

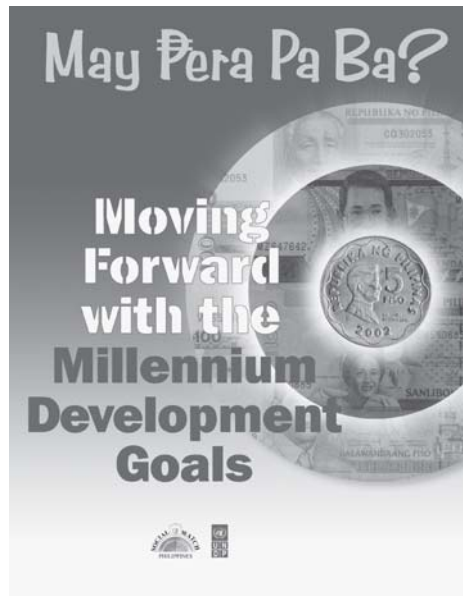
May Pera Pa Ba?

Moving Forward with the Millennium Development Goals



Moving Forward with the Millennium Development Goals: May Pera Pa Ba?

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[Foreword]

Financing the MDGs: May pera pa ba? Kung meron, kasya ba?

This publication is the output of a graduate class project which deserves to be taken out of the classroom and shared with the public.

It all started with Public Administration 239 or Special Problems in Public Fiscal Administration. This is a subject taught in the National College of Public Administration and Governance of the University of the Philippines.

The class decided to focus on a current fiscal challenge: financing the Millennium Development Goals (MDGs). While the MDGs are very well known, not much information is generally available on how these are financed.

The class members further agreed to write papers on the first seven MDGs — poverty reduction, primary education for all, reduced maternal mortality, reduced infant mortality, gender equality, combat HIV/AIDS, malaria and other dreaded diseases, and ensure environmental sustainability.

The eighth goal on global partnership was considered too large as to deserve a separate set of studies. Ms. Jessica Reyes-Cantos, Co-convenor of Socialwatch Philippines was invited to write an essay on debt swaps as a solution to the fiscal crisis.

In the course of doing their work, the researchers realized that the MDGs are underfunded. They decided to bring the issue of financing the MDGs to the public through a forum where they brought together key players from the government, civil society, and the general public.

The success of the forum led to the class decision to publish the papers of the researchers along with the presentations of the government and the reactors.

What it is not

The papers in this publication as a whole make no claim to comprehensiveness. Not all the goals are covered in the publication because of lack of information. Thus, the authors examine specific aspects of the first seven goals.

The papers in themselves are not complete either. They don't cover all the targets in each goal, due again to lack of data. For example, the paper on gender equality is a case study on the financing of gender programs in the Philippine National Police. The paper on environmental sustainability does not cover the broad range of goals on the environment. However, three specific goals on health are the subject of separate papers: water and sanitation, HIV/AIDS, and malaria.

Finally, the papers don't make any claims to original findings. What the writers did was to ferret out data from different sources, interview agency officials, and analyze the information generated.

So what is this publication about?

This publication is about a challenge which should have been confronted soon after the government committed itself to the MDGs. It is inconceivable that such a huge program was launched by the government without really knowing how much it costs and how much is available.

Agencies like the Department of Education and the Department of Health have prepared projections but these are not known by the public. Thus, while the MDG campaign is now in full gear in the Philippines, no one



really knows for certain how much financial resources are required and how much are available. If these are available, are they adequate?

The papers try to give a partial answer to the question.

Secondly, the imperfections evident in the papers point to the urgency of the task at hand and dramatize the need for even more rigorous studies and projections. The papers point to a serious gap, or lack, in the enthusiastic campaign for the MDGs.

Thirdly, inspite of their deficiencies, the papers give information which are very useful for serious supporters and campaigners for the MDGs. The issue of financing is a powerful advocacy tool, as shown by the experience of Social Watch Philippines.

Fourthly, researchers did the papers on their own steam, without funding and support of any kind.

Finally, this publication reveals the vast potential of students particularly graduate students, in generating information and data which the public has to know about.

We hope this publication will help pave the way for more work on financing the MDGs. The best test of the seriousness of government in fulfilling a policy commitment is its willingness to allocate and release funds for implementation. In other words, it must put its money where its mouth is.



LEONOR MAGTOLIS BRIONES

Professor

UP National College of Public Administration and Governance

[Message]

The Philippines has committed itself to pursue the attainment of the Millennium Development Goals (MDGs) by 2015. MDGs are not only targets, but also tools to prioritize pro-poor policies and programs focusing on alleviating poverty, improving health and education services, staging infrastructure and human settlements, promoting gender balance and enabling sustainable environment.

National policies have encouraged and even directed the localization, implementation, monitoring and evaluation of the MDGs in the country. As such, there have been efforts to mainstream and integrate these goals and targets in the national and local policies and programs of the government. However, financing the MDGs remains questionable. Once more, we hear various sectors raising the hard question, “Do we have the money to finance the MDGs?” We have learned from decentralization that “finance follows function.” Without the necessary resources that are adequately allocated, not much development outcomes can be achieved or expected.

It is within this context that the graduate students of Prof. Leonor Magtolis-Briones at the National College of Public Administration and Governance of the University of the Philippines (UP-NCPAG) sponsored the 10th Diliman Governance Forum (DGF) on *Moving Forward with the Millennium Development Goals: May Pera Pa Ba?* on September 30, 2005 in partnership with the United Nations Development Programme (UNDP), the Association of Schools of Public Administration in the Philippines (ASPAP), Social Watch Philippines, Global Call to Action Against Poverty (GCAP), People’s Alternative Study for Research and Education in Social Development (PASCRES), and the UP NCPAG Alumni Association.

The 10th DGF brought in the viewpoints on the issue coming from a fiscal expert, academics, the civil society, executives of the health and education sectors, and a legislator, namely: (1) Prof. Briones, a former national treasurer of the Philippines and an advocate of poverty alleviation; (2) Marivic Raquiza, Consultant, Social Watch; (3) Assistant Secretary Mario Villaverde of the Department of Health; (4) Undersecretary Ramon Bacani, Undersecretary of the Department of Education ; and (5) Hon. Nereus Acosta, Representative of the 1st District of Bukidnon.

Among the key points raised at the DGF were: (1) attaining the MDGs is a challenging task and many, if not most local government units (LGUs) will have difficulty achieving them; (2) financing the MDGs requires substantial amount of resources, which are barely appropriated; for instance, the budgets for health and education are billions of pesos below the requirements; (3) fiscal constraints particularly debt servicing eats up the budget for human development expenditures, and it continues to increase; and (4) the rapid population growth is a foregoing concern. The points raised during the DGF were confirmed and enriched by papers written by the graduate students on the first seven goals essay on debt swaps by Jessica Reyes-Cantos.

Indeed, attaining the MDGs is also a function of effective expenditure management and public service delivery. Moreover, performance and efficiency in public service delivery cannot and should not be underestimated. Well-planned, carefully implemented and responsive programs and projects can indeed result in better development outcomes. Here, the role of LGUs can come into play. If they prioritize their executive and legislative agenda (ELA) exacted with adequate resources, then results can be just around the corner.

Hence, good governance and strong partnerships between and among development partners – national government agencies, LGUs, civil society, the private sector, the schools of public administration – in managing for results towards the attainment of the MDGs are wanting.



ALEX B. BRILANTES, JR.

Professor and Dean

UP National College of Public Administration and Governance



[Message]

Social Watch Philippines is proud to finally see the publication of *Moving Forward with the Millennium Development Goals (MDGs): May Pera Pa Ba?* The book is very timely and should be considered a significant input to the national policy debate about whether the Philippines is on track in delivering on its promises made at the 2000 Millennium Summit and renewed at the World Summit 2005. The promises, consolidated as eight Millennium Development Goals with 18 specific targets, are basically about reducing poverty and inequality.

The book is very pointed about what it wants answered: *May pera pa ba? At sapat ba?* It is a fair question to ask of government because financing is crucial. Promises come cheap and easy. And a good indicator of government resolve is the money dedicated to back up those promises.



In a way, though the questions whether there's still money and if it's enough to meet our country's MDG targets, are rhetorical. There is only borrowed money, to begin with. There is no money for the MDG, if we are talking revenues. Our tax collections are barely enough to service current debt obligations. Here is where more than a third of our budget peso goes.

Years before it happened, the fiscal crisis that the government belatedly admitted to was already raised by Social Watch Philippines' lead convenor Prof. Leonor Briones. She had repeatedly warned the government about its coming, about the consequences of government borrowings running at record-breaking highs while revenues kept falling dismally short. Prof. Briones had pointed out that the debt level was unsustainable.

The country is in a deep bind, caught in a debt trap it cannot hope to outlive for many years to come.

And yet we now know from a 2002 study done by Dr. Rosario Manasan for the UNDP that the country needs a total of PhP221 billion to meet half the MDG targets. These targets are only for basic education, health, and water supply and sanitation based on high cost assumptions of schedules up to 2008, without budget reform.

Financing for the MDGs cannot be sourced alone from current revenues. Considering present generating capacity it would be impossible to produce the PhP221-billion financing requirement spread over the period till 2008, to say nothing about the expense needed for 2009-2015. As things stand, the deficit is being financed by borrowing, and by government projections, this will not stop until 2010.

An alternative would be to look into the country's debt situation and how it has been managed so far. Since the 1983 debt crisis, the country was not able to shake off the specter of debt overhang. Appropriations through the years had been skewed in favor of meeting debt service obligations at the expense of human development priorities. Certainly our leaders will have to account for why a third of our national budget should go to debt service at all.

Our PhP221-billion MDG financing gap is equivalent to 33 percent of our debt to developed nations. A debt write-off would have solved our MDG financing problem outright. But since this is a long shot, government and creditor-nations, both keen on hyping their commitment to MDGs anyway, should at least consider proposals already put on the table. These include debt conversions, debt-to-MDG swaps, write-offs and cancellation of unproductive and odious debts. In other words, restructuring and renegotiation.

Government needs to show as well firm leadership to plug leakages due to corruption and inefficiencies. It must dedicate revenues to priority social development concerns. It has to rationalize the pork barrel, for example, along the MDGs. It must increase the allocation for social development spending to 20 percent or more of the total budget and commit to keep that level of spending even under crisis situations.

To make Official Development Assistance (ODA) more MDG-sensitive, Social Watch Philippines urges the government and donor community to make good on their 20/20 matching commitment of ODA and national budget for social development. The grant component of ODA could be increased from the current 15 percent to at least 30 percent of total ODA and dedicated entirely to basic education, primary health care, water and sanitation, and child development. Converting to grants the estimated PHP30-billion ODA loans in health and education should likewise be explored.

Along this line, Congress needs to call for an ODA audit and trigger the process of debt renegotiation.

For sure, there's money, whether raised from taxes or borrowed from overseas Filipinos and commercial banks or obtained from ODA sources. But what little money is available must be dedicated to social development priorities. Meeting our MDG targets requires no less. Otherwise it's poverty reduction as usual when government should instead be treating poverty as if it were a real emergency.



ISAGANI SERRANO

Convenor

Social Watch Philippines

[Message]

Ten years remain to meet the targets set for the Millennium Development Goals (MDGs). The United Nations reaffirms its strong commitment to support achievement of MDGs by 2015. While the status on the progress of the MDGs worldwide is mixed, one of the challenges since the Millennium Declaration was signed in 2000 has clearly been the common need to address the issue of “financing” for the MDGs.

During the September 2005 World Summit, world leaders echoed their determination to ensure timely and expedient efforts to achieve the MDGs by adopting innovative sources of financing the MDGs. It is in this context that Goal 8 of the MDGs — Develop a Global Partnership for Development— became an important discussion point for reviewing financing options for the MDGs. These options include an increase in, and untied Official Development Assistance (ODA), and enhanced allocations for basic health services, education, nutrition, safe water, sanitation, environment and transportation. In addition, better terms of trade and market access, the creation of decent work and debt sustainability, would engender economic growth and produce more resources for development.

Locally, countries challenged by the MDGs have to likewise look into their national budgets, resources and governance. The Philippines recognizes that the way forward to the MDGs requires investments by both government and key stakeholders. As such, it is imperative to verify funding requirements, determine available resources and funding gaps, and identify pioneering and innovative approaches to mobilize funds.

