

CITIZENS' ROADMAP FOR POVERTY REDUCTION AND ACHIEVING THE MDGs

Recommendations
for the 2010-2016
Medium-Term Philippine
Development Plan



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Medium-Term Philippine Development Plan

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Citizens' Roadmap for Poverty Reduction and Achieving the MDGs
Recommendations for the 2010-2016 Medium-Term Philippine Development Plan
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FOREWORD



The Philippine government has transitioned to a new administration with the election of President Benigno S. Aquino, III, who ran on a people's campaign fueled by the spirit of volunteerism and active citizenship. His election has brought forth renewed hope for change and better governance among the Filipino people, as reflected by his unprecedented 85% trust rating - the highest rating ever for any individual recorded by Pulse Asia. However, this trust and hope comes with great expectations, many of which will not be immediately achievable.



The deadline for achieving the Millennium Development Goals (MDGs) will also fall within the term of President Aquino. There has been very little progress in attaining some of the MDGs in recent years, and in fact the situation has worsened in some areas such as poverty alleviation. Much remains to be done if the Philippines is to achieve the MDGs which it has committed to achieve by 2015.

The task of meeting the people's expectations and achieving the MDGs will be difficult. Government is faced with serious challenges, which include increasing poverty incidence, bankrupt government coffers, and weakened governance institutions. The President has thus acknowledged in his inaugural speech that he will need the support of the Filipino people in making our dreams and hopes into a reality. He also challenged the people in his first State of the National Address to shift from fault-finding to participation and help find solutions to our problems.

This Citizens' Roadmap is the response of a broad range of civil society organizations to this challenge. It contains our recommendations for the 2010-2016 Medium-Term Philippine Development Plan (MTPDP), which will serve as the economic and development blue print of the Aquino administration. This publication also signifies our commitment to participate and constructively engage government to help reduce poverty, achieve the MDGs and improve the lives of the Filipino people, especially the poor and marginalized.

It is thus with great expectations that we submit this document to President Aquino, to the National Economic and Development Authority led by Secretary Cayetano Paderanga, other national government agencies, and Congress. We look forward to the government living up to its commitment of opening up spaces for participation, and we hope that the Citizens' Roadmap will help facilitate the participation of civil society organizations and citizens in the process of planning and implementing a new MTPDP. We also hope that this is the start of a process that will lead to more open discourses on the government's development strategy - bringing it from the domain of the experts and the advocates to the entire Filipino citizenry.

A handwritten signature in black ink, appearing to read 'Smacer'.

SIXTO DONATO C. MACASAET
Executive Director
Caucus of Development NGO Networks

A handwritten signature in black ink, appearing to read 'Milo N. Tanchuling'.

MILO N. TANCHULING
Secretary-General
Freedom from Debt Coalition



The year 2010 is a very special year for human development. It marks the 20th year of the launch of the United Nations Development Programme's Human Development Report. It is also the 15th year since the World Conference on Women in Beijing. Most of all, it is the 10th year review of the Millennium Declaration.

Almost exactly ten years after 189 world leaders signed the Millennium Declaration on that historic day in New York, some progress has been achieved on the Millennium Development Goals (MDGs), a set of eight time-bound, concrete, specific goals aimed at eradicating extreme poverty that the Philippines, along with the other signatory countries, committed itself to achieve by 2015.

But so much more remains to be done.

More than 1/3 of the population lives in extreme poverty. That translates to 27 million Filipinos living on less than one dollar a day. 5.2 million school-age children are not in school. In this era of modern medicine, 11 mothers continue to die every day due to pregnancy-related causes. The rate of increase in the number of HIV infections, especially among the youth, is very alarming.

The next five years will be very crucial. We will have to cram what should have been fifteen years of development work into five years if we are to ensure that the MDGs are achieved by 2015.

It is for this reason that a global project called Platform Human Development 2010 has been conceptualized. The Philippines is lucky to have been chosen by the MDG Achievement Fund (MDG-F) for the implementation of the project. A partnership between the MDG-F, UNDP and the UN Millennium Campaign, HD2010 recognizes the important role civil society plays in shaping a country's progress. Through the 67-member UN Civil Society Assembly, Platform HD2010 will result in the creation, in this country, of an MDG monitoring tool, an MDG citizens' report and an alternative roadmap to accelerate the achievement of the MDGs.

This *Citizens' Roadmap for Poverty Reduction and Achieving the MDGs: Recommendations for the 2010-2016 Medium-Term Philippine Development Plan* is the realization of a vision: the creation of an alternative development plan that represents the citizens' voices, particularly the marginalized poorest of the poor. The United Nations system is pleased to continue to ensure that all voices are heard through publications such as this in the development of this vibrant nation.

Jacqueline Badcock
JACQUELINE BADCOCK

Resident Coordinator
United Nations System in the Philippines

INTRODUCTION

The Civil Society Recommendations for the 2010-2016 Medium Term Philippine Development Plan (MTPDP) is an undertaking of the United Nations Civil Society Advisory Committee (UNCSAC) in partnership with the United Nations system in the Philippines and the Platform Human Development 2010: Civic Engagement for MDGs and a New Multilateralism (Platform HD2010) Project, a joint collaboration between the MDG Achievement Fund, United Nations Development Programme, and the United Nations Millennium Campaign.

The UNCSAC coordinates the 67 national and regional civil society organization (CSO) networks and CSOs that comprise the United Nations Civil Society Assembly (UNCSA).

The set of recommendations presented in this publication is the product of a rigorous and participatory process from July – August 2010 that involved two round table discussions, three island-region consultation workshops (one each in Luzon, Visayas and Mindanao), a two-day civil society conference and a tri-sectoral consultation involving CSOs, national government agencies and the United Nations agencies and donor organizations. Over one hundred (100) organizations participated in this process, including non-members of the UNCSA.

Through the HD2010 Project, a consensus on policy and program recommendations that seek to address poverty issues and help achieve the Millennium Development Goals was reached among a broad range of development CSOs, including non-members of the UN Civil Society Assembly.

While this paper covers many of the issues and advocacies which are important for CSOs, it does not cover several important issues as pointed out during the different consultations held as part of the process of crafting this paper. Several vulnerable groups which deserve attention in the MTPDP were not covered in this paper. These include: the elderly, children (although children's health and basic education is covered) and Muslims. Infrastructure, which is essential for development, is also not tackled. Time constraints prevented us from integrating these concerns in this paper.

Nevertheless, this paper still serves as a collective input for the formulation of the country's next MTPDP under the Aquino administration. Civil society organizations are ready and committed to constructively engage with the new administration in support of crafting policies and implementing programs that will help reduce poverty and attain the Millennium Development Goals.

This paper espouses government to pursue development which is both sustainable and equitable. The strategies to be adopted in the 2010-2016 Medium-Term Philippine Development Plan (MTPDP) should not only bring about growth, but also narrow the gap between the rich and the poor, without sacrificing the environment, leading to improvement in the lives of the entire Filipino people.

In line with these goals, the recommendations presented in this paper adhere to the following development principles:

1. Our development should use a rights-based approach.
2. The state should be proactive in directing the country's development and not only rely on the private sector.
3. Democracy, people empowerment and social solidarity should be among the predominant elements in all spheres of society.
4. Development must adhere to the principles of social justice and must thus be equitable and pro-poor.
5. Development should be sustainable.
6. National patrimony should be strengthened, put to heart and practiced.
7. The role and the rights of women should be recognized.
8. Public goods should be provided to the population.
9. Fiscal measures that lead not only to revenue generation but also benefit the poorer sectors should be implemented.
10. Good governance should be institutionalized.

RECOMMENDATIONS

Our recommendations for the next Medium-Term Philippine Development Plan are the following:

Governance

Executive

1. **Issue a public disclosure policy for the Executive Department.** Prior to the enactment of the Freedom of Information Act, the Executive department should lead the way in instituting transparency by issuing a policy on public disclosure that will be strictly enforced. The disclosure policy should mandate the Department of Budget and Management to post all fund releases to government agencies in their website, and also mandate all other agencies to post their respective Statements of Allotments, Obligations and Balances (SAOB), procurement and bidding documents on their websites. Local government units should also adopt similar public disclosure policies.



2. **Adopt a clearly stated, transparent, inclusive, and open search and nomination process for members of independent commissions, oversight bodies and government owned and controlled corporations (GOCCs).** A multi-sectoral and credible search committee should be formed to accept and evaluate nominations and give their recommendations to the appointing power. The criteria for selection, the names of the candidates and those endorsing them should be made public and feedback about the candidates should be accepted and considered.
3. **Appoint a credible, competent and independent Ombudsman, and strengthen the Office of the new Ombudsman.** The Truth Commission created by the Aquino administration must end its investigation and come out with its findings by 2012. All evidences and reports should then be turned over to the newly appointed Ombudsman, who should fully be supported by the executive department.
4. **Mandate all executive agencies and local government units (LGUs) to conduct semi-annual public reporting on their plans/budgets and accomplishments to their respective stakeholders** as an accountability and feedback mechanism. This will also provide agencies and LGUs an opportunity to gain public support and participation for their specific plans and programs. Furthermore, the Office of the President should also create a mechanism for citizens to be able to raise their comments on the President's State of the Nation Address (SONA) and provide feedback on their own take on the state of the nation.
5. **Strengthen the National Anti-Poverty Commission (NAPC), local development councils (LDCs) and local special bodies (LSBs).** NAPC should be given oversight over agency budgets, especially those concerned with urban and rural development, and basic social services to strengthen its coordinative function over anti-poverty programs. A.O. 21 should be reinstated, revamping A.O. 187 which diminished the independence of basic sector councils and representatives. At the local level, LDCs and LSBs should be made to function with genuine NGO/PO representation through the support and monitoring of the Department of Interior and Local Government.
6. **Strengthen CSO participation in the budget formulation, legislation, execution and accountability process** by, among others, requiring the national government agencies and the local finance committees to conduct stakeholder consultations before they submit their proposed budgets to the Department of Budget and Management (DBM)/ local sanggunians, opening the DBM technical hearings and the sub-committee and committee hearings of the House of Representatives and the Senate on the national government agency (NGA) budgets to CSOs, and putting in place mechanisms for citizens' feedback on the agencies' budget performance.

Legislative

7. **Enact the Freedom of Information Bill.** Access to information is an invaluable tool for citizens' participation and anti-corruption efforts.
8. **Pass the Career Executive Services Act.** This is a crucial component of efforts to professionalize and depoliticize the bureaucracy. Among other things, this law would: limit the appointing power of the president in the bureaucracy; further professionalize the bureaucracy; and strengthen the system of merit and fitness-based promotions and appointments.

Macro-Economic Policies

Executive

1. **Set equity targets for the next MTPDP (targets for reduction in Gini Coefficient); decrease inequality through progressive redistribution of asset ownership.** Decisively implement existing asset reform laws (CARPER, Fisheries Code, IPRA, UDHA). In the rural sector, the ownership of post-harvest facilities and trading complexes should also be transferred to peasant and consumer



cooperatives, since farmers have lost most of their price-setting powers to traders and owners of post harvest facilities. In urban areas, government and idle lands should be targeted for socialized housing that will cater to the existing informal settlers.

2. **Facilitate transition to public modes of equitable ownership and management of essential services and major sources of grassroots employment.** Explore Public-Public Partnerships (PPP) in small-scale water systems that involve local government units and cooperatives; strengthen community-based power systems and rural electric cooperatives. Also, existing electric cooperatives should be transformed into genuine membership cooperatives.
3. **Establish a rational population policy that is appropriate for our pace of development and is ecologically sustainable.** Such a policy should prevent abortions and unwanted pregnancies, as well as take into account the rights of women.
4. **Shift to a more progressive tax system.** Given our government's deteriorating fiscal position, measures to increase the tax effort are needed. However, new tax measures must avoid increasing the tax burden on the poor. Such measures include : increasing the inheritance tax, taxing idle lands, rationalizing tax and investment incentives, removing the tax exemption of church properties and business that are not directly and exclusively used for religious, charitable or education purposes, and remove the tax exemption of non-profit corporations that do not pass a public interest test. In addition, sin taxes should be increased and indexed.
5. **Increase the government tax effort.** Leaks in tax collection should be plugged through programs against tax evaders, smugglers, and corrupt revenue and customs officials. Once these measures begin to result in an increase in tax effort and higher revenues, the feasibility of removing the R-VAT, paving the way for a more progressive tax system as mandated by the constitution, should be studied.

Legislative

6. **Conduct a debt audit and repudiate illegitimate debt.** While government keeps a record of its ballooning debt figures, it does not have a corresponding audit of where these debts were spent and what were their outcomes and impacts. Congress, in pursuance of its power of appropriation, should conduct a comprehensive, official debt audit. All illegitimate debt should be repudiated, starting with the 13 cases identified by Congress in the 2008 General Appropriations Act. Furthermore, the Automatic Appropriations Law should be repealed.
7. **Enact reforms in the process through which government incurs foreign debt.** The Foreign Borrowings Act of 1966 and the ODA Act of 1996 should be repealed and replaced with a new law that would regulate presidential powers to incur national debt, as well as strengthen Congress' control over the debt stock. The ODA Act of 1996 should also be amended to mandate the prioritization of human development in ODA utilization and ensuring equitable geographical distribution of ODA with a preference for the poorest provinces and regions of the country.
8. **Enact legislation that will require higher appropriations for social services in government expenditures.** Government spending for education should be gradually increased to 6% of GNP by 2020 to meet the UNESCO prescription. Government health expenditures should be increased to 5% of GDP by 2020 to meet WHO standards. Housing expenditure should be increased to 5% of the budget provided by the general appropriations act in order to be sufficient to meet the increasing housing need not met by the private sector.



Trade, Industry and Investments

Executive

1. **Adopt a strategic, coherent and activist trade and industrial policy.** The government must establish an industrial development blueprint that vertically integrates industries engaged in raw material extraction with those engaged in the production of finished consumer goods in order to scale the entire value chain, that horizontally integrates firms into strong industrial clusters, and that pragmatically maximizes trade opportunities. This is vis-à-vis a trade policy that promotes domestic markets, strengthen national industries, and create more jobs and welfare. This can be accomplished by adopting industrial policy and state driven integration of industries through state owned enterprises (SOEs) or state supported industries.
2. **Monitor and ensure that SOEs and supported industries are on-track.** The government should set up clear but realistic performance targets for supported industries and even SOEs and the accompanying incentives system to accomplish such. Japan, for example, used subsidies in order to induce local content increases. Reward and punishment mechanisms must be put into place. This was the failure of the Macapagal administration in the 1960s when it unilaterally raised tariffs in order to protect industry without having a clear objective in mind but protection. Since the tariffs are neither performance nor time-bound, both the performing and non-performing were protected.
3. **Link up local and social cooperative enterprises, and Micro, Small and Medium Enterprises (MSMEs) which focus on tapping community resources and labor, to national industrial champions.**
4. **Lower power cost via strong state participation towards a rational and participatory energy system.** The state should be a strong player in the energy sector in order to set the pace and direction of private sector initiatives. It should heavily invest in the power sector, especially in renewable energy, to ensure reliable and inexpensive access to electricity and sustainability. The privatization of the TransCo should also be reversed.
5. **Adopt and implement a Public Grassroots Savings Program.** Savings provide the vehicle with which domestic firms can gain capital by borrowing from banks. Thus, the state should be able to mobilize grassroots capital towards developmental needs by providing the avenue for savings. The government should encourage self-organized savings and loans cooperatives. Strengthening the Postal Savings Bank (PSB) to encourage savings among the workers is also crucial.
6. **Mobilize foreign currency remittances to invest in strategic investments.** Overseas remittances must be maximized for massive domestic capital formation. Unfortunately, our Government Financial Institutions (GFIs) fail to utilize this potential.

Labor and Employment

1. **Work towards full employment as a central government policy.** Formulate and implement an employment guarantee policy and employment generation schemes that would create better job opportunities for workers. Ensure that trade, monetary, fiscal and industrial policies are directed at quality job creation within the country, so that working abroad will become a matter of choice rather than of necessity. Also, labor flexibilisation policies that produce informal and contractual workers in insecure and temporary work arrangements should be ended.
2. **Begin implementing a national employment program to address joblessness.** The implementation of a Labor-Based Equipment-Supported (LBES) technology, an International Labor Organization-recommended scheme that shifts from the traditional equipment-based technology and raises the usual labor cost share from 10% to 30%.



3. **Adopt a National Rural Employment Guarantee (NREG) program** which provides employment on-demand of up to 150 days per year for adults from rural households who are willing but unable to find work. Aside from providing jobs to the jobless in search of jobs, this employment scheme guarantee transforms public employment from a political tool into a rights-based instrument of the unemployed.

Legislative

4. **Enact the Security of Tenure Bill.** This will safeguard and strengthen the worker's constitutional right of security of tenure.
5. **Enact the Manga Carta for Transport Workers.** This will ensure transport workers' rights and address their distinct problems. The Magna Carta should address special needs of workers in the informal transport sector, who suffer from income irregularity, job insecurity, absence of old age pension and health care, etc.

Agriculture

Executive

1. **Adopt a policy framework of food sovereignty and food self sufficiency.** The framework for food sovereignty should recognize the Human Right to Food and the Right of Peoples to determine their own system for food, agriculture, livestock and fishery. It also ensures quantitative and qualitative basic nutritional requirements of present and future generations, promotes sustainable agriculture, and reduces the vulnerability of the agriculture sector and sub-sectors to socio-economic and climate risks. In terms of food self-sufficiency, government should target to increase rice production by 2.5 million tons by 2010 to become rice self sufficient, by increasing production support for inbred seeds, indigenous varieties and farmer improved seeds.
2. **Make credit more accessible to small farmers and improve government support for crop insurance.** Credit and insurance go hand in hand in allowing small farmers to better invest in their agricultural production as well as mitigate their risks.
3. **Review the national irrigation strategy and the capacity of the National Irrigation Authority (NIA), and restructure and reform NIA to make it effective and efficient.** Furthermore, increase budget for the construction of new irrigation systems to cover 150,000 hectares un-serviced areas and full rehabilitation and repair of existing facilities servicing around 800,000 hectares. Ensure the achievement of annual targets through appropriate and timely monitoring and audit measures.
4. **Strengthen and expand the agriculture extension program.** Strengthen support for extension programs of the Local Government Units (LGUs) through revitalizing farmer field schools and other participatory extension methodologies encouraging farmers to become active participants and innovators in technology development process rather than mere beneficiaries or end users of generated technologies and input subsidies.
5. **Increase public investments in publicly run R&D institutions.** Focus on research and development of sustainable and non-conventional agriculture.
6. **Reform the National Food Authority subsidy to consumer to more effectively target the poor.** Freed up resources can instead be used to provide price support to more small farmers and fund other basic social services.



7. **Stop conversion of farmlands for production of biofuel crops** pending review of the National Biofuels Act. Also declare a moratorium on large land leases pending review starting with those facilitated by the Philippine Agricultural Development and Commercial Corporation (PADCC).

Agrarian Reform

Executive

1. **Fully implement Land Acquisition and Distribution (LAD) targets and reforms in the CARPER Law.** As a sign of political commitment, set a deadline for redistributing the Hacienda Luisita.
2. **Identify and publicize the ten (10) largest private landholdings under CARPER, as well as the largest landholdings per province,** in order to speed up the agrarian reform process and build up public pressure on the landholders.
3. **Review all land distribution carried out through voluntary land transfer (VLT) and redistribute those that are found to be spurious or fraudulent.**
4. **Develop and institutionalize a monitoring/evaluation system** that measures success in agrarian reform through the indicators of productivity, income and poverty incidence among agrarian reform beneficiaries, rather than mere number of hectares distributed.
5. **Ensure that funding for support services delivery under the CARPER Law are focused on credit and irrigation, particularly in favor of small-scale farmers**
6. **Ensure the protection of the rights of indigenous peoples** and strengthen their claim on their land through recognition of their ancestral domain claim and other instruments.

Legislative

7. **Enact a National Ecological Land Use Act,** which prioritizes the use of prime agricultural lands with existing and potential irrigation source for production of rice, corn and other food crops.

Fisheries

Executive

1. **Adopt and implement the Community-Based Coastal Resource Management (CBCRM) as a core principle and strategy in coastal and fisheries resource management and development.** In addition, mainstream coastal climate change adaptation plan in local fisheries development plans and resource management plans based on the vulnerability and risk assessment.
2. **Review (to make it climate-adaptive and gender-responsive), adopt, implement and allocate funds for the Comprehensive National Fisheries Industry Development Plan.** This is a 25-year development plan initiated by the Department of Agriculture-Bureau of Fisheries and Aquatic Resources (BFAR), providing for capacity building, provision of sustainable livelihoods, and rehabilitation and protection of coastal and marine ecosystems, among many others.



3. **Complete the municipal fisheries registration process to include women fishers (based on the definition in the Magna Carta of Women) and the designation of docking areas near the fishing grounds.**
4. **Issue a new Department of Agriculture Administrative Order (DAO) that ensures the immediate delineation of municipal waters using the archipelagic principle, and provides sufficient budget for the implementation of said DAO.**
5. **Call for a moratorium in issuing new foreshore lease agreements (FLAs).** Remove foreshore lands from the list of priority areas for investment.
6. **Issue a Joint Administrative Order providing guidelines for the establishment of fisherfolk settlement areas.**
7. **Review current institutional capacities of capacities of existing fisheries governance structures (i.e. BFAR and N/MFARMCs) in the context of effective implementation of development plan for the fisheries industry.** Develop comprehensive capacity building/capacity development program for FARMCs. Also ensure 40% representation of women in these governance structures.
8. **Provide Social Protection Program, including social insurance, for municipal fishers** especially women fishers being one of the most vulnerable sectors (e.g. social insurance, livelihood, post-harvest facilities, credit facilities, etc.)
9. **Develop a decommissioning program to reduce commercial fishing efforts** to 50% of the current number of commercial fishing vessel based on the results of the National Fisheries Stocks Assessment Program of the BFAR-NSAP.
10. **Issue inventory of Fishpond Lease Agreements and issue policy guidelines on restoration/reversion of idle and abandoned fishponds back to its mangrove form.**

Legislative

11. **Pass the Fisheries Code amendatory bill** which seeks to amend the definition of municipal waters to incorporate the archipelagic principle.

Indigenous Peoples

1. **Fully implement the Indigenous Peoples Right Act and fast-track identification, delineation, titling and registration of ancestral domain claims. The government should enforce the priori right of IPs within the ancestral lands (over state security and economic development).** Despite existing legislation, an increasing number of IP communities continue to be dislocated from their ancestral domains due mainly to intrusion of large development projects, overlaps with actually existing and/or potential claims of property rights, and conflicts in the implementation of policies on land tenure and resource use. Thus, government must fast-track the processing and issuance of CADTs/CALTs.
2. **Assist IP communities in crafting their ancestral domain sustainable development plans.** Capacity building and technical assistance should be provided to them.
3. **Return the National Commission on Indigenous Peoples to the Office of the President.** The DENR should also be tasked to work with DA, DAR and NCIP on land and tenurial conflicts and overlapping claims involving ancestral lands.



