine Export and Import Credit Agency, Quedan and Rural

Table 12-9 GFIs/GOCCs Contribution to Meet the Target 3 Million Microfinance Clients July 2004 - June 2010

GFIs/GOCCs	PROJECTION	
	# OF CLIENTS	TOTAL FUND REQUIREMENT (PhP, Billion)
People's Credit and Finance Corporation (PCFC)	2,000,000	7.00
Small Business Guarantee and Finance Corporation (SBGFC)	140,000	1.40
Technology and Livelihood Resource Center (TLRC)	12,000	0.01
Quedan and Rural Credit Guarantee Corporation (QUEDANCOR)	1,180,000	24.00
UCPB-CIIF Foundation, Inc.	150,000	1.10
Land Bank of the Philippines (LBP)	800,000	10.00
TOTAL	4,282,000	43.51

** This projection was based on the commitments/pledges made by the GFI/GOCC heads during the NAPC-initiated meeting held among microfinance wholesale fund providers on 28 September 2004, chaired by NAPC Lead Convenor, Sec. Imelda M. Nicolas*

Credit Guarantee Corporation, Small Business Guarantee and Finance Corporation, and SSS accredited rural and thrift banks;

- h. Support the establishment of a centralized Credit Bureau for all banking institutions including MFIs;
- i. Provide enabling legislation or regulatory environment that will encourage growth of the microfinance sector.

2. More livelihood and entrepreneurship opportunities for the poor

- a. Pursue and expand livelihood convergence projects/models through expenditures on areas with the greatest impact to the poor and vulnerable sectors in terms of increased income and sustained livelihood such as DOLE's Poverty Free Zones, Women Workers' Employment and Entrepreneurship Development (WEED), Promotion of Rural Employment through Self-Employment and Entrepreneurship Development (PRESEED); DSWD's Self-Employment Assistance-Kaunlaran Program; TESDA's Community-based Training for Enterprise Development; and livelihood projects of other agencies like DTI, DAR, DA, DENR, TLRC;
- b. Increase access of MSMEs to information on business opportunities, productivity improvement, "worktrepreneurship" development, and provision of technical assistance visits to improve working conditions. DOLE's Worktrepreneurship Development Program is a community-based approach to harnessing and improving the entrepreneurial potential of the "worktrepreneurs" who are the self-employed workers who have put up, financed, managed and worked in the operation of their own microenterprises which currently employ household members;
- c. Strengthen livelihood and entrepreneurship program for returning Overseas Filipino Workers (OFWs) and their families, Muslim communities, IP communities and rebel returnees; and

- d. Widen opportunities for the youth in productive enterprises through entrepreneurial skills training scholarships (e.g. Youth Entrepreneurship Financing Program, Youth Entrepreneurship Program).

B. Asset Reform

As part of social justice, asset reform shall be hastened to expand the endowments of poor people in order to secure entitlements to food, education and health care. To do this, government, civil society and private sector initiatives shall speed up the completion of agrarian reform, managing urban land reform, financing socialized housing, and intensifying ancestral domain reform and development.

The passage of the Land Administration and Management Authority Act which provides the institutional infrastructure to manage asset reform programs and provide security of land tenure for farmers and artisanal fisherfolk, indigenous cultural communities and urban poor shall be pursued. This Act shall enable the major asset reform programs – agrarian reform, ancestral domain recognition, and urban land and housing development - to provide greater social equity by providing a unified land database, delineation and mapping services, rationalized and fair land valuation, and transparency in land acquisition transactions.

1. Agrarian Reform

The government shall maintain CARP as a flagship program and complete land acquisition and distribution (LAD) component and leasehold by 2008. This shall be pursued hand-in-hand with the creation of peaceful environment that is conducive to business development in the countryside. Development interventions shall also be provided to the landless farmers and farmworkers to transform them into viable small landowner-cultivators and agri-based entrepreneurs contributing significantly to national development and economic growth.

The Department of Agrarian Reform (DAR) as lead CARP implementing agency shall pursue the following:

- a. Follow-up on the passage of the Farmland as Collateral (FAC) Bill in close coordination with the concerned POs, NGOs, and civil society. The proposed legislation seeks to provide proper environment for the flow of credit to the agricultural sector, and better access of agrarian reform beneficiaries and other small farmers to formal credit and /or financing for their agribusiness endeavors. This also proposes safeguards to prevent landownership reconsolidation and prevent diminution of the gains achieved under the CARP;
- b. Advocate for the passage of the National Land Use Act to secure agricultural lands for the nation's food requirements, and evaluate land conversion status to facilitate distribution of remaining CARP lands;
- c. Set more precise targeting activities for land acquisition and distribution (LAD) and leasehold operations for the next planning period to ensure completion of LAD by 2008, the period covered by the Comprehensive Agrarian Reform Law (CARL);
- d. Institute innovations (e.g., focus advocacy initiatives and incentives to provinces where LAD balances are greatest, pursue mediation, conciliation as low cost means of

alternative dispute resolution, computerization of land records, establishment/operationalization of one-stop shop in land titling) to facilitate CARP implementation towards accelerating LAD administration, swift delivery of agrarian justice, and rationalization of Program Beneficiary Development (PBD) in convergent areas such as Agrarian Reform Communities (ARCs) and KALAHI Agrarian Reform Zones;