It is with this perspective that the publication *Moving Forward with the Millennium Development Goals: May Pera Pa Ba?* thoroughly reviews the financing challenges for a country like the Philippines. This document underscores the significant contribution of Philippine civil society to the exploration of financing options for the MDGs, in a situation where fiscal reform is a priority.

This publication from the University of the Philippines National College of Public Administration and Governance (NCPAG) provides timely insights and critical information on the fiscal challenges and requirements for meeting each MDG Goal. It also presents comprehensive data on resource gaps and government budget allocations among focal and support government agencies.

More importantly, the study asserts its recommendations on governance issues, reforms and proposed alternative sources of funding such as debt restructuring, improving tax collection to increase budgets for basic services, tapping the private sector for additional resources, and priority setting in terms of the national and local budgets and resources.

This study is a major contribution to the challenge of making the MDGs feasible and attainable.



A handwritten signature in dark ink, appearing to read 'N. Noble'.

NILEEMA K. NOBLE

United Nations Resident Coordinator

[Acknowledgment]

Writing for the book has contributed to the deepening appreciation by the authors of the realities that challenge the realm of human development and Philippine governance. The writers take pride in being part of a collective effort to sustain enthusiasm in writing and advocating for the achievement of the Millennium Development Goals.

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Finally, the writers also look forward to a continuing partnership with the varied stakeholders and funding organizations involved in genuine human development to ensure that with closer collaborative efforts and the tenets of good governance, this world will be a better place to live in.

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SUMMARY *Paper*

Financing the MDGs: May pera pa ba? Kung meron, kasya ba?

By Professor Leonor Magtolis Briones

Leonor Magtolis Briones is the co-convenor of Social Watch Philippines and is a Professor at the National College of Public Administration and Governance in UP Diliman.

This paper summarizes the presentations which were made during the Diliman Governance Forum, *Financing the Millennium Development Goals: May Pera Pa Ba?* on September 30, 2005 at the National College of Public Administration and Governance (NCPAG).

It also includes the papers which were written by the students of Public Fiscal Administration 239 on seven of the eight MDG goals. This paper follows the format of the forum. The first part analyzes what the government says about how the MDGs are financed. The second part dwells on the comments of the reactors. The last part of the paper summarizes the papers written by the graduate students of Public Administration (P.A.) 239 on the MDG goals. These are examined in relation to the presentations of the government and the reactors.

The paper ends with issues and challenges to financing MDGs in the Philippines.

WHAT THE GOVERNMENT SAYS

Financing the MDGs from the national government budget

The best indication of the government's preferences and commitments is the budget. Policy declarations, grand plans and stirring speeches are fine. If it is truly committed to a policy thrust, the government has to put its money where its mouth is. The government has committed itself time and again to the MDGs. In order to be meaningful, this commitment has to be articulated in the national budget.

The publication for the very first time of budgetary allocations intended for MDGs is a major contribution to the literature on the subject. While the Department of Budget and Management was unable to send a representative to the forum itself, a presentation on the proposed 2006 budget was submitted. The presentation is printed in full to give the readers access to the entire report.

The contribution of DBM to the project is significant. For the first time, DBM identifies allocations which can be linked directly with the MDGs. If only for this, the publication of this book is justified. The information provided is official and DBM officials led by Undersecretary Laura Pascua deserve appreciation for their full cooperation.

The DBM presentation is divided into three parts: gains and challenges; key budget allocations for MDGs; and, strategies to enlarge the budget pie and fund the MDGs.

The first part on gains and challenges need not be summarized since it draws largely from a well-circulated

publication jointly published by the government and the UNDP, **the Second Philippines Progress Report on the Millennium Development Goals**, June 2005.

The most important message of the report is this: it is likely that most of the MDG goals will be attained by 2015, with the possible exemption of the goals on nutrition and hunger. The DBM presentation affirms the report.

The progress report was critiqued by Social Watch Philippines in its publication, **Social Watch Philippines 2005 Report: Race for Survival—Hurdles on the road to meeting the MDGs in 2015**. One of the hurdles identified was financing. Again, this alternative report need not be summarized since it is also a well-circulated document and portions have been presented in many symposia.



KEY BUDGETARY ALLOCATIONS FOR THE MDGS: THE DBM PRESENTATION

General comments

The proposed 2006 budget has finally breached the trillion-peso mark. It is projected at P1,053.3 trillion. Since it has not yet been approved by the legislature, the 2005 budget of P918.8 billion is still in force.

Two factors – the policy framework and the structure of the budget – have influenced the identification of key budgetary allocations for the MDGs. The policy framework for the 2006 budget was personally formulated by the President. The 10-

point program of the President is the basis of the Medium Term Development Plan (MTPDP) and the national budget.

The 10-point program which have been merged into the slogan, **BEAT THE ODDS** consists of the following:

- Balanced Budget
- Education for All
- Automated Elections
- Transport and Digital Infrastructure
- Termination of MILF and NPA Conflicts
- Healing the Wounds of EDSA
- Electricity and Water for the Entire Country
- Opportunities to Create 10 Million Jobs
- Decongesting Metro Manila
- Development of Clark and Subic

The theme of the budget for this year is “Moving the 10-point agenda for socioeconomic renewal and fiscal health.” Obviously the 10-point agenda enjoys top priority in key budgetary allocations. Unfortunately, three of the MDGs are not on the agenda: These are gender equality, health, and environment. It is therefore unlikely that these goals will have equal priority as those which are in the 10-point agenda.

The second consideration is the way the budget is structured. It is difficult to pinpoint MDG-related budgetary allocations since these are integrated with other social expenditures. For example, not all social services are specifically for MDG goals. These are not exclusively for primary education, reduction of infant mortality or for gender equality. They include allocations for other social services as well.

Sectoral allocations

In terms of sectoral allocations, MDGs are located in the social services and economic services sectors, along with other non-MDG expenditures.

It was in 1999 that social services had the highest allocation as a percentage of the budget. Since then, the shares of both social and economic services have been going down even as interest payments have been going up.

This is illustrated by the following table:

Percentage Distribution of Expenditure Program by Sector, 1999 – 2006

Particulars	1999	2000	2001	2002	2003	2004	2005	2006
Economic Services	25.25	24.5	20.18	20.19	20.59	18.06	17.54	18.72
Social Services	33.81	31.21	31.04	29.84	28.79	28.77	28.02	27.91
Defense	5.03	5.31	4.68	5.91	5.39	5.09	4.87	4.98
General Public Services	17.64	17.95	17.15	17.12	17.12	15.93	15.50	15.33
Net Lending	0.09	0.38	1.00	0.78	0.68	0.64	0.84	0.78
Interest Payments	18.17	20.65	25.95	26.16	27.44	31.51	33.24	32.28
Grand Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: BESF

An improvement for 2006 is noted by the DBM. The share of economic services has gone up from 17.2 percent of the budget in 2005 to 18.7 percent in 2006. On the other hand the share of social services has gone up from 27.8 percent of the budget to 28.2 percent in 2006.

Allocations for MDG goals

1. Eradicate extreme poverty and hunger

The DBM identifies specific budget allocations for poverty eradication totaling P9.321 billion. These include KALAHI-CIDSS, The Kilos Asenso Support Fund and the Kalayaan Barangay Program Fund. The adequacy of the allocation for fighting poverty can be appreciated when taken in the context of a P1-trillion budget.

The biggest allocation, at P5 billion is the new special purpose fund, the Kilos Asenso Support Fund. It is the national government fund to support productivity-enhancing LGU projects with the private sector and people's organizations. The objective is growth and employment. If properly implemented, the poorest of the poor might benefit from this Fund.

However, it is also possible that projects that promote growth and employment will not necessarily target the poorest of the poor. It is important that criteria be formulated to select deserving LGUs, assess their project proposals, monitor implementation and ensure accountability.

The second biggest allocation for the eradication of extreme poverty and hunger is the Kalayaan Barangay Program Fund, at P3 billion a year for six years, including 2006. This will fund basic infrastructure in barangays, e.g. access roads, water systems and electricity facilities and school buildings in 600 conflict-affected barangays. Again, these projects will benefit not only the poorest but all the residents of the selected barangays.

The same observation may be made for the P1.168 billion allocated for KALAHI-CIDSS projects. These are largely infrastructure projects for poor barangays. The assumption, it seems, is that all who live in poor barangays belong to the poorest of the poor.

It is difficult to pinpoint allocations specifically aimed at eradicating extreme poverty and hunger because these are intended for entire barangays and even whole LGUs.

Some small programs under this category focus on microenterprises intended to promote entrepreneurship and create jobs like Rural Micro Enterprises Promotion Program and the One Town, One Product Program.

To summarize, there is difficulty in identifying specific allocations which will eradicate extreme poverty and hunger since government programs are not necessarily structured along the MDGs. Thus, programs for infrastructure in the poorest barangays are also included. These tend to be the biggest allocations.

It is also noted that except for the KALAHI-CIDSS program, which includes the provision of survival needs such as food and nutrition for poor Filipino families and communities, most of the identified allocations do not include those for reduction of hunger. These are sometimes subsumed under agriculture and social welfare-related expenditures.

2. Achieve universal primary education

The same difficulty as described is also observed in the identification of allocations for universal primary education.

The total budget proposed for the Department of Education in 2006 is P118.038 billion. On the other hand, programs and projects totaling P11.876 billion are identified as related to the goal for universal primary education. This is 10 percent of the total budget.

A closer examination of the allocations indicate that a good number is not specifically for primary education. Among these is the lump sum for new positions, lump sum for purchase of desks and armchairs, government assistance to students and teachers in private education, maintenance expenses for elementary and secondary schools, school buildings, school feeding programs for pupils in elementary education, and the School First Initiative Fund.

Out of 14 program allocations identified as zeroing in on primary education, only two are specifically for primary education: basic education assistance for Mindanao and basic education in Bohol and Samar.

3. Promote gender equality

DBM reports that in the 2006 budget, P8.3 million will go to funding activities on gender development. This is a far cry from the P5 billion which will go to gender and development if the requirement on five percent of the budget will be followed. Since the amount identified by DBM is too small in relation to the entire budget, we can perhaps assume that it does not include five percent of agency budgets which should go to gender and development (GAD).

Advocates of gender budgeting now contend that setting aside five percent of the budget for gender and development is not sufficient, especially since there is so much abuse in the implementation of the policy. Agencies tend to utilize their GAD budgets to benefit only the women in their office without

consideration for their constituency. At the same time, other heads of agencies utilize the GAD budget for other expenditures and label such as gender-related.

The current view is that the entire budget should be genderized. A study which I did for the National Commission on the Role of Filipino Women showed that this can be done within the framework of the present budgeting system.

What is needed is a policy which will integrate gender budgeting in the OPIF framework of the DBM and not just limit it to five percent.

4-6. Reduce child mortality, improve maternal health and combat malaria

In its presentation, the DBM combines three MDG goals and subsumes these in the DOH budget.

The proposed budget for the Department of Health is P9.977 billion. It may not be fair to conclude that the entire DOH budget is solely for MDG goals since it covers other health programs and services which the department provides.

The DBM identifies programs and projects totaling P3.475 billion as allocations for health-related MDG goals, particularly Goals 4-6. Out of 12 programs and projects identified as MDG-related, four might be on general health services. The biggest allocation of P2.9 billion is for premium subsidy under the National Health Insurance Program. This accounts for practically 80 percent of the total allocation for Goals 4-6. This is a subsidy for indigents who are presumably afflicted with other terrible health problems in addition to infant mortality, maternal health and dreaded diseases like malaria and AIDS.

Again the question is: Are there standards on how indigents can be identified as such? What are the mechanisms to ensure accountability for this huge fund?

The Health Sector Development Program, the Health Sector Development Project, Family Health and Primary Health Care and Prevention and Control of Other Infectious Diseases presumably include other health challenges in addition to those covered in MDG Goals 4-6.

On the other hand, Woman's Health and Safe Motherhood Project, Coordination of the Population Policy and Programs, Artificial Family Planning, Natural Family Planning, Tuberculosis Prevention and Control, Malaria Prevention and Control and the Operation of the Philippine National Aids Council are directly related to MDGs.

7. Ensure environmental sustainability

The DBM paper states that the allocation in the Department of Environment and Natural Resources (DENR) budget for the MDG goal is P4.854 billion out of P7.013 billion allocation for natural resources and environment. Of this, P2.9 billion is identified by DBM as allocations for environmental sustainability. Interestingly, the DBM paper includes projects funded by government-owned or controlled-corporations or GOCCs.