Women

Executive

1. **Focus on women's human rights as a goal in itself, and not as a means to achieve other goals. Adopt gender mainstreaming as a tool for effective policy making, NOT as a substitute for targeted women-specific policies and programs.**
2. **Full implementation of the Magna Carta of Women of 2009.**
3. **Ensure women's participation in participatory mechanisms of the government, as provided for in the Magna Carta of Women.** Women should comprise forty percent (40%) of the representatives in bodies such as NAPC, local development councils and other local special bodies. Government should monitor and enforce compliance of these provisions of the law.
4. **Expand and strengthen the gender budget audit being implemented by the Commission on Audit.**
5. **Generate sex disaggregated data for policies that are better targeted and more gender-responsive.**



Legislative

6. **Enact the Reproductive Health Bill.**
7. **Enact the Anti-sexual Discrimination Bill.**

Social Safety Nets

Executive

1. **Expand the Conditional Cash Transfer (CCT) program for the poorest of the poor, institute safeguards to minimize leakages and ensure linkage with job generation, livelihood and/or asset reform programs.** Given the breadth of poverty, there is a need to expand the Conditional Cast Transfer program of government to address the immediate needs of the poorest families. Furthermore, the CCT program through the conditions required for the transfer also assists in the attainment of development goals in education and health.
2. **Increase PhilHealth coverage among the poorest and most vulnerable sectors and work towards universal PhilHealth coverage.** The Aquino Administration must work towards universal PhilHealth coverage and institute reforms to ensure affordable and quality health care coverage. Specifically, PhilHealth must be enabled to both extend coverage among informal economy workers and strengthen financial protection for members, including the incorporation of preventive health measures in the benefit package.
3. **Reform the NFA rice subsidy program to consumers so that it can more effectively target its subsidies to the poor and reallocate funds to support small farmers and other social services.** The sale of subsidized NFA rice should then be limited to the poor. Identifying the poor should be done in coordination with DSWD, using the targeting system DSWD is currently developing. This would free up billions of pesos which could alternately be used to fund other anti-poverty programs, support for small farmers and basic social services.

Climate Change and the Environment

Executive

1. **Adopt a national framework on climate change, which prioritizes adaptation over mitigation measures.** Adaptation measures shall be based on equity, in accordance with common but differentiated responsibility; special attention must be given to ensure equal and equitable protection of the poor, women, children and other vulnerable and disadvantaged sectors, as mentioned in the National Framework Strategy on Climate Change.
2. **Adopt the climate justice framework as a national policy,** based on the context of Philippine's vulnerability to climate change despite its relatively low contribution to Greenhouse Gases (GHG) emissions, and for the purposes of UNFCCC climate negotiations. In relation to this, the government should call and advocate for the immediate creation of a New Global Climate Fund under the UNFCCC to function as a mechanism for pooling funds from Annex I countries in compliance with their financial obligations, and for direct access by governments and CSOs, with the caveat that such financing should not be channeled through or managed by international financial institutions such as the World Bank.
3. **Institutionalize consultative mechanisms in the Climate Change Commission and other inter-agency bodies involved in climate change** to ensure democratic participation, transparency and accountability in decision-making processes related to climate change and disaster responses. The lack of participatory processes in crafting the National Framework Strategy on Climate Change must not be repeated.
4. **Complete in geo-hazard mapping, which are to be integrated with existing geological maps,** to serve as input to determining appropriate land use given economic and environmental considerations and risks.
5. **Monitor implementation of environmental legislation, strengthen regulation and enforcement, and ensure government funding of environmental laws.**
6. **Rehabilitate and protect all watersheds, mangroves and marine reserves.** These play an important role in the protection of wildlife and the mitigation of disaster risk. Furthermore, watersheds are also crucial in sustaining water supply for the people.
7. **Prioritize and develop environment-friendly sources of renewable energy and shift the country's energy mix to become less dependent on coal. Reject the revival of the Bataan Nuclear Power Plant (BNPP).** Also, reject the nuclear energy development option and the BNPP revival bill, other future proposals for nuclear power plants, as well as coal powered energy. Instead, focus resources on the development of renewable energy such as biomass, micro-hydro, wind and solar energy to reduce dependency on imported fossil fuels.
8. **Abandon plans to construction large dams, such as the Laiban Dam.** Large projects such as these have severe environmental impacts, which not only hurt the ecosystem but also have high social and economic costs for the displaced human populations.
9. **Immediately revoke EO 270-A (Revitalization of the Philippine Mining Industry), and reject the National Minerals Action Plan (NMAP),** which lists priority mine sites that will encroach in almost 53% of ancestral domains and about 60% of protected areas. A review of all anomalous and controversial mining contracts is thus in order.
10. **Declare a nationwide moratorium on the approval of new large-scale mining operations,** during which forest line delineation and a national land use plan must be developed and implemented. In the case of potential areas for mineral exploration, a comprehensive natural resource valuation must be performed, to determine viability based on alternative land use options and environmental impact. In support of this,



ordinances and resolutions issued by LGUs to protect their environment, including moratoriums on large-scale mining projects and bans on open-pit mining must be recognized and upheld, as well as increase LGU capacity for monitoring and reporting on these.

11. **Strengthen the regulatory environment and increase support for water and sanitation service providers** to improve service quality and delivery, ensure accountability, and make more efficient use of resources. An efficient monitoring system of water and sanitation programs and initiatives must also be established at the local level.
12. **Increase public spending on water (water supply, and not just irrigation and flood control) and sanitation infrastructure** to provide access to communities that still do not have access to water. There should be a more accurate definition of “access” (e.g. community toilet vs. private toilets, safe and potable drinking water vs. availability of mineral/filtered water services) as well as the institutionalization of an effective system of monitoring progress in improving access to water and sanitation.
13. **Improve data management.** The accuracy and reliability of data collection and reporting of indicators of environmental health and sustainability, such as, access to improved sanitary facilities must be enhanced before any concrete plans can be made for environmental programs and policies. There is also a need for disaggregated data, as data based on national averages tend to mask regional disparities. It is also suggested that a multi-party conduct of environmental statistics be performed to determine actual condition of the country’s environment. Finally, investments in establishing a comprehensive database of information on the country’s environmental condition, specifically the updating of the baseline environment condition, are imperative for sound policy, program and finance formulation and planning.
14. **Separate the regulatory (i.e. distribution of permits and notices of violations) and the environmental protection functions of the DENR into two distinct line agencies** as there is an intrinsic conflict between these two functions which has often resulted in the prioritization of functions related to resource extraction over environmental protection.

Legislative

15. **Enact the Sustainable Natural Resource Management Act.** This provides environmental safeguards and alternative uses of target mineral lands.
16. **Enact the Sustainable Forest Management Bill.** This is also needed to promote sustainable forest ecosystems. The pending national land use policy should also underscore the importance the protection of forest lands. It is also proposed to include imposing a 25-year nationwide ban on commercial logging, adopting community-based forest management as the national framework for forest ecosystem management (with financial, technical, institutional and legal support), and conducting a massive “rainforestation” and rehabilitation of abandoned mining sites.
17. **Enact legislation recognizing access to clean water and sanitation as a human right**, following the United Nations General Assembly which passed a resolution recognizing this human right in July 2010.

Education

Executive

1. **Institute measures that will strengthen Local School Boards.** Educational priorities at the local level are being defined by the LSB’s two most powerful members: the local chief executive and the division superintendent. There is a need to develop LSBs to become genuine mechanisms for community participation in education that could harness community support and resources for education.



2. **Work with Local Governments to build more schools to deal with the continuing classroom shortage.** The program should establish more schools with smaller populations (particularly high schools) so that teachers, students, and parents can form a real learning community. The Special Education Fund of the local school boards should be tapped for this school expansion (classroom-building) strategy.
3. **Improve data collection and reporting and including disaggregated data.** The Basic Education Information system must be improved to provide timely and accurate information that is crucial for DepEd management to make properly informed policy and resource allocation decisions.
4. **Add two years to basic education by SY 2015-2016** to catch up with the rest of the world. Total investment over the next six years (up through Budget Year 2017) will be close to P100 Billion or P20 Billion a year for 5 years to build the additional schools and classrooms, hire more teachers, procure more textbooks, supplies and equipment, and provide more maintenance and other operating expenses for the two additional years.
5. **Promote the use of mother tongue-based education in the first three years of primary education** to help alleviate language barrier problems that hinder learning in preparatory levels of education.
6. **Provide training to improve teacher competency.**

Legislative

7. **Enact a law automatically appropriating 6% of GNP to Education.** The United Nations Educational, Scientific and Cultural Organization (UNESCO) prescribes for developing countries the appropriation of 6% of the value of its GNP to education.

Health

Executive

1. **Emphasize primary health care, including support for barangay health workers and local medical health professionals (midwives and nurses).** Also, fast track the accreditation of health facilities.
2. **Work towards a universal health care system, including Universal PhilHealth coverage and increased share of PhilHealth share of medical costs,** to effectively eliminate the inequities in health that the nation continues to struggle with.
3. **Review the inter-local health zones and strengthen the referral mechanisms among different health facilities across LGUs and integration of Maternal, Neonatal, Child Health and Nutrition into the municipal and provincial investment plans for health.** Such efforts are needed to help integrate the currently fragmented health care system, linking provincial programs and health services to those of cities and municipalities.
4. **Implement effectively the Cheaper and Quality Medications Law, the Maximum Drug Retail Price Executive Order, the Food and Drug Authority Law and the Generics Act of 1988.**
5. **Provide appropriate neonatal, child and maternal health packages to reduce child and maternal mortality.** To complement this, there should also be increased advocacy targeted at mothers to encourage them to get prenatal, natal, and postnatal care.
6. **Re-orient the training of public health professionals towards the “Health for All” paradigm** under primary health care and encourage the return migration of health professionals by ensuring adequate compensation and increasing availability of career opportunities in the country.



Legislative

7. **Pass a law automatically appropriating funds to Health.** The World Health Organization (WHO) recommends that developing countries should appropriate a standard of 5% of the value of its GDP to health.
8. **Provide for the eventual automatic enrolment of every Filipino in PhilHealth through an amendment in the law governing PhilHealth.**
9. **Enact the Reproductive Health Bill.**

Peace and Development

Executive

1. **The government should institutionalize and consistently implement a national peace policy that recognizes conflicts as rooted in development problems.**
2. **Pursue peace negotiations, but find ways to draw more citizen's participation as well as technical and creative contributions and also recognize a people's right to self-determination.**
3. **Prioritize the implementation of the CARHRIHL through convening of the Joint Monitoring Committee.** Ensure protection and promotion of human rights and international humanitarian law, that should help to build more confidence in the peace processes as well as help to lower the levels of violence.
4. **Seriously consider constitutional reforms such as on political structural changes that will be needed to resolve the armed conflicts.** Towards this, the President should act on his campaign promise to form a commission that would study the various proposals for constitutional reform.
5. **Pursue security sector reform, focusing on democratic and civilian control of the armed forces,** and addressing particularly concerns that hinder peace processes, including the need to disband private armies, CAFGUs and CVOs, and to stop the proliferation of illegal firearms.
6. **Ensure protection of indigenous peoples and their rights especially in conflict areas, and enable mechanisms for their participation in peace processes**
7. **Set-up inter-agency mechanisms with CSO participation to address conflicting land use which is also often a cause of conflict.** This would include DILG, DAR, DENR, NCIP, among others.

Legislative

8. **Consider enactment of legislation that will set a national peace policy and provide institutionalized mechanisms for its implementation and oversight.**

CONCLUDING REMARKS

As the Aquino administration rode on the back of people power towards electoral victory, it is hoped that people power will continue to play a vital role in how the administration functions and governs our nation. It is thus with great hope and expectation that these recommendations are presented to the different national government agencies and in particular to the National Economic and Development Authority, which is the lead agency tasked in the formulation of the next MTPDP. We look to NEDA to ensure that the formulation of the next MTPDP is open and participatory, a process wherein recommendations are considered, but more importantly, one wherein proponent civil society organizations are engaged by government in a dialogue. Even if there will be many disagreements on policy and priorities, there is an intrinsic value to government engaging citizens and civil society organizations in a dialogue. Through patient dialogue and continued engagement, government can sustain the support and trust of the organized citizenry, and help build ownership for its program of government for the next six years.

The Millennium Development Goals (MDGs)



CHAPTER 1: BASIC PRINCIPLES, GOALS AND STRATEGIES

Over the years, the Philippine government has been an ardent follower of the neoliberal paradigm being promoted globally by institutions such as the International Monetary Fund and the World Bank. Anchoring itself on policies of all-out privatization, deregulation as well as trade and financial liberalization, the Philippine economy has seriously stagnated. Our local industries have been eroded and decimated as a result of the lack of industrial strategies by the government. Support for agriculture, particularly for small farmers and fishers, has also been greatly reduced by the government. This, coupled with the drastic lowering of tariffs, seriously hurt our local farmers and producers.

Having a stagnated economy, the government has relied mainly on the exportation of labor. The few industries that are left are mainly integrated to foreign markets as they are export-oriented, low-value-added manufacturing sectors. Employment in the services sector has also been increasing and recently the trend started to lean towards business process outsourcing such as call centers. The negative impacts of unsuitable strategies are visible not only in terms of employment problems but also in terms of human development. The Human Development Report of the United Nations Development Program shows that the annual progress of the country in this aspect has been relatively low as compared to the other Southeast Asian countries between the years 1990 and 2005.

GOALS

The main goal of our government should be the achievement of sustainable and equitable development. The kind of development to be pursued should be one that would narrow the gap between the rich and the poor, does not sacrifice the environment and would lead to the human development of all the population. Moreover, the development goal of the government should include the protection of the citizens from climate vulnerability.

STRATEGIES AND PRINCIPLES

1. **Our development should use a rights-based approach.** In a rights-based approach, the government is considered as the duty-bearer and the citizens are the rights-holders. With this, emphasis is given on the role of the state in ensuring that the rights of the citizens are respected, protected and fulfilled.
2. **The state should be proactive in directing the country's development and not only rely on the private sector.** The National Economic and Development Authority (NEDA) should invest enough time and serious attention on crafting and refining the country's development plan instead of merely being a source of statistical data which has increasingly become its central role over the years. The NEDA, with the direct participation of people, should formulate a ten-year agri-industrial plan taking into consideration the different regional characteristics. Our regions should complement each other in such a way that the needs of one region can be addressed by the other.
3. **Democracy, people empowerment and social solidarity should be among the predominant elements in all spheres of society.** People's active participation in the government's economic planning and management as well as in the enactment and implementation of laws should be promoted. Mechanisms that would ensure the responsibilities of the government should be instituted. Moreover, social solidarity should be encouraged, building on the Filipino value of *bayanihan* that aims for the common good rather than personal gain.
4. **Development must adhere to the principles of social justice and should thus be equitable and pro-poor.** Poverty is closely linked to inequality in the Philippines, which has one of the highest levels of inequality in the region. Government should decisively implement existing asset reform laws to address inequality, provide social safety nets for the poorest and ensure effective coordination of its anti-poverty programs.

“People's active participation in the government's economic planning should be promoted.”

5. **Development should be sustainable.** The development strategies to be promoted should aim for human development instead of simply aiming for economic growth. With this, economic activities that damage the environment like large-scale mining should be avoided. Also, ancestral domains or communal forms of ownership should be protected as provided for by the Indigenous People's Rights Act of 1997. Haphazard trade liberalization, a strategy that has caused massive extraction of resources, should be reversed. On the other hand, the promotion of adaptation measures to the various problems being brought about by climate change should be a priority. In line with these, the Philippine Agenda 21 should be made the overarching framework for sustainable development.



6. **The national patrimony should be strengthened and put to heart and practice.** It is high time that the government put the welfare of Filipinos above that of foreigners in all aspects. Policies should center on the development of Filipino citizens in economic, political, social and cultural spheres.
7. **The role and the rights of women should be recognized.** The importance of women in the reproductive economy should be recognized by the state and the society. This can be done through provision of income support which can be in the form of tax exemption and is different from the traditional support given by their husbands. The employment status of women should be improved and the discrimination and violence against them must be eliminated.
8. **Public goods should be provided to the population.** Among the duties of the government is to provide for the rights of the citizens which include the right to health, education, water and housing. Government should also ensure the accessibility and affordability of other essential services such as electricity and transportation. Aside from allotting government budget to address these needs, the government should also implement strategies that would make the richer population contribute more to cover the needs of the poorer sectors.
9. **Fiscal measures that lead not only to revenue generation but also benefit the poorer sectors should be implemented.** These include improving the collection of income and corporate taxes, raising and indexing sin taxes, and imposing higher taxes on persons belonging to the richer income brackets. The role of the local government units in revenue generation should also be maximized. Revenues should translate to effective and efficient delivery of services to the people. The debt problem, on the other hand, should be confronted.
10. **Good governance should be institutionalized.** The government should adopt policies that will institutionalize transparency, accountability and participation within the public sector. The government must also be committed to the fight against corruption. Furthermore, public institutions should be strengthened and their independence protected so as to provide effective check and balance among the different branches of government.

Given that only five years is left before the MDG deadline, having correct policies and appropriate programs will not be sufficient to make significant gains in achieving the MDG targets without instituting much needed reforms in our nation's governance. The administration of Gloria Macapagal-Arroyo (GMA) was plagued by numerous unresolved corruption scandals, and more are being uncovered with each passing day under the new administration. The past administration deliberately worked to weaken institutions as a means of protecting its hold on power, resulting in the weakening of constitutional bodies that are supposed to provide check and balance to the executive. This has created doubts about the integrity and independence of the Supreme Court, Civil Service Commission, Ombudsman, Commission on Elections, among others, leaving an institutional environment that is unable to address rampant and blatant corruption. Public access to information was also curtailed and mechanisms for citizen's participation in governance (e.g. National Anti-Poverty Commission) were weakened.

The campaign slogan of "Kung walang corrupt, walang mahirap" of President Benigno S. Aquino III must now be embodied and given life in the plans and programs of the Aquino administration. The first State of the Nation Address of President Aquino focused on holding the past administration accountable for its transgressions to the people. While this is important, the anti-corruption drive must not be limited to a reaction to the GMA administration, but must work within a long term framework of institutionalizing good governance. The anti-corruption effort must be placed within a broader good governance agenda that should serve as a central pillar of the next Medium Term Philippine Development Plan.

Several recommendations that would strengthen mechanisms for transparency and accountability, promote genuine citizens' participation, professionalize the bureaucracy and strengthen our political party system are proposed. These would contribute to the creation of a political and institutional environment that is more conducive to good governance.

RECOMMENDATIONS

Executive

Transparency

1. **Issue a public disclosure policy for the Executive Department.** Prior to the enactment of the Freedom of Information Act, the Executive department should lead the way in instituting transparency by issuing a policy on public disclosure that will be strictly enforced and monitored. Local government units should also adopt similar public disclosure policies.
2. **Mandate all government agencies to post on their respective websites their plans, Statements of Allotment, Obligations and Balances (SAOB), procurement and bidding documents** in a timely manner following the public administrative budget cycle. The example of the Department of Interior and Local Government under Secretary Jesse Robredo should be followed by other government agencies. In addition, the Department of Budget and Management (DBM) should post all fund releases to all government agencies on its website. These documents should also be posted in public bulletin boards of the government agencies for the benefit of those who do not have access to the internet.
3. **Adopt a clearly stated, transparent, inclusive, and open search and nomination process for members of independent commissions and oversight bodies such as Commission on Audit, Civil Service Commission, Commission on Human Rights, Commission on Elections, Office of the Ombudsman, all Government Owned and Controlled Corporations (GOCCs), etc.** A multi-sectoral and credible search committee should be formed to accept and evaluate nominations and give their recommendations to the appointing power. The criteria for selection, the names of the candidates and those endorsing them should be made public and feedback about the candidates should be accepted and considered. Screening should also be in consonance with the Civil Service Law.
4. **Recall immediately Executive Order (EO) 464, Memorandum Circular (MC) 108, and EO 608** issued under the previous administration as a means of protecting the Arroyo Administration from congressional inquiries and restricting access to government documents. E.O. 464 and M.C. 108 protects the executive

department from congressional inquiries as it requires executive department heads to seek permission from the President before attending congressional inquiries and also empowers them to demand questions from legislators prior to confirming their attendance to hearings. E.O. 608 establishes a national clearance system for government personnel with access to classified matters, seriously restricting access to government documents.

Accountability

5. **Fully support programs such as the Run After Tax Evaders (RATE), Run After The Smugglers (RATS), and the Revenue Integrity Protection System (RIPS) or the Lifestyle check program.** The Department of Justice, Bureau of Internal Revenue (BIR) and Bureau of Customs (BOC), with the support of other government agencies, should remain committed to these programs, ensuring that they lead to the prosecution and conviction of erring officials and individuals. Beyond the lifestyle check, other programs that will address internal leakages and corruption within the BIR and BOC should be initiated.
6. **Insulate national and district level appointments in sensitive departments and agencies, like the BIR, BOC and Department of Public Works and Highways (DPWH) from political intervention,** prior to the enactment of legislation. Appointments within these agencies are known to attract much political intervention from legislators and local government officials, due to the opportunity for rent-seeking, graft and corruption within these agencies.
7. **Appoint a credible, competent and independent Ombudsman, and strengthen the Office of the Ombudsman after the appointment of a new Ombudsman.** The creation of the Truth Commission to investigate the corruption scandals of the previous administration is widely supported and acknowledged as a necessary go-around to the Office of the Ombudsman. Ombudsman Merceditas Gutierrez is hounded by doubts to her integrity given her closeness to former President Macapagal-Arroyo.



However, the activities of the Truth Commission must later be integrated into the functions of the Ombudsman once the president is able to appoint a new Ombudsman. At this point, the executive department should then provide the Office of the Ombudsman with the necessary resources and support. Some legislation will also be needed to strengthen the Ombudsman, such as legislation allowing the use by the Office of the Ombudsman of private lawyers in case build-up; and legislation that would forfeit, in favor of the Office of the Ombudsman, a percentage of the assets recovered in corruption cases.

8. **Include in the scope and mandate of the Truth Commission and/or a separate Presidential Commission the audit of all public sector debts and contingent liabilities, including loans and/or financial transfers acquired by the government in relation to climate change,** clean technologies, and post-disaster responses. This should start with but not limited to the debts of the previous administration under which the national government debt has doubled.
9. **Form a Presidential Power Price Task Force, which will investigate the alleged overcharging by Distribution Utilities (DU) and the National Power Corporation (NPC) and hold responsible individuals and corporations accountable; this investigation should be transparent and have participation** from civil society organizations.
10. **Conduct an executive review of Metro Manila Waterworks and Sewerage System (MWSS) privatization,** which would include a comprehensive accounting, audit and evaluation of the concessionaires' finances and actual performance particularly in regards to loans incurred in the past 11 years; an investigation into the findings of the Commission on Audit (CoA) in its 1999 report on Manila Water and Maynilad exceeding the 12% Return-on-Rate Base (RORB) as mandated by the MWSS Charter, the auditing formula used, and the controversial 40% RORB of Manila Water; and an investigation concerning the negotiations and compromises made in the Maynilad bail-out (in 2005) and rebidding (in 2007).

11. **Mandate all executive agencies and local government units to conduct semi-annual public reporting on their plans/budgets and accomplishments to their respective stakeholders** as an accountability and feedback mechanism. This will also provide agencies and LGUs an opportunity to gain public support and participation for their specific plans and programs. Furthermore, the Office of the President should also create a mechanism for citizens' to be able to raise their comments on the Presidents SONA and feedback their own views on the state of the nation.