- e. Utilize the Agrarian Reform Fund (ARF) which includes the Marcos ill-gotten wealth for the completion of land acquisition and distribution by year 2008. The fund will also be utilized to pursue land development and agrarian reform beneficiaries development, and sustain and safeguard the gains already achieved under CARP;
- f. Utilize the coco-levy fund to provide credit to small coconut farmers and their families, to develop fully the potential revenues of relatively new coco-based products like virgin oil, cocopeat, coco geo-textile, coco-fiber, coco-diesel, and to provide capacity building for small coconut farmers' cooperatives and organizations;
- g. Establish security measures (e.g., issuance of policy instruments on the non-reversion of land titles already awarded to ARBs) to protect the tenurial rights and ownership of the agrarian reform beneficiaries (ARBs);
- h. Maximize generation of program funds to ensure replenishment of agrarian reform funds, e.g., privatization of assets, ODA (especially grants) and private sector-ARC partnership schemes;
- i. Build capacity for enhanced program collection of agrarian reform beneficiaries (ARBs) amortization payments to facilitate beneficiaries' acquisition of lands from CARP (e.g. install LBP amortization schemes, provide incentives for farmers with improved payment performance, and conduct of land tenurial improvement services);
- j. Enhance assistance of foreign donors on land registration/titling, LAD and Program Beneficiary Development (PBD) funding preferably at greater concessionality than current assistance considering CARL-mandated collection terms (30 years, 6 percent per annum interest rates);
- k. Capacitate the agrarian reform beneficiaries (ARBs) with knowledge and skills to enable them to adopt and use modern technologies to improve productivity and to train them on how to harness the power of group action and cooperativism to enhance their access to basic services and achieve market leverage;
- l. Ensure harmonization of programs, systems, and procedures among DA, DAR, LGUs and other CARP implementing agencies (CIAs) for the convergence of efforts in agrarian reform areas;
- m. Ensure complementation of the regular budgets of DA, DAR, LGUs and other CARP implementing agencies, i.e., DENR, DPWH, DTI, DOLE, Land Registration Authority (LRA), LBP, and National Irrigation Administration (NIA) for the convergence of efforts in ARCs and other agrarian reform areas through the further rationalization of fund allocation per major final outputs (MFOs) of concerned agencies, channeling more funds to LAD, support and legal services;

- n. Provide measures to safeguard and sustain the gains already achieved under the CARP, e.g., monitoring of CARP implementation violations, and resolution of second generation problems and other emerging conflicts/cases;
- o. Intensify and rationalize social marketing including public information, public relation and program advocacy, specifically on the gains of the program and its impact on the lives of the ARBs; and
- p. Issue additional guidelines on the delineation of municipal waters for the prioritization of artisanal fisherfolk.

2. Urban Land and Asset Reform

- a. Pursue urban land and asset reform by unlocking “dead capital” of the poor by providing security of tenure of informal settlers occupying alienable and disposable government land suitable for housing through the issuance of legal titles or other rights-based instrument to legalize their tenure thereon, which they can use to raise capital. This approach will be guided by De Soto² reforms on property rights for the poor;
- b. Continue to provide technical assistance to LGUs in the formulation and updating of Comprehensive Land Use Plans (CLUPs) in support of the rationalization of land uses: protection, production, settlements; and
- c. Increase resources for full implementation of the Community Mortgage Program (CMP) and other land tenurial programs for the informal sector and proclamation of alienable and disposable government land suitable for housing of the poor to provide shelter security to 16,338 households.

3. Ancestral Domain Reform

- a. Pursue comprehensive mapping, delineation and titling of ancestral domains/lands; increase resources to fast-track the issuance of Certificates of Ancestral Domain Titles (CADTs) and Certificates of Ancestral Land Titles (CALTs) through the implementation of the Comprehensive Delineation Action Plan and continue existing policy dialogues between NCIP, DAR and DENR in the harmonization of policies implementing the Indigenous Peoples Rights Act, the Comprehensive Agrarian Reform Law, the Forestry Code, the Philippine Mining Act of 1995, and the National Integrated Protected Areas System, and complete the registration of CADTs/CALTs with the Land Registration Authority;
- b. Implement the statutory requirement of Free, Prior and Informed Consent (FPIC) and expedite the process to projects in ancestral domains and lands with demand for priority

² *De Soto reforms – reforms on property rights whereby poor informal settlers are provided security of tenure through the issuance of legal rights for the lands they are occupying, which rights they can use as well as their other assets as collateral to raise capital for microenterprises. The De Soto principle is attributed to Dr. Hernando de Soto, President of Peru’s Institute of Liberty and Democracy, in his book entitled “the Mystery of Capital”.*

employment of IPs in the projects and other social and economic benefits for the indigenous cultural community concerned;

- c. Provide IP communities with financial and technical assistance in the formulation and implementation of Ancestral Domains Sustainable Development and Protection Plans (ADSDPPs);
- d. Integrate ADSDPPs in all local development plans and formulate IP master plan; and
- e. Institute policies/measures that will ensure protection of the rights of IPs/ICCs and compliance to the principles of Free, Prior and Informed Consent (FPIC) while removing unnecessary bottlenecks in the implementation of rules and procedures governing mining investors and operators.