Two of the projects identified are for Metro Manila. Perhaps this is in recognition of the fact that Metro Manila has possibly the most polluted and threatened environment in the country. This doesn't mean, however, that the rest of the country is pristine. On the contrary, environmental problems permeate the entire country.

The projects identified by DBM are the Metro Manila Air Quality Management Sector Development Program at P79 million for 2006, and the Pasig River Environmental Management and Rehabilitation Project at P428 million for 2006.

Water is an obvious national priority. One of the students' papers is specifically on MDG goal of water and sanitation. The DBM identifies three projects totaling P622 million—P500 million for the water supply project in the Department of Public Works and Highways; P22 million for Coordination and Regulation of Water Resources Development; and P100 million for various water works projects under LWUA.

The inclusion of Rural Electrification under the National Electrification Administration (NEA) as an allocation for environmental sustainability is a bit puzzling. NEA has allocated P246 million for this.

One of the MDG goals for environmental sustainability is "to achieve significant improvement in the lives of slum dwellers." One response to this goal is the provision of housing. Towards this end, DBM has identified P1.410 billion worth of allocations for housing primarily from housing GOCCs.

Community Mortgage Financing at P500 million, Resettlement Program at P895 million, and Slum Upgrading at P105 million are clearly related to slums. On the other hand, Regulation of Human Settlement Plans and Programs, Coordination of Policy Formulation and Monitoring of Housing Agencies are obviously for all types of housing projects, even as they are included in the goal on slum dwellers.

8. Develop a global partnership for development

Goal No. 8 is identified with issues which have wide-ranging global impacts. Thus, international cooperation is needed in order to deal with them. Examples are debt and trade which require global action in addition to national efforts.

Under this goal, DBM identifies allocations related to fiscal policy. The first project is on revenue generation and has the biggest allocation. This is the Tax Administration Computerization Project with P814 million for 2006. It is matched by a Budget Improvement Project at P214 million for 2006. Also included in Goal No. 8 is the rationalization program of DBM with an allocation of P10 billion.

It is difficult to understand why projects on revenue generation, budget improvement and rationalization can be considered part of global partnership. The only possible explanation is that these programs are foreign-funded and therefore constitute evidence of "global partnership."

Goal No. 8 calls for global action to put in place sustainable solutions to the continuing debt problems of many developing

countries. Nonetheless, reforms funded by foreign borrowing leave lingering questions because these solutions increase the level of borrowings as well!

Strategies to improve financing

The last part of the DBM paper discusses proposed strategies to finance development, and incidentally the MDGs. The assumption seems to be that if sustainable financing in general is ensured, MDGs will likewise be continuously financed.

1. Enlarging the budget pie.

Three strategies intended to increase total resources are identified in this section. These are raising taxes and revenues, mobilizing LGUs and tapping ODA.

Raising taxes and revenues makes sense. Many experts opine that the challenge in financing development is not so much in reducing expenditures as in increasing revenues. Thus, additional taxes and revenues are always welcome.

However, the selection of the taxes and revenue measures to be imposed must be based on progressivity. Taxes which increase the burdens of the poor will just cancel out whatever services will be given back to them. Government cannot burden the poor on the one hand and provide social services on the other.

It must be pointed out also that enlarging the budget pie does not guarantee more resources for MDGs, especially for goals which are not considered a priority. Priorities might change from time to time. At this time, budget priorities revolve around the 10-point program which does not include three important MDG goals.

Although the Medium Term Philippine Development Plan (MTPDP) considers the MDGs in its priorities, targets and strategies, and the Medium Term Public Investment Program (MTPIP) outlines the investments responsive to the MDGs, the challenge lies in providing adequate financing for MDG-related activities in a manner that will significantly impact on their achievement by 2015.

Mobilizing LGUs at this time may not result in new resources being added to the budget pie. It must be recalled that many LGUs are dependent on national government for financing. Expecting LGUs to spend for MDGs is similar to expecting national government agencies to spend for MDG programs. This is because many LGUs depend up to 97 percent of their budgets on the national government.

Thus, an LGU which spends much of its IRA on MDGs is actually placing the burden on the national government.

Tapping ODA is cited as another way of generating more revenues. Again, this proposal makes sense. As will be shown later in the paper, we are actually dependent on ODA for population management support as well as for women's health programs.

Nevertheless, many donors are undergoing "aid fatigue" and ODA conditionalities can be tough.

2. Creating fiscal space

Three strategies are identified for creating more fiscal space: implementing better procurement, strengthening structures and organizations, and building capacity to manage and mobilize resources.

Again, these strategies are for the entire budget and not just for the MDGs.

3. Sustaining the gains

Multiyear budget planning is the strategy contemplated by DBM to sustain gains in budgeting. This calls for greater capacity in planning and programming expenditures; revenue planning is just as important.

The above strategies are noteworthy even as they are intended to improve budgeting in general. Again, one effective tactic is to increase funding for MDGs in a sustained manner as to make sure all the goals are included among the budget priorities. Furthermore, specific allocations have to be made for the goals, instead of subsuming these with other expenditures.

May pera pa ba?: the Department of Education budget

Undersecretary Ramon Bacani said it loud and clear: The Department of Education is severely underfunded. This goes as well for the two MDG goals in education which are achieving universal primary education and promoting gender equality and empowerment of women in elementary and secondary education.

The presentations of the Department of Budget and Management (DBM) and the Department of Education do not give explicit calculations for attaining two of the MDG targets for education: universal primary education for all and promoting gender equality and empowerment of women in elementary and secondary education.

What it did was present different scenarios with corresponding calculations for financing requirements for all programs of the Department of Education. The costs for the two MDG goals are subsumed in these calculations.

The proposed budget of the Department of Education for 2006 is P119 billion. Under Scenarios 1 and 2, this will merely continue the present funding pattern of the department and will not consider the resource gaps and the requirements of the education for all (EFA) policy. Scenario 1 assumes no change in funding patterns, as in “business as usual.” Scenario 2 takes into consideration population growth. However, if the Department will catch up with shortages (Scenario 3) and implement a policy-driven scenario (Scenario 4) the shortfalls in financing are very significant.

Catching up with shortages in 2006 will require P124 billion as against the P119 billion proposed for 2006. A policy-driven scenario emphasizing education for all will require P133 billion. This means shortages of P5 billion and P14 billion respectively, just for 2006.

The shortfalls presented by Undersecretary Bacani cover the entire Department of Education, a set-up similar to the DBM where expenditures for specific MDG goals are not disaggregated from other expenses. Nevertheless, it can be assumed that the two MDG goals are greatly affected by these shortfalls because these require new expenditures. The fourth scenario which assumes a policy-driven situation definitely includes the policy on primary education for all as well as for gender equality in elementary and secondary education.

I believe that the expected expenditures for the two MDG targets of the Department of Education can be disaggregated from the four scenarios, although the work will be tedious.

One major source of additional funding is the Special Education Fund (SEF) generated by local government units. According to Usec Bacani this can reach at least P15 billion although actual collections may reach P10 billion at the most. Three-fourths of this amount might be used by LGUs for projects in education.

The observation of Usec. Bacani is interesting in that he hints that a fund specifically for education may not be fully utilized for this purpose. He therefore calls for greater coordination in planning between the Department of Education and the LGUs. If fully utilized, the SEF can help bridge the funding gap for the department, and hopefully for specific MDG targets.

May Pera Pa Ba?: the Department of Health Budget

Assistant Secretary Mario C. Villaverde stated right at the start that yes, there is money for the health-related MDGs. But no, it is not enough. However, data on the magnitude of the financial shortfall is not complete. In other words, while the DOH recognizes that funds are lacking for MDG goals, it cannot determine approximately how much is lacking.

Three of the MDG goals are directly related to programs of the Department of Health: reduction of infant mortality, improving maternal health or reducing maternal mortality, and third, combating HIV/AIDS, malaria and tuberculosis.

Asec. Villaverde pointed out that other goals like poverty, nutrition, water, and so on are also related to health even as these are handled by different departments.

Two charts summarize the message of the Department of Health. The first chart shows the breakdown of the funding gaps in the three MDG goals. The second chart computes the funding gap as follows. The budgetary need is P8.99 billion against total DOH funding of P.69 billion and total ODA assistance of P.78 billion, resulting in a budgetary gap of P7.52 billion just for one year.

Compared to the calculations of the Department of Budget and Management and the Department of Education, the Department of Health calculations are specifically for the three health-related MDGs. The figures are shockingly huge and dramatize the urgency for action in these three areas. I dare not imagine the financing gap for the entire health sector!

Costing for the Health Related MDGs

MDGs PROGRAMS & PROJECTS	TOTAL COST (P)	DOH FUNDING (P)	ODA ASSISTANCE (P)	BUDGET GAP (?) (P)
Reduction of Child Mortality	1,469,938,544	370,544,000	3,500,000	1,095,894,544
Improve Maternal Health	4,825,928,227	107,880,277	11,230,000	4,706,817,950
Combat HIV/ AIDS, Malaria and Other Diseases	2,692,233,557	208,976,667	768,978,810	1,714,278,080
HIV/AIDS	358,253,587	22,899,667	153,377,920	181,976,000
Malaria	1,727,102,970	19,200,000	354,400,890	1,353,502,080
Tuberculosis	606,877,000	166,877,000	261,200,000	178,800,000
GRAND TOTAL	8,988,100,328	687,400,944	783,708,810	7,516,990,574

Source: Department of Health

Assec Villaverde notes that the calculations do not include the possible contributions of LGUs, NGOs and the private sector. It is assumed though, that a greater part of the financial burden will have to be borne by the government since the estimates presumably are based on the government infrastructure, facilities and programs for health.

While it is true that health programs have been evolved to LGUs, it must also be remembered that most LGUs depend on the national government for financing through the IRA and other funds. In a sense, LGU money is largely national government money. We have provinces, for example, which are IRA-dependent to the extent of more than 97 percent of their budget!

Excessive reliance on LGUs for delivery of basic health services like the three MDG goals might exacerbate the yawning gaps between the super rich LGUs with their well-funded health programs and the super-poor LGUs. Unfortunately, there are more of the latter than the former. Thus, national government intervention is still necessary.

Still and all, Department of Health estimates are very valuable in that they reveal the appalling state of financial neglect of the health sector.

Another shocking revelation is the extent of reliance on external funding for these three MDG goals, as revealed by the fact that while DOH funding is at P.69 billion, ODA assistance is at P.78 billion. Have we reached the pitiable state where we have to rely on external sources for our most basic health needs?

MAY PERA PA BA?: THE REACTORS ANSWER

Congressman Nereus Acosta:

“Meron sigurong pera but hindi lang napupunta sa dapat gastusan.” In other words, there might be money but it is not spent properly. These were the comments of Cong. Nereus Acosta when he was asked if there is money for the MDGs and if it is enough.

This forum took place at the height of the impeachment crisis. Executive Order 464 had just been issued, prohibiting

members of the Cabinet from attending congressional and senatorial hearings without the consent of the President. Committee chairs in both houses were changed; hence, Cong. Acosta’s remark about being “in limbo” as chair of the House Committee on Ecology.

On financing the MDGs as a policy issue, Cong. Acosta cited economist Jeffrey Sachs who was full of praises for the Philippines’ plan for the MDG. According to Dr. Sachs three things must be done to make the plan work: make sure the country is in good fiscal health, manage population growth, and get governance right.

Cong. Acosta then examined the 2006 budget. He mentioned a P48.6 billion fund for healing the wounds of EDSA, and emphasized the need to find out exactly what the funding is for and whether this would be for the MDG targets.

The Congressman gave special attention to three goals: the goal on reduction of extreme poverty and hunger, reducing child mortality and improving maternal health. He also called attention to environmental sustainability as the “threatened chair of the Committee on Ecology.” Cong. Acosta challenged the claim of high probability in meeting the targets on environment, and pointed out the deteriorating situation in the provinces of Quezon and Aurora, as well as the continued deforestation of the last remaining forests in Mindanao

Focusing on the budget of the Department of Environment and Natural Resources, Cong. Acosta noted that a huge chunk of the P4.8-billion budget of the department is for mining. He cited the creation of an office of Undersecretary for Mining, even as many other concerns are neglected. He batted for a separate protection agency for sustainable environment, and advocated more funds for basic and applied research.

Congressman Acosta concluded, “In a social organization, it is about how we manage all of these – our leadership, our affairs of state, our budgeting, governance, corruption, planning, etc. “He said the MDGs cannot be attained unless we “get to

the very heart of constitutional and electoral democracy which is the heart of social thrusts, legitimacy, accountability, true service and credible leadership.”