People's Participation

12. **Strengthen the National Anti-Poverty Commission's (NAPC) oversight over anti-poverty programs by also giving it oversight over agency budgets, especially those concerned with asset reform and urban and rural development programs, and basic social services.** NAPC is a good mechanism for people's participation that should be maximized.
13. **Ensure that the NAPC, local development councils (LDCs), and other special bodies are functional and have genuine NGO/PO representatives, with at least thirty percent (30%) and forty percent (40%) women representatives in NAPC and LDCs/special bodies respectively. Also, revamp the current NAPC, revoke Administrative Order No. 187 and reinstate the previous AO on the basic sectors of NAPC in reconstituting the NAPC basic sector councils and representatives.**

The mechanisms for popular participation in local governance, particularly through local development councils and special bodies, have not been fully maximized. Few local development councils meet regularly and even fewer reflect genuine LGU/NGO/PO partnership. Most local development councils and special bodies are either inoperative or nominal.

The new Administration must encourage genuine basic sector participation in planning, policy formulation, and implementation of government, policies affecting the respective sectors not only at the national level but in the local sphere as well. The Administration must ensure that NAPC, local development councils, and other special bodies are functional and have genuine NGO / PO representatives, at least forty percent (40%) of whom should be women.

The President should also revoke A.O. 187 and reinstate the previous A.O. on the basic sectors in NAPC. AO 187 makes the accreditation of sectoral organizations by the Office of the President a prerequisite before becoming members of NAPC, opening the process to direct political interference from the Palace, as what has happened in the past administration.

Furthermore, the current basic sector representatives in NAPC were part of the midnight appointments of the previous government. The process identified even in A.O.187 was not complied with in selecting and appointing the basic sector representatives of the NAPC.

14. **Strengthen the participation of citizens and civil society organizations (CSOs) in the budget formulation, legislation, execution and accountability process** by, among others, requiring the national government agencies and the local finance committees to conduct stakeholder consultations before they submit their proposed budgets to the DBM / local sanggunians, opening the DBM technical hearings and the sub-committee and committee hearings of the House of Representatives and the Senate on the budgets of national government agencies (NGAs) to CSOs, and putting in place mechanisms for citizens' feedback on the agencies' budget performance. Government should also provide funding support for capacity building of people's organizations (POs) and non-government organizations (NGOs). As a principle, all agencies should work towards greater people's participation in the planning, budgeting and implementation of their programs.

“Most local development councils and special bodies are either inoperative or nominal.”

Legislative

15. **Enact the Freedom of Information Bill**, which should be prioritized and certified as urgent by the President. This law, which almost passed in the 14th Congress, will provide citizens and civil society organizations a tool with which they could better assist the government's anti-corruption effort. The Bicameral Conference Committee Report could be used as a starting point in order to expedite the legislation process. While waiting for the legislation, the three branches of government can issue public disclosure policies outlining how they will respond to information requests.
16. **Pass the Career Executive Services Act**. The Aquino administration is faced with a deluge of midnight appointments left by the previous administration, many of whom are ill qualified for their positions. The power of appointment was severely abused by the previous president who appointed political appointees even at the director level. This has made civil servants even more beholden to the appointing power, and further politicized the bureaucracy.

The enactment of the Career Executive Services Act is a crucial component of efforts to professionalize and de-politicize the bureaucracy. Among other things, this law would: limit the appointing power of the president in the bureaucracy; further professionalize the bureaucracy; and strengthen the system of merit and fitness-based promotions and appointments.

The new administration should take the lead in pushing for this reform, so as not to allow the repeat of past abuses. Even if the new administration will fully support this and push for its enactment, it will still have enough time to make use of current powers of appointment to clean up the bureaucracy.

17. **Enact a Campaign Finance and Political Party Reform law**. Genuine political parties are essential for a democratic system of government. However, political parties in the Philippines remain to be mostly electoral coalitions of local politicians. The system is beset with widespread "turn-coatism" preventing the development of real and long term platform-based parties.

Under these circumstances, a campaign finance and political party reform law is crucial for the development and deepening of our democracy. Among other things, such a law would strengthen genuine political parties, discourage and penalize political turncoats, and enhance the capacity and capabilities of the Commission on Elections to credibly enforce political campaign laws.

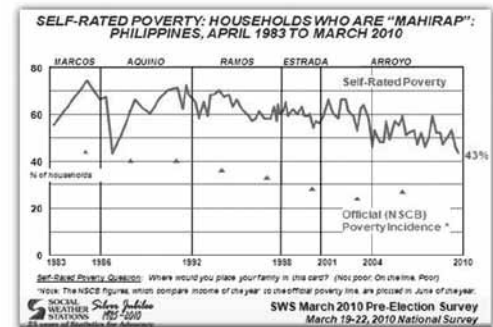


Debilitating Poverty

According to the National Statistical Coordination Board (NSCB), poverty incidence among families rose from 24.4% in 2003 to 26.9% in 2006, which means that the number of poor families rose by as much as 654,610. This is while subsistence incidence among families rose from 10.2% to 11%. Ironically, the years 2003 to 2006 were a period in which the average economic growth was 5.4%.

That Filipinos are poor are felt by Filipinos themselves. The SWS March 2010 Pre-Election Survey, conducted from March 19-22, 2010, showed that 43% (est. 8.1 million) of the families rate themselves as “mahirap” or poor, an improvement from the 56% self-poverty rating in the year 2000. Ironically, during this same period, the percentage of the population that experienced involuntary hunger at least once in the past three months increased from 11% in 2000 to 21% in 2010 or an estimated 4.0 million households.

SWS explains that the reason why self-rated poverty is relatively low and at the same time hunger is relatively high is because living standards have dropped so low that many families do not rate themselves as poor even if they suffered from hunger recently. Of the estimated 4.0 million households reporting hunger in March 2010, only 2.6 million rated themselves as poor. A significant 1.4 million who suffered from hunger did not rate themselves as poor.

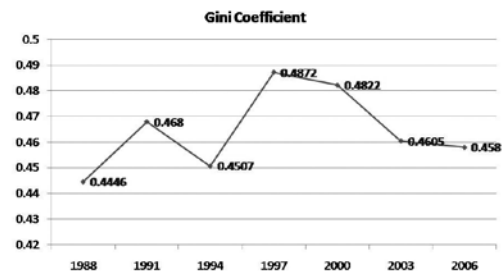


Inequality and Poverty

The problem of poverty must be viewed together with the problem of stark inequality. While the Philippines is home to over four million families living under poverty, it is also home to a few of the world’s billionaires, such as Henry Sy, Lucio Tan, John Gokongwei and Jaime Zobel de Ayala¹. The combined wealth of the top 40 Filipinos amounts to \$22.4 billion or P1.008 trillion, representing 13.13% of the Gross Domestic Product (pegged at P7.68 trillion, end-2009).

The NSCB said the government’s latest Family Income and Expenditure Survey (FIES) showed that income inequality, as measured by the Gini coefficient², was at 0.46. Comparing this with other countries, the Gini coefficient in Thailand and Indonesia was at 0.43 and 0.34 respectively. For richer countries such as Japan, the Gini coefficient is pegged at 0.31, while the United States is at 0.36.

According to 2006 Family Income and Expenditure Survey (FIES), the income of richest 10% is 20 times the income of the poorest 10%. The net worth of the country’s 10 richest individuals and families in 2006 was equivalent to the combined income of the country’s poorest 9.8 million households, or 49 million Filipinos. According to an ADB study conducted by Ernesto Pernia and Arsenio Balisacan [2002], despite economic growth from 1985 to 1997, the poorest 20% of the population only improved their income 0.5% for every 1% growth in average income.



¹Forbes Magazine. 2010.

²The Gini coefficient is basically a measure of inequality of income distribution – starting from zero, the closer to one the coefficient is, the more unequal distribution. Technically, the ratio of the area between the Lorenz curve (graphical representation of the cumulative distribution function of the empirical probability distribution of wealth, often used to represent income distribution, where it shows for the bottom x% of households, what percentage y% of the total income they have) and the diagonal (the line of perfect equality) to the area below.

Property Regime and Inequality

Qualitatively, much of the link between inequality and poverty can be explained by what can be called as the “property regime” of an economy and its effects on economic rationality. According to the mainstream economic thought, resources should go where they will be optimally used – and, according to the same theory, only through an economic regime of private property can such optimality be achieved³. As the theory goes, redistribution mechanisms to reduce inequality but violate private property are thus inefficient and un-optimal. What the mainstream thus forward is an economic and regulatory regime that protects private property, even at the expense of equity or justice.

This is crucial because inevitably, the economic decision-making process in our current society is a function of property. Those who own a particular asset or income streams are given the decision-making on how to utilize those assets and income and who benefits from such use. The “private property regime” assumes that individuals are rational, and the aggregated decisions of individuals (not necessarily made collectively) result in economic rationality – one of the primary factors in development.

The importance of the “property regime” for development cannot be more emphasized, because in the end, only three prevailing questions remain: Who decides who gets what? By what means and goals are such decisions made? Do the decisions induce progress and ensure decent life for all or not? These questions bring home the point: Inequality, being inseparable from poverty, is also equally inseparable from the question of property.

Population Growth and Poverty

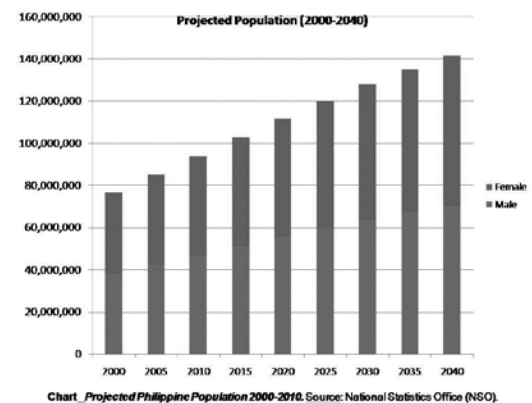
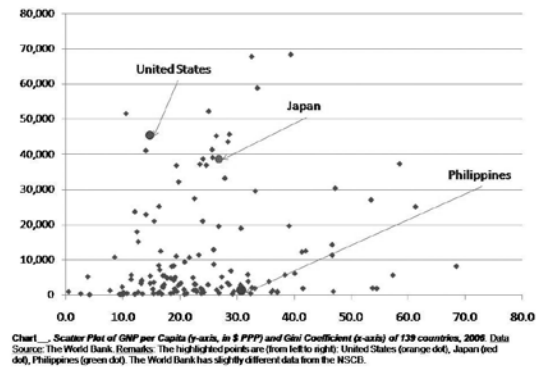
With an estimated population of about 92 million people, the Philippines is the world’s 12th most populous country. The population growth rate from 1995 to 2000 was 3.21% but has decreased to an estimated 1.95% for the 2005 to 2010 period. The median age is 22.7 years with 60.9% of the population aged from 15 to 64 years old. Life expectancy at birth is 71.38 years, 74.45 years for females and 68.45 years for males.

With slow GDP growth, average annual GDP growth per capita for the period 1966–2007 remained at a stand-still of 1.45% in comparison to an average of 5.96% for the East Asia and the Pacific region as a whole and the daily income for 45% of the population of the Philippines remains less than \$2.[UNDP, 2009].

This presents an unprecedented problem. With the unchecked population growth rate, we are expecting a population of 141.67 billion by 2040, a 50.7% increase from 2010’s estimated population of 94.02 billion. This means that economic growth must grow by 50.7% in 30 years just to maintain the GDP per capita, or 1.4% a year. While average GDP growth is much higher than 1.4%, the pressures due to climate change, global economic crisis, expected oil peak, and other hosts of compounding difficulties will make it difficult for the government to address the population problem just by growth.

This does not include the fact that growth, as presented earlier, is not equitably distributed. Population growth, if not accompanied by economic growth (and if the economic growth is not accompanied by employment generation) would push millions of Filipinos more down the poverty and misery line.

Scatter Plot (GNP per Capita \$ PPP, Gini Index - 2006, 139 countries)



³Some economists even posit that high inequality is a necessary condition for generating rapid growth. Examples include Walter Galenson and Harvey Leibenstein (“Investment criteria, productivity, and economic development”, August 1955) and Gustav Ranis (“Development and the distribution of income: Some counter-evidence”, September-October 1977). Development economists Michael Todaro proceeded to debunk the claims of these economists [Todaro, 1997].

RECOMMENDATIONS

Executive

1. **Include equality targets in the next MTPDP, on top of growth targets.** The problem of poverty is not just a problem of under-development, but also of staggering inequality in the country. Thus, aside from growth targets, the Aquino administration should include equality targets in the next MTPDP. Unlike growth targets, equity targets are more normative and government-driven. The government should at least target the reduction of the Gini index to its lowest in the country's history.

This means that while the Aquino administration will work towards high growth, this should be balanced by flattening income and raising the assets base of the lower tier of the economy.



2. **Implement Urban and Rural Land Reform and Agricultural Assets Reform.**
 - a. **Finish the long overdue agrarian reform** by completing the targets set in Republic Act 9700 or the Comprehensive Agrarian Reform Program Extension with Reforms (CARPER) Law of 2009 (this will be dealt with more comprehensively in the Agrarian Reform section of this paper).
 - b. **Implement asset reform of post-harvest facilities and trading complexes** and facilitate their transfer to the associative economy, to peasant and consumer cooperatives which have demonstrated internal democratic and participatory processes. This is with the recognition that much of the price-setting power has been transferred to traders and owners of post-harvest facilities, and land reform is not enough.
 - c. **Beyond agrarian reform, craft an Urban Land Reform program that targets government owned and idle private lands that can be redistributed or redesigned as mass settlement areas.** Suspend privatization (including commercial leases) of public lands in highly urbanized areas pending the implementation of a housing strategy for informal settlers.
3. **Facilitate transition to public modes of equitable ownership and management of essential services and major sources of grassroots employment.** Explore Public-Public Partnerships (PPP) in small-scale water system that involves local government units and cooperatives. Strengthen community-based power systems and rural electric cooperatives. Also, existing electric cooperatives should be transformed into genuine membership cooperatives.
4. **Adopt progressive income and wealth taxes, and improve the standard of living of the poor through direct transfer payments and public provision of goods and services.**
 - a. **Steeply increase the inheritance and asset taxes of wealthy families as well as taxes on idle land-holdings.**
 - b. **Adopt a redistributive and progressive fiscal and monetary policy.**
 - i. Steeply increase allocation on social services and prioritize it over urban-based infrastructures.
 - ii. Increase Conditional Cash Transfers (CCT), provide more subsidies for social security and create an unemployment subsidy program.
 - iii. For the Bangko Sentral ng Pilipinas (BSP), enlarge the provision of targeted credit to MSMEs to enable them to load up their capital stock or procure better foreign technology.

5. **Adopt a rational population management policy that ensures a population growth rate that is appropriate for our pace of development and is ecologically sustainable.** This means that on top of the reproductive health and education measures, the government should seriously address the problem of job generation and agricultural productivity. For mitigating the unchecked population increase, the government should aim to manage household sizes to sustainable levels, both vis-à-vis the national and the household income.

However, it must also be put into perspective that population growth tends to have momentum even decades after government intervention. The effects of such population management may in fact be felt only after two generations.

A rational population management plan should also be anchored on the possibility of a “demographic winter”, a period where in due to the drop of fertility rates, a generation would have to bear the burden of caring for two generations of dependents despite its limited size. For this purpose, increasing wages and asset redistribution must be implemented, together with strengthening social security for the elderly.

Ideally, programs of action geared towards development should be financed by the government through its own revenue generation efforts. This is not the case in the Philippines because the government prioritizes debt servicing more than anything else in its yearly budget. The necessary funds for meeting the MDGs are rather sourced through Official Development Assistance (ODA) which only serves to increase the debt stock of the country more than it effectively addresses development concerns. Moreover, the government perennially fails in meeting its own revenue targets, thus further constraining the government to either find other sources of financing or cut public expenditure which inevitably leads to inadequacy and poor quality of basic social services.

Debt Service

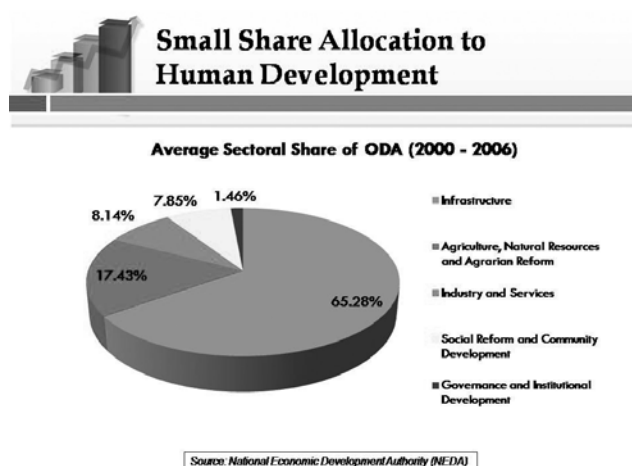
As of May 2010, the debt stock of the country stands at P4.554 trillion. From 1986 to 2008, debt service for interest payments alone already averaged around 25.72% of the national government budget. This is not to mention payments for principal amortization which are excluded from the budget and automatically deducted from new borrowings.

Appropriation for debt payment is guaranteed by Presidential Decree No. 1177. Said law provides for automatic appropriation for the interest payment and principal amortization of government obligations. The policy is replicated in Section 26 (B), Book VI of Executive Order 292 or the Revised Administrative Code of 1987. Because of the Automatic Appropriation Law, debt servicing has been consistently getting the largest percentage in the annual budget notwithstanding Article XIV, Sec. 5 (5) of the 1987 Philippine Constitution which mandates the State to assign “highest budgetary priority to education.” Aside from this, the policy also blindly applies even to those obligations which are known to be illegitimate like the Austrian Medical Waste Incinerator and SEMP2 “Textbook Scam” projects, among others.

Official Development Assistance

One major cause of the huge debt of the country is government borrowing through the so-called “Official Development Assistance” (ODA) from other countries and international financial institutions. ODA is viewed as an important means of financing the attainment of the Millennium Development Goals (MDGs) – in fact it is one of the indicators specified in the 2000 World Summit. Under the Official Development Assistance Act of 1996 or R.A. 8182, an ODA has to have at least 25% grant component and its main objective should be the promotion of “sustainable social and economic development and welfare of the Philippines.”

However, evidence is rife that billions of dollars of ODA inflows to the Philippines failed in meeting its main objective and desired outcomes. Rather, the entry of ODA to the country resulted in the exacerbation of the fiscal and governance situation in the country. Graft and corruption scandals seem to be a permanent feature of ODAs, as was glaringly exhibited in the case of the NBN-ZTE Project. Moreover, what ODA funds that remain are distributed to the more developed areas (National Capital Region, Region III and Region VII) than to those areas in dire need of development funds (Mindanao, Cordillera Administrative Region and Bicol). To make things worse, most of these ODA are in the form of loans (84%) rather than grants (16%).



As to ODA allocation to basic social services, data from the National Economic and Development Authority (NEDA) would show that a huge percentage of the ODA from 2000 to 2006 were allocated to infrastructure (65.28%) as opposed to the measly share allocated to “Social Reform and Community Development” (7.85%). The 2008 and 2009 ODA Portfolio Review of NEDA indicate that infrastructure remain to be the favored sector of ODA funds.

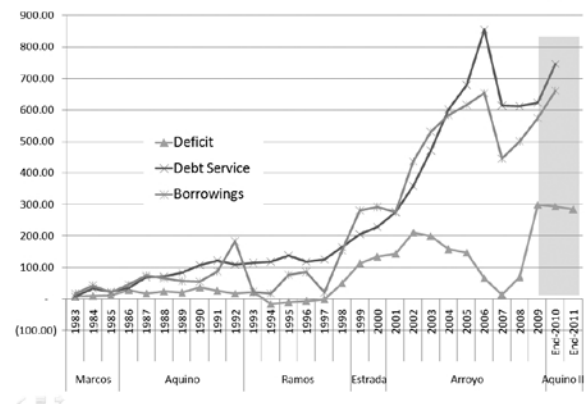
In its 2007 ODA Portfolio Review, the NEDA itself recognized the problem of tied aid and recommended the thorough review of projects financed by tied ODA. The NEDA also urged the funding institutions to provide more untied aid.

Revenues

The Philippine tax effort remains to be the lowest compared to Malaysia, Thailand and Indonesia. Of all the post-1986 government, the Arroyo administration registered the lowest revenue effort to GDP with an average of 15.51%, as opposed to Corazon Aquino’s 15.53%, Ramos’ 18.80%, and Estrada’s 16.30%. This is despite Arroyo’s aggressive taxation policy that gave birth to the regressive Expanded (Reformed) Value Added Tax.

Then again, most of the revenues generated by the government are allocated to debt servicing due to the Automatic Appropriation Law. Thus, it is almost inevitable for the government to incur deficits in its budget. To finance the deficits, the government resorts to further borrowing and privatization. At the same time, spending for basic social and economic services continue to deteriorate.

Borrowings, Debt Service, Deficit (1990 – 2011, in billions)



Looking at the percentage of debt service to export of goods and services, data from the NEDA shows that it dramatically dropped to 9.6% in 2008 from 27.2% in 1990. Such significant drop can largely be attributed to the millions of OFWs who export their services and whose continuous foreign currency remittances to the country made our Gross International Reserves hit a record high of \$48.6 billion as of July 2010. On its face, this indicator would mean that the debt situation in the country is manageable. However, this does not erase the fact that millions of dollars in debt being paid by the government are illegitimate debts. Neither does it mitigate the insufficiency and poor quality of basic social services due to lack of spending as the bulk of the budget goes to debt servicing.

RECOMMENDATIONS

Debt Payments

1. **Repeal the Automatic Appropriation Law for Debt Servicing.** Section 31(B) of Presidential Decree 1177, as reiterated in Section 26(B), Book VI of the Revised Administrative Code, should be repealed in order to allow the Congress to freely allocate resources to more pressing social needs. Aside from restoring to the Congress the power of the purse, this measure would also end the practice of unconscientious lending because it will remove the guarantee of debt payment which takes a blind eye on the effectiveness and efficiency of the loan facility.
2. **Conduct an Official Debt Audit.** While the government keeps a record of its ballooning debt figures, it does not have a corresponding audit of these debts. There is thus a need to ascertain where the borrowed funds were spent and what were the outcomes and impacts they resulted in. The Congress, in pursuance of its power of appropriation, should conduct a comprehensive, official debt audit. Pending the completion of such an audit, payments on obligations challenged as illegitimate should be suspended.