C. Essential Services

Improving accessibility and affordability of quality social services is essential to ensuring social justice and meeting the basic needs of every Filipino. The provision of essential services, namely: clean water, power, education, and health and nutrition (low cost medicine, micronutrient supplements), and housing shall constitute the vital government interventions aimed at raising productivity, generating jobs, reducing poverty, and promoting social justice.

Table 12-10 shows some of the major indicators under Essential Services and the corresponding targets at the end of the planning period. Major strategies and activities are spelled out in the succeeding section to attain these targets in the medium term. Notably, the indicators on poverty and hunger, safe water supply and health are also being used to monitor the country's progress in terms of attaining the Millennium Development Goals (MDGs) by 2015. Based on the country's socio-economic performance, it can be inferred that there is a high probability of meeting the goals and targets related to eradication of extreme poverty; improvement in access to safe drinking water; reduction of child and infant mortality rates and morbidity rates from tuberculosis and malaria by 2015. On the other hand, there is a need to double or triple government efforts to attain the goals and targets on maternal health care, nutrition and family planning services by 2015.

1. Clean water for the entire country (*Chapter 3: Environment and Natural Resources*)

Potable water and sanitation services shall be provided for the entire country by 2010, prioritizing the 200 waterless barangays in Metro Manila and 200 waterless municipalities.

2. Power (*Chapter 10: Energy Independence*)

The provision of power in all barangays and municipalities in the country shall be pursued as a development strategy to address the survival and enabling needs of the poor. Hence, the provision of power supply services shall be undertaken in partnership with LGUs, private sector, NGOs, and the communities.

3. Education (*Chapter 18: Education*)

The country's investment in education and training of its people shall increasingly depend

Table 12-10 Essential Services and the Millennium Development Goals

Indicators	Latest Data	2010 Target	MDG Target 2015
Eradicate extreme poverty and hunger			
Proportion of families below subsistence threshold	13.1 ^a	8.98	10.2
Prevalence of underweight preschool children aged 0-5 years old (in %)	27.6 ^b	21.6	17.25
<i>Provide basic amenities</i>			
Access to Safe Water Supply (in %)	80 ^c	92-96	86.8
<i>Reduce child mortality</i>			
Infant Mortality Rate (per 1000 live births)	29 ^d	17	19
Under-five Mortality Rate (per 1000 live births)	40 ^a	32.24	26.7
<i>Improve maternal health</i>			
Maternal Mortality Rate (per 100,000 live births)	172 ^e	90	52.2
Prevalence of men/women/couples practicing responsible parenthood (using natural, modern or artificial methods; in %)	48.9 ^d	60	100
<i>Combat major diseases</i>			
TB case detection rate and cure rate (in %)	61 ^f 78 ^f (as of 2003)	70 85	-- --
Malaria morbidity rate (per 100,000 population)	48 ^f (as of 2002)	24	--
HIV prevalence	≤ 1% ^f	≤ 1%	--

Sources: a- 2000 National Statistical Coordination Board
 b- 2003 National Nutrition Survey (Preliminary Results)
 c- 2002 Annual Poverty Indicators Survey
 d- 2003 National Demographic and Health Survey
 e- 1998 National Demographic and Health Survey
 f- Department of Health

on an active partnership between the government and the private sector. Learning opportunities at all levels whether formal, nonformal and informal, made available under this partnership, shall strive to provide highly functional education and training.

4. Health

The health care delivery system, adopting the rights-based and life-cycle approach, shall be responsive to the needs of the population, especially the poor. Collaboration among

national government, LGUs and the private sector including NGOs shall be strengthened to ensure access to and provision of quality health, nutrition, and population and development services. Moreover, sectoral plans such as the Medium-Term Philippine Plan of Action for Nutrition (MTPPAN), Philippine Population Management Program Directional Plan (PPMP-DP), and the National Objectives for Health (NOH), shall be updated to support the major strategies and activities outlined herein. The following health priorities will be pursued:

- a. Reduce the cost of medicines commonly bought by the poor to half of their 2004 prices and make these available nationwide through a distribution network as determined by DOH, in coordination with the PITC. The mechanisms to reduce the prices of medicines include the following:
 - Making low cost medicine available in facilities and outlets of the public sector nationwide including the 72 DOH hospitals, 530 LGU hospitals and health centers. These low cost medicines can either be imported (from India or other countries) or locally sourced;
 - Encouraging government partnership with the local pharmaceutical industry and encourage their meaningful participation towards provision of low cost medicines for government procurement or direct sale to the public;
 - Creating a regulatory environment that ensures a level playing field and fair competition among the various players in the pharmaceutical industry. This includes increasing the effectiveness of the Intellectual Property Office and the Bureau of Foods and Drugs in resolving patent issues;
 - Encouraging greater use of generic products. This will include social advocacy on the demand side and, local sourcing and local production of generic medicine on the supply side; and
 - Supporting community-based initiatives such as Botika sa Barangay and similar undertakings that increase the availability of over-the-counter medicine and home remedies.
- b. Expand health insurance particularly for indigents through premium subsidy
 - Sustain the enrolment of five million indigent families to enable them to have access to essential health packages through the following:
 - ❖ Mandate the enrolment of indigents into the sponsored sector by their respective LGUs;
 - ❖ Sustain and increase national government and the Philippine Charity Sweepstakes Office (PCSO) support for the enrolment of indigents into the sponsored sector;
 - ❖ Provide incentives for the private sector to sponsor the enrolment of indigents into the sponsored sector; and
 - ❖ Prioritize the enrolment of indigent farmers, fishermen and other agricultural industry members into the sponsored sector.

- Enhance the access of PhilHealth members and dependents particularly indigent members and their dependents to their PhilHealth benefits through the following:
 - ❖ Revise the benefits to make it responsive to the needs and health-seeking behavior of the indigent members;
 - ❖ Increase the support value of PhilHealth benefits for hospital admission in the service wards;
 - ❖ Implement intensive advocacy and information, education and communication (IEC) efforts on benefits coverage and availment to reach the widest audience possible; and
 - ❖ Facilitate the accreditation of hospitals, rural health units, health centers and other health facilities to ensure access of members especially indigent members to quality health care services.
- Increase the coverage to 85 percent of the population by 2007 and sustain such coverage to 2010 through the following:
 - ❖ Conduct a massive information campaign on enrolment;
 - ❖ Explore the integration of community-based health financing mechanisms such as the PHIC organized group interface (POGI) program, cooperatives and community-based organizations;
 - ❖ Issue guidelines for the accreditation of organized groups such as POs and cooperatives as collecting agents for the expansion of the reach and sustainability of premium payments.
- c. Strengthen national and local health systems through the implementation of the Health Sector Reform Agenda (HSRA)
 - Institute health regulation reforms including the following::
 - ❖ Ensure safety and quality of medicines, food and other food products, health products and devices, technology, facilities and services including alternative health care;
 - ❖ Increase the number of compliant health products, technology and facilities services;
 - ❖ Advocate, disseminate and enforce Good Manufacturing Practice Guidelines;
 - ❖ Strengthen implementation of nutrition labeling in processed food products;
 - ❖ Improve licensing, regulation and accreditation of health products, services and facilities; and

- ❖ Monitor outlets for drugs, health products, etc..
- Implement hospital reforms
 - ❖ Promote fiscal and managerial autonomy and pursue legislative and administrative approaches to facilitate hospital restructuring and rationalization:
 - 100 percent income retention of DOH-managed hospitals
 - 25 percent of hospitals are implementing cost-sharing schemes
 - 100 percent of health facilities are licensed by DOH
- Pursue public health program reforms
 - ❖ Strengthen health promotion and disease prevention and control programs :
 - Achieve and maintain fully immunized children coverage to 95 percent;
 - Achieve and maintain sputum positive TB case detection rate of 70 percent and cure rate of 85 percent
 - Widen the choice and reach of family planning services and increase the prevalence rate of men and women/couples practicing responsible parenthood using either modern, natural or artificial methods to 60 percent by 2010
 - Contain HIV/AIDS prevalence to 1 percent or less for groups at high risk for HIV infection (sex workers and their clients, injecting drug users, men having sex with men)
 - Reduce malaria morbidity rate by 50 percent from 48 cases per 100,000 population in 2002 to 24 cases per 100,000 population by the year 2010
 - Implement micronutrient fortification of foods
 - Rice: Iron Fortified
 - Cooking Oil: Vitamin A fortified
 - Flour: Iron, Vitamin A fortified
 - Salt: Iodine fortified
 - Sugar: Vitamin A fortified
 - Heighten advocacy for the provision of adolescent health services including sexuality education and counselling
 - ❖ Secure financing for priority public health programs/services by increasing investments and institutionalizing performance-based financing
 - ❖ Develop and strengthen managerial and technical capability on public health of health workers/program managers especially at the local level
- Continue health financing reforms
 - ❖ Achieve universal coverage under the National Health Insurance Program

(NHIP) by massive enrolment through advocacy and promotion of social health insurance as a means for health financing