Maria Victoria Raquiza:

Maria Victoria R. Raquiza, Coordinator of Global Call to Action Against Poverty (GCAP) Philippines, emphatically answers that yes, there is money, but much of it is going to debt servicing.

Raquiza points out that a total of P780 billion is needed for interest and principal payments in 2006. This is equivalent to 75 percent of the expected government revenues of P959 billion of the same year. The budgets for education and health are among the losers since their share of the total budget is steadily deteriorating.

The observations of Undersecretary Bacani on the widening resource gap in basic education are affirmed by Raquiza. She noted inequities in the allocation of funds since the richest regions get a larger share of the national budget while the poorest get the smallest shares. This has resulted in a situation where those who need help most get the least resources since enrollment statistics determine budget share.

As for health, Raquiza pointed out to “low investments in health of immoral proportions.” She noted that support for hospitals “eat up” a large portion of the health budget even as barangay health stations and rural health units are “inadequately funded, insufficiently managed and insufficiently funded.”

This does not mean, however, that public hospitals are adequately financed since most of them desperately need doctors, nurses and medicines. Raquiza also cited financial gaps in programs to control dreaded diseases like tuberculosis and malaria.

As in education, she noted the inequitable allocation of national health resources, with Metro Manila getting the lion’s share in contrast to the Autonomous Region in Muslim Mindanao, where infant mortality rate is double that of Metro Manila.

Raquiza ended with proposals for bridging the financial chasm challenging MDG targets. These range from negotiating for debt relief, plugging leakages and loopholes in tax administration, realigning the budget and prioritizing the MDGs and adjusting tariff rates.

Nevertheless, Raquiza warned that “no matter how professional our government people are, and how wonderful our development plans, for as long as the leadership prioritizes political interest and survival over good governance, there is not much hope and resources for the implementation of the MDGs and for our development.”

WHAT THE RESEARCHERS SAY

After listening to the government, and mulling over the comments of the reactors, the students continued their journey of finding out if indeed there is money for the MDGs.

Heretofore, earlier studies viewed financing MDGs as a whole. This time, seven of the eight goals are examined. The papers also examined the status of each goal.

Financing Poverty: the poverty of finance?

Is there money for poverty alleviation? Rhodora Tiongson, author of the paper on financing poverty answers, “Yes, there is. But the bulk of it goes to mandatory expenses, particularly loan repayments.”



Before going to financing, Tiongson starts with official definitions of poverty, dimensions of poverty, and status and trends in the two projects. She tries to explain the differences in perspectives and analyses between government and civil society.

In the Philippines, the thresholds for income poverty and extreme poverty are much, much lower than the global figure of \$1 a day. The annual per capita poverty threshold is P12,267 or P5,111 per month per family of five members. This means a per capita threshold of P1,020.50 a month!

The income threshold for extreme poverty is worse with P3,389 per month for a family of five or P678 per month for each family member. This translates to a daily food allowance of P22.59 per family member or P7.50 per meal. This amount will not even cover the cost of the cheapest instant noodles.

Lower poverty thresholds of course mean reduced numbers of people officially defined as poor.

Tiongson also notes that major methodology changes affected the comparability of figures on poverty. The exclusion of families without “permanent address” (the ambulant poor who are increasing in numbers) also affects the counting of the officially poor.

Status and trends in Targets 1 and 2 on poverty reduction

The official prognosis on Target 1 is that there is a high probability of attaining the targets on extreme poverty as reported in the Second Philippines Progress Report on the MDGs. Tiongson cautions that the two major revisions in poverty estimation methodology in 1992 and 2003 have resulted in two overlapping series with different assumptions. She also points out that while the new methodology resulted in lower poverty headcounts, the old methodology revealed worsening poverty. Furthermore, the decline in poverty incidence was negated by a high population growth rate, resulting in an increase of actual number of poor people.

The official numbers on food-poor population are wrenching. Quoting official reports, Tiongson notes that the extremely poor are concentrated in CARAGA Western Mindanao and the Autonomous Region in Muslim Mindanao. There seems to be a correlation between troubled regions and hunger.

Civil society perspectives on poverty

One value added which Tiongson highlights in her paper is the alternative analysis of Social Watch Philippines, as well as that of Social Watch International.

Social Watch Philippines uses three indicators as a basis for ranking provinces: proportion of births attended by skilled health personnel, under-five nutrition and proportion of Grade I enrollees who reached Grade Six. Using the (Quality of Life) QLI methodology, Tiongson noticed that even as poverty dropped in certain provinces, the quality of life in these same areas deteriorated.

Tiongson suggests that this kind of finding “should be the basis for determining areas to be given priority budgetary allocations especially in major poverty programs such as the KALAHI-CIDDSS and the KALAHI prototype”.

The Social Watch Philippines QLI has been adopted internationally and refined into a Basic Capabilities Index (BCI). Tiongson reports that compared with the other countries, the Philippines belongs to the group of countries with “very low” level of BCI rating, along with Cote d’Ivoire, Gambia, Kenya, and Senegal.

On the matter of meeting the minimum level of dietary energy consumption, the official prognosis is that there is a high probability of meeting this target. However, Tiongson points to the alarmingly large group of regions and provinces whose households have less than the minimum levels of dietary energy consumption.

Social Watch has long warned against relying solely on national totals. It would not be surprising if the provinces earlier identified by Social Watch as not meeting poverty targets would be similar to those unable to meet dietary requirements.

Is there money to finance poverty reduction and reduce hunger?

Like reactor Raquiza, Tiongson zeroes in on the huge debt service burden as the biggest reason why financing is inadequate for MDG goals.

As shown in the DBM exercise, it is difficult to pinpoint financing for specific goals. Tiongson turns to the required poverty investments which have been identified by national agencies, GOCCs, GFIs and some LGUs in the Medium Term Public Investment Program for 2005-2010. She cites an estimated P1.3-trillion investment requirement for poverty reduction covering five years or an average of over P200 billion a year. This is fairly close to the Manasan estimates on education, health and water and sanitation.

On the other hand, indicative budgetary requirements on nutrition for 2005-2010 call for P226 billion or an average of

P45 billion a year.

Going back to the DBM presentation on the 2006 national budget, a total of P9.321 billion has been allocated for poverty reduction. Obviously, this is a very small response to the resource requirements for one year.

LGUs are expected to fund substantial poverty alleviation projects. It bears repeating that LGUs depend heavily on the national government for their budgetary requirements. At present, social expenditures form a very small percentage of total LGU expenses.

The national government has to assume the biggest responsibility in poverty alleviation since private sector contributions are not yet that significant and tend to be selective

What to do?

Tiongson calls attention to the need for “an accurate and reliable costing methodology that incorporates an extensive poverty and hunger needs assessment approach.” She describes the deficiencies of the present system of calculation.

Tiongson’s call to action includes extensive advocacy to influence government agencies and LGUs; as well as reining in interest payments and personnel services. On the revenue side, she suggests that more innovative and effective means of generating income have to be developed. Foreign direct investments are also mentioned, along with mobilization of the private sector.

OFW remittances should be channeled through the banking system and made it available for microfinancing. Still, Tiongson goes back to the intractable debt problem and proposes debt swaps as well as redirection from debt servicing to social services.

Financing primary education

Is there money for financing primary education? Janielle Ann Vallesteros answers that yes, there is money but it is not adequate. She echoes the observations of Undersecretary Bacani and cites an array of sources to bolster her point — former Education Secretaries Florencio Abad and Edilberto de Jesus, the Senate, the Congressional Planning Budget Office (CPBO), the latest Progress Report on the MDGs, and others.

Vallesteros focuses on Target 3 of the MDG on education, which is universal primary education. She starts with an overview of the state of primary education in the country. For purposes of this summary paper, however, the analysis will go directly to the financing aspects.



Spending for education has been increasing, but...

No less than the Constitution provides that the first priority in the budget should be for education. Admittedly, the budget for education has been increasing nominally. It is second only to debt servicing in the order of government expenditures. However, Vallesterro points out that we do not spend as much for education compared with other Asian countries like Thailand, Malaysia, India and Korea. Of course, our level of spending is minuscule compared to Japan and the United States.

Vallesterro affirms Raquiza's complaint that 88 percent of the education budget goes to personal services. She further cites a CPBO report that the budget allocation on a per capita basis has been declining for more than 10 years.

On the positive side, there has been an increase in the Special Education Fund or SEF, which local government units generate from the real property tax.

Recently, the Department of the Budget required local government units to give priority to the MDGs in their budgets.

Finally, Vallesterro cites ODA as contributing significantly to basic education. A total of P28.94 billion has been provided up to 2007. However, she points out a sour note raised by Secretary de Jesus who reported concerns from donor agencies about transparency and accountability.

Vallesterro then cites the multiyear spending plan of the Department of Education as presented by Undersecretary Bacani. The plan affirms the position of earlier education secretaries that a huge financing gap exists. The details of the Bacani presentation need not be repeated here. The spending plan dramatizes the severe underfinancing of education in general and primary education in particular.

Challenges and recommendations

The challenges in the education sector that Vallesterro describes touch beyond the financing side. She also mentions instability of leadership in the department and how it impacts on financing. Four secretaries have served the department in five years (Gonzales, Roco, de Jesus and Abad). This situation may have contributed to short planning horizons, changing policy frameworks and unpredictable funding priorities.

Vallesterro urges disaggregation of national totals due to disparities in human development all over the country. She also recommended closer coordination between the executive and legislative branches of government, particularly the DepEd and the Special Committee on the MDGs of the House of Representatives for program and funding requirements. Since Congress is charged with legitimizing the national budget, the Special Committee might be a useful venue for advocacy on increased financing for primary education.

Financing gender equality and empowering women

In the Philippine context, the MDG goal on gender equality and empowerment of women is considered the easiest goal to

attain. The Philippines is recognized as one of the countries in the world with very high levels of gender equity.

Aside from giving background information on the status of women in the Philippines, authors Zoren Amat and Rhoda Tiongson

critique the implementation of the law requiring agencies to allocate 5 percent of their budgets to gender and development programs. Because of this requirement, the impression is that financing of gender programs is already assured. Therefore, it is assumed that gender issues are no longer an urgent concern and that financing is not a problem.

Amat and Tiongson cite NCRFW reports, as well as interviews with implementing agencies, showing that implementation of this regulation is still beset with problems. Infractions range from simple misinterpretation of what constitutes gender and development, utilization of GAD allocations for other agency programs, and neglect of GAD programs. Agencies which religiously comply with the regulation tend to focus only on GAD programs and projects for the women in their agencies. Hence, the proliferation of programs and projects for employees, and not the constituencies of these agencies.

At present, NCRFW and advocates of gender equality espouse gender budgeting, which subjects the entire budget of the agency to the gender perspective. Instead of focusing on 5 percent of the budget as the domain of GAD issues, 100 percent of the budget should be considered as genderized.

Another contribution of Amat is his case study on the experience of the Philippine National Police in gender mainstreaming. The PNP experience shows that agency commitment and generous financial support can achieve much.

As an insider in the PNP, Amat offers suggestions to further improve the program.

Is there money for gender equality and women empowerment? Again, it is clear from Amat's paper that there is money for it. The law provides that 5 percent of agency budgets should go to gender and development. Is 5 percent sufficient? The answer is no. Gender considerations should permeate the entire budget and should benefit not only women in government agencies but their constituents as well.

Financing reduction of infant mortality

The Philippines just loves and adores babies. Ironically, a child born in the Philippines is at greater risk of dying than



children born in other South East Asian countries. G. H. Ambat notes that infant and child mortality rates in the Philippines are higher than those of Vietnam, Brunei, Singapore and Malaysia.



To Ambat, much still needs to be done in order to reduce the grim figures on infants and children dying in the country, especially in the poorest regions. To her, “the efforts of the government are not enough because funding for health is not enough.”

Like the other paper writers, Ambat complains that the Philippines is in the group of countries with the lowest spending levels for health and education. Citing Department of Health figures, Ambat notes that while P1.470 billion was needed in 2005 to fund specific programs designed to reduce child mortality, DOH and ODA funding total only P374 million, resulting in a funding gap of P1,095 billion.

A tale of two LGUs

It has been stated time and again that the shortfalls in national spending on health are expected to be partially filled by LGUs since delivery of health services have been devolved to them.