3. **Repudiate blatantly illegitimate debt cases.** This can start with the list of 13 cases of illegitimate debts the Senate and House of Representatives already identified in the Special Provisions on Interest Payments in the Bicameral Conference Report of House Bill 2454, the then proposed 2008 General Appropriations Bill. The debts challenged as fraudulent, wasteful and / or useless are the following:
 - a. The Small Coconut Farms Development Project, as financed by loan numbers 3204-0 PH and 3204-A PH from the International Bank for Reconstruction and Development (IBRD);
 - b. The Austria Medical Waste Project, as financed by loan number 29451000 - Bank Austria 212.060 from the Bank Austria Aktiengesellschaft (Bank Austria AG);
 - c. The Second Social Expenditure Management Program, as financed by loan number 7118-PH from the IBRD;
 - d. The Secondary Education Development and Improvement Project, as financed by loan numbers PH-P200 from the Japan Bank for International Cooperation (JBIC), and 1654-PHI from the Asian Development Bank (ADB);
 - e. The Philippine Merchant Marine Academy Modernization Project, as financed by loan numbers 4306551/199866609 and 3961971, both from Kreditanstalt fur Wiederaufbau (KFW);
 - f. The Telepono sa Barangay Project, Phase I and II, as financed by loan number EDC 880 PHI 7535 from the Export Development Corporation (EDC), and loan I.D. 29463000 from the Credit Comm'l de France (CR COMML DE FRANCE);
 - g. The Power Sector Restructuring Program, as financed by loan number 1662-PHI from the ADB and loan account JEXIM PSR from JBIC;
 - h. The Power Sector Development Program, as financed by loan number 2282-PHI from the ADB and loan account JBIC UNTIED PSDP from JBIC;
 - i. Sixth Road Project, as financed by loan number 1473-PHI from ADB and loan account EXIM 6TH RD PROJ. UNT from JBIC;
 - j. The Angat Water Supply Optimization Project, as financed by loan number PH-P110 from JBIC;
 - k. Procurement of Search and Rescue Vessel from Tenix Defense Pty Ltd., as financed by loan number 29462000 from EFIC IV;
 - l. Pampanga Delta Development Project, as financed by loan number PH-P071 from JBIC; and
 - m. Bohol Irrigation Project Stage II, as financed by loan number PH-P202 and PH-P063 from JBIC;
4. **Review questionable contracts entered by the national government** such as Independent Power Producers (IPP) contracts and rescind those found to be onerous.

Financing

5. **Repeal the outmoded Republic Act 4860 or the Foreign Borrowings Act of 1966** and replace it with a better foreign borrowings law which ends fiscal dictatorship by:
 - a. Regulating Presidential powers to incur obligations;
 - b. Strengthening Congressional role in controlling the debt stock;
 - c. Increasing accountability and people's participation in the process;
 - d. Updating debt cap figures;
 - e. Allowing for repudiation and cancellation of illegitimate debts; and
 - f. Mandating as a policy that foreign borrowings must not in any way stifle national development or impose supply or policy conditionalities.
6. **Enact a New ODA Law** with the following salient features:
 - a. Priority for Human Development in ODA utilization;
 - b. Equitable geographical distribution of ODA, with preference for the poorest provinces and regions of the country; and
 - c. Institutionalized mechanisms for public participation in all aspect of ODA, from planning, to negotiation, implementation, monitoring and evaluation stages.



7. **Amend Sections 295 to 303, Book II, Title IV of Republic Act 7160 or the Local Government Code to regulate borrowings by the Local Government Units (LGUs).** This is not intended to curtail the principle of local autonomy which is the cornerstone of the Local Government Code. This is merely to ensure more stringent regulation by the Development Budget Coordinating Committee and Congress and grassroots participation in the decision-making and implementation of debt-financed local projects.

Revenues

8. **Increase the tax effort of the government** through:
 - a. Plugging the leaks in tax collection, especially through the effective implementation of the Run After Tax Evaders (RATE) program, starting with the “big time” tax evaders ;
 - b. Expanding the tax base by increasing and indexing the tax rates on “sin” and luxury goods and services;
 - c. Steeply increasing inheritance and asset taxes of wealthy families as well as taxes on under-utilized landholdings;
 - d. Further expanding the tax base by taxing church properties and businesses that are not actually, directly and exclusively used for religious, charitable or educational purposes, with the added qualification that for church properties and businesses and non-profit organizations to be tax exempt, they have to pass a public interest test;
 - e. Rationalizing fiscal incentives and removing other tax incentives to corporations, especially off-shore banking units and other foreign corporations in economic zones;
 - f. Raising tariff rates with respect to goods being imported in such increased quantities and under such conditions as to cause or threaten to cause serious injury to the domestic industry; and
 - g. Studying the feasibility of removing the R-VAT, an inherently regressive form of taxation, to pave the way for a progressive system of taxation as mandated in the Constitution.
9. **Issue an Executive Order (EO) declaring moratorium on privatization of state assets** pending a review of the privatization policy. Draft a national plan on increasing the capacity of GOCCs to generate revenue and efficiently deliver affordable services to the public.

Spending

10. **Pass a law automatically appropriating funds to Education.** The United Nations Educational, Scientific and Cultural Organization (UNESCO) prescribes for developing countries the appropriation of 6% of the value of its GNP to education. Given the fiscal realities of the Philippines, this target can be achieved by providing for a calibrated automatic appropriation to education: at least 3% of the GNP by 2011; at least 4% by 2014; at least 5% by 2017; and at least 6% by 2020. Pending the enactment of said law, the DBM should see to it that the allocation for education in its annual budget proposal approximates the abovementioned target figures.
11. **Pass a law automatically appropriating funds to Health.** The World Health Organization (WHO) recommends that developing countries should appropriate a standard of 5% of the value of its GDP to health. Again, considering the fiscal realities of the Philippines, this target can be achieved by providing for a calibrated automatic appropriation to health of at least 2% of the GDP by 2011; at least 3% by 2014; at least 4% by 2017; and at least 5% by 2020. Pending the enactment of said law, the DBM should see to it that the allocation for health in its annual budget proposal approximates the abovementioned target figures.
12. **Pass a law automatically appropriating 5% of the General Appropriations Act (GAA) to mass housing and settlement/resettlement projects for the poor.** More than the boost to the economy that this undertaking will certainly cause, it is primarily aimed at meeting the basic human right to housing and decent living conditions. Again, considering the fiscal realities of the Philippines, this target can be achieved by providing for a calibrated automatic appropriation to mass housing and settlement programs and projects from 0.5% to 2% of the GAA by 2011; at least 3% by 2014; at least 4% by 2017; and at least 5% by 2020. Pending the enactment of said law, the DBM should see to it that the allocation for mass housing and settlement programs and projects in its annual budget proposal approximates the abovementioned target figures.

CHAPTER 5: TRADE, INDUSTRY AND INVESTMENT

Unemployment

One of the primary reasons for poverty in the Philippines is the largely unabated unemployment. From 2.24 million people unemployed in 1988, it jumped to 4.25 million in 2004. Due to the redefinition of unemployment via Resolution No. 15 of the National Statistical Coordination Board (NSCB) approved in October 2004 so as to exclude those who are not seeking work due to the following reasons: (a) tired/believe no work available, i.e., the discouraged workers who looked for work within the last six months prior to the interview date; (b) awaiting results of previous job application; (c) temporary illness/disability; (d) bad weather; and (e) waiting for rehire/job recall, unemployment “dropped” to 2.71 million in 2008.

But just looking at the pre-2005 data, the primary catch-basin for the relatively well-off among workers is overseas employment. Lack of job opportunities or decent wages in the Philippines are among the main reasons why Overseas Filipino Workers (OFWs) are going out of the country, in the first place. From 470,000 in 1988, the number of OFW deployed doubled to almost a million in 2006 – just as unemployment doubled during the same period. Labor exportation policy (LEP) thus evolved from being a stop-gap solution on unemployment (as originated by the Marcos administration, with then Labor Secretary Blas Ople as the brains) to a full-blown “development” strategy for the government.

Premature De-industrialization

It can be shown that, ironically, the Philippines suffered a premature deindustrialization. This is best demonstrated via looking at historical data on the economic structure and comparing the components of the Gross Domestic Product (GDP) – Agriculture, Industry (which includes Manufacturing), and Services as they evolved through time. Historical data would show that Agriculture as an economic sector, despite the Philippines being mainly an agricultural economy, gradually but surely shrank, from 40.4% in 1946 to 15.6% in 2009. Industry which started 20.9% in 1946 peaked at 41.0% in 1981, only to end up at 27.8% at 2009 – with Manufacturing falling from 29.1% in 1974 to 19.4% in 2004. Services, however, which started at 38.8% in 1946, grew to 43.1% in 2004.

This is unfortunate because it is agriculture and industry that is the most labor-intensive among economic sectors. Thus, together with the economy, the labor sector composition radically changed also. The labor force share in Agriculture and Industry declined significantly throughout the years. Meanwhile, the workforce share in the service grew from 34.0% in 1998 to 43.0% in 2005.

Low Domestic Savings, Low Capital Formation

The country is experiencing a steady decline in investment rate, or percentage of capital formation versus GDP. From the peak of 33.4% during the Marcos dictatorship, it has shrunk to its lowest level of 14.65% in 2009. This is very low compared to our neighboring countries. Dr. Raul Fabella of UP School of Economics recently revealed that Indonesia has a rate of 25%; Thailand, 28%; Singapore, 22%; and Vietnam, 38% [Ordinario, 2010]. This can be traced to the fact that our Domestic Savings rate is also steeply falling.

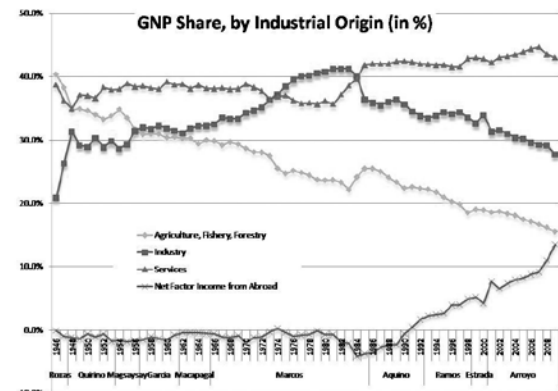


Chart 1. Historical data of GNP Shares, by Industrial Origin 1946-2009, in percentages. Source: National Statistical Coordination Board (NSCB)



Chart 2. Historical data of Gross Domestic Savings and Gross Investments, in percentage of GDP, 1946-2009. Source: National Statistical Coordination Board (NSCB)

RECOMMENDATIONS

1. Adopt a strategic, coherent and activist trade and industrial policy.

The government must establish an industrial development blueprint that vertically integrates industries engaged in raw material extraction with those engaged in the production of finished consumer goods in order to scale the entire value chain, that horizontally integrates firms into strong industrial clusters, and that pragmatically maximizes trade opportunities. This is vis-à-vis trade policies that promotes domestic markets, strengthen national industries, create more jobs and improves welfare.

a. Pursue state-implemented selective industrial policy and strategic development vision.

The government must have an overall strategic development vision, in consideration of what the nation has (supply/resources), and what the people need (demand/market). What industries should be established, and what industries should be phased out – these questions should not be left alone for the global market to decide. Industry fails because market actors underestimate long-term gains of particular activities, and are not adequate to the task of coordinating large interdependent decisions necessary for accelerated and sustainable growth, which failure to do so can result to wastage due to irreversible duplicative investments and overcapacity [Chang and Gabrel, 2004].

Philippines can develop an effective industrial policy, and in fact, the states of various countries have done so, including Japan, Taiwan, and South Korea. They used “infant industry protections, export and other business subsidies, directed credit (in which state-controlled banks provided subsidized credit to designated industries), indicative investment planning, regulation and coordination of industrial investment, and both targeted and general support R&D and training. The world-class automobile, steel, and electronic industries in Japan and Korea, and electronics and chemicals in Taiwan, would not have developed without industrial policy.” Chang and Gabrel also mentioned the aerospace industry of Brazil, which was also state-supported.

Different countries have differing industrialization strategies. Japan and South Korea, for instance, built a “broad industrial base on the basis of strong infant industry protection with the help of an aggressive export strategy”. For the Philippines, well-endowed with natural resources, the Scandinavian model which built an “industrial base that has close links to the resource base” can be explored.

Singapore and Ireland, on the other hand, accomplished industrialization by strategically attracting TNCs in technologically-dynamic, service-based industries [Chang & Gabrel, 2004]. Highly urbanized area in the Philippines can opt to use this strategy, such as metropolitan hubs in Metro Manila, Cebu, and Davao, as a next step from the importation of Business Process Outsourcing (BPO) industry.

The state should purposively intervene to facilitate industrial evolution from Original Equipment Manufacturing (OEM) to Original Design Manufacturing (ODM) to Original Brand Manufacturing (OBM) of its industries. This should be coupled by plans for labor restructuring and support plan for phase-out industries (retooling, re-skilling, adequate compensation).

In the end, it is intrinsic resource supply and extrinsic consumer demand that shapes an industrialization strategy, and so, it is crucial that an industrial strategy “will also seek to upgrade mature or traditional domestic industries (e.g. housing, coco-chemical industry, etc.) even as the country searches for niche opportunities (like electric vehicles and biotechnology, maritime, materials, software, pharmaceutical, and mass transport industries) to which it can leapfrog” [Nemenzo, et al., 2005]. But nonetheless, the industrial strategy must also be able to “innovate value” and produce products and services that creates “blue oceans” or uncontested market spaces [Kim & Mauborgne, 2005].

The government must have an overall strategic development vision, in consideration of what the nation has and what the people need. These should not be left alone for the global market to decide.

b. **Pursue state-facilitated linking of industries via State Owned Enterprises (SOEs) or supported industry players, and Government Financial Institutions (GFIs).**

In a resource-rich country like the Philippines with a large population which can potentially be a base for employment and consumption, it is important to link strategic domestic industries engaged in raw material extraction with those engaged in the production of finished consumer goods so as to service domestic consumer needs, while developing of homegrown but globally competitive industries for niche industrial exports

Establishing industry linkages requires creating both supply and demand – and as such, requires government’s institutional support via subsidies (as large projects require huge frontload expenses) and coordination (because multiple supports may be needed for several industries simultaneously) . The industry by itself, albeit much slower, can actually achieve this. In the Philippines, however, under the current neoliberal framework enforced by several administrations, we have seen industries starting to integrate forcibly delinked by foreign competition, as firms individually tried to link themselves to the global market for access to cheap goods and capital and huge markets.

Our national industrialization strategy should be one that is synergistically linked to the modernization of agriculture and the service sectors. The government can begin with facilitating the increased alignment of Trade Services (27.59% of the Services Sector as of 2008) and the Transport sector (12.59%) with agro-industrial hubs via sponsoring food terminals and crop transport enterprises.



Role of GFIs. The Development Bank of the Philippines and the Land Bank of the Philippines must be reengineered to their original design – as potent tools for agri-industrial development. It must be re-embedded back to the national development planning complex. The Bangko Sentral’s monetary policy must be one that facilitates the growth of a financial sector that is focused on supporting the needs of the agro-industry. This can be done through the traditional subsidized targeted credits, but guaranteeing financial institutions that provide credit for Agrarian Reform Communities, for example, or for industry champions, is also another potent strategy.

Making sure SOEs and supported industries are on-track. The government should set up clear but realistic performance targets for supported industries and even SOEs and the accompanying incentives system to accomplish such. Japan, for example, used subsidies in order to induce local content increases. Reward and punishment mechanisms must be put into place. This was the failure of the Macapagal administration in the 1960s when it unilaterally raised tariffs in order to protect industry without having a clear objective in mind but protection. Since the tariffs are neither performance nor time-bound, both the performing and non-performing were protected.

2. **Pursue a coherent, balanced, and pro-Filipino trade policy that serves industrialization objectives.**

a. **Protection for Industrialization**

Protective trade barriers either via tariffs, quotas, or subsidies, while having short-run costs (for example, consumers of a particular country can’t purchase the same product at the same price as those who purchase it from industrialized countries, or they can’t purchase them at all) are critical to development and the long-term creation of a vibrant industrial sector which is the foundation of continuing domestic household income.

⁴A particular suggestion would be to convert “export-processing enclaves that merely exploit cheap labor” to integrated and value-creating “regional and provincial industrial clusters” [Nemanzo, et al., 2005].

⁵Unfortunately, “there is no real industrialization strategy or master plan to speak of today. The existing economic program is highly dependent on the investments and technologies brought in by foreign firms, whose business activities have negligible linkages to domestic industries” [Nemanzo, et al., 2005].

Calibrated protection is necessary in order for selected “infant industries” to develop – and this is necessary at first, for a country to have a stable employment base and stable supplier of consumer goods for the domestic market, and later when the industry develops, to serve as the engines of economic growth and improving living standards via exports. The myopic thinking of lowering prices for consumers as the main driver of haphazard liberalization is a recipe for disaster, for the ensuing unemployment (without labor restructuring, as labor-intensive foreign investments are not coming in) is destroying the consuming base itself – making Filipinos dependent on OFW remittances for purchasing power.

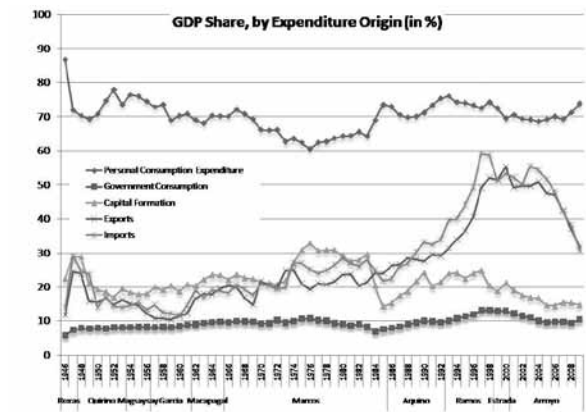


Chart ____ Historical data of GDP Shares, by Expenditure 1946-2008, in percentages. Source: National Statistical Coordination Board (NSCB).

b. Selective Liberalization anchored on Modernization Objectives

Selective liberalization remains to be a powerful policy instrument in raising capital flows and accelerating technology transfers, and a powerful tool to remove inefficiencies (non-performing firms that are vestiges of crony-capitalist days), entrenched rent-seeking capitalists (former cronies with corrupt national and local government ties), and feudal business relations (such as that in the sugar industry, and other cartels); thus, it should not be abandoned.

In fact, it is an important tool to modernize the tools and organizations of national production via transfers of technology and bulk capital. However, it should only be implemented in accordance to the plan to strengthen the industry, and should be seen as a failure if it failed to do such. Trade liberalization can serve the end of technology and capacity diffusion, if only the state enables the economy to “learn” via organizational learning systems in import-substituting SOEs and supported industries.

Executive

- c. **Suspend service liberalization talks under the General Agreement on Trade and Services (GATS) as these are merely targeted to open up the service industries of developing countries like the Philippines.** The government must insist on its inherent right to maintain, develop, and expand basic public services such as healthcare and education, and that this should not be impaired by any service liberalization agreement.
- d. **Suspend talks under the Non-Agricultural Market Access (NAMA) negotiations which will cover all non-WTO goods.** The percentage of unbound products should be a concession in itself and should exempt presently unbound items from the reduction formula.
- e. **Suspend implementation of JPEPA and review other existing bilateral agreements (e.g. RP-China trade agreement). Suspend talks for new agreements (e.g. EU-ASEAN FTA) which do not consider the unevenness of the level of development of the contracting parties or that imposes huge developmental costs of the Philippines.** The implementation of the Japan-Philippines Economic Partnership Agreement (JPEPA) should be suspended in light of the fact that the JPEPA embodies numerous unfair provisions against the Philippines, not to mention that on its face the JPEPA violates the Philippine Constitution. No less than the United States and the European Union have expressed before the Committee on Regional Agreements in the World Trade Organization (WTO) that the JPEPA is highly skewed in favor of Japan.
- f. **Include CSO participation as recognized partners in the review of all trade agreements.**

Legislative

Stakeholders groups have consistently raised concerns about the inability of current government structure and processes for trade policy formulation and implementation. Their criticism revolves around four main issues. These (1) the very limited stakeholders participation in the trade policy process (2) the lack of transparency and accountability in many aspects of trade negotiations and trade policy formulation (3) the absence of a comprehensive national trade agenda to guide the country's positioning in FTA negotiations, and (4) the very clear disconnect between trade policies and domestic production realities [TAG].

- g. **Create a Philippine Trade Representative Office (PTRO).** The PTRO can address the limitations of the country's trade policy formulation and negotiation process by consolidating all trade policy formulation and negotiation function into one office. These functions are presently undertaken by different agencies, making it difficult for negotiators to come up with a holistic and concerted negotiating effort in international trade negotiations, across various trade agreements.
 - h. **Strengthen existing Bureau of International Trade Relations (BITR) position within the Cabinet Committee on Tariff and Related Matters (CTRM).** A stronger, centralized body, principally or primarily in charge of trade policy negotiations would be able to curb the turf battles among different agencies, or, at a minimum, prevent them from stalling the realization of trade mandates for negotiators.
3. **Empower an associative economy: local enterprises through institutional support and creation of community and national trade linkages.**

Executive

- a. **Invest in the development of Micro, Small and Medium Enterprises (MSMEs) by providing institutional support.**

This can range from research and development subsidies for small agricultural enterprises to Support MSMEs in obtaining resource and capital inputs (e.g. equipments).

- b. **Link up local and social cooperative enterprises, and MSMEs which focus on tapping community resources and labor, to national industrial champions.**

- Integrate domestic MSMEs – which are more labor-intensive than large firms – to growth areas
- Engage domestic MSMEs for support production services
- Establish strong linkage between the agricultural sector and labor-intensive industries, for example, in food production

- c. **Strengthening Regional Return-of-Service Programs for Public Higher Education Institutions (HEIs) including State Universities and Colleges (SUCs) and Local Universities and Colleges (LUCs).** Students who are financed through public subsidy should be encouraged to return and assist in the development process of their communities and regions, and should address needs and gaps in technical skills.

4. **Lower power cost via strong state participation towards a rational and participatory energy system.**

The backbone of economic development has always been the power sector – as such, its development as a sector is indispensable to economic and social success. Since much of the energy industry can be classified as natural monopolies, the state should intervene so as to remove inefficiencies and corruption, mitigate market failures, ensure accessible and inexpensive energy to households and businesses, manage electricity demand, and facilitate citizen's participation in energy supply and demand planning.



The state should intervene in order to develop an appropriate power system conducive to economic and social development. The state should be a strong player in the energy sector in order to set the pace and direction of private sector initiatives. This necessitates state investments in the power sector, especially in renewable energy, to ensure reliable and inexpensive access to electricity and sustainability. This is with the perspective of developing a new power system that is able to align sustainable and ecologically sound power supply with the needs of the industry, households, and agriculture.

Executive

- a. **Create, via an Executive Order, a Presidential Task Force to review Republic Act 9136 or the Electric Power Industry Reform Act (EPIRA) on the following issues:**
 - Cross-ownership provision
 - Universal charge, specifically on Stranded Debts (SD) and Stranded Contract Costs (SCC)
 - Security of power supply, and the Power Development Plan (PDP)
 - Mandate, composition, and fiscal status of the Energy Regulatory Commission (ERC)
 - Privatization proceeds of Power Sector Assets and Liabilities Management (PSALM)
 - Appropriateness of Wholesale Electricity Spot Market (WESM) as operated by Philippine Electricity Market Corporation (PEMC) given the absence wholesale competition
 - The Transmission Corporation (TRANSCO) franchise
- b. **Suspend the further sale of power plants and other assets in the power sector pending the consummation of the Presidential review.**
- c. **Form a Presidential Power Price Task Force, with participation from the civil society and people's organizations, which will investigate the reasons behind, and recommend possible solutions to, the high power rates.**
- d. **Halt the expansion of Wholesale Electricity Spot Market (WESM) as operated by the Philippine Electricity Market Corporation (PEMC) pending a review of the EPIRA, which has failed to make the energy sector more efficient and lower electricity rates.**
- e. **Comprehensively Review and Renegotiate Independent Power Producers' (IPP) contracts, and immediately rescind the apparently onerous ones.**
- f. **Recommend in the Legislative-Executive Development Advisory Council (LEDAC) the filing of, and certifying as urgent if possible, the revocation of the franchise of the National Grid Corporation of the Philippines (NGCP) / Transmission Corporation (TRANSCO).** The sale of NGCP exposes a strategic government asset to private sector ownership and foreign control, with national security implications. This is especially true since among the new owners of NGCP includes the State Grid of China, a state-owned corporation by the People's Republic of China. In addition, the NGCP is a revenue generating corporation that will provide income to government.
- g. **Regain strong state presence in the power industry towards reliability of access and sustainability.**
 - Review the power privatization policy and explore alternative systems
 - Allow for SOE participation and cross-ownership in multiple power subsectors in order to ensure reliability in electricity supply to households and industries.
 - Facilitate a transition plan to move away from emission-intensive power generation systems by investing heavily in Renewable Energy (RE), preferably through climate reparations negotiations
 - Redesign the National Grid and Power Generation System to ensure optimal generation mix and optimal levels of interconnectedness.