- ❖ Increase NHIP coverage to 85 percent of the total population by 2007
- Implement local health systems development
 - ❖ Organize functional interlocal health zones (ILHZ) from 48 percent in 2004 to 100 percent in 2010 in HSRA convergence sites including systems for resource sharing, procurement, information, hospital networking, patient-referral system, etc.
 - Increase functioning ILHZ from 48 percent in 2004 to 100 percent in 2010 of the organized ILHZ in HSRA convergence sites
 - Increase Sentrong Sigla certified rural health units to 70 percent in 2010.
 - ❖ Develop/upgrade lower level health facilities (rural health units, health centers) especially in 4th to 6th class LGUs and ensure PHIC accreditation.
- d. Improve the Health Care Management System
 - Develop and operationalize a sectoral Human Resource Development and Management Plan to include the following:
 - Improve quality of health professionals by making health professional education (curriculum and skills) at par with international standards
 - Implement deployment programs to complement health human resource needs of underserved areas
 - ❖ Strengthen and expand Doctors to the Barrios program and similar initiatives
 - ❖ Collaborate with major stakeholders: DOLE, DFA, academe, CHED, health professionals organizations to address brain drain and future reintegration of returning health workers
 - ❖ Standardize training, registration, regulation and accreditation process
- e. Improve health and productivity through R&D
 - Promote, implement and monitor the activities of the Philippine National Health Research System (research, research ethics, research management, research utilization, capacity building, system governance, and resource generation);
 - Conduct health R&D in priority areas in support of HSRA such as natural products development for priority health problems, development of vaccines and pharmaceutical products, development of other technologies, processes for priority health problems, development of telehealth/bioinformatics;

- Conduct periodic national health and nutrition demographic surveys and surveillance activities;
 - Institutionalize health, nutrition and population information systems; and
 - Monitor and evaluate health, nutrition and population development programs
- f. Establish drug treatment and rehabilitation centers and expand existing ones. The Comprehensive Dangerous Drugs Act (CCDA) transfers the supervision of all drug treatment and rehabilitation centers to DOH. This is in recognition that drug abuse is not just a social ill; it is a medical and health problem that must be met.
- Operationalize a standard system for drug testing centers through dissemination and enforcement of operating manuals for treatment and rehabilitation of drug users, and offer the test at a lower rate;
 - Intensify primary prevention on drug addiction through advocacy and IEC activities and strictly enforce the CDDA; and
 - Establish secondary (treatment) and tertiary (rehabilitation) care services for persons with drug abuse problems in all regions

D. Protection of the Vulnerable

The vulnerable members of the society shall be given preferential access to social assistance, social protection and safety nets.

1. Children in need of special protection

- a. Support the Bright Child Program as a holistic approach in providing interventions on food and nutrition, health, early education, and psycho-social programs

An estimated six million children in need of special protection and proactive support for their education and health needs led the Council for the Welfare of the Children (CWC) to launch the Bright Child. The line agencies in the Council such as the DepEd, DOH, DILG and DSWD as well as the LGUs shall align their programs to focus on the child and the family and avoid compartmentalized implementation of their programs.

- b. Put greater emphasis on child health and nutrition
- Continue and expand coverage of the following major programs on child health and nutrition: Expanded Program on Immunization, Garantisadong Pambata Campaign/ Micronutrient Supplementation, Breastfeeding and Complementary Feeding Program, Newborn Screening Program, Bright Child, among others;
 - Review existing nutrition programs and identify more cost-effective nutrition interventions including the full implementation of the Action for Nutrition Improvement (ANI) Program;

- Improve targeting of beneficiaries to ensure that the most at risk areas are served (rural areas, ARMM). Particular attention should be provided to the needs of children in situations of armed conflict;
 - Intensify advocacy and IEC activities on child care and nutrition including the dissemination and strict enforcement of nutrition-related laws (e.g. Food Fortification Act, Act Promoting Salt Iodization Nationwide); and
 - Strengthen local level capabilities on generation of resources, social mobilization, program management, monitoring and evaluation, and comprehensive planning that considers child health and nutrition as a priority area.
- c. Provide food and nonfood (e.g., out-of-pocket costs for school attendance, livelihood assistance for parents, value formation sessions for both parents and children) support for learning programs to ease school drop-out rates in poor communities;
- d. Strengthen monitoring mechanisms, particularly the local councils for the protection of children, on the implementation of laws for children in need of special protection. As of September 2004, there are 11 laws protecting the rights and welfare of children such as antitrafficking, antidomestic violence, and antichild abuse. The Barangay Councils for the Protection of Children shall be the guardians at the community level to ensure that children are protected and have access to welfare services provided by national laws and international covenants;
- e. Strengthen centers and institutions that address the survival, protection and rehabilitation needs of children in need of special protection, including those community-based structures (e.g., Street Children Village, Therapy Center for Abused Children, Reception and Study Center for Children) through review of standards, improvement in the administrative management and resource augmentation from external sources such as donors and private sector (e.g. Friends of Elsie Gaches). The aim is to make these centers as centers of excellence by 2007 so that the other institutions of the private sector can use them as models;
- f. Develop social technologies to respond effectively to the adverse effects of globalization on children such as children as victims of pedophilia, cyber pornography, and trafficking. LGUs shall lead implementation of social technologies developed aside from tried and tested strategies. There will be continuing capability building in the areas of rehabilitation of perpetrators of domestic violence, paracounselling, provision of psycho-social interventions for abused children and rape victims;
- g. Improve existing frontline services to prevent children from being victimized, abandoned and neglected. The travel clearance services shall be computerized for faster and more accessible transactions especially for OFWs who want their children to visit them, and for agencies responsible for child tracking. Adoption and foster care services will be processed in six months or less by 2007 to ensure that babies will have families before they become toddlers;