In turn, we have pointed out that LGUs tend to be very dependent on the national government, through IRA and other direct releases. Thus, IRA spending for health is just recycled national government money. An equally serious concern is that LGUs vastly differ from each other in degree of wealth or poverty. Relying on the LGUs to take care of their own health problems will greatly disadvantage the poor LGUs who happen to be in the majority.

To illustrate, Ambat examines two LGUs. One is Makati City which lays claim to the title of being one of two cities with the highest levels of revenue, (the other being Quezon City). The other is the small town of Malinao, a fourth-class municipality in the province of Aklan.

Makati earns P4 billion in income annually. It is not dependent on IRA. On the other hand, Malinao's income in 2002 amounted to P29.74 million, of which P26.95 million or 90.6 percent came from the national government. This is one LGU with a near-total dependency on the national government.

All of Makati's 33 barangays have well-equipped health centers in addition to the fully equipped Ospital ng Makati. In 2005, it spent P1.8 million for supplies and medicines for maternal and child care. Not surprisingly, Ambat describes

Makati as a bright island in the sea of low-income, slow-developing LGUs.

On the other hand, Malinao has one health center. Expenditures for health services are from the development fund which is also from the national government. Malinao is an example of an LGU whose humble health program is totally financed by the national government.

Ambat ends by stating that government knows what must be done to prevent children from dying of otherwise preventable diseases. It knows what to do to improve maternal health. The point, however, is making sure it does it.

Improving maternal mortality rate or keeping mothers alive

Filipinos love and worship mothers with the same intensity as they do babies. Ironically, no less than a former Secretary of Health stated that at an estimated 172 per 100,000 births, the Philippines has the highest maternal mortality rate in Asia. In



other words, more women in the Philippines die in childbirth than anywhere else in our region.

Ma. Fenny C. Tatad believes that the target to reduce maternal mortality rate by three quarters in 2015 “appears to be eminently achievable,” but she points out, along with Assistant Secretary Villaverde, that the money is not enough. While the government projects that there will be medium possibility of attaining this target, Social Watch Philippines insists that it is unlikely. Funding is one of the major reasons.

Nevertheless, even if the present rate of 172 were reduced to 43 per 100,000, this rate is still inordinately high.

Tatad does not believe, however, that the second target, which is to make reproductive health services accessible, can be attained.

Aside from clarifying concepts on maternal health, Tatad's paper brings out three very important issues affecting maternal mortality.

First, it is actually possible to have zero-mortality rate, or at least nearly zero rate. She cites two LGUs: Makati, which has minimal reliance on external financial assistance; and Gattaran in Cagayan which relies on external help.

Makati has a well-funded and efficient maternal health program, its own hospital, and barangay clinics. It has so far kept its maternal death rate at the remarkably low rate of three deaths annually.

Gattaran has its Zero Maternal Death Project, which established birthing centers in remote barangays, requires

mothers to give birth in birthing centers, and which set up a referral system to a municipal hospital, trained professionals and available medicine and supplies. It is considered very successful.

A major key to the success of these two LGUs is sustained financing. Makati has shown how an efficient health care system, backed by sustained financial support, can bring down maternal deaths drastically.

Yes, it is possible to exceed the minimum target for maternal mortality! Zero or three maternal deaths is certainly very impressive in relation to the present rate.

Second, Tatad puts a finger on a very sensitive issue related to maternal health and Target Number 2, which is access to reproductive health services, including the use of contraceptives and pills. This is a long-running debate which shows no sign of abating.

This topic became the focus of a conversation between Cong. Acosta, a firm believer in population management, and Tatad.

Tatad argues forcefully from the perspective of the Catholic faith, which is the majority religion in the Philippines. She also cites health reasons for objecting to contraceptives and pills and refers to a World Health Organization press release on the dangers as well as usefulness of these devices.

Tatad focuses on the WHO statement that certain pills can be carcinogenic for certain types of cancers. On the other hand, advocates of choice in family management cite the WHO finding in the same press statement that some pills tend to inhibit other types of cancers. The WHO statement strongly advises women to consult their doctors in choosing which family planning path to pursue.

Third, Tatad shares with the public additional data on financing maternal care, which are not generally available to the public. She cites Department of Health figures indicating that P4.826 billion is needed annually to improve maternal care in the country, but only P100 million is available from the department and donor agencies. Thus a huge budgetary gap of P4.707 billion must be filled to provide adequate services.

The paper describes the operation of the Women's Health and Safe Motherhood Program (WHSMP I and II), designed to provide health services to pregnant women and family planning services. The first phase which covered 1995-2002 was jointly funded by a consortium of donors who contributed P1.5 billion. It was implemented on a nationwide scale. The second phase has total funding of P946.4 million from the World Bank and the Philippine government. This covers the period from 2005-2010. However, the program is limited to only five pilot provinces

The coverage of the program in relation to funding shows how expensive a serious maternal health program is. One interesting observation on the data cited by Tatad is the degree of financial dependency on the donor community. The donor

component of WHSMP II is P802 million, while government contribution is P133.1 million.

So what conclusions can one draw about financing maternal health? Definitely, it is underfinanced, just like the other MDG goals. Furthermore, the health goals are heavily funded by the donor community. It seems that the lives of Filipino mothers are in the hands of the donor community!

HIV/AIDS: Financing the battle against a hidden and growing epidemic

As the goals are examined individually, it becomes clearer that the MDG goals are severely underfinanced. Nowhere is this more apparent than in financing the war against HIV/AIDS.



One can conclude from Annalyn Sevilla Santiago's paper that of the health-related MDG goals, attaining the goal on HIV/AIDS could be the most problematic. Aside from the obvious financing problems, there are equally serious difficulties. The impression that HIV/AIDS in the Philippines is characterized by low prevalence and slow transmission might lead to complacency and neglect of a very real health threat. Understandably, harassed health authorities have to attend to health problems which are already afflicting many Filipinos in contrast to HIV/AIDS, which is still considered as "hidden and growing."

Nevertheless, health authorities consistently warn that the ingredients for a potential epidemic already exist, e.g. consistently low condom use among sex workers, increasing practice of anal sex, high-risk adolescent sexual activity, overseas workers who are vulnerable to infection, and high prevalence of STDs or sexually transmitted diseases.

Moreover, there is the nagging worry that the data on the disease may not be complete, considering the reluctance to report and even discuss HIV/AIDS publicly, difficulties in maintaining an accurate registry, and legal issues on mandatory testing. The stigma associated with the disease only makes matters worse.

The Department of Health reports that P358.2 million is needed to combat HIV/AIDS for one year. The government has allocated P22.9 million from national funds while the donor community is providing P154.4 million. This spells a budget gap of P183 million.

As in the program for maternal health, it is obvious that external assistance is driving the war against HIV/AIDS. The contribution of the donors is practically six times that of the national contribution!

Sevilla Santiago notes that there is no funding or assistance for mass treatment of STI, which can be an effective strategy against HIV/AIDS. There is no funding either for technical assistance to field health workers. The only activity with funding is for surveillance and research, and treatment of full-blown cases for P165.3 million.

As noted earlier, much has been made of the expected contributions of LGUs. The fact that LGUs themselves are highly dependent on national government through the IRA needs to be repeated again and again since much hope is pinned on them.

The author reports that 48 cities have already been identified as priority areas for local surveillance activities. A number of cities have included support for local AIDS councils in their budgets. However, Sevilla-Santiago complains that budgetary support is mainly for honoraria of members of these councils.

What to do?

Because of the manifold problems besetting the war on HIV/AIDS, the recommendations of Sevilla Santiago go beyond financing. She proposes guarding the young, empowering the victims, engendering the program and continuing and expanding surveillance of OFWs who are at risk.

The campaign to increase public awareness on HIV/AIDS appears to have fizzled out after the aggressive programs during the time of former health secretary Juan Flavio. The public must be adequately warned. If we have storm signals for weather disturbances, there ought to be loud and clear signals on the ominous threat of HIV/AIDS.

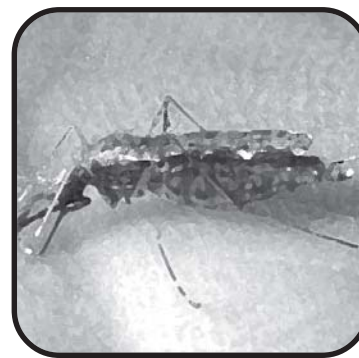
Financing remains crucial. Sevilla Santiago calls for better health care financing initiatives, better targeting of financial resources and subsidies and the development of a comprehensive health insurance system. She also proposes a long-term financing plan for HIV/AIDS surveillance, prevention, control and treatment.

“Combat HIV/AIDS” is the phrase used in the MDG goals. This implies a war characterized by aggressive strategies and programs. Without adequate financing, such a war can deteriorate into a mere skirmish—unsustainable and unwinnable. The “low and slow” epidemic just might become full blown.

Financing treatment of ancient diseases: malaria and tuberculosis

The emergence of HIV/AIDS is fairly recent; yet, battling it is already beset with problems, not the least of which is financial. Malaria and tuberculosis have been major causes of death in many developing countries like the Philippines for decades and even centuries. These diseases continue to threaten the lives of millions of Filipinos in spite of dramatic advances in treatment.

As can be expected, lack of financing contributes to the sense of helplessness in totally eliminating these diseases. Paper writers Jerico Villanueva and Ann Santiago correctly point out that it is not a question of lack of data or lack of capacity in treating malaria and tuberculosis; it is largely lack of money. And perhaps lack of a sense of urgency?



Public interest was rekindled in malaria when a team of two journalists and a cameraman died while filming a tribe which was being decimated by malaria in May 2005. A shocked public realized that malaria is not some ancient exotic disease which has no place in a modern country like the Philippines. It remains endemic in most provinces of the country.

Villanueva and Santiago cite health authorities who acknowledge that malaria is still endemic in 68 out of 78 provinces. Ninety percent of cases are found mainly in 25 provinces which accounts for 65 percent of total deaths. The reasons for continued threat of malaria are not surprising: unavailability of necessary drugs in the peripheral health services, lack of training of hospital-based physicians in the management of malaria and delayed consultations.

On the other hand, tuberculosis is another dreaded disease which persists and lingers in the Philippines in spite of dramatic strides in curing it. Babies in heavily polluted urban areas like Metro Manila generally stand the risk of exposure to primary complex. Nevertheless, there has been discernible progress in controlling tuberculosis. In 1994, there were 269 TB cases per 100,000 persons; by 2001, this went down to 168 cases per 100,000.

Financing the war against the pesky mosquito

The same tired story of heavy dependency on the donor community for health financing is repeated in the case of malaria. According to the Department of Health, P1.727 billion is needed for the treatment and control of malaria. However, national funding amounts to a minuscule P19.2 million and P354.4 million is provided by ODA. The financing gap is P1.353 billion!

Unbelievably, there is no DOH funding for treatment of cases, prophylaxis for pregnant women, laboratory supplies, insecticide, and in-door residual spraying. DOH funding of P19.2 million is for capability-building, research TA, equipments, etc.

Villanueva points out that the Malaria Control Program is donor-driven. Budgetary support is needed for drugs, diagnostics and insecticide purchases.

Financing the control of a curable disease: tuberculosis

Of all the dread diseases which stalk the Philippines and the rest of the world, tuberculosis is the most curable, owing perhaps to the long global experience in curing it. Strategies in the control and management of tuberculosis have been very successful.

The financing gap of P178.8 million for tuberculosis treatment is perhaps the smallest, compared to the gap for HIV/AIDS and malaria, as well as for infant and maternal mortality. Furthermore, out of the total P606.8-million funding requirement, P166.8 million is contributed by the Department of Health. Once more, external funding accounts for the larger share of P261.2 million.

So, why do we still have malaria and tuberculosis?

In spite of all the advances in health sciences, many Filipinos still die from malaria and tuberculosis. Every day, 76 people die from TB. Yes, people are dying of diseases which science tells us should have been extinct decades ago.

Villanueva writes that unlike other MDG goals and targets, computation of the financing requirements for fighting malaria and tuberculosis is not so difficult since the DOH has had extensive experience in handling these diseases. If money is available for drugs, hospital facilities and trained personnel, the chances of reaching the targets are very high.

Ensuring environmental sustainability

All the eight MDG goals require financing on a large scale to ensure attainment. Goal Number 7, which seeks to ensure environmental sustainability, is probably among the goals requiring the biggest financing support. The major targets are daunting:

1. Integrate the principles of sustainable development into country policies and programs; reverse loss of environmental resources;
2. Reduce by half the proportion of people without sustainable access to safe drinking water; and
3. Achieve significant improvements in the lives of at least 100 million slum dwellers by 2020.