- h. **Establish competent, independent, and multi-sectoral regulatory bodies that are re-embedded to socioeconomic and development goals.**

The regulatory bodies, while part of the government, should be immune from political and economic pressure from the power sector capitalists. To be able to exercise their respective mandates, the regulatory body should be technically competent and composed of members from different sectors, including the consumers themselves.

- *Depoliticize the ERC.* Competence and integrity must be the main criteria for the selection of ERC commissioners, most especially its Chairperson.
- *Democratize the ERC.* ERC as an institution, while retaining its quasi-judicial nature, should proactively re-focus itself from merely answering legal questions of rate increases towards meeting more substantive public concerns, such as the question of consumers' capacity-to-pay.
- *Broaden the ERC.* Ensure multi-stakeholder representation in the energy sector's main regulatory agency. In the immediate, the ERC must accord full representation for consumers by giving them at least one seat.
- *Re-embed regulation to society.* Regulation must be pegged on a social and economic plan that ensures socialized forms of pricing that at the same encourages demand management.

To be able to exercise their respective mandates, the regulatory bodies should be technically competent and composed of members from different sectors, including the consumers themselves.

5. **Pursue a policy towards a domestic capital-driven economy.**

Executive

- a. **Implement a Public Grassroots Savings Program.**

Savings provide the vehicle with which 1) the consumers can access goods and services they cannot afford due to lack of purchasing power, and 2) domestic firms can gain capital by borrowing from banks. Thus, the state should be able to mobilize grassroots capital towards developmental needs by providing the avenue for savings. The government should encourage self-organized savings and credit cooperatives and strengthen and democratize the Postal Savings Bank (PSB) to encourage savings.

The government can also tap into resources of middle-income earners and savers by introducing adequate financing instruments. For example, the government can create new instruments like securities with generous interest rates for OFWs and professionals, similar to the flagship project initiated by former National Treasurer Leonor Briones, called the Small Investors Program (SIP)⁶, the main thrust of which is democratization of government securities and empowerment of the small savers. It aims to sell small denominated securities to small savers or the "ordinary person on the street."

- b. **Mobilize foreign currency remittances to invest in strategic investments.**

We can use the overwhelming volume of remittances, not only for the survival of Filipino households, which is a temporary palliative at best, but also for massive domestic capital formation.

Unfortunately, our Government Financial Institutions (GFI) fail to utilize this potential. In fact, the standing policy of the Bangko Sentral ng Pilipinas (BSP) is to incur billions in foreign exchange losses (through open market operations, by buying the dollars off the system) in order to keep the peso from

⁶ Launched in November 1998 with total SIP placement for the year amounting to P8.7 million, total SIP investments for treasury bills reached P694.2 million with 2,598 accounts opened and 8,389 transactions when Briones left the Bureau.

rising further against the dollar, in order to protect export industries and the families of the OFWs from deteriorating income. BSP then lends its dollars to the National Governments which then proceeds to pay, and even pre-pay, foreign debt.

Now that the country is awashed with dollars, it is now high time to use our dollar supply to industrialize. BSP can channel our Gross International Reserves (GIR) as credit to fledging SMEs so they can procure foreign technology and capital goods, or for the government with the caveat that this will be used for the improvement of social services and social service-related infrastructures.

As for the OFWs, they should be encouraged to save via the governments Public Savings program, so they can pool their income (whether in dollars or in local currency as they already exchanged it within) together for more productive endeavors. Cooperative financing can be made possible.

CHAPTER 6: LABOR AND EMPLOYMENT

A productive workforce is indispensable in any dynamic economy, particularly because of its role as a value creator that, upon utilizing capital goods and technology, transforms natural resources into tangible wealth. Furthermore, they do not just create wealth; they also determine the value of that wealth. Members of the labor sector, as income-earners, are also the ones who inject the money back into the economy as consumers. They serve as the consumption base that purchases much of the products created by society and thus determines the products' relative values.

But a well-paid workforce doesn't just serve as production and consumption base – their unconsumed surplus income is also injected back into the economy in the form of savings and investments. In the process they also strengthen the banks and its capital base, allowing the latter to invest in the improvement of the instruments of production. Finally, the workforce is also the base with which the government relies for revenue-generation. Indeed, much of the government's revenues come from employees' income tax returns and consumers' payment of value added taxes.

Sadly, the Filipino labor force is both underproductive and underpaid.



A record-high of 14 million Filipinos (or 34.2% of the labor force) are without jobs (SWS, February 2009). Since 2005, around one in five able Filipino has been jobless. Most of those who have jobs (around 70%) work in the informal sector; they usually work in precarious jobs and earn poverty wages.

The recent global economic crisis further hit the labor sector, displacing around 150,000 Filipino workers. But the problem of displacement goes beyond the economic crisis. Contractualization, company bankruptcies, calamities, and other reasons beyond the control of workers make labor displacements very common in the Philippines. Worse, Filipinos who lose jobs need 6 to 8 months to find new jobs (Urban Missionaries Incorporated's study).

There exists a high demand for work due to the relatively high unemployment rate. To be able to meet this demand, the government implements a cheap labor policy in the hope that this would attract and incentivize investment in job-creating enterprises. Experience tells us, however, that such policy results in violation of labor rights at the same time that it fails to bring in the hoped-for employment supply.

To achieve decent work for all those who seek it, there is no substitute for an economy that creates employment opportunities at increasing levels of productivity. There is no substitute to inducing the flow of productive capital to the agricultural sector, where most of the poor and underemployed are to be found. There is no substitute to the growth of local industrial capacities that will make full use of the abundance of land, labor, and talent of Filipinos right here in the country.

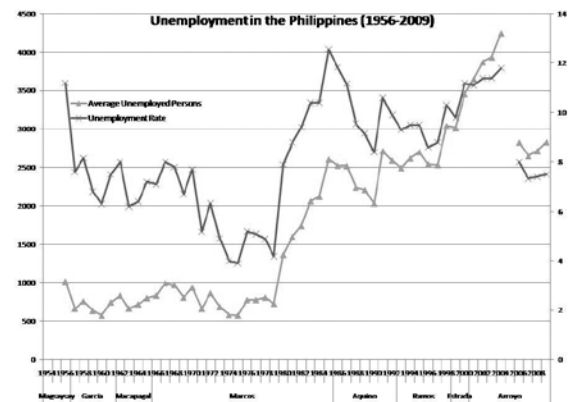


Chart 1. Unemployment and Unemployment Rate 1957-2008. Source: National Statistical Coordination Board (NSCB).

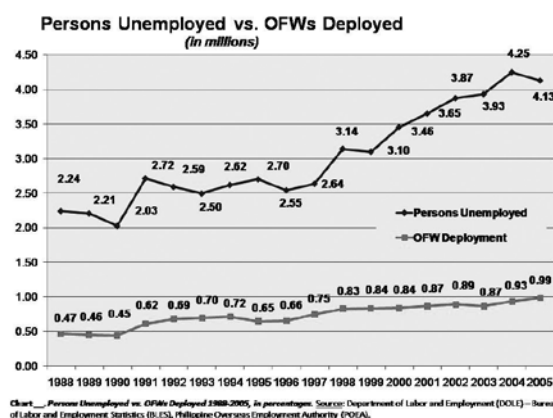
RECOMMENDATIONS

Executive

1. **Adopt a framework on labor and employment that is guided by the principles of full employment, decent work for all and labor justice.** In particular, such framework should:
 - a. Work towards full employment as a central government policy. Formulate and implement an employment guarantee policy and employment generation schemes that would create better job opportunities for workers. Ensure that trade, monetary, fiscal and industrial policies are directed at quality job creation within the country so that working abroad will become a matter of choice rather than of necessity;

- b. Formulate and implement schemes to realize decent work for all. Macro-economic policies that promote labor flexibilisation produce more informal and contractual workers in insecure temporary work arrangements keep labor docile and cheap. This should be ended, and workers and their unions must be protected from corporate restructuring and rationalization within the public and private sectors;

- c. Address the root causes of unemployment and labor repression. Our workers suffer from regressive economic and industrial policies that make job-hunting difficult and uncertain. This, for we believe that decent work for all will be realized in an economy that is industrializing and able to direct investments and talents to the agricultural sector. Our country's continuing failure to industrialize and modernize agriculture, coupled with disasters brought by climate change, has made the country vulnerable to unemployment crisis.



2. **Implement a national employment program to address joblessness.** On this, we recommend the implementation of a Labor-Based Equipment-Supported (LBES) technology, an International Labor Organization-recommended scheme that requires public construction projects to hire more warm bodies instead of renting or buying equipment.

LBES is a shift from the traditional equipment-based technology. It raises the usual labor cost share from 10% to 30%. The P10-billion budget of the Department of Public Works and Highways in 2000 could have employed 45,000, triple the 15,000 in traditional construction (45,000 jobs generated calculated thus: P3 billion or 30% of budget spent on wages. At P270 of average wage payment with 230 working days in a year, produces 44,445 full-time jobs.)

LBES can be designed so as to focus on public infrastructure that ensures the people's basic needs, not just waiting sheds nor arches. Housing is one area. Government (Housing and Urban Development Coordinating Council) estimates a housing need of 3,756,072. Further, the Medium Term Philippine Development Plan of 2004-2010 says that housing has a high multiplier effect, that is, constructing houses means more economic activity.

3. **Adopt a National Rural Employment Guarantee (NREG) program which provides employment on-demand of up to 150 days per year for adults from rural and urban households who are willing but unable to find work.** Aside from providing jobs to the jobless in search of jobs, this employment scheme guarantee transforms public employment from a political tool into a rights-based instrument of the unemployed.
 - a. For the rural areas. Work for this employment program would involve building and repairing irrigation and water-impounding infrastructure systems and other infrastructure projects that can contribute to agricultural development. This addresses poor infrastructure complementary to farming⁷ and eventually low agriculture yield (irrigation means more than one cropping season). As climate change is expected to bring more than the usual 20 typhoons a year, occasional disruptions in livelihoods may become permanent among Filipinos dependent on agriculture. NREG may be a key approach to rural reconstruction⁸ and greater entrepreneurial risk-taking for small farm households.
 - b. For urban areas. A state-sponsored guaranteed employment (also for a minimum of 150 days a year) for every city dweller can focus on community development (community needs-based projects e.g. alley/health care center/public school construction or repair, drainage de-clogging, upgrading of blighted areas) and environmental activities (e.g. cleanup drives and tree planting). Unlike current similar

⁷National Irrigation Administration says that as of December 2008, almost 1.6 million hectares of irrigable lands remain without irrigation

⁸NREG ensures that people have incomes despite the weather. The program is especially important now. Disastrous extreme weather conditions (floods followed by droughts) are not only killing crops, destroying irrigation systems, and keeping farmlands idle. It is also leaving rural workers jobless, impoverished, and potential city migrants. In lieu of work in the farms, incomes from public works for the repair and reconstruction of irrigation facilities should be able to help farmers; and using the LBES technology, more farmers would benefit.

programs (e.g. street-sweeping and grass-trimming on the roadsides) wherein employment is based on patronage politics, employment-on-demand should be institutionalized, with communities and community workers' organizations demanding the type of project they need.

4. **Establish an unemployment insurance program for workers.** This can help address the hardships workers' and their families' experience in the cyclic gap of displacement and employment. Under this program, workers employed for a minimum period shall be entitled to a jobseekers' allowance corresponding to a percentage of the last salary before displacement (e.g. 60%) or depending on the worker's contribution to the program. The program will require mandatory contributions to be shared by the workers and employers, state contribution, and the government's guaranteed commitment to shoulder any deficit. Industrial stakeholders' support is a pre-requisite to the program.
5. **Establish legal / regular organized vending sites.** This would protect sidewalk vendors from the kotong (extortion) they give to law enforcers, and the constant threat of clearing operations. Both have impact on the regularity of their income.
6. **Protect social protection to migrant Filipino workers, wherever their work takes them.** Reverse the OWWA Omnibus Policies and allow inactive OWWA members who have contributed to the \$12-billion OWWA Fund to avail themselves of social service programs of the Overseas Workers Welfare Administration.
7. **Engage relevant stakeholders in undertaking an omnibus review and amendment of the Labor Code, including through tripartite consultations,** with the end in view of dismantling all the anti-labor provisions designed during the Martial Law, taking into account the labor judicial systems, threats to trade unionism, and the welfare and human rights of workers.
8. **Strengthen the protection of labor and trade union rights.** The following measures should be adopted by government:
 - a. Limit the Assumption of Jurisdiction powers of the Secretary of Labor to those in the essential services clearly defined by the ILO;
 - b. Have a Department Order issued defining strike as work stoppage and peaceful, concerted actions as protected exercise of freedom of expression;
 - c. Align the country's labor policies with international treaties and ILO Conventions, particularly those that safeguard core labor standards, as well as the freedom of association and organization and the right to collective bargaining and strike;
 - d. Promote bilateral and multilateral agreements, based on the principles of reciprocity and equality, to ensure migrant workers' trade union and human rights; and,
9. **In the medium term, increase the minimum wage beyond the living wage, raise benefits and wage extenders,** ensure social security that covers health and education expenditures (which cover a huge bulk of a household, and thus workers' income, allowing surplus income), provide affordable mass housing (which also eats up a huge percentage of ages), and ensure the provision of these by enacting a new progressive Labor Code.
10. **Also in the medium term, establish a transition program for the marginally employed.** Government should facilitate the transition of the informally employed sector via provision of universal social protection, reconstituting them as local cooperative enterprises, and supporting the transition of MSMEs to reach core labor standards. In addition, government should also track down labor abuse in the informal labor sec-



tor and facilitate the transition of MSMEs to reach international core labor standards through government support. Available institutional, financial, and educational support for the informal sector should also be increased to create cooperative-mode MSMEs amongst informal workers.

Legislative

11. **Enact the Security of Tenure Bill and a counterpart bill for public sector workers.** This is needed to further strengthen and safeguard the workers' constitutional right of security of tenure.
12. **Enact Magna Carta for Transport Workers.** This will ensure transport workers' rights and address their distinct problems. The Magna Carta must address special needs of workers in the informal transport sector, who suffer from income irregularity, job insecurity, absence of old age pension and health care, etc. This also includes addressing problems on extortion, lack of legal passenger terminals, and oil price hikes. Particular recommendations include: government sponsored PhilHealth coverage for jeepney drivers who provide 20% discount to senior citizens and students; and rationalization of the franchise system in the public transportation industry to stop corruption and ensure efficient service, transparency and the full participation of affected transport workers' organizations and local government units.
13. **Enact a Progressive Labor Code and Standard that provides for meaningful representation and participation in government, industrial associations, and corporate management and proactive state protection of labor rights and regulation of corporate activity.** Such legislation would
 - a. Institute state-enforced mechanisms for Workplace Democracy. This will necessarily give a legal foundation for consultation and bargaining of workers over crucial management and production decisions.
 - b. Strengthen corporate democracy via mandated regular transfer of shares to qualified employees, on top of wage and wage extenders. This is to complement the democratization of the countries' capital base by encouraging workers to re-invest their surplus income.

CHAPTER 7: AGRICULTURE AND AGRARIAN REFORM

The Philippines is still largely considered as an agricultural country. Yet, the agriculture sector contributes merely 20% to the country's total gross domestic product (GDP). In the first quarter of 2010, all sectors posted significant growth except for agriculture. While the agriculture and forestry sector is the single biggest employer among all economic sectors, employing 35% of the labor force in 2008, most of the poor households (about 56.4%) also belong to those engaged in agriculture. These figures simply indicate that in order for the Philippines to meet its development goals, it has to pay crucial attention to the agriculture sector and implement policies and programs of action specifically directed to this critical and sensitive sector.

Three major reasons can be cited for the lackluster performance of the agriculture sector: 1) the dismal implementation of agrarian reform; 2) the export-oriented food policy of the government; and 3) the lack of government support for small farmers and fishers.

Agrarian Reform



Various studies have confirmed that agrarian reform beneficiaries (ARBs) in the Philippines are more productive than non-ARBs. Studies have also revealed that Agrarian Reform Communities (ARCs), when properly established and supported, improve the economic conditions, social capital, civic entrepreneurship and democratic participation of the communities. Thus, it is only logical that agrarian reform continue to be a centerpiece program of the government if it is to achieve sustainable economic and social development.

Republic Act No. 9700 or the Comprehensive Agrarian Reform Program Extension with Reforms (CARPER) was signed into law on 7 August 2009. While this must be considered a victory in itself for agrarian reform, it also indicates that the past administrations have repeatedly failed in completing the Land

Acquisition and Distribution (LAD) target within its original timeframe. As of December 2008, 20% of all lands covered by the CARP remained undistributed. This can be attributed to the failure of the Arroyo administration to achieve its already low target of 100,000 hectares of private agricultural lands per year.

During the Arroyo administration until 2008, Voluntary Land Transfer (VLT) had been the primary mode of land distribution rather than Compulsory Acquisition (CA). However, studies and reports have shown that the VLT scheme was used by landowners to circumvent the CARP – the supposed beneficiaries under the VLTs were actually relatives or tenants or workers of the landowners who are beholden to the latter. These arrangements result into sham VLT contracts and make the distribution of lands through this mode highly questionable. This is the reason that the VLT as a mode of distribution was repealed by the CARPER Law.

Moreover, reports by the Commission on Audit (COA) indicate the proliferation of ghost agrarian reform beneficiaries. The COA also reported that in 2004-2005, CARP funds were diverted to non-ARBs.

Granting that the past administrations have distributed considerably huge tracts of agricultural land, improvements on the poverty situation and productivity of the ARBs have not been measured. In other words, the success of agrarian reform is measured by the government primarily in terms of number of hectares it has distributed in a year, without measuring whether such distribution has made an impact in the lives of the ARBs and the economy at large.

Agriculture

Agricultural production and fisheries in the country are basically geared towards satisfying the needs of the global market. This is adhering to the Ricardian doctrine of comparative advantage, which calls for the abandonment of self-sufficiency in favor of exporting select products. This policy is pursued in order to earn the foreign currency with which to buy our country's needs from the country which can produce it with the least marginal cost.

This policy clearly manifests in the country's increased exportation of its agricultural products at the same time that its importation of the most basic commodities, particularly rice, reached an all-time high. In 2007, the value of agricultural exports amounted to US\$3.35 billion or 27.12% higher than in 2006. Coconut oil remained as the country's top agricultural export. This comprised about 21% of the total agricultural exports. During the first quarter of 2009, the country earned at least P2.37 billion in Crude Coconut Oil exports, P4.83 billion in Banana and plantains, and P500 million in shrimps and prawns. The opposite trend occurs in rice: in 1984 the country imported 191,000 metric tons of rice, but in 2008 it ballooned to 2.1 million metric tons, making the Philippines the biggest importer of rice in the world.

In order to cushion the effect of the imbalance that necessarily results from this export-oriented food policy, the government in its 2004-2010 MTPDP set out to achieve two goals: 1) creating two million new jobs in the agriculture sector mainly through agribusiness development; and 2) increasing production and productivity at par with regional levels. Both goals have not been met. According to the SONA Reports of President Arroyo, about 1.5 million jobs have been generated from agribusiness, 500,000 short of the self-imposed target. Data from the NSO, however, would show that the variance is much larger – the agriculture sector apparently grew by only 679,268 jobs from 2004 to January 2009, contrary to the President's pronouncements.



The new jobs generated did not bring about a corresponding increase in the purchasing capacity of the workers in the agriculture sector. The real wage rate for all farm workers actually decreased from 2005 to 2006, with sugarcane workers receiving the highest wage rates at an average of P133 per day only. Compounded to this situation is the increase in the prices of basic goods, the rates of which are higher than the core inflation. From 2007-2008, the prices of agricultural products have risen to 29% at most.

With respect to the goal of crop intensification, the yearly production of palay, corn, mango, coffee, tobacco, livestock, and poultry products actually fell below the annual targets. Land productivity for palay and corn is also decreasing over time, meeting only 11% and 22% of their 2008 targets, respectively. One major factor for these is the inefficient delivery of support services, particularly irrigation and credit facility. Less than two thirds of the irrigable lands are actually serviced by the NIA, with the increase in irrigation systems being provided by private irrigation systems as encouraged by the NIA. As to credit facility, it appears that it is not the small farmers who benefit from agricultural loans of the government because of the latter's tedious requirements.

On top of this all, the agriculture sector is also riddled with graft and corruption. Perhaps the most prominent of this is the Joczoc Bolante Fertilizer Fund Scam, with the funds intended for fertilizers apparently diverted to the campaign spending of President Arroyo in the 2004 Presidential elections. Funds for support services under the CARP were also reportedly diverted to non-ARBs. Currently, anomalies in the importation of rice by the NFA under the President Arroyo have been discovered by the new administration.

RECOMMENDATIONS

Agrarian Reform

Executive

1. Fully implement Land Acquisition and Distribution (LAD) targets and reforms in the CARPER Law.
2. Identify and publicize the ten (10) largest private landholdings under CARPER, as well as the largest landholdings per province, in order to speed up the agrarian reform process and build up public pressure on the landholders.

3. Set a deadline for redistributing the Hacienda Luisita as a sign of political commitment to complete agrarian reform.
4. Review all land distribution carried out through VLTs and redistribute those that are found to be spurious or fraudulent.
5. Develop and institutionalize a monitoring / evaluation system that measures success in agrarian reform through the indicators of productivity, income and poverty incidence among agrarian reform beneficiaries, rather than mere number of hectares distributed.
6. Ensure that funding for support services delivery under the CARPER Law is focused on credit and irrigation, particularly in favor of small-scale farmers.
7. Ensure the protection of the rights of indigenous peoples and strengthen their claim on their land through recognition of their ancestral domain claim and other instruments.
8. Stop all land conversion of prime agricultural lands and cancel conversion plans which have not been implemented, with the agricultural land brought back on the land reform plan.

Legislative

9. Enact a National Ecological Land Use Act, which prioritizes the use of prime agricultural lands with existing and potential irrigation source for production of rice, corn and other food crops.