- h. Implement focused, community-based, and integrated interventions to reduce the incidence of the worst forms of child labor particularly in hazardous occupations and abject conditions of work (e.g. National Program Against Child Labor);
- i. Implement an enhanced Program for Children Involved in Armed Conflict (CIAC), consistent with the vision of children as zones of peace and the policy that CIAC should be viewed and treated as victims of armed hostilities rather than as criminal offenders; and
- j. Review and revise existing policies in addressing the CIAC issue, in support of the International Convention and Protocol on Child Rights.

2. *Youth with special needs*

- a. Improve rehabilitation and correctional centers and institutions, including their programs, for youth offenders and drug dependents (e.g., Regional Rehabilitation Centers for Youth Offenders). Corrective programs will emphasize life skills and value reformulation and synchronize these with capacity building for economic well being in entrepreneurship or employment. Administrative management of these centers and institutions will be enhanced especially in resource generation. The goal is for these centers/institutions to become centers of excellence by 2007.
- b. Strengthen the capacity of LGUs to provide halfway house services for reformed substance abusers and youth offenders. Faith-based organizations, religious leaders, social welfare and development NGOs, and civic associations will be harnessed for community-based interventions to assist reformed youth;
- c. Implement emergency employment for out-of-school and out-of-work youths in Metro Manila;
- d. Enhance productivity and employability of youth through training, capability building and special employment program for deserving youth (e.g. Special Program for Employment of Students, Expanded Apprenticeship Program, Work Appreciation Program, a youth-oriented employment program especially in poor communities in highly urbanized areas to be undertaken by DSWD in partnership with the Philippine National Police);
- e. Strengthen efforts on reducing demand for drugs by the youth by intensifying preventive measures with the youth taking a more proactive role (e.g. peer-to-peer group activities, strict implementation of the Dangerous Drugs Act) and institutionalizing antidrug/substance abuse messages in the curriculum;
- f. Promote a values-based approach and holistic healthy lifestyle that goes beyond sports and physical fitness;
- g. Intensify advocacy for the full implementation of policies/laws pertaining to youth with special needs especially youth offenders, youth with disability, youth in ICCs, drug-dependent youth, abused/exploited youth, and children/youth caught in armed conflict (e.g. provision of separate detention cells for young people in conflict with the law as well as separate cells for young boys and girls. The goal is to have separate facilities in all provinces and municipalities by 2010); and

- h. Lobby for the passage and implementation of the Comprehensive Juvenile Justice Bill by 2006. This legislation shall be youth friendly and sensitive to the complications of being poor and young. It shall emphasize the corrective measures more than the punitive ones thus providing for a new lease on life for these young people.

3. *Women in especially difficult circumstances*

- a. Emphasize maternal health, women's health and nutrition, responsible parenthood
- b. Broaden the availability of preventive and curative care services for mothers and women to support their enhanced quality of life and decrease the occurrence of preventable illness and death. These services include among others:
 - Adequate nutrition, to include specific micronutrients (Fe) to fight anemia
 - Care of pregnant women before, during, and after delivery of the child (safe motherhood)
 - Responsible parenthood counseling, family planning services and breastfeeding counseling to include the Mother-baby friendly hospital initiative
 - Prevention of abortion and management of its complications
 - Prevention and treatment of all types of infections, including those which are sexually transmitted (e.g. HIV/AIDS)
 - Prevention and treatment of infertility
 - Prevention and treatment of degenerative diseases and cancer
- c. Mainstream through advocacy and IEC the four pillars (responsible parenthood, respect for life, informed choice, birth spacing) of the National Family Planning Program to include methods of family planning within the bounds of law, religious belief, and cultural values, including natural family planning method and three-year birth spacing;
- d. Empower women through effective IEC and social support (e.g. PhilHealth Insurance) for wider access to and effective use of the available services. Similarly, promote programs for women and men to address issues of gender sensitivity, adolescent health, and the prevention of violence against women and children;
- e. Effectively support LGUs in providing the basic services for mothers and women as enumerated above. Similarly, develop partnerships with all sectors to improve services for mothers and women at home, in the community and in the workplace;
- f. Strengthen the capability of labor and management to jointly implement workplace family welfare programs that promote family health and nutrition, maternal health, responsible parenthood, balancing family and work life, and others (Family Welfare Program-DOLE);
- g. Support the passage of the Responsible Parenthood Through Education Bill;
- h. Improve targeting of beneficiaries, especially the poor and marginalized women in the rural areas, including those in the informal sector, indigenous and Muslim women, to ensure underserved areas are provided with services;