Target Number 1 which seeks to reverse the loss of environmental resources is the most challenging of the targets. One cannot begin to imagine the magnitude of effort and resources needed to restore lost forest resources, clean up the waters in a 7,100-island archipelago, protect mineral resources



under the ground, and eliminate heavy pollution in our dirty cities.

Ironically, it is difficult to find financial calculations for the target which will likely be the costliest to implement. The DOH has come up with calculations for three health-related MDG goals. The DepEd has come out with financial calculations based on different scenarios for two MDG goals. As for gender equality, one can start with 5 percent of the budgets of agencies.

Two papers were written on the MDG goal to ensure environmental sustainability.

The first one, written jointly by Reginaldo Guillen, Rhoda Tiongson and Annalyn Sevilla Santiago, covers general issues and identifies different sources of financing. On the other hand, Rey Tagudando's paper zeroes in on financing requirements for municipalities where 50 percent of the households have no access to clean water and sanitation.

Financing natural resources and the environment

For the year 2006, the DBM proposed P6.283 billion for the DENR. In terms of total sectoral expenditures, however, a higher figure of P7.036 billion is proposed for natural resources and environment.

Guillen, Tiongson and Sevilla point out that P7 billion is only .72 percent of the total expenditure program of the government. This is unfortunate because, as pointed out earlier, the MDG goals for sustainable environment possibly require the heaviest financing among the seven goals.

The authors also note that out of P4.9 billion allocated for DENR (net of foreign-assisted projects) P3.9 billion are directly under the Office of the Secretary and the remaining P1 billion is distributed among two bureaus and the National Mapping and Resource Information Authority. This means that the Office of the Secretary is directly overseeing practically all activities related to natural resources and the environment.

Two observations can be made. First, the total amount of P7 billion does not necessarily cover the MDG targets for sustainable environment. The DBM paper states that only P4.854 billion is allocated for MDG targets. Second, while resources available for 1996 can be extracted from budget documents, resource requirements are not readily available. We know how much is available, but how much is required?

Unlike the Department of Education and the Department of Health, the DENR does not seem to have estimates of resource requirements for its MDG targets. The authors turned to the Medium Term Public Investment Program (MTPIP) for 2005-2010. The MTPIP contains calculations on financial requirements for the MDG goal of environmental sustainability. According to MTPIP calculations, P198.8 billion in additional public investments is required for five years or an average of P39.7 billion a year. The national government requirement is

P73.5 billion for five years or an average of P14.7 billion annually.

It is obvious that the government does not have P39.7 billion to spare every year as additional resources for the MDG goal. It is also clear that the P7 billion allocation from the national government is only 50 percent of the public investment required for environmental sustainability.

Sustainability Watch, an NGO monitoring sustainable environment, estimates that a total of \$6.5 billion per year is necessary to achieve the MDG goals. It figures that \$5 billion can be generated from available resources while \$1.5 billion still has to be raised. If this estimate is considered in relation to what is available in the budget, obviously the financial gap is enormous.

In separate interviews with Dr. Ben Malayang III, a former DENR Undersecretary, and Dr. Ramon Paje, current DENR Undersecretary, both affirmed that the agency does not have estimates of the total costs for attaining the MDG goals on environment. Dr. Paje stated that they had estimates on reforestation but this is only one component of sustainable development.

Financing sanitation and sewerage

To get a better idea of the enormity of the financial gap, the authors focused on one environmental concern which has available calculations for resource requirements – the goal on sanitation and sewerage. Resource requirements for 2005 to 2015 are estimated at P256.37 billion. Available resources total P6.98 billion, resulting in a financial gap of P249.38 billion for 10 years. This means an average yearly requirement of P24.9 billion for just one component of the MDG targets on sustainable environment.

The financial gap above is certainly much larger than the estimated financial gap for health-related MDG goals of P7 billion and P14 billion for education. And this is only for one target!

Financing access to safe drinking water and basic sanitation: focus on the municipalities

The huge financing gap for the target of sanitation and sewerage becomes credible when examined in the light of a specific project with available financing estimates. This is the project for 432 municipalities, where less than 50 percent of residents have access to clean water and sanitation.

It is said that water is life. To have access to safe water is to have access to life itself. At the same time, access to basic sanitation ensures not only good health. It also ensures privacy and dignity in bodily functions.

Because water is a basic necessity, it is not surprising that it is considered one of the most important MDG targets under Goal No. 7, which is to ensure environmental sustainability.

According to Rey Tagudando, paper writer, the need for

safe water is not only considered an indispensable MDG target. It is mandated by law and is covered by major policy pronouncements. It is the only MDG target partially covered in the 10-Point Agenda of the President, which specifies that the government

would provide electricity and potable water for all barangays.

Two tables (W-1 and W-2) look into the standing of the Philippines on Target 11, in relation to other Asian countries. Table W-1 looks at access to water sources and sanitation of urban populations. While the Philippines is lower than Thailand and Malaysia at 91 percent and 88 percent, it is considerably higher than the rest of East Asia and the Pacific. It must be mentioned, though, that urban populations tend to have more access to water and sanitation than rural populations.

The picture changes when whole populations are considered (W-2). Again, the Philippines lags far behind Thailand and Malaysia, although it is more advanced than China and Malaysia. From 1990-2002, the Philippines showed “significant progress” in percentages of the population with access to sanitation. However, the situation for improved water resources is considered “stagnant” in the international report of Social Watch. In 1990, 87 percent of the population were considered to have access to improved water sources. By 2002, this had gone slightly down to 85 percent.

The above tables utilize data culled from international surveys. W-1 is from World Bank Data while W-2 is from UNICEF and WHO data. However, the 2003 National Demographic Health Survey of the National Statistics Office gives alarming data. Only 40 percent of the country’s households have piped water into their dwelling/yard/or plot. The remaining 60 percent either have protected wells or other sources.

A situation where only 40 percent of households have piped water sends terrifying signals in terms of water-borne diseases like cholera, dysentery, gastroenteritis, and others.

On the other hand, 77 percent of urban households use flush toilets while 54 percent of rural households do. Nevertheless, there are still households with no toilet facility and resort to indiscriminate throwing of human waste and the use of open spaces as toilets.

Tagudando’s paper is valuable in that it has several tables with very useful information which is not generally available to the public. It is even possible that top policymakers are not



aware of these data. The paper focuses on financing for 432 municipalities where less than 50 percent of the population have access to water.

Water, water everywhere and not a drop to drink!

Annex A of Goal 7 Target number 11 on Water and Sanitation lists 432 municipalities where less than 50 percent of the population have access to clean water. These municipalities have as few as two barangays to as many as 95, or an average of 42 barangays per municipality.

The list identifies 15 municipalities where less than 10 percent of the households have access to water. The most appalling case is that of Tuburan in the province of Lanao del Sur. Out of 1,680 households, only 8 or .48 percent of households have access to water.

In Turtle Islands, Tawi-tawi, less than .93 percent of the households have access to water. No wonder, there are more turtles than people in this island! In the municipality of Pangutaran, province of Sulu, which has 16 barangays, less than 1 percent or .95 percent of the households have access to water.

It is notable that most of the municipalities where less than 10 percent of the population have access to water are from the ARMM. The region also happens to have the highest level of poverty in the country.

Financing clean water for waterless municipalities

Tagudando reports that total financing resources up to 2010 amount to P8.880 billion. He says that he cannot “conclude that such amount is enough to finance the overall requirement of the country for safe drinking water and sanitation programs.”

Let us take a look at the required financing to provide water for one of the most deprived provinces—Sulu. The total amount needed for this one province alone is P1.659 billion.

Thus, even without exact figures, it is obvious that the total national financial resources set aside for the entire country, or P8.880 billion, is clearly insufficient. Tagudando points out that there are 16 regions that suffer from inadequate water in varying degrees. As in the case of health, while it is clear that resources are not sufficient, the extent of insufficiency cannot be determined at present.

Recommending the obvious

Tagudando emphasizes the obvious when he recommends that a comprehensive study be made of the financial requirements for safe drinking water and sanitation. Perhaps policymakers can take the cue from Sulu and make calculations for other provinces as well.

The Philippines is an archipelago of 7,100 islands surrounded by water. It is supposed to have among the most extensive sources of fresh water. Ironically, the government is

unable to provide potable water and sanitation for its people, especially the poorest. Water is life. Let us give life to our people.

CONCLUSIONS

1. The resource requirements for attaining the MDGs have not been fully calculated.

The MDG campaign is now on its sixth year. It is gaining more acceptance in the Philippines. The executive and legislative branches of government have been mobilized around the MDGs. Civil society, academia, religious institutions and the private sector are active players. Tons of campaign materials have been produced, researches started, programs and projects launched video presentations and music albums have been launched. Practically all aspects of MDG have been explored.

Well, nearly all, except the small matter of financing!

The Department of Education has come out with five scenarios for costing its mandate. However, these are not necessarily for the MDGs alone but for the entire education program of the government. Calculations for poverty reduction are incomplete. Nonetheless, these incomplete figures come up to hundreds of billions of pesos. The situation is the same for sustainable environment. Estimates based on the Medium Term Public Investment Program likewise require financing in hundreds of billions.

It is only the Department of Health which has come up with cost estimates specifically for health related MDGs.

2. May pera pa ba? Kung meron, kasya ba?

The Department of Budget and Management answers with first question with a resounding yes. The researchers agree. The second question, however, cannot be fully answered because the funding gap cannot be established with certainty due to incomplete data. The only thing clear is that the what is provided in the budget is obviously not enough.

Incomplete data not only show that there are funding gaps. These gaps are horrifyingly huge, running from tens of billions to hundreds of billions of pesos. The biggest gaps are in poverty reduction and sustainable environment.

3. What can be done?

It is obvious that sources of additional financing have to be identified. The papers' recommendations range from general to specific. The DBM cited budget reforms which it is initiating to generate more resources for MDGs. Nevertheless, care must be exercised that additional revenues generated should go directly to the MDGs. Tiongson has observed that if debt servicing will be reduced by 50 percent in 2006, more than P150 billion can be freed for poverty reduction.

Debt for MDG swaps have been suggested. Unfortunately, swaps have not made a significant reduction in the debt stock

of middle income countries like the Philippines. The market can absorb only so much in debt swaps; certainly the magnitudes of debt swap transactions can in no way approach the huge amounts Speaker de Venecia is contemplating.

In the case of health-related MDGs, the donor community is already making much larger contributions than the government itself. Still, these are not enough.

The local government units have likewise been pinpointed, especially for health services. However, majority of LGUs are still depend on IRA or the internal revenue allotment which comes from the national government

As for the private business sector, the level of their financial contributions is nowhere near the hundreds of billions required for the MDG goals. The same goes for the contributions of international civil society organizations.

If levels of government revenue increase considerably, two conditions are still necessary: First funds for the MDGs must be dedicated or set aside for the different goals. There has to be assurance that these increases will go to the MDGs. Second, there must be mechanisms to ensure accountability for additional funds raised for MDGs.

Finally, the need for accurate costing methodology for each goal is desperate. Without reliable cost estimates, all the excitement about MDGs might not be translated into concrete results. At this late hour of the day, financing requirements have to be calculated for each goal, particularly for poverty reduction and sustainable environment.

Some final words

The Philippine MDG campaign has been frequently cited as one of the best in the world. There is much optimism that most of the goals will be achieved on time. The temptation to be complacent is irresistible. The papers in this book reveal that huge gaps in financing exist. It is becoming clear that even dramatic increases in government revenues will not be sufficient to cover financing requirements especially for poverty and sustainable environment. Nothing less than mobilization of resources from all levels of government—national government, local government units, and government corporations—as well as the donor community, the private sector and civil society will ensure that the MDG goals will be reached, and even exceeded by 2015.

REACTORS
say...

Ma. VICTORIA R. RAQUIZA

Social Watch – Philippines
Coordinator, Global Call to Action Against Poverty (GCAP) – Philippines

Last September 14, 2005, at the United Nations General Assembly, Professor Leonor Briones was the only representative of civil society globally invited to address the UN General Assembly. A lot of the speakers gave glowing assessments about the status of the MDGs globally, but Prof. Briones sang a different tune. She stated in no uncertain terms that if global threats were to continue, the MDGs would not be reached. That the promises of world leaders have not been fulfilled and that the financial resources for the MDGs have not been generated these last five years. Sadly, Prof. Briones's strong indictment of the status of the MDGs internationally also resonates in our own country, the Philippines.

Now, the focus of this forum is on Financing Development. *May pera pa ba para sa MDGs?* (Is there money for the MDGs?) *In particular, may pera ba para sa edukasyon at pang kalusugan* (Is there funding for education and health?)? My response to this question is conditional. My contention is that under current conditions, *hindi sapat ang pera para sa MDGs* (there is no sufficient money for MDGs). And if we will continue at this rate, we will not reach the targets for 2015. But in an alternative scenario, a scenario where political will is exercised and a viable financing strategy for MDGs is implemented, my response is yes, *may pera nga para sa MDGs* (there is money for MDGs). Let me explain.

Let us look at the state of education financing. The Philippine Constitution guarantees free basic education for all, and mandates that the State provide highest budget for Education. We already have the most extensive public school system in the world. And enrollment rates of elementary and high school level here are higher than in many of the countries in the advanced world. But statistics and reports consistently point to the dismal state of our educational system. While enrollment numbers continue to go up, there is hardly any improvement in school access, and survival is low. Worse, we see a progressive deterioration in the quality of education, such that we are now considered one of the poorest education performers in the region and the world. *Bakit mababa ang performance natin sa edukasyon?* (Why are we performing low in education?) According to a paper by Rene Raya of Action for Economic Reforms and Social Watch, the problem is the widening resource gap in basic education. It really is a picture of huge shortages, with 50,000 classrooms, three million seats, and 50,000 teachers lacking in 2005. While it is true that budget allocation for education is going up in nominal terms, if we factor in projected increase in enrollment and inflation, that increase may be illusory.

The share of the education sector in the national budget has been going down. From 19% in 1999, it went down to 17% in 2000, 14% in 2005 and from the proposed budget of 2006 *bababa pa ito* to (will still go down to) 13.9%. In terms of the breakdown of the education budget, we see that the bulk of resources goes to salaries and very few is left for other expenses. This means that the shortages we talked about earlier will hardly be addressed. Public spending for education is generally below 3% of GNP, which is lower compared to other countries in South East Asia and the world.

Furthermore, the DepEd budget distributed across the regions is largely determined by enrollment statistics with the income-rich provinces and densely populated regions, taking up nearly a third of the budget. This means that richer regions enjoy very high allocation from the DepEd budget, while the poorest provinces with low enrollment rates get meager resources not because of small population size but because of poverty. In these places, many children don't go to school because either they cannot afford it or because of an outbreak of conflict. The poorest belong to families living at subsistence levels, and many of these are indigenous peoples, the Muslims and other ethnolinguistic groups who have little access to basic social services.

In the health sector, the budget, already paltry at 2% in 2000, has even worsened to 1.41% in 2005. Under the proposed budget for 2006, it can even go down further to 1.3%. These are low investments in health of immoral proportions. Hospital maintenance and other operating expenses eat up practically 75% of DOH budget reinforcing inequities by favoring hospitals over public health allocations. While it is true that health services are still being delivered at the Barangay Health Stations and Rural Health Units located around the country, these public health service centers are inadequately funded, insufficiently managed and insufficiently emphasized. As a result, communicable diseases like tuberculosis and malaria continue to dominate the mortality figures in the Philippines.

Despite the fact that we have set up a national TB control program in the 1930's, TB continues to plague millions of Filipinos. It is estimated that 75 Filipinos die daily from TB which is actually a highly treatable and preventable disease. This, on top of increased incidence of degenerative lifestyle-related illnesses such as diabetes, hypertension and cancer.

The devolution of health services can also show the unequal allocation for national health resources. For instance, Metro Manila, which gets an average 40% of DOH hospital budget, reflected the lowest infant mortality rate at 37 per 1,000 in

1993. In contrast, Autonomous Region of Muslim Mindanao (ARRM) has as many as 67 infant deaths per every 1,000 or almost double the rate in Metro Manila.

Financing the health services comes mainly from out-of-pocket payments generally from those who can afford to pay. The rich minority get access to the highest quality of health services and supplies. On the other hand, the poor majority suffers because of the high cost of medicines and other health supplies resulting from a poorly regulated free-market system. The drug industry alone is a multibillion-peso industry, benefiting from near-monopoly conditions. And even with the government's effort to reduce the price of medicines through a parallel drug importation program, findings show that the prices of drugs and pharmaceutical products in the Philippines are still among the highest in Asia. Former Health Secretary Romualdez said in a Health Forum that one good indicator that measures if the DOH is on track in keeping drug prices down is when the pharmaceutical industry is up in arms against the Department. The average hospital bill is three times the average monthly income.

Anyway, what is our conclusion? Our conclusion is that access and affordability for quality healthcare is beyond the purview of the poor. In other words, *para sa mahihirap sa ating bansa, bawal talaga magkasakit* (for the poor people in our country, they are not allowed to get sick)

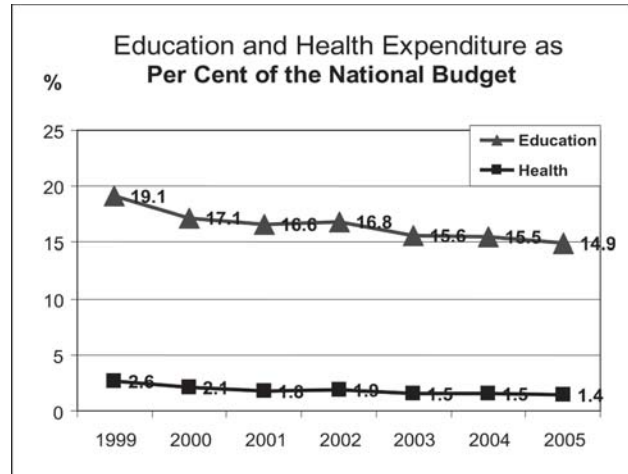
As for the budget, as early as 2002 Social Watch Philippines led by Professor Briones has warned of an impending fiscal crisis as indicated by a ballooning budget deficit and a unsustainable debt burden. After repeated denials, GMA finally admitted to the problem.

The country's budget history is one of consistent and accumulating deficit. Why? Some will point to the Asian financial crisis as the reason. More importantly though, we need to look at the structural defects in our fiscal structure. We have inadequate revenues because of lax efforts as a result of rampant tax evasion and avoidance. We're also looking at declining revenues because of market liberalization that rapidly reduced tariffs lower than GATT-WTO levels. As a consequence of lower revenues and increased demands from a growing populace, the government has resorted to deficit financing. What does this mean? It means that we now substitute the more critical task of revenue collection with borrowing.

As in previous years, debt service takes a big share of the national budget, which is a third of the entire budget. In the last five years, around 23% of the budget was allocated to interest payment. Including interest payment, the proportion of the budget that went to debt service averaged 35.2%, crowding out other budget items.

We see the share of education and health has progressively gone down across years, as debt service is outstripping resources for education and health combined.

The share of social development has gone down in the national budget, and debt service is the only one that's going up.



The budget is really anti-poor because priority goes to servicing the debt and not to delivering the basic services, which benefit the poor.

Congressman Acosta has already said something about the 2006 budget. Let me echo some of the analyses of former NEDA chief Cielito Habito. For the first time, government's annual budget will exceed a trillion pesos by next year. It is higher by 60% compared to the budget of 2005. But by how much will the Filipino poor benefit from this trillion-peso budget? While it is true that funds for social services will go up by 15%, the budget for debt will also go up by 18%. Going by the data that we have, the losers for next year will be education, health, agriculture, agrarian reform, trade and industry, land distribution, public order and safety, and subsidies to LGUs for economic and social services. Those that will take a bigger share are infrastructure, defense, housing, social security, welfare and employment, general administration and government salaries. As usual, the single biggest item in the budget will again be interest payments for debt, which stands at 340 billion pesos. If we are to add the P382 billion to amortize the debt principal, it will be a whopping 780 billion pesos for debt service next year.

Again, looking at the 2006 Budget, one sees that inequities abound in the allocation of funds, a look at the regional data, shows that Metro Manila will get the biggest share of the national budget (3.72%) followed by Western Visayas (3.26%), Central Luzon (2.96%) and Calabarzon (2.82%). And those that will receive the least budget are those that seem to be from the more remote, and poorer parts of the country.

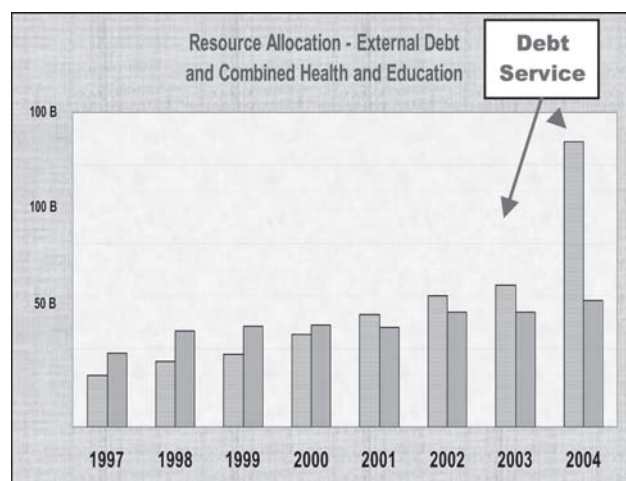
Finally, on aid, while Official Development Assistance (ODA) has been declining, aid absorption continues to be a challenge. Last year, government utilized P77B. Of this, P12B went to agriculture, natural resources and the agrarian reform sector, P34B to infrastructure projects, and the rest to community development. Issues related to ODA are difficulties of the Philippine government in raising counterpart funding required and ODA conditionalities that promote donor interest at the

expense of recipient countries. In spite of these challenges, ODA continues to be an important source of MDG financing.

So let's go back to the question: *May pera pa ba para sa MDGs?* (Is there money for MDGs?) By way of an answer, here are some things to think about. The Philippines will pay P645 billion in debt this year. Compare this amount to the findings of a study conducted by Dr. Rosario Manasan that revealed that the country needs a total of P229 billion to meet the target for basic education, health and water supply from 2002-2006. This means that our debt payment of P645 billion is more than enough to cover costs for the delivery of basic social services. The bottom line is, yes there is money but it is going to service our debt. As such, why not explore options like negotiating debt relief to free up resources for development?

Furthermore, various studies reveal government income losses or leakages due to graft and corruption and inefficiencies in tax administration from a low of 48 billion to a high of 250 billion pesos. It makes sense to plug these leakages. In other words, yes there is money but it is lost to graft and corruption.

Third, there can be money if we realign the budget and prioritize basic health, education and our MDGs. Earmark revenues to priority social development concerns and the poorest provinces. We should realign the national budget by increasing the allocation for social spending in line with fulfilling government's commitment to the 20/20 International Initiative.



There are many other ways of raising revenues such as adjusting tariff measures upwards but still consistent with WTO commitments. Increase the grant component of ODA from 15% to 30%; 100% grant priority for human development projects like basic education, primary healthcare, water, child development, etc. Also, call for the conversion of ODA loans estimated at P30B for health and education into grants. Congress can call for an ODA audit with a view to mobilizing more ODA for social development and poverty eradication. But all these can be done if there is political will and a viable financing strategy.

I'd like to end with a little vignette about a DepEd Undersecretary being "transferred" to another government post. However, many believe that the "transfer" of this Undersecretary has to do with his refusal to accept three postdated checks, which Malacañang issued for a Congressman's supposed scholarship program. According to the news, this happened at the height of the congressional hearing on the impeachment complaint against the President and is perceived by many as reward for the congressman's anti-impeachment position.

What is the moral of the story? That at the end of the day, no matter how professional our government people are, and how wonderful our development plans, for as long as the leadership prioritizes political self-interest and survival over good governance, there is not much hope and resources for the implementation of the MDGs and for our development. Five years after the Millennium Summit, Social Watch and other group's assessment is that there is little to celebrate and much to fear. Poverty and inequity are worsening. Viable proposals abound? What is government waiting for?

My main message is that that the national leadership should shape up or ship out. But how that happens is another story.

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Rep. JR NEREUS ACOSTA

1st District of Bukidnon

I am happy to be a reactor because this would be timely. Not only because the United Nations just had its General Assembly, particularly on the Millennium Development Goals, but also because I serve as member of the newly-created MDG Committee in Congress.

I would like to focus on three or four major points. First, I would like to talk about what Professor Jeffrey Sachs said. He is a foremost economist at Harvard and now Director of the Earth Institute at the Columbia University, and author of the recent book *How to End Poverty*. You can access websites on his work. Anyway, I had the rare privilege of meeting Dr. Sachs in October 2005, when I was World Fellow of Yale University.

At that meeting, I asked Professor Sachs a question about his comment on the Medium Term Development Plan of the Philippines. The government had crowed about the fact that Prof. Sachs gave the MTPDP a thumbs-up, and there was much brouhaha in the media about how wonderful this MTPDP was, as praised by Sachs.

I said, but those qualifiers were obviously left out and not mentioned by Secretary Bunye or President Arroyo. We Filipinos do make good plans. We make wonderful reports and excellent Power Point presentations. Yet it is the Vietnamese, the Thais, the Malaysians who listen to us — as we Filipinos have the gift of gab — and who return to their countries, after listening quietly, and implement what we Filipinos have planned. And (what happens to) We plan and plan but don't execute. It is the same with Congress, right? In a lot of ways. That is why my friends in the academe continue to quip: the opposite of pro is con. The opposite of Progress is Congress!

Jeffrey Sachs said three qualifiers. Three things that government must do to realize, enforce and actually make these beautifully laid-out plans — MDGs included — workable, enforceable, feasible. First, we must fix the fiscal health of the country. Both classes of Professor Briones on financial management and fiscal administration will agree with that. We have a deficit now that is a quarter of the actual budget. In the trillion-peso budget now, all sectors are on a decline: social services, economic interventions, etc. The only one that has risen is debt servicing and that is just for the interest payments because the DBM does not include principal payments. And so if you look at the debt stock, the actual sum or whole of what we really owe — contingent liabilities, official development assistance, etc. the state of Transco, Napocor, GOCCs, the evaluation of funding sources, my goodness, no one really knows what we owe. We have to ask this government and really delve

into this budget. So that is the first thing Sachs said.

The second: population and human development. Sachs said that you cannot possibly look at meeting the targets for MDGs with a 2.36 percent population growth rate. I know this is a source of acrimonious debate and we are engaged in this as the Philippine Legislators Committee on Population and Development, which I chair. We have to reduce this birth rate.

And third: "You have to get governance right." And when you say governance, you necessarily mean corruption. You're talking about 40 cents of every dollar going to waste, or inefficiently used. Those are World Bank estimates. Perhaps it is even more but that's on average. Now there is a slide in Dr. Villaverde's presentation that said that, I think it was primarily on the budget cap. And then there was something said about LGUs, that they cannot track LGU spending on health, for instance. You know that in essence even if you have health budgets and finances, you're not really sure because there are many mayors who are just keeping the medicines and stocking them in their house, or using these for politics and campaigns. That is as far as health is concerned. We're not talking yet about education. Of course Undersecretary Bacani knows this all too well — supplies, books, textbooks, etc. That's my first set of general reactions.

Let's get to the GAA of 2006. I don't know where to examine the rate of progress of the MDGs. In this brochure on the MDGs you handed out there is the column of probability of attaining the different targets — high, high, high, medium, medium, high, high, high, medium high, medium, high Wow. That's very optimistic! Of course, the source of these targets is the Medium Term Development Plan. Is there anyone in government, in academe, in civil society, and the social worker at large who actually believes that money will go to MDG? And that we will achieve these targets? We can just leave that to the open forum. But for the GAA, I know for instance we just had the budget analysis with former Secretary Emilia Boncodin. And among others, she asked us to look into carefully lumped sums like a so-called "healing" fund which would be for the Armed Forces worth P48.6 billion. That's a lump sum supposedly to heal the wounds of EDSA 1, 2 and 3, the wounds of this country! Good grief. I don't know what kind of treatment that will entail. P48.6 billion, we're not sure of the accounting and the auditing mechanism that will be devised. There's going to be a P29-billion fund for the AFP retirement allowances and unfortunately General Gudani would probably not have his share of this P29-billion retirement allowances. There is a 5 billion *Kilos-Asenso* in the DILG for different local government

units. I think that's a counterpart for the LGUs there. And then there's a Baranggay Kalayaan Fund of P3 billion and that's why you read in the papers that LGU pork barrel this coming year is bigger than Congress' pork barrel. You'll ask how is this actually in tune with the MDGs and the Medium Term Development Plan? Of course, the government can always justify this. But I think we should ask what exactly this funding will be used for and whether they are truly linked to the MDGs and the targets, which are all heralded as "high" or "medium" in terms of prospective attainment.

Finally, I would like to focus on GOALS 1, 5 and 7. Goal 1: extreme poverty and hunger. When we look at the last SWS surveys on rising hunger — 40 to 49 percent of families now experience chronic hunger — we ought to be very alarmed. How can we get a "high" attainment for Goal 1? I won't belabor this here. Our reactor here will deal with it more extensively and perhaps we can expound on this during the Open Forum.

The goal of reducing child mortality and improving, maternal health, which Dr. Villaverde already spoke about, is very important. I know this can be controversial, but I am first and foremost a policymaker here.

When the President was in the United Nations two weeks ago, she closed her speech on debt for equity, the MDGs and such with a tangential paragraph or two on family planning. She segued into Natural Family Planning and asked the UN Population Fund to realign its funding for Natural Family Planning. She said that NFP is the only effective method, or something to that effect, virtually invalidating modern methods or approaches in family planning. How can we seriously attain Goal 5 if we say Natural Family Planning is 98 percent effective and the only method we must use? This is being intellectually dishonest. This statement raised some eyebrows internationally, but we know why GMA said this — as a possible concession to certain institutional, religious demands.

And the final goal that I would like to bring to the discussion as a "threatened" Chair of the Committee on Ecology is Goal 7 on ecological sustainability. I am, astounded that the probability of attaining this target is put on "high." I don't know if they are talking of another country here.

Environmental sustainability for the Philippines is high? We just saw Quezon and Aurora last year and the continued deforestation of the last remaining patches of forests in my native Mindanao. We see our rivers and seas dying from massive pollution and abuse. I authored the Mt. Kitanglad Protected Area Act, making the mountain range and critical watershed the only protected area in the Mindanao. Mt. Apo is not even protected yet because LGUs are quarreling. In our place, only one district overlaps with Mt. Kitanglad. Even so, its biodiversity is critically threatened with upland migration and population pressures, as well as the destruction of watersheds and forests. It is so sad. We know all too well the pernicious effects of poverty

on natural resources: the forests are lost, natural resources are destroyed.

I would like to comment next on the nexus of population, development and poverty. Our ecological systems are people-centered systems. And our agricultural and coastal economies are largely ecology-dependent. That is why when I was away last year at Yale, I worked with the Yale Center for Environmental Law and Policy and helped craft the ESI—Environmental Sustainability Index. You can access the www.esi.yaleenvirocenter website for details.

It's a ranking of all countries on how their people sustainably address our environmental problems, and work towards sustainable solutions and foster alternative solutions as such. Since 1998, the ESI has ranked the Philippines in the lower brackets of environmental sustainability. As the author of the Clean Air, Clean Water and Solid Waste Management Acts in Congress, it really scares me no end that we have not done enough on the environmental front with the DENR. I don't know if that is so because our friend, the secretary, is busy doing other things besides focusing on the environment.

The kind of investments for caring for the environment: DENR has a P4.8-billion budget this year — P4.8-billion to take care of the blue, green and brown environments! A huge chunk of this, I think, will go to mining. There is now an undersecretary for mining. We have to look very closely into these developments. Despite claims to environmental sustainability of mining practices these days, we very well know that it is an extractive industry and that is not exactly tied to the protective component of the DENR's mandate. This is why the DENR mandate is "schizophrenic." It protects but at the same time, exploits natural resources. That is why there should be a separate protection agency that serves these functions for air, water, etc.

And the P10 billion? DOST, I think it's a measly P3 billion. It's the lowest in the budget, science and technology. No country in the history of civilization has made frog-leaps towards progress and modernity without investing in scientific research, both basic and applied.

In Southeast Asia as part of the ESI, we spend the lowest in the region. For every one million people, how many scientists are there? In Singapore they are four million; who can guess how many scientists they have? A thousand scientists for one million. In Japan, five thousand scientists for one million. In America, three thousand something. But in the Philippines, for every one million, how many scientists do we have? 10? 20? 15? We have 153 for 85 million. That's the lowest and we spend the lowest. In the budget, 0.2% of the GNP is for science. Every country worth its salt invests in technological and scientific research at least 5 percent of the GNP.

And so, *may pera ba?* Perhaps there's money but it doesn't go to where it should. But at the same time, there's really a

shortfall of money, tax effort is low, overall investments and wealth creation are weak. It's double-edged.

It's a matter of prioritization, indeed. It's a matter of investments and revenue. But it is also a matter of carrying capacity, demographics, the sustainability of our natural and human resources. And ultimately what brings them all together is the discussion on ecology: population, environment, technology and social organization.

In social organization, it is about how we manage, balance all of these. Our leadership, our affairs of state, our budgeting, planning, our governance, anti-corruption efforts, etc. And so today let me just end with this. We all know how

deep the malaise is, the political crisis that has bedeviled the country. With this infectious sore, this cancerous tumor in the body politic, there will be great difficulty meeting the targets we set for the MDGs. I'm sorry to say this. Not in 2015, not in 2010, not in this "high-medium-high" card I'm showing.

Not this year or the next. If we do not get to the very heart of constitutional and electoral democracy, which cuts to the very essence of social trust, legitimacy, accountability, genuine public service and credible leadership, there won't be effective support mechanisms for the meaningful attainment of the Millennium Development Goals.

RESEARCHERS
say...

Eradicate extreme poverty and hunger: Will we walk the line?

By Rhodora A. Tiongson

INTRODUCTION

ELIMINATING poverty is the heart of all the Millennium Development Goals. All targets on nutrition, education, gender equality and health aim to make a dent on the various dimensions of poverty including hunger, disease, unemployment, lack of voice, power and representation, gender discrimination and lack of shelter. This multifaceted nature of eradicating extreme poverty and hunger makes it seem a daunting task. Will the Philippines really be able to achieve this goal? With its current debt level and political environment, can the country still finance MDG1?

Defining poverty

“Poverty is a deprivation of essential assets and opportunities to which human is entitled. Everyone should have access to basic education and primary health services. Poor households have the right to sustain themselves by their labor and be reasonably rewarded, as well as have some protection from external shocks. Beyond income and basic services, individuals and societies are also poor – and tend to remain so – if they are not empowered to participate in making the decisions that shape their lives”.¹



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Authority. She was a contributor in the First and Second Philippine Progress Reports on the Millennium Development Goals. The analyses and recommendations expressed in this article are solely hers and do not necessarily reflect NEDA's official position.

¹ ADB. 1999. Fighting Poverty in Asia and the Pacific: The Poverty Reduction Strategy of the Asian Development Bank. Manila.



In the Philippines, the annual per capita poverty threshold² is PhP12,267, or PhP 5,111 per month per family of five members. In NCR, the monthly poverty threshold is PhP 6,998.³ Therefore, a family earning a total income of PhP 7,000 in Metro Manila is not yet considered poor.

Extreme poverty, on the other hand, is poverty measured in terms of one's capacity to satisfy food requirements (also referred to as subsistence incidence). The UN Millennium Project defined extreme poverty as "poverty that kills", depriving individuals of the means to stay alive in the face of hunger, disease and environmental hazards. Instead of the \$1 per day international benchmark in measuring extreme poverty, the government uses the national subsistence incidence based on the national food threshold. "The subsistence threshold, measured as the minimum income a person needs to satisfy his or her nutritional requirements of 2,000 kilocalories per day, was estimated at PhP 8,134 per capita per year or PhP 3,389 per month for a family with an average of five members in 2003 – slightly higher than the per capita food threshold of PhP7,707 registered in 2000".⁴ Despite such increase, the civil society still describes it as "ridiculously low" considering that it translates to only P22.59 daily food allowance per family member. The figure, in effect, states that a P7.50-allowance per meal is enough for an individual to subsist.

Dimensions of poverty

The dimensions of poverty can be broadly classified into two areas: income and non-income. While the income dimension

looks at the proportion of households with income less than the poverty threshold and the proportion of households with income less than the food threshold, the non-income aspect looks at health, nutrition, access to basic amenities, shelter, peace and order, employment and education. The following indicators are used in the non-income dimension