Agriculture

Executive

1. **Adopt a policy framework of Food Sovereignty.** This framework for food sovereignty should recognize the human right to food and the right of peoples to determine their own system for food, agriculture, livestock and fishery, protected by being determined by international market forces. It also ensures quantitative and qualitative basic nutritional requirements of present and future generations, promotes sustainable agriculture, and reduces the vulnerability of the agriculture sector and sub-sectors, especially women, to socio-economic and climate risks. Furthermore, it allows genuine and active participation of farmers' organizations and civil society representatives in all levels of decision-making in agriculture and food and agrarian reform.
2. **Declare a policy of food self-sufficiency in line with the overarching policy of food sovereignty.** Pursuant to this, the government should target growth in rice production by 2.5 million metric tons more come 2012 and, in the same year, eliminate the importation of rice. To achieve this, the following are urgently needed:
 - a. **Production Subsidies**
 - i. Increase subsidies for inbred seeds, indigenous varieties and farmer improved seeds and remove subsidies in hybrid rice.
 - ii. Increase share in the agriculture budget of programs and strategies for sustainable agriculture and climate change adaptation.



- iii. Support adaptation technology and measures that are non-GMO to cushion impacts of climate change.
- iv. Review and strengthen mandates of government financial institutions towards increasing access of smallholders to affordable credit.
- v. Reform and strengthen crop insurance for small farmers to cushion the impacts of climate change and price volatilities. See to it that the Philippine Crop Insurance Corporation (PCIC) performs its mandate and prioritizes the most vulnerable.

b. **Irrigation and Water Management**

- a. Review the national irrigation strategy and the capacity of the National Irrigation Authority (NIA). Pending such review, halt the rationalization of NIA and the closure of its national and provincial field offices. The transfer of management of public irrigation systems to private entities should likewise be stopped pending the review of public-private partnerships in irrigation service delivery.
 - b. Allot regular funds for irrigation repair and flood control in view of the increasing impacts of climate change.
 - c. Review Asian Development Bank and World Bank projects in irrigation that push for the privatization of national and local irrigation systems, and cancel those found to be disadvantageous to public interest.
 - d. Increase budget for the construction of new irrigation systems to cover 150,000 hectares unserved areas and full rehabilitation and repair of existing facilities servicing around 800,000 hectares. Ensure the achievement of annual targets through appropriate and timely monitoring and audit measures.
 - e. Declare a moratorium on irrigation fees in areas devastated by droughts, floods and other natural calamities, pending repair and rehabilitation of the facility.
 - f. Ensure participation of farmer and irrigation association (IA) representatives in the NIA Board of Directors.
-
- c. **Agricultural Extension.** Strengthen and expand agriculture extension programs. Strengthen support for extension programs of the Local Government Units (LGUs) through revitalizing farmer field schools and other participatory extension methodologies encouraging farmers to become active participants and innovators in technology development process rather than mere beneficiaries or end users of generated technologies and input subsidies. The Department of Agriculture, in coordination with the Department of Interior and Local Government (DILG), should capacitate the LGUs in agricultural development.
 - d. **Research and Development.** Increase public investments in publicly run R&D institutions. Focus on research and development of sustainable and non-conventional agriculture. Provide adequate support and budget so that researchers and scientists will not need to receive funding from agro-chemical corporations which necessarily results in conflict of interests and compromises.

3. **Agriculture Marketing, Price Stabilization and NFA**

- a. Stop measures to privatize NFA. Increase NFA budget allocation to enable it to procure palay at fair price at a volume that can influence domestic price of palay.

- b. Strengthen regulation and intervention in domestic trade to stabilize rice prices. Strictly implement the Anti-Cartel policy.
- c. Reduce and end importation of rice within two years. Rice buffer stock should be sourced from domestic production. NFA should establish both local and national rice reserves in cooperation with farmer cooperatives and community organizations.
- d. Increase farmer representation in the Inter-agency Committee or IAC which identifies and estimates annual rice production, supply, and demand and decides on the quantity of annual rice imports. Farmer representation must be at least 1/3 of the IAC.

4. **Regional and International Trade**

- a. Suspend the implementation of the JPEPA. This is in light of the fact that the JPEPA embodies numerous unfair provisions against the Philippines, not to mention that on its face the JPEPA violates the Philippine Constitution. No less than the United States and the European Union have expressed before the Committee on Regional Trade Agreements in the World Trade Organization (WTO) that the JPEPA is highly skewed in favor of Japan.
- b. Review all existing trade agreements and terminate those that unduly disadvantage the country's interests and undermine the people's economic and fundamental human rights.
- c. Suspend the negotiations for new trade agreements pending the finality of the review of existing ones.
- d. Review the government's commitments under WTO-Agreement on Agriculture (AoA) and raise import tariffs on key commodities to revive ailing industries like vegetables, onions, broiler, hog and livestock.
- e. Include CSOs as recognized partners in the review of all trade agreements.

5. **Agribusiness Expansion, Foreign Direct Investments and Biofuels**

- a. Stop conversion of farmlands for production of biofuel crops pending review of the National Biofuels Act.
- b. Stop mining exploration and operations affecting farmlands, ancestral domain lands, water resources and marine and aquatic resources.

6. **Declare a moratorium on large land leases pending review** starting with those facilitated by the Philippine Agricultural Development and Commercial Corporation (PADCC).

- a. Scrap land leases that undermine the country's food security and the rights of farmers and indigenous people to have access to and control over their land.
- b. Abolish the PADCC if it is found to be facilitating the transfer and consolidation of land in favor of foreign companies.

7. **Resolve the Coco Levy Fund issue in favor of small coconut farmers and farmworkers, with the perspective of developing the coconut industry.** In particular, considering its huge potentials and increasing global demand, the coco coir industry must be supported and maximized through policies and programs that establish enabling mechanisms, intensify research and development, assist in developing and expanding local and export markets, and provide tax incentives and financial assistance.

8. **Resolve speedily graft and corruption cases in agriculture** like the Jocjoc Bolante Fertilizer Fund Scam and other similar cases. Moreover, the following should also be undertaken:

- a. Thorough audit and investigation of the subsidies granted to farmers on inputs like fertilizer and seeds before and during the rice crisis of 2008. Officials involved in corruption should be prosecuted;
- b. Thorough audit and investigation of the use of irrigation funds since 2001 amounting to P79 billion specifically the crisis response facilities in irrigation in 2009 amounting to P17.5 billion;
- c. Thorough audit and investigation of the rice subsidies by NFA during the rice crisis in 2008 and 2009 and the rice importation and distribution scheme; and
- d. Allow representatives of farmer organizations and civil society to participate in the audit and investigation of the abovementioned cases and other similar undertakings.

CHAPTER 8: FISHERIES

From 2007 to 2009, the total number of classified water bodies, principal and small rivers increased from 596 to 632. Of these, the number of protected and uninhabited water having watersheds remained at 5, while the largest increase was in the number of water bodies classified as fishery water for propagation and growth of fish and other aquatic resources or for boating or for manufacturing processes after treatment. Policy developments include the passage of the Philippine Clean Water Act of 2004 (RA 9275) providing for a comprehensive water quality management and sustainable development program; increased monitoring and inspection of firms along and within catchment areas of water bodies in compliance of effluent standards, including the distribution of wastewater discharge permits and notices of violations.

In terms of proportion of fish stock within safe biological limits, a 2005 World Bank study on the country's coastal and marine resources reveal that the total number of fish caught per unit of time (which measures fish abundance) has been on a decline, indicative of severe overfishing and the use of destructive fishing methods (e.g. use of dynamite and cyanide). The deterioration of major fishing areas and the devastating effects of climate changes is estimated to affect 2 million fisher folk who are dependent on coastal resources. As such, there is a need to push for sustainable fishing.



RECOMMENDATIONS

Executive

1. Adopt and implement community based coastal resource management (CBCRM) as a core principle and strategy in coastal and fisheries resource management and development.
2. Review (to make it climate-adaptive and gender-responsive), adopt, implement and allocate funds for the Comprehensive National Fisheries Industry Development Plan. Said plan is a 25-year development plan initiated by the Department of Agriculture-Bureau of Fisheries and Aquatic Resources (BFAR), providing for capacity building, provision of sustainable livelihoods, and rehabilitation and protection of coastal and marine ecosystems, among many others.
3. Complete the municipal fisheries registration process to include women fishers (based on the definition in the Magna Carta of Women) and the designation of docking areas near the fishing grounds.
4. Issue a new Department of Agriculture Administrative Order (DAO) that ensures the immediate delineation of municipal waters using the archipelagic principle, and provide sufficient budget for the implementation of said DAO.
5. Enact into law the Fisheries Code amendatory bill which seeks to amend the definition of municipal waters to incorporate the archipelagic principle.
6. Mainstream coastal climate change adaptation plan in local fisheries development plans and resource management plans based on the vulnerability and risk assessment.
7. Call for a moratorium in issuing new foreshore lease agreements (FLAs). Remove foreshore lands from the list of priority areas for investment.
8. Issue a Joint Administrative Order providing guidelines for the establishment of fisherfolk settlement areas.

9. Review current institutional capacities of existing fisheries governance structures (i.e. BFAR and N/MFARMCs) in the context of effective implementation of development plan for the fisheries industry, and implement a comprehensive capacity building program for FARMCs.
10. Provide Social Protection Program for municipal fishers especially women fishers being one of the most vulnerable sectors (e.g. social insurance, livelihood, post-harvest facilities, credit facilities, etc.)
11. Develop a decommissioning program to reduce commercial fishing efforts (reduce current number of commercial fishing vessel to 50%) based on the results of the National Fisheries Stocks Assessment Program of the BFAR-NSAP.
12. Conduct an inventory of Fishpond Lease Agreements and issue policy guidelines on restoration / reversion of idle and abandoned fishponds back to its mangrove form.
13. Provide a mechanism to ensure 40% representation of women fishers in national and local management structures as stipulated in the Magna Carta of Women.



CHAPTER 9: URBAN POOR

As of 2005, more than 60% of the country's population was reported to be residing in urban areas, with a third of these living in slum and squatter settlements. Among the urban population, the trend has generally been improving in indicators that measure the conditions of urban slum dwellers, particularly access to water (10.87% in 2006) and sanitation (7.45% in 2006) and proportion of urban population living in makeshift housing (1.94% in 2006). However, the proportion of informal settlers has been increasing, from 4.08% to 5.42%. Meanwhile, disparities persist in areas such as regions IV-B, VI, VII, CAR and ARMM with low access to safe water; all Visayan regions and regions IV-B, V, and ARMM with low access to sanitary toilets; and regions IV-B, V, X, XII, NCR, and Caraga with highest number of people living in makeshift housing. These figures exclude the number of people displaced from their homes and who have added to slum population because of disasters such as the two typhoons in 2009, Ondoy and Pepeng.

Recent policy and program developments related to the issue of urban slum population include: (i) EO 272 creating the Social Housing Finance Corporation which is mandated to cater to the bottom 30% poor population; (ii) BSP Memorandum Circular No. M-2008, which has provided a total of Php217 million through its financing facility; (iii) the National Shelter Program; and (iv) the Community Mortgage Program.

However, a review of the accomplishment under the previous administration reveals an emphasis of the government's social housing program on distant resettlement as the main strategy for dealing with urban homelessness and absence of secure tenure, which has tended to exacerbate rather than reduce poverty. This is because poor families' access to jobs and sources of livelihood is severely disrupted when they are resettled to distant sites. Moreover, the provision of essential services such as water, electricity, schools, affordable transport, and health clinics is also generally poor in resettlement sites. Often, the newly relocated communities have to wait four to six years before these services are provided at an acceptable level and quality. In the meantime the people have to suffer losses to human capital in the form of disruptions in schooling and health problems. They also incur additional financial costs for transport and medical/health expenses.

In contrast, slum upgrading and in-city relocation through the Community Mortgage Program (CMP) and land proclamations contribute positively to poverty reduction because they preserve the poor people's access to jobs and basic services. Yet these two programs have performed poorly compared to resettlement.



RECOMMENDATIONS

Executive

1. **Establish a National Slum Upgrading Framework.** Shift the emphasis of the social housing program away from resettlement in favor of slum upgrading through CMP and presidential land proclamations. Toward this end, CMP lending policies must be reviewed and reformed to ensure full release and utilization of the unreleased Comprehensive and Integrated Shelter Financing Act (CISFA) funds by 2011. The distribution of Certificates of Entitlement to Lot Allocation (CELAs) in the proclaimed sites and the issuance of new presidential land proclamations for the government-owned lands recommended by HUDCC must be expedited. The adoption of this framework will also help rationalize all efforts for urban renewal through target-setting and implementation of an appropriate incentive scheme for CSO / cooperative and private sector participation.
2. **Emphasize in the housing framework that addressing the housing issue goes beyond physical housing and involves establishing decent and livable settlements.** This will require investment in the poor's capacity to engage in settlements planning, management, as well as livelihood enhancement. Furthermore, the development framework must proceed from the principle that the poor are the workforce of cities and that they have the right to remain in the cities. Fighting poverty in cities therefore means protecting the poor's access to jobs and livelihood in the cities.

3. **Increase the housing budget from the present 0.5% of the total budget to 2% and eventually to 5%**, allocating the needed funds to speed up the distribution of proclaimed lands and to provide the legally mandated resettlement assistance to all families affected by infrastructure projects, danger areas, and court-ordered evictions.
4. **Review the interest rate structure of Pag-ibig** with a view to minimizing the risk of subsidy leakages (i.e. to non-poor borrowers availing of the subsidized interest rate for socialized housing) and maximizing CSO / cooperative and private sector participation in social housing finance.
5. **Aim to cover at least 70 percent of the housing need (or double the previous target) in the next MTPDP and provide appropriate incentives to CSOs, cooperatives and the private sector**, so as to progressively reduce the housing backlog over time. Government must improve the methodology for estimating the housing need and determining the populations in need of housing assistance by involving local government units (LGUs).
6. **Localize and decentralize the housing delivery system by empowering LGUs to assume the primary responsibility of addressing the housing needs of the poor.** Support and fund LGU capacity building for urban renewal and socialized housing delivery, taking into account City Development Strategies (CDS) in planning policies and programs for slum upgrading, and prepare comprehensive land use plans that consider risk-sensitive land use planning. This should be linked with the risk management and vulnerability reduction component of the Strategic National Action Plan 2009-2019 on Strengthening Disaster Risk Reduction in the Philippines for planning and management of human settlements.
7. **Strictly enforce environmental laws in planning, designing, and implementing social housing projects** to ensure ecological integrity and the safety of the residents. Land use policy and housing development plans must be subjected to impact assessments that look into disaster risk reduction and climate change impacts.

Legislative

8. **Enact a National Ecological Land and Water Use Act. The National Land Use Act** has been pending in congress for almost two decades. This legislation is necessary to regulate the development and management of the land resources of the country, balancing the varied needs of different sectors. The National Ecological Land and Water Use Act is an enhancement of this bill, which expands its coverage to include water resources. It also factors in environment and climate change concerns into the planning framework. Much political will is needed to push this in Congress, where various vested interests block the passage of this bill. Thus the inclusion of the National Land Use Bill among the priority legislation of the new administration during his SONA is a positive first step well received by civil society.
9. **Mandate through legislation the establishment of local housing boards**, ensure their institutionalization and operationalization, and create programs that would provide support and incentives to LGUs to take the lead in addressing the housing needs of their constituents.
10. **Pass a law automatically appropriating 5% of the General Appropriations Act (GAA) to mass housing and settlement projects for the poor.** More than the boost to the economy that this undertaking will certainly cause, it is primarily aimed at meeting the basic human right to housing and decent living conditions. Again, considering the fiscal realities of the Philippines, this target can be achieved by providing for a calibrated automatic appropriation to mass housing and settlement programs and projects from 0.5% to 2% of the GAA by 2011; at least 3% by 2014; at least 4% by 2017; and at least 5% by 2020. Pending the enactment of said law, the DBM should see to it that the allocation for mass housing and settlement programs and projects in its annual budget proposal approximates the abovementioned target figures.

CHAPTER 10: INDIGENOUS PEOPLES

An estimated five million hectares of ancestral domains exist based on combined pending claims for direct application for Certificates of Ancestral Domain Title (CADT) and claims for conversion of Certificates of Ancestral Domain Claim into CADTs. According to April 2009 statistics of the National Commission on Indigenous Peoples (NCIP), close to 2.7 million hectares of land are now actually covered by CADTs and Certificates of Ancestral Land Titles (CALTs), leaving a balance of more than 2 million hectares.

RECOMMENDATIONS

Executive

1. **Fully implement the Indigenous Peoples Right Act and fast-track identification, delineation, titling and registration of ancestral domain claims. The government should enforce the a priori right of IPs within the ancestral lands (over state security and economic development).** Despite existing legislation, an increasing number of IP communities continue to be dislocated from their ancestral domains due mainly to intrusion of large development projects, overlaps with actually existing and / or potential claims of property rights, and conflicts in the implementation of policies on land tenure and resource use. Thus, government must fast-track the processing and issuance of CADTs / CALTs.
2. **Assist IP communities in crafting their ancestral domain sustainable development plans.** Capacity building and technical assistance should be provided to them.
3. **Return the National Commission on Indigenous Peoples to the Office of the President.** The DENR should also be tasked to work with DA, DAR and NCIP on land and tenurial conflicts and overlapping claims involving ancestral lands.



Part of the Millennium Development Goals is the elimination of gender disparity in primary and secondary education, disparity in the share of women in wage employment in the non-agriculture sector and the proportion of seats held by women in national parliament.

Across all gender parity indicators in education, the general trend is that a higher proportion of girls are enrolled compared to boys. This applies to all three levels of education: elementary, secondary, and tertiary. Between 1999 and 2008, gender parity⁹ in the gross enrollment rate (GER) in elementary education has been consistent at 1.0 parity, secondary education at 1.2 parity, and tertiary education at 1.2 parity (from 2005 to 2008). These figures indicate that girls have greater access to education in terms of higher enrolment rates, greater chances of completing primary education, and lower probability of dropping out. In the period 1999-2008, the NER for girls were higher than boys in both elementary and secondary education. For the CSR, completion rate, and dropout rate, girls were also faring better than the boys during the same period. It should be noted, however, despite having higher enrolment rates in elementary education for girls, these enrolment rates have been declining during the said period.



In labor and employment, the number of women joining the labor force is still lagging behind that of men. Data on labor force participation show that the ratio of women 15 years and older who are employed or looking for work ranged between 48.5 and 52.8 while that of men ranged between 78.8 and 83.8. In addition, reports from the Department of Labor and Employment show that a large gap also exists between men and women in terms of formal employment, revealing much about the type of work that women engage in. Being a dominant force in the growing informal economy, women face additional vulnerabilities due to lack of social protection and job security.¹⁰

In terms of government employment in 2008, the total number of female government employees was almost the same as that of male government employees, reaching 632,124 for females and 640,304 for males. While the gender differential had improved between 2004 and 2008¹¹, this hides the fact that government employment actually declined for both sexes. That is, although the ratio of females to males has improved, the improvement is attributed to the large drop in the number of male employees and not because the number of female government employees increased, which in fact, declined slightly.

As of December 2008, women comprised 23.2 percent of occupied elective positions, numbering at 3,037 compared to 14,440 men who have been elected into government. The country has had 2 women presidents, one of them previously serving as a vice-president and is now a district representative of the 15th Congress. In the recent 2010 elections, 2 out of the 12 elected senators were women (adding up to only 3 women senators in the 15th Congress), while only 50 out of 229 elected district representatives were women. This is a slight improvement from the results of the 2007 elections, where only one woman senator was elected and 45 women elected into the House of Representatives.

While gender equality in education participation and cohort survival has been consistent in the last decade, and its 2015 target of eliminating gender disparity in all levels of education already reached, the same cannot be said of women in labor and employment and their participation in politics and governance. Although data on education reveal that girls have higher participation and survival rates in school, these are not translating to higher participation rates in labor, and thus, employment. Furthermore, the number of unpaid workers in family-owned businesses or enterprises has still been on the rise, with the majority being women. These informal workers, reaching an average of 4.16 million in 2009, have no access to formal social protection and are subject to abuses of their rights as workers.

⁹The ratio of girls to boys or gender parity is defined as the number of female pupils enrolled at primary (elementary), secondary, and tertiary levels of education to the number of male pupils in each level. A gender parity of 1 indicates parity or equality between the sexes; parity between 0 and 1 means a disparity in favor of males; whereas a parity of greater than 1 indicates a disparity in favor of females. Source: United Nations. MDG Indicators Metadata. Retrieved from <http://mdgs.un.org/unsd/mdg/Metadata.aspx>

¹⁰Buenaventura, Mae V. (2010). *Filipino Women in the Lead-Up to the 2015 MDG Deadline* (draft). p. 12.

¹¹Buenaventura, *Filipino Women*, p. 7.

Gender-based discrimination¹² is ever present in employment structures and programs, despite the government's adoption of the treaty of the Convention of the Elimination of All Forms of Discrimination Against Women (CEDAW) through the passing of the Magna Carta of Women in 2009 and its commitment to the MDGs. Another development is the adoption of the Human Rights-Based Approach (HRBA) in policy planning and decision-making of the Philippine government, which was the theme of a recent National Economic and Development Authority workshop, concluded in time for the crafting of the new administration's MTPDP.¹³ The impact of both developments in the government's international commitments to gender equality and women empowerment have yet to be seen in terms actual programs and accomplishments that serve the needs of Filipino women.

RECOMMENDATIONS

Executive

1. **Focus on women's human rights as a goal in itself, and not as a means to achieve other goals.** Adopt gender mainstreaming as a tool for effective policy making, NOT as a substitute for targeted women-specific policies and programs.
2. **Implement fully the Magna Carta of Women of 2009.**
3. **Ensure women's participation in participatory mechanisms of the government, as provided for in the Magna Carta of Women.** Women should comprise forty percent (40%) of the representatives in bodies such as NAPC, local development councils and other local special bodies. Government should monitor and enforce compliance of these provisions of the law.
4. **Ask the Commission on Audit to expand and sustain its gender budget audit.**
5. **Generate sex disaggregated data so that policies can be better targeted and more gender-responsive.**

“Gender-based discrimination is ever present in employment structures and programs ...”

Legislative

6. **Enact the Reproductive Health Bill.**
7. **Enact the Anti-sexual Discrimination Bill.**

¹²Buenaventura, *Filipino Women*, p. 24.

¹³Philippine Information Agency. (2010, April). HRBA planning takes root in NEDA. PIA Press Release. Retrieved from <http://www.pia.gov.ph/?m=12&r=R11&y=10&mo=04&fi=p100428.htm&no=05>

As presented in previous sections, many Filipinos experiencing hunger and poverty are in need of immediate relief. It is crucial for government to provide assistance to these people, while waiting for the gestation period of medium and long term development programs. Below are several recommendations.

RECOMMENDATIONS

Executive

1. **Expand the Conditional Cash Transfer (CCT) program for the poorest of the poor, institute safeguards to minimize leakages and ensure linkage with job generation, livelihood and/or asset reform programs.** Given the breadth of poverty, there is a need to expand the Conditional Cast Transfer program of government to address the immediate needs of the poorest families. Furthermore, the CCT program through the conditions required for the transfer also assists in the attainment of development goals in education and health.

Expand CCT...
and ensure
linkage with
job generation

The poor need to be targeted clearly, acknowledging that not all of them are in the poorest regions and belong to certain sectors such as indigenous peoples and people in conflict areas. The National Housing Targeting System mentioned by President Aquino during his SONA must be immediately implemented / strengthened in order to ensure that the cash transfers are received by their intended beneficiaries. Alongside this, a system for randomly auditing beneficiaries must also be set-up to check whether the benefits really accrue to the poorest of the poor. Transparency mechanisms, such as the public posting of the list of the targeted households, would also guard against leakages in the program.

The CCT program should work within a framework of social justice for the poor and have clear and effective linkages to job generation, livelihood and/or asset reform programs (agrarian reform, fishery reform, ancestral domain) to ensure that the poorest families will eventually have a sustainable means to move out of poverty.

The CCT program should also be complemented by supply-side reforms in health care and education so as to avoid policy inconsistency and resource wastage.

2. **Increase PhilHealth coverage among the poorest and most vulnerable sectors and work towards universal PhilHealth coverage.** The Aquino Administration must work towards universal PhilHealth coverage and institute reforms to ensure affordable and quality health care coverage. Specifically, PhilHealth must be enabled to both extend coverage among informal economy workers and strengthen financial protection for members, including the incorporation of preventive health measures in the benefit package. This may be achieved through innovative and sustained partnerships with groups such as cooperatives, POs, NGOs, and micro-finance institutions, changes in the design of the benefit package, and in the way that PhilHealth deals with and pays providers.
3. **Reform the NFA rice subsidy program to consumers, so that it can more effectively target the poor and reallocate funds to support small farmers and provide other social services.** Billions of pesos are poured annually into the National Food Authority (NFA) to support the subsidy being provided in the sale of NFA rice to the public. However, this subsidy does not discriminate from the poor and the non-poor as anyone can purchase NFA rice. The sale of subsidized NFA rice should then be limited to the poor. Identifying the poor should be done in coordination with DSWD, using the targeting system DSWD is currently developing. This would free up billions of pesos which could alternately be used to fund other anti-poverty programs, support for small farmers and basic social services. Also consider revitalizing the “rice for work” program, which could be implemented through parent-teacher associations.
4. **Improve the poor’s access to justice.** Some specific recommendations to help achieve this include the reduction of court fees and the exemption of specific sectoral groups from paying court fees; maximizing alternative dispute resolution mechanisms should in cases involving the poor; and enhancing the education program for judges and other administrators of justice on the issues and laws affecting the poor

CHAPTER 13: ENVIRONMENT

The dominance of a flawed economic and development framework that prioritizes foreign interests is a major hindrance to the general realization of the ideals of Philippine Agenda 21, a long term development plan crafted to attain sustainable development in the country. The policy of resource extraction as a main engine of growth and poor environmental regulation has exacerbated environmental problems and the impacts of climate change. This section tackles several major climate change and environmental concerns that beset the Philippines and are in need of urgent attention and action. These include: Climate Change, Pollution, Mining and Logging, Water and Sanitation and Renewable Energy. Recommendations are provided for each of these issues.

Climate Change

Climate change and environmental degradation have now combined to worsen the natural disasters brought about by typhoons, heavy rains and floods, causing shifts in social and economic trends. The stark reality is that the poor are the most vulnerable and will bear the brunt of climate change impacts. Changes in economic systems will affect them, making access to resources more difficult and further complicating the daily struggle for survival.



RECOMMENDATIONS

Executive

1. **Adopt a national framework on climate change, which prioritizes adaptation over mitigation measures.** Adaptation measures shall be based on equity, in accordance with common but differentiated responsibility; special attention must be given to ensure equal and equitable protection of the poor, women, children and other vulnerable and disadvantaged sectors, as mentioned in the National Framework Strategy on Climate Change. However, this framework's strategy should undergo review as public consultations were not undertaken in crafting this policy document leading to many provisions that are opposed by broad CSO and environment coalitions. In addition, the polluter's pay principle should also be considered in the adaptation measures.
2. **Adopt the climate justice framework as a national policy,** based on the context of Philippine's vulnerability to climate change despite its relatively low contribution to Greenhouse Gases (GHG) emissions, and for the purposes of UNFCCC climate negotiations. The climate justice framework recognizes the responsibility and obligations of Annex I countries to provide full financing and technology needed to enable non-Annex I countries like the Philippines deal with the worsening impacts of climate change – including compensation for losses and damages and costs for adaptation and disaster responses. It also recognized the need for Annex I countries to undertake deep, drastic, and early cuts in GHG emissions through domestic measures (actual cuts) and not through offsets or cap and trade measures. In relation to this, the government should call and advocate for the immediate creation of a New Global Climate Fund under the UNFCCC to function as a mechanism for pooling funds from Annex I countries in compliance with their financial obligations, and for direct access by governments and CSOs, with the caveat that such financing should not be channeled through or managed by international financial institutions such as the World Bank.
3. **Create a national climate fund mechanism** that will serve as a national channel for climate funds with the following features:
 - a. Fiscal autonomy and independence;
 - b. Democratic structure, representation and participation from civil society and affected communities;
 - c. Accountability mechanisms that ensure the equitable allocation, efficient and timely release, and proposer use of funds;
 - d. Transparent and accessible procedures;
 - e. Several facilities and windows to comprehensively cover all adaptation needs;

- f. Provision for immediate adaptation requirements of affected communities and sectors; and
 - g. Not debt-generating.
4. **Institutionalize consultative mechanisms in the Climate Change Commission and other inter-agency bodies involved in climate change** to ensure democratic participation, transparency and accountability in decision-making processes related to climate change and disaster responses. The lack of participatory processes in crafting the National Framework Strategy on Climate Change must not be repeated.
 5. **Complete geo-hazard mapping, which are to be integrated with existing geological maps**, to serve as input to determining appropriate land use given economic and environmental considerations and risks.

Pollution Reduction and Renewable Energy

In 2007, air quality in the Philippines as measured by annual consumption of chlorofluorocarbons (CFCs) declined to 143 metric tons, dropping 76.3% from 603 metric tons in 2006. According to an EMB report, the National Total Suspended Particulates (TSP) Ambient Air Quality improved during the period 2004-2008, however, these levels were still above the national guideline value of 90µg/Ncm. Despite the successes in implementing regulations and policies for improving air quality (e.g. monitoring of stationary sources of pollutants such as industrial firms by the Philippine Environmental Management Bureau (EMB), the Philippine Clean Air Act together with its implementing rules and regulations for mobile sources of pollutants, the Motor Vehicle Inspection system (MVIS), there is an urgent need to address issues such as widespread use of open burning of solid wastes in urban areas, and other practices such as kaingin, burning of agricultural biomass after harvest, and aerial spraying of pesticides.

In terms of waste and toxic chemicals, the number of registered hazardous waste generators increased by 22.4% from 2006 (1,595) to 2007 (1,952). In 2009, although the number of solid waste disposal facilities went up to 7,214 from 3,388 in 2006, the number of sanitary landfills remained substantially low at 30, with open dumpsites still high at 649. Policy developments include the Ecological Solid Waste Management Act of 2000 (RA 9003) which provides for the legal framework on solid waste management to protect public health and the environment, in addition to the mandate of LGUs to pass and issue ordinances and resolutions relating to solid waste management under RA 7160. Despite the number of enacted laws under the past administration's term, the direct impact of these laws on the country's environmental health remains to be seen.



RECOMMENDATIONS

Executive

6. **Monitor implementation of environmental legislation, strengthen regulation and enforcement, and ensure government funding of environmental laws**, particularly the following: (i) National Caves and Cave Resources Management and Protection Act of 2001, (ii) Wildlife Resources Conservation and Protection Act of 2001, (iii) Mt. Karla-on Natural Park (MKNP) Act of 2001, (iv) Philippine Plant Variety Protection Act of 2002, (v) Clean Water Act of 2004, (vi) National Environmental Awareness and Education Act of 2008, (vii) Climate Change Act of 2009 including a national climate action plan, (viii) Organic Agriculture Act of 2010, (ix) Disaster Risk Reduction and Management Act of 2010, and (x) R.A. 10067 Establishing the Tubbataha Reefs as Protected Areas under the National Integrated Protected Areas System (NIPAS), and (x) E.O. 247 which establishes a regulatory framework for the prospecting of biological and genetic resources. The adverse effects and repercussions of any of these legislations should also be reported.

Of the above mentioned laws, climate change adaptation (CCA) and disaster risk reduction (DRR) should remain top priorities in terms of development planning and capacity building at the national and local levels, considering how vulnerable the country is to disasters such as typhoons, flashfloods, etc. With climate change, food security is also threatened by increased temperatures that alter rainfall patterns, which in turn, affects agricultural production (e.g. rainfed rice yield) and by frequent flashfloods that damage crops.

7. **Rehabilitate and protect all watersheds, mangroves and marine reserves.** These play an important role in the protection of wildlife and the mitigation of disaster risk. Furthermore, watersheds are also crucial in sustaining water supply for the people.
8. **Establish a multi-sectoral Airshed Governing Board, as provided under the Clean Air Act,** for each of the 18 airsheds specified by the DENR in the National Air Quality Improvement Framework and National Air Quality Control Action Plan. While majority of these air shed governing boards have yet to be convened, and thus air quality improvement and monitoring plans have not been finalized and submitted for funding under the Air Quality Management Fund (AQMF), the AQMF has already reached Php229 million, begging the question where these funds were allocated and raising the need for an audit.
9. **Enhance the Clean Air Act and MVIS through the establishment of an enforcement and regulatory mechanism of vehicle emission testing that will reduce non-compliance, red tape and corruption.** This includes a cross-check of whether emission testing fees collected are converted into allocations for air quality monitoring projects. As for stationary sources of pollutants, a review should be conducted of the policies and systems of the Continuous Environment Monitoring System (CEMS), compliance under which depends on self-monitoring and reporting of factories and other industries.
10. **Strengthen the implementation of the Clean Air Act and the Ecological Waste Management Act.** These have had lax enforcement, leading to the continued operation of “repackaged” incinerators for the disposal of healthcare and hazardous wastes. This underscores the need for strengthening implementation of these laws and of the National Solid Waste Management Commission through capacity building and technical training.
11. **Promote community-managed waste segregation, composting and recycling (including the participation of CSOs and private sector groups) and work towards the immediate closure of existing open dumpsites.** Private entities should also be held liable and responsible for the management and correct disposal of industrial and toxic waste they produce. A National Framework for the Informal Sector in Solid Waste Management should be set up, funded and implemented, to formally recognize and involve informal recyclers in waste management and promote their safe and healthy working and living conditions.
12. **Pursue a national chemical safety policy framework in line with the Strategic Approach to International Chemicals Management,** adopted by the World Summit on Sustainable Development in 2002 This is also closely related to the ratification of the Basel Ban Amendment, which is to prohibit all forms of toxic waste dumping from rich countries like Japan.
13. **Review and strengthen RA 7586 or the National Integrated Protected Areas (NIPAS) Act and hasten the crafting of management plan for each protected area,** including the release of the Integrated Protected Area Fund to the Protected Area Management Board of each protected area.
14. **Prioritize and develop environment-friendly sources of renewable energy and shift the country’s energy mix to become less dependent on coal. Reject the revival of the Bataan Nuclear Power Plant (BNPP).** Also, reject the nuclear energy development option and the BNPP revival bill, other future proposals for nuclear power plants, as well as coal powered energy. Instead, focus resources on the development of renewable energy such as biomass, micro-hydro, wind and solar energy to reduce dependency on imported fossil fuels.
15. **Support and encourage public and private sector investments in alternative and renewable energy sources.** This should be supplemented by a review of the Bio Fuels Act to determine whether it has anti-environment provisions, specifically those pertaining to the use of large areas of agricultural land for biodiesel, leading to food crop production losses. While the Renewable Energy Bill has already been passed

by Congress, its IRR has yet to be finalized, which should provide for an incentive mechanism for investments in clean and green industrial technologies. Public funding for research on alternative energy should also be provided.

16. **Abandon plans to construction large dams, such as the Laiban Dam.** Large projects such as these have severe environmental impacts, which not only hurt the ecosystem but also have high social and economic costs for the displaced human populations.

Mining and Logging

As of December 2008, a total of 319 mining agreements (including Financial or Technical Assistance Agreements, Mineral Production Sharing Agreements, and Exploration Permits) covering 722,000 hectares of mining tenements had been issued or approved by the Philippine government. Out of the 63 priority projects (threatening the remaining 21% of Philippine forest cover), only 23 are operating but these encroach on almost 60% of important biodiversity areas of the country. There are over 2,000 recorded small-scale mines and quarries. Nevertheless, the contribution of the mining sector has been scant, at only 1.4% of GDP (2007), with an even smaller contribution to the labor sector at 0.4% of the labor force. Despite these, there are 2,600 pending applications for large-scale mining with the Mines and Geosciences Bureau (MGB) of the DENR¹⁴, with the government still aggressively pushing for the opening of new mines.



Logging has remained unabated in Sierra Madre, particularly in Aurora and Quezon. Puerto Princesa has implemented a moratorium on logging that is now being proposed for the entire Palawan Island.¹⁵



In 2003, forest cover in the Philippines reached 7.2 million hectares (or 24% of the total land area in the country), a significant decline from the 17 million hectares recorded in the 1930s and only a slight increase from forest cover in 1988 at 6.5 million hectares. As of 2007, 52.6% (almost 16 million hectares) of the country's total land area was classified as forest land. From 615,000 hectares in 2001 to 833,000 hectares in 2007, the area covered by the Integrated Forest Management Agreements (IFMA) and Industrial Tree Plantation Lease Agreement (ITPLA) has significantly risen but these conceal the nature of the permits distributed, which are directed towards forest production activities instead of forest management and protection initiatives.

Between 2006 and 2007, a total 19.8 thousand hectares were added to the total protected areas in the country. This is from the 3.5 million hectares of protected area in 2000 (or 11.67% of the country's total land area). The proportion of protected areas in the country is still low. It is thus recommended to conduct a review of and to strengthen RA 7586 or the NIPAS Act.

RECOMMENDATIONS

Executive

17. **Immediately revoke EO 270-A (Revitalization of the Philippine Mining Industry), and reject the National Minerals Action Plan (NMAP),** which lists priority mine sites that will encroach in almost 53% of ancestral domains and about 60% of protected areas. Other reports have also revealed the extent of how extractive (both mining and logging) activities threaten food security and other livelihoods, violate human

¹⁴PhilDHRRA and Alyansa Tigil Mina. (2009, June 1). *Issue Paper on Large-Scale Mining* (submitted to the Liberal Party).

¹⁵Green Coverage, page 3.

rights, and displace indigenous peoples and minorities. A review of all anomalous and controversial mining contracts is thus in order. Related to this is making public all existing mining applications and contracts to promote transparency and accountability, and increase citizen participation.

18. **Declare a nationwide moratorium on the approval of new large-scale mining operations**, during which forest line delineation and a national land use plan must be developed and implemented. In the case of potential areas for mineral exploration, a comprehensive natural resource valuation must be performed, to determine viability based on alternative land use options and environmental impact.
19. **In support of this, ordinances and resolutions issued by LGUs to protect their environment, including moratoriums on large-scale mining projects and bans on open-pit mining must be recognized and upheld**, as well as increase LGU capacity for monitoring and reporting on these. In addition, linkages of LGUs and CSOs with the appropriate and effective regulatory agency or office within the DENR (without conflict of interest) should also be strengthened.

Legislative

20. **Enact the Sustainable Natural Resource Management Act.** This provides environmental safeguards and alternative uses of target mineral lands.
21. **Enact the Sustainable Forest Management Bill.** This is also needed to promote sustainable forest ecosystems. The pending national land use policy should also underscore the importance the protection of forest lands. It is also proposed to include imposing a 25-year nationwide ban on commercial logging, adopting community-based forest management as the national framework for forest ecosystem management (with financial, technical, institutional and legal support), and conducting a massive “rainforestation” and rehabilitation of abandoned mining sites.

Water and Sanitation

According to the National Statistical Office, there has been steady progress in terms of access to safe drinking water and sanitary toilet facilities from 1990 to 2008. Latest data show that the proportion of population with access to clean and safe water sources reached 84.1 in 2008, up from 81.6 in 2007 while access to sanitary toilet facilities went up from 87.9 in 2007 to 89.0 in 2008. But these figures mask underlying problems such as the lack of sewerage and wastewater treatment and coverage in many areas in the country, leading to contamination of groundwater sources. Disaggregated data show that regions VI, VII, IX, and ARMM have the lowest proportions of population with access to safe water, while regions V, VII, VIII, and again, ARMM have the lowest access to sanitation. These regions are also the regions with the highest incidence of poverty, highlighting the link between poverty and access to basic amenities.



Policy developments include the enactment of RA 9275 mentioned above and EO 279 (Instituting Reforms in the Financing Policies in Water Supply and Sewerage Sector and for Water Supply Services). Government programs related to water and sanitation include the past administration’s President’s Priority Program on Water (P3W) funded by the DPWH, and managed by the DOH and the Local Water Utilities Administration.

RECOMMENDATIONS

Executive

22. **Strengthen the regulatory environment and increase support for water and sanitation service providers** to improve service quality and delivery, ensure accountability, and make more efficient use of resources. An efficient monitoring system of water and sanitation programs and initiatives must also be established at the local level.

23. **Increase public spending on water (water supply, and not just irrigation and flood control) and sanitation infrastructure** to provide access to communities that still do not have access to water. There should be a more accurate definition of “access” (e.g. community toilet vs. private toilets, safe and potable drinking water vs. availability of mineral/filtered water services) as well as the institutionalization of an effective system of monitoring progress in improving access to water and sanitation.

Legislative

24. **Enact legislation recognizing access to clean water and sanitation as a human right.** In July 2010, the United Nations General Assembly passed a resolution recognizing water and sanitation as a human right. The Philippines must follow and pass national legislation recognizing the same right to water and sanitation. The right to water entitles everyone to sufficient, safe, acceptable, physically accessible and affordable water for personal and domestic uses.

Across-the-Board Recommendations

25. **Increased budget allocation for environmental sustainability**, particularly for climate change adaptation, disaster response and risk reduction, reforestation, protected areas and biodiversity conservation, renewable energy systems, ecological waste management, among others. This is crucial to the actualization of environmental policies and plans of the national government.
26. **Improve data management.** The accuracy and reliability of data collection and reporting of indicators of environmental health and sustainability, such as, access to improved sanitary facilities must be enhanced before any concrete plans can be made for environmental programs and policies. There is also a need for disaggregated data, as data based on national averages tend to mask regional disparities. It is also suggested that a multi-party conduct of environmental statistics be performed to determine actual condition of the country’s environment. Finally, investments in establishing a comprehensive database of information on the country’s environmental condition, specifically the updating of the baseline environment condition, are imperative for sound policy, program and finance formulation and planning.
27. **Require documents such as Environment Compliance Certificates, Environment Impact Assessments, MoAs, mining permits, and other related documents submitted by private entities to be made available on the DENR website.**
28. **Separate the regulatory (i.e. distribution of permits and notices of violations) and the environmental protection functions of the DENR into two distinct line agencies** as there is an intrinsic conflict between these two functions which has often resulted in the prioritization of functions related to resource extraction over environmental protection.
29. **Develop a program that will address graft and corruption in the natural resource sector.** Ensure transparency in decision-making and disposition of revenues raised from extraction, processing, and sale of products derived from nature. Identify and invalidate the illegitimate loan agreements that have negatively affected the environment.
30. **Protect economic, socio-cultural and human rights** by ensuring compensation and remediation is given to victims of environmental disasters (e.g. typhoon Ondoy, Aurora-Quezon flashfloods, Petron oil spill, etc.), stopping the militarization of rural communities affected by mining, logging, energy and other government projects.

CHAPTER 14: EDUCATION

In the last decade, the state of primary education in the country has been on a decline. During school year (SY) 2006-07, the net enrolment rate (NER)¹⁶ reached 83.2 percent, the lowest it has been in the last two decades. While the NER increased in the next two school years (84.8 percent in SY 2007-08 and 85.1 percent in SY 2008-09), the improvement has been minimal and will not be enough to achieve the 2015 target of 100 percent net enrolment rate in primary education.¹⁷

Another indicator is the cohort survival rate (CSR), which measures the proportion of enrollees in Grade 1 who reach Grade 6. The CSR has been rising from 70.0 percent in SY 2005-06 to its highest level of 75.4 percent in SY 2008-09. Nevertheless, this implies that twenty five percent of pupils were unable to reach the Grade 6 level in that last school year. The proportion of pupils completing elementary school is even lower, with almost 27% of Grade 1 entrants unable to complete the Grade 6 level during the same year. While the completion rate has generally followed the trend of the CSR, the completion rate reached only 73.3 percent in SY 2008-09, a modest increase from 68.1 percent in SY 2005-06. Related to the cohort survival rate and completion rate is the dropout rate. During SY 2008-09, the average elementary dropout rate was at 6.0 percent, with the Grade 1 level having the highest dropout rate among all levels.

The figures above indicate that socio-economic condition is a major determinant of enrolment and survival rates. Higher participation and survival rates are found in urbanized cities where local governments that have more capacity to support schools through the Special Education Fund.

From 2004 to 2009, a total of 75,584 new classrooms were constructed and 52,536 new teacher items were created, these were only able to address school resource requirements but failed to respond to special needs of children in different and difficult situations.¹⁸ To augment declining school enrolment especially for those which basic education is not readily accessible, alternative modalities are made available through the Instructional Management by Parents, Community and Teachers (IMPACT) system and the Modified In-School Out-of-School Approach (MISOSA). The adoption of National Competency-Based Teacher Standards (NCBTS) and the School Readiness Assessment (SReA) since SY 1995-96 for Grade 1 entrants to determine their readiness for formal schooling, which includes an eight week curriculum and the proposal to include pre-school education into the basic education cycle, are two initiatives of the government that could lead to better quality of education.

Against the large numbers of new school buildings and teachers, there are still high pupil-teacher and pupil-classroom ratios in some areas, despite the national average being on target. NEDA has identified some of the external factors such as poverty, poor health, peace and order, and prevalence of child labor that run counter to the efforts of the government in raising school enrolment and survival ratios.

RECOMMENDATIONS

Executive

1. **Institute measures that will strengthen Local School Boards.** Local school boards can bring together local communities and key players in the public school system in discussing the state of local education, which can be the basis for positive and informed collective action. They can also serve as entry points for greater and more meaningful stakeholder participation in the delivery of public education services. Regular grassroots consultations are important avenues for multi-level and multi-stakeholder assessment of where a locality is in the journey to build better schools.



According to former Naga City and current DILG Secretary Jesse Robredo, the LSB seems well represented on paper; but in reality most of them are not functioning well. Decision making has been confined to this eight-person board where most often, “educational priorities” are being defined by the Board’s two most powerful members: the local chief executive and the division su-

¹⁶NER measures the number of children enrolled in elementary school as a percentage of the total children of official school age (7-12 years old for the period 1991 to 2000 and 6-12 years old from the year 2001 until the present) for elementary.

¹⁷National Economic and Development Authority (NEDA). Philippines Fourth Progress Report on the Millennium Development Goals (draft—05/31/2010).

¹⁸NEDA, 4th Progress Report.

perintendent. Because of its limited involvement, the LSB budget is used mostly for discrete and disparate activities, particularly infrastructure and regular sports events. Thus, there is a need to strengthen the LSB and develop them to become genuine mechanisms for community participation in education.

2. **Work with Local Governments to build more schools to deal with the continuing classroom shortage.** The program should establish more schools with smaller populations (particularly high schools) so that teachers, students, and parents can form a real learning community. The Special Education Fund of the local school boards should be tapped for this school expansion (classroom-building) strategy.
3. **Improve data collection and reporting and including disaggregated data.** The Basic Education Information system must be improved to provide timely and accurate information that is crucial for DepEd management to make properly informed policy and resource allocation decisions. There is also a need for gender disaggregated data collection to better understand gender disparities in education outcomes and help devise policies and programs that will help improve education outcomes for boys.
4. **Add two years to basic education by SY 2015-2016** to catch up with the rest of the world. Total investment over the next six years (up through Budget Year 2017) will be close to P100 Billion or P20 Billion a year for 5 years to build the additional schools and classrooms, hire more teachers, procure more textbooks, supplies and equipment, and provide more maintenance and other operating expenses for the two additional years.
5. **Promote the use of mother tongue-based education in the first three years of primary education** to help alleviate language barrier problems that hinder learning in preparatory levels of education.
6. **Bring back technical vocational education to high school.** The technical-vocational track should be returned to high school as an alternative to the university-preparatory track. High schools all over the country should be equipped to offer technical-vocational electives that are consistent with local development plans. The investment costs for this will have to be determined and estimated based on local development plans.
7. **Set-up a universal pre-school sub-system in all public and private schools nationwide by SY 2015-2016.** Pre-school is not a requirement for Grade 1 nor is it compulsory. Research findings reveal that children that attend pre-school tend to (a) stay in school (because of parents' interest in early schooling) and (b) have higher achievement (starting with earlier reading rates). Therefore, pre-schooling is a critical start to the schooling cycle: it provides socialization and preparation for learning which is critical to the success of childhood schooling.

The required investment for additional infrastructure, new teachers and workbooks is in the vicinity of P41.4 Billion. If done incrementally over the next four years, this will cost from P9.6 to 11.1 Billion a year.

8. **Ensure that every child passing pre-school must be a reader by Grade 1.** To support this, the Department of Education must build a library infrastructure in all school districts (if not in all schools), procure reading books from the Philippine publishing industry to support local authors, and train elementary teachers on how to teach reading.
9. **Strengthen Science and Math proficiency of students** by putting in place a strong science and math curriculum that starts as early as Grade 1 with instructional materials and properly trained teachers must be put in place by SY 2012-13. To build a culture for science and math in our schools, the science / math clubs and elementary, high school science / math fairs must be revived, expanded and strengthened.
10. **Provide training to improve teacher competency.**

Legislative

11. **Pass a law automatically appropriating funds to Education.** The United Nations Educational, Scientific and Cultural Organization (UNESCO) prescribes for developing countries the appropriation of 6% of the value of its GNP to education. Given the fiscal realities of the Philippines, this target can be achieved by providing for a calibrated automatic appropriation to education: at least 3% of the GNP by 2011; at least 4% by 2014; at least 5% by 2017; and at least 6% by 2020. Pending the enactment of said law, the DBM should see to it that the allocation for education in its annual budget proposal approximates the abovementioned target figures.

CHAPTER 15: HEALTH

The 2004-2010 MTPDP stated that “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.” Targets were identified and programs were created to improve health care in the country and ultimately the overall health status of the population.

Generally speaking, the health status of the Philippines has improved in the last decades as evidenced by longer life expectancy at birth, lower maternal mortality ratio, lower child and infant mortality rates and better health outcomes in the management of many important diseases. However, progress has been slow. In terms of health outcomes the Philippines is lagging behind its neighbors in Southeast Asia and Western Pacific regions.

An even more disturbing feature of the country’s health situation is the increasing disparities in health status among population groups based on income and geographic origin. Residents of rich urban communities in Metro Manila, Cebu and Davao have health outcomes akin to those of developed countries (e.g. LEB over 80 years, IMR less than 10, MMR less than 15). Poor rural communities in Bicol, Samar and ARMM on the other hand have health outcomes that approximate those of the least developed countries (LEB under 60, IMR over 90, MMR over 150). Poor urban communities do not fare as bad as their rural counterparts but still show indicators that are from two to five times worse than their urban rich counterparts. The blatant inequity of the Philippine health care system becomes more pronounced when coupled with the results of a global health survey showing that Filipinos in the D and E socioeconomic classes did not purchase medications in the 4 week survey period compared to those in class A. The strongest indictment about the state of the Philippine health service delivery is the fact that six out of ten Filipinos who die, die without any health professional attendance.



RECOMMENDATIONS

Executive

1. **Emphasize primary health care, including support for barangay health workers and local medical health professionals (midwives and nurses).** Also, fast track the accreditation of health facilities.
2. **Work towards a universal health care system, including Universal PhilHealth coverage and increased share of PhilHealth share of medical costs,** to effectively eliminate the inequities in health that the nation continues to struggle with. PhilHealth must be enabled to both extend coverage among informal economy workers and strengthen financial protection for members, including the incorporation of preventive health measures in the benefit package.

This system will ensure that every Filipino, when he or she gets sick, has access to needed health care, with minimal or no co-payment. It will be government-led as reflected in health financing and regulation based on health needs rather than market forces. It will be characterized by integration rather than fragmentation with true people’s participation in the definition and management of priority health services. To provide the integral framework for this, the next MTPDP health targets must focus on achieving Universal Health Care with the integrated and interconnected elements of: Health Financing, Health Service Delivery (Hospitals and Public Health), Good Governance and Health Regulation. Universal Health Care may start with a defined set of health benefits with no or minimal co-payments that are gradually expanded as the Health Benefit Fund increases.

3. **Review the inter-local health zones and strengthen the referral mechanisms among different health facilities across LGUs and integration of Maternal, Neonatal, Child Health and Nutrition into the municipal and provincial investment plans for health.** Such efforts are needed to help integrate the currently fragmented health care system, linking provincial programs and health services to those of cities and municipalities.
4. **Implement effectively the Cheaper and Quality Medications Law, the Maximum Drug Retail Price Executive Order, the Food and Drug Authority Law and the Generics Act of 1988.** These laws were enacted with the objective of reducing the cost of medicines and their impacts can be magnified with proper implementation. Government must even go beyond this to ensure affordable and quality medicines by, among others, increasing and sustaining awareness and support for the use of generic medications not only among consumers but also among physicians, nurses, pharmacists and health professionals as well.
5. **Provide appropriate neonatal, child and maternal health packages to reduce health mortality.** To complement this, there should also be increased advocacy targeted at mothers to encourage them to get prenatal, natal, and postnatal care. At the same time, competent health professionals should be made available and accessible to provide these health care needs to mothers nationwide. There should also be an institutionalized mechanism for the referral of women with complicated pregnancies or those with complications arising during and after pregnancy.
6. **Increase involvement of development partners and NGOs/CSOs in policy formulation, regulation and supervision, financing and service delivery.** Involvement can be in any of these areas: direct management of health facilities and services, clinic adoption, impact area approach, air-drop of resources approach, health system/institution building, construction, rehabilitation, capacity building, upgrading of facilities, supply of inventories & equipment, technical assistance, financing. At the local level, people should participate in local health development planning through the local health board and local development councils. Health planning should also consider the health needs of indigenous peoples and consider the culture of traditional medicine.
7. **The Department of Health should play a stronger role in the testing of food and drugs for safety,** and work with other agencies in reviewing the risks associated with genetically modified foods and agricultural products sprayed with harmful pesticides. Appropriate preventive measures should be taken to address these health risks. This should also be complemented by stricter labeling laws to better inform consumers.
8. **Re-orient the training of public health professionals towards the “Health for All” paradigm under primary health care and encourage the return migration of health professionals by ensuring adequate compensation and increasing availability of career opportunities in the country.** Funding should be provided for the Magna Carta of Health Workers.



Legislative

9. **Pass a law automatically appropriating funds to Health.** The World Health Organization (WHO) recommends that developing countries should appropriate a standard of 5% of the value of its GDP to health. Again, considering the fiscal realities of the Philippines, this target can be achieved by providing for a calibrated automatic appropriation to health of at least 2% of the GDP by 2011; at least 3% by 2014; at least 4% by 2017; and at least 5% by 2020. Pending the enactment of said law, the DBM should see to it that the allocation for health in its annual budget proposal approximates the abovementioned target figures.
10. **Provide for the eventual automatic enrolment of every Filipino in PhilHealth through an amendment in the law governing PhilHealth.**
11. **Enact the Reproductive Health Bill.**

CHAPTER 16: PEACE AND DEVELOPMENT

For almost four decades now, the Philippines has suffered armed conflict on two major fronts: the insurgency of the Communist Party of the Philippines - New People's Army - National Democratic Front (CPP-NPA-NDF); and the Bangsamoro liberation front of the Moro Islamic Liberation Front (MILF) and Moro National Liberation Front (MNLF). The peace processes undertaken to address these ideology-based armed conflicts have been likewise protracted, marked by on and off negotiations and have made uneven progress.

The inclusion of a chapter on "National Harmony: the Peace Process" in the 2004-2010 MTPDP is significant because it affirms that peace processes leading to the end of major armed conflicts has a significant contribution to reaching development goals. The Philippine Human Development Report of 2005, focusing on Human Security, aptly highlighted the interconnections between human security and development, including the economic and non-economic costs of conflict. The new MTPDP should again give focus to the peaceful resolution of armed conflict, as was done in the first SONA of President Aquino. As in Chapter 14 of the 2004-2010 MTPDP, the new chapter on the peace process should reiterate the vital links between peace, human security and human development.



RECOMMENDATIONS

Executive

1. **The government should institutionalize and consistently implement a national peace policy that recognizes conflicts as rooted in social injustice, poor governance, and development problems.**
2. **Pursue peace negotiations, but find ways to draw more citizen's participation as well as technical and creative contributions and also recognize a people's right to self-determination.**

On the communist insurgency, resume negotiations and institute social, economic and political reforms in parallel to the negotiations.

As the Philippine Human Development Report of 2005 recommends, three tracks are important for the Moro conflict: 1) Address gaps in and learn from the implementation of the peace agreement with the MNLF, 2) Give the highest priority to negotiations with the MILF, and 3) Delineate terrorism clearly and deal with it firmly without prejudicing the larger peace process.

The recommendations of the "Policy Paper for the Next Administration: Reframing the Peace Negotiations on Mindanao" of the University Network on the Mindanao Question (January 2010) should be seriously considered. These include the following:

- The Mindanao peace process must assume the nature of a national dialogue involving all sectors and peoples
 - There must only be a single peace negotiation process that will resolve the main issue of Bangsamoro autonomous governance, bringing in both the MNLF and the MILF
 - The just settlement of ancestral domain and other land claims through a set of cohesive measures, including effective land conflict settlement mechanisms
3. **Prioritize the implementation of the CARHRIHL through convening of the Joint Monitoring Committee.** Ensure protection and promotion of human rights and international humanitarian law, that should help to build more confidence in the peace processes as well as help to lower the levels of violence. The Commission on Human Rights should also be empowered and supported towards a stronger presence at regional levels. Impunity on extrajudicial killings must end.

4. **Seriously consider constitutional reforms such as on political structural changes that will be needed to resolve the armed conflicts.** Towards this, the President should act on his campaign promise to form a commission that would study the various proposals for constitutional reform.
5. **Pursue security sector reform, focusing on democratic and civilian control of the armed forces,** and addressing particularly concerns that hinder peace processes, including the need to disband private armies, CAFGUs and CVOs, and to stop the proliferation of illegal firearms.
6. **Ensure protection of indigenous peoples and their rights especially in conflict areas, and enable mechanisms for their participation in peace processes**
7. **Set-up inter-agency mechanisms with CSO participation to address conflicting land use which is also often a cause of conflict.** This would include DILG, DAR, DENR, NCIP, among others.
8. **Support efforts to address concerns of women in armed conflict** by pursuing the National Action Plan to Implement UN Security Council Resolution 1325 (on protection of women in armed conflict), which has been jointly formulated by civil society organizations and government.

Legislative

9. **Consider enactment of legislation that will set a national peace policy and provide institutionalized mechanisms for its implementation and oversight.** Legislation is necessary to create a consistent and coherent policy framework that will withstand changes of administrations and government officials. This proposal should be reviewed and given due consideration by the Office of the Presidential Peace Adviser.

CONCLUDING REMARKS

In the preceding chapters, the recommendations of civil society organizations for the next Medium Term Philippine Development Plan (MTPDP) were presented, covering many of the issues that are urgent and important for the sector. However, as noted in our introduction, this publication does not claim to provide a comprehensive set of recommendations covering all important issues that should form part of the MTPDP. Nevertheless, much time and effort was poured into the research, extensive consultations and round table discussions involving over a hundred civil society organizations from Luzon, Visayas and Mindanao. As a result, these recommendations present the consensus of a broad range of civil society organizations – NGOs, people’s organizations and cooperatives. In addition, these recommendations have also had the benefit of input from the United Nations Coordination Office (UNCO), bilateral donors and government officials which participated in the Tripartite Conference to discuss these recommendations.

As the Aquino administration rode on the back of people power towards electoral victory, it is hoped that people power will continue to play a vital role in how the administration functions and governs our nation. It is thus with great hope and expectation that these recommendations are presented to the different national government agencies and in particular to the National Economic and Development Authority, which is the lead agency tasked in the formulation of the next MTPDP. We look to NEDA to ensure that the formulation of the next MTPDP is open and participatory, a process wherein recommendations are considered, but more importantly, one wherein proponent civil society organizations are engaged by government in a dialogue. Even if there will be many disagreements on policy and priorities, there is an intrinsic value to government engaging citizens and civil society organizations in a dialogue. Through patient dialogue and continued engagement, government can sustain the support and trust of the organized citizenry, and help build ownership for its program of government for the next six years.

OFFICIAL LIST OF MDG INDICATORS

All indicators should be disaggregated by sex and urban/rural as far as possible.

Millennium Development Goals (MDGs)		
Goals and Targets (from the Millennium Declaration)	Indicators for monitoring progress	
Goal 1: Eradicate extreme poverty and hunger		
Target 1.A: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day	1.1	Proportion of population below \$1 (PPP) per day ⁽ⁱ⁾
	1.2	Poverty gap ratio
	1.3	Share of poorest quintile in national consumption
Target 1.B: Achieve full and productive employment and decent work for all, including women and young people	1.4	Growth rate of GDP per person employed
	1.5	Employment-to-population ratio
	1.6	Proportion of employed people living below \$1 (PPP) per day
	1.7	Proportion of own-account and contributing family workers in total employment
Target 1.C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger	1.8	Prevalence of underweight children under-five years of age
	1.9	Proportion of population below minimum level of dietary energy consumption
Goal 2: Achieve universal primary education		
Target 2.A: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	2.1	Net enrolment ratio in primary education
	2.2	Proportion of pupils starting grade 1 who reach last grade of primary
	2.3	Literacy rate of 15-24 year-olds, women and men
Goal 3: Promote gender equality and empower women		
Target 3.A: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015	3.1	Ratios of girls to boys in primary, secondary and tertiary education
	3.2	Share of women in wage employment in the non-agricultural sector
	3.3	Proportion of seats held by women in national parliament
Goal 4: Reduce child mortality		
Target 4.A: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	4.1	Under-five mortality rate
	4.2	Infant mortality rate
	4.3	Proportion of 1 year-old children immunised against measles
Goal 5: Improve maternal health		
Target 5.A: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio	5.1	Maternal mortality ratio
	5.2	Proportion of births attended by skilled health personnel

Target 5.B: Achieve, by 2015, universal access to reproductive health	5.3 Contraceptive prevalence rate 5.4 Adolescent birth rate 5.5 Antenatal care coverage (at least one visit and at least four visits) 5.6 Unmet need for family planning
Goal 6: Combat HIV/AIDS, malaria and other diseases	
Target 6.A: Have halted by 2015 and begun to reverse the spread of HIV/AIDS	6.1 HIV prevalence among population aged 15-24 years 6.2 Condom use at last high-risk sex 6.3 Proportion of population aged 15-24 years with comprehensive correct knowledge of HIV/AIDS 6.4 Ratio of school attendance of orphans to school attendance of non-orphans aged 10-14 years
Target 6.B: Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it	6.5 Proportion of population with advanced HIV infection with access to antiretroviral drugs
Target 6.C: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases	6.6 Incidence and death rates associated with malaria 6.7 Proportion of children under 5 sleeping under insecticide-treated bednets and Proportion of children under 5 with fever who are treated with appropriate anti-malarial drugs 6.8 Incidence, prevalence and death rates associated with tuberculosis 6.9 Proportion of tuberculosis cases detected and cured under directly observed treatment short course
Goal 7: Ensure environmental sustainability	
Target 7.A: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	7.1 Proportion of land area covered by forest 7.2 CO2 emissions, total, per capita and per \$1 GDP (PPP), and consumption of ozone-depleting substances 7.3 Proportion of fish stocks within safe biological limits 7.4 Proportion of total water resources used
Target 7.B: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss	7.5 Proportion of terrestrial and marine areas protected 7.6 Proportion of species threatened with extinction
Target 7.C: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation	7.7 Proportion of population using an improved drinking water source 7.8 Proportion of population using an improved sanitation facility
Target 7.D: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers	7.9 Proportion of urban population living in slums (ii)

Goal 8: Develop a global partnership for development	
Target 8.A: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system	<i>Some of the indicators listed below are monitored separately for the least developed countries (LDCs), Africa, landlocked developing countries and small island developing States.</i> <u>Official development assistance (ODA)</u> 8.1 Net ODA, total and to the least developed countries, as percentage of OECD/DAC donors' gross national income 8.2 Proportion of total bilateral, sector-allocable ODA of OECD/DAC donors to basic social services (basic education, primary health care, nutrition, safe water and sanitation) 8.3 Proportion of bilateral official development assistance of OECD/DAC donors that is untied 8.4 ODA received in landlocked developing countries as a proportion of their gross national incomes 8.5 ODA received in small island developing States as a proportion of their gross national incomes <u>Market access</u> 8.6 Proportion of total developed country imports (by value and excluding arms) from developing countries and least developed countries, admitted free of duty 8.7 Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries 8.8 Agricultural support estimate for OECD countries as a percentage of their gross domestic product 8.9 Proportion of ODA provided to help build trade capacity <u>Debt sustainability</u> 8.10 Total number of countries that have reached their HIPC decision points and number that have reached their HIPC completion points (cumulative) 8.11 Debt relief committed under HIPC and MDRI Initiatives 8.12 Debt service as a percentage of exports of goods and services
Includes a commitment to good governance, development and poverty reduction – both nationally and internationally Target 8.B: Address the special needs of the least developed countries Includes: tariff and quota free access for the least developed countries' exports; enhanced programme of debt relief for heavily indebted poor countries (HIPC) and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction Target 8.C: Address the special needs of landlocked developing countries and small island developing States (through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly) Target 8.D: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term	
Target 8.E: In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries	8.13 Proportion of population with access to affordable essential drugs on a sustainable basis
Target 8.F: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications	8.14 Telephone lines per 100 population 8.15 Cellular subscribers per 100 population 8.16 Internet users per 100 population

MEMBERS OF THE UNITED NATIONS CIVIL SOCIETY ADVISORY COMMITTEE (UN-CSAC)

- 1) Association of Foundations (AF)
- 2) Caucus of Development NGO Networks (CODE-NGO)
- 3) Consortium of Bangsamoro Civil Society Organization (CBCS)
- 4) Cordillera Network of NGOs and POs (CORDNet)
- 5) Eastern Visayas Network of Development NGOs (EVNET)
- 6) Foundation for the Philippine Environment (FPE)
- 7) Freedom from Debt Coalition (FDC)
- 8) International Center for Innovation, Transformation and Excellence in Governance (INCITEGov)
- 9) Mindanao Coalition of Development NGO Networks (MinCODE)
- 10) Pambansang Kilusan ng mga Samahang Magsasaka (PAKISAMA)
- 11) Peace and Equity Foundation (PEF)
- 12) Philippine Alliance of Human Rights Advocates (PAHRA)
- 13) Social Watch Philippines
- 14) Western Visayas Network of Social Development NGOs (WEVnet)
- 15) Women's Action Network for Development (WAND)

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| 1 Action for Economic Reforms (AER) | 37 Miriam PEACE (Public Education & Awareness Campaign for the Environment) |
| 2 Agri-Aqua Development Coalition (AADC) - Mindanao | 38 NAPC - Basic Sectors |
| 3 Alliance of Progressive Labor (APL) | 39 National Conferderation of Cooperatives (NATCCO) |
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| 8 Center for Community Transformation (CCT) | 44 Partnership for Clean Air |
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| 11 Civil Society Resource Institute (CSRI) | 47 Peace and Equity Foundation (PEF) |
| 12 Coalition for Bicol Development (CBD) | 48 Philippine Alliance of Human Rights Advocates (PAHRA) |
| 13 Caucus of Development NGO Networks (CODE-NGO) | 49 Philippine Business for Social Progress (PBSP) |
| 14 Consortium of Bangsamoro Civil Society Organization (CBCS) | 50 Philippine Legislators Committee for Population and Development (PLCPD) |
| 15 Consuelo Foundation | 51 Philippine Network of Rural Development Institutes |
| 16 Cordillera Network of NGOs and POs (CORDNet) | 52 Philippine NGO Council on Population, Health, and Welfare (PNGOC) |
| 17 Culion Foundation | 53 Philippine NGO Support Program (PHANSUP) |
| 18 Eastern Visayas Network of Development NGOs (EVNET) | 54 Philippine Partnership for the Development of Human Resources in Rural Areas (PhilDHRRRA) |
| 19 Fair Trade Alliance (FTA) | 55 Philippine Rural Reconstruction Movement (PRRM) |
| 20 Family Planning Organization of the Philippines (FPOP) | 56 PILIPINA |
| 21 Federation of Free Workers (FFW) | 57 Social Watch Philippines |
| 22 Foundation for Sustainable Societies, Inc. (FSSI) | 58 Sulong CARHRIHL |
| 23 Foundation for the Philippine Environment (FPE) | 59 Sustainability Watch |
| 24 Freedom from Debt Coalition (FDC) | 60 Task Force Participatory Local Governance (TF-PLG) |
| 25 Gaston Z. Ortigas - Peace Institute (GZO-PI) | 61 Trade Union Congress of the Philippines (TUCP) |
| 26 Generation Peace Network (GenPeace) | 62 Transparency and Accountability Network (TAN) |
| 27 Global Call to Action against Poverty (GCAP) | 63 Urban Poor Alliance (UP ALL) |
| 28 Haribon | 64 Visayan Forum Foundation |
| 29 Health Action Information Network (HAIN) | 65 Western Visayas Network of Social Development NGOs (WEVnet) |
| 30 Human Development Network (HDN) | 66 Women's Action Network for Development (WAND) |
| 31 International Center for Innovation, Transformation and Excellence in Governance (INCITEGov) | 67 Young Public Servants (YPS) |
| 32 Institute for Political and Electoral Reform (IPER) | |
| 33 Institute of Popular Democracy (IPD) | |
| 34 Katutubong Samahan ng Pilipinas (KASAPI) | |
| 35 League of Corporate Foundations (LCF) | |
| 36 Mindanao Coalition of Development NGO Networks (MinCODE) | |