- i. Implement the National Action Plan to eliminate violence against women (VAW) by:
 - Providing capacity-building activities to enable health workers and other frontline workers to respond to the needs of women and children who are victims and survivors of violence;
 - Developing and implementing standardized documentation system to track VAW cases and services; and
 - Continuing the protection and rehabilitation of women and girl children victims of VAW.
- j. Intensify training and capability building programs to increase women's opportunities for Self-employment under a livelihood convergence strategy, particularly in competitive, high-value adding industries and agricultural activities (e.g. Productivity Skills and Capability Building Program for Disadvantaged Women, Women Workers Employment and Entrepreneurship Development under the Poverty Free Zones, Women's Centers);
- k. Improve centers and institutions geared towards the protection and rehabilitation of women in especially difficult circumstances (e.g., women's help desks, community-based residential care, substitute homes) through upgrading of case management methodologies, and capacity building programs for women victims to include skills production, marketing and managing enterprises of products/businesses. Administrative management of these centers especially record keeping functions, shall be computerized. Resource generation efforts shall be focused on strategic partnership with private sector and civic groups (e.g. Congressional Spouses Foundation Inc., Senate Spouses Foundation); and
- l. Intensify enforcement and monitoring of women-related laws (e.g. Anti-Rape Law, Anti-Sexual Harassment Law, Anti-Trafficking Law, Anti-Violence Against Women and their Children Act, etc.

4. *Persons with disabilities*

- a. Improve the structure and management of centers and institutions devoted to the rehabilitation, education, training and employment of persons with disabilities (PWDs) including the occupationally disabled workers (ODWs), through new social technologies that effectively and appropriately address physical and spiritual brokenness. This will ensure that the staff of the centers will be able to provide a well-rounded and sustainable life skills upgrading for the PWD under their care. The partnership with the private sector shall be strengthened in order to increase the resources for the programs that develop the PWD capacity to live as independently as possible;
- b. Implement the Tuloy Aral Walang Sagabal (TAWAG), including children with disabilities in day care centers and expanding special education (SPED) program with the help of private sector;
- c. Intensify implementation and monitoring of PWD laws and policies particularly, the Accessibility Law, the National Plan of Action for the New Decade of Persons with

Disability, and the policy on employing PWDs to at least 10 percent of the workforce in government offices. Sanctions and rewards shall be developed to increase compliance to the Accessibility Law. The policy of hiring PWDs to government offices shall be fully enforced over the next six years. As local mechanisms for monitoring these laws and policies, the Office of Persons with Disability Affairs (OPDA) shall be organized in all municipalities by 2010; and

- d. Expand capacity building program for PWDs in terms of services (e.g. access to capital for entrepreneurship) and beneficiary areas in coordination with TESDA to ensure synergy of training and capital provision efforts of the government. The compliance to the policy of employing at least 10 percent of the workforce in government offices come from the PWD sector shall be enforced over the next six years.

5. Older persons

- a. Improve the structure and management of centers and institutions, including community-based care, aimed at providing residential care, day services for older persons to include supplemental feeding and psycho-social intervention, as well as productivity improvement adjusted to the peculiar needs of the older persons. Physical and medical needs shall be provided jointly by the government and the private sector;
- b. Fully implement the Expanded Senior Citizens Act by 2010. The 20 percent discount in most of the services given by private establishment, i.e., medicine, hospitals, restaurants, boat and airplane fares shall be monitored and the sanctions provided by the law shall be instituted; and
- c. Strengthen POs for older persons to lobby for more benefits (e.g., livelihood, Botika sa Barangay).

6. Indigenous peoples (IPs)

- a. Provide educational assistance to poor but deserving IPs;
- b. Document Indigenous Peoples' Children-Caught in Armed Conflict (IPC-CIAC) cases and collaborate disarmament, demobilization, rehabilitation and reintegration (DDRR) of IPC-CIAC with other government agencies;
- c. Provide ICCs/IPs with legal assistance in litigation involving community interests;
- d. Provide for health programs and services to the ICCs/IPs, including enrolment in the National Health Insurance Program;
- e. Promote indigenous health knowledge and practices and the use of traditional medicine;
- f. Promote and encourage cooperatives in accordance with beliefs, traditions and customs of the ICCs/IPs;
- g. Provide indigenous women/youth and older persons with programs/projects for the improvement of their socioeconomic conditions;

- h. Formulate and implement a program of action which will bring agro-technological development among the ICCs/IPs building upon existing customary practices and traditions;
- i. Deliver socioeconomic services to the ICCs/IPs communities including but not limited to infrastructure, extension, credit, financing, marketing and other social services;
- j. Enhance skills among IPs for socioeconomic productivity, opportunities and self employment particularly through traditional livelihood programs such as loom weaving, ethnic bead-making, and other traditional craft; and
- k. Create the Tribal Barangays and ensure mandatory representation of IPs in local policymaking bodies and legislative councils.

7. *Dysfunctional families*

- a. Develop and enhance programs geared towards strengthening family roles and responsibilities and family values (e.g. Parent Effectiveness Service; Responsible Parenthood; Marriage Counselling; Family Life Enrichment; Empowerment and Reaffirmation of Parental Abilities; Special Service for Solo Parents; Value Formation Education; Family Drug Abuse Prevention Program); and
- b. Continue to provide technical assistance, capability building and augmentation support in the implementation of community-based programs for the poor, vulnerable and disadvantaged families.

8. *Victims of Disasters and Calamities* (see Chapter 3: Environment and Natural Resources)

- a. Strengthen emergency response capability, particularly at the local level, through an improved delivery of humanitarian assistance to disaster affected populations, including the development of a set of minimum standards on humanitarian assistance and improve the tool in conducting Damage Needs and Capacity Assessment; and
- b. Promote culture of resilience through continuous training and education, including dissemination of readily understood information materials on disaster risks and protection options to citizens and integrate disaster risk reduction in school curriculum at the primary and secondary levels.

E. Empowerment

Institutionalizing the process of people empowerment shall require the political participation of the poor, i.e., building capacities and institutions that allow the poor to participate actively in decision-making especially in the analysis of the problem and defining solutions. This process increases their level of confidence and self-reliance. Empowerment shall emphasize the need for strong partnership and accountability among government, civil society, and the private sector. It shall pursue the paradigm that poverty reduction programs are demand-driven (local communities are in the position to determine their needs) rather than supply-led (as in the case of welfare programs which treat the poor as passive beneficiaries).

Democracy becomes meaningful to the people when they seek solutions to the problems of their community. Development happens because the citizens become active players in the transformation process in their communities.

Empowerment shall be achieved by:

- a. Making use of KALAHY-CIDSS as a strategy for community empowerment and poverty reduction. Empowerment is promoted through active community participation during the design, implementation and management of development activities that reduce poverty, and putting control over resources in the hands of the poor. Communities are empowered to address their development priorities in a demand-driven way, through localized decision-making during social preparation activities, identification, prioritization, establishment and operationalization of community projects. KALAHY-CIDSS implementation in each area goes through the stages of initiation, consolidation and institutionalization to build up strong capacities of communities and local institutions.

There are 42 target provinces, 22 of which have already been covered, with a total of 1,505 barangays in 67 municipalities nationwide. The areas are selected through systematic area targeting using objective poverty criteria.

By 2005, KALAHY-CIDSS expansion will increase the coverage to 4,530 barangays in 182 municipalities of 42 provinces. By end of project in 2008, the KALAHY-CIDSS shall have assisted approximately 10 million poor Filipinos.

The full implementation and institutionalization of the KALAHY-CIDSS Program shall be done through the following:

- Conduct of social preparation and capability building activities among communities and participating LGUs, to be facilitated by KALAHY-CIDSS area facilitators;
 - Provision of matching grants to fund community projects identified, prioritized, implemented and maintained by communities with LGUs and KALAHY-CIDSS technical assistance;
 - Institutionalization of the KALAHY-CIDSS strategy within local government units through capacity building of local officials and staff, and promotion of participatory local development practices;
 - Area convergence with national government agencies, NGOs and local organizations, through synergy and complementation of programs and resources to support community priorities;
 - Promotion of good governance and public accountability through transparency, participatory and socially inclusive decision-making, multi-stakeholdership and civil society participation, and gender equity.
- b. Advocating the full implementation of local sectoral representation as mandated under the Local Government Code to ensure fuller participation of sectors in local governance.

- c. Promoting the nationwide adoption and implementation of the enhanced Core Local Poverty Indicators Monitoring System (CLPIMS) and consequently the Local Poverty Reduction Action Planning Process by local government units (from the barangay to the provincial level) to enable them to implement, monitor and evaluate programs, diagnose and monitor poverty, craft appropriate interventions for their constituents, and encourage community members to actively participate in the planning process.
- d. Promoting and facilitating increased participation and involvement of the youth in the family, school, community (Local Youth Development Council) and society (NYC) by:
 - Institutionalizing youth organizations in communities and schools particularly those engaged in community and voluntary development activities {e.g. Sangguniang Kabataan (SK) and non-SK}
 - Monitoring the youth situation and implementation of youth development plans at the local level including corresponding budget allocation for specific programs and projects and developing local youth data bank
- e. Supporting the nationwide expansion and replication of private sector-led initiatives such as Gawad Kalinga (GK) 777, Habitat and other programs as holistic, anti-poverty, community empowerment and housing and urban development/slum upgrading models, through a multi-sectoral effort (e.g., national government, nongovernment organization, private sector, beneficiary poor families) with integrated components on: a) socialized housing construction; b) improvement of sites and auxiliary services; c) livelihood and skills training; and d) positive values formation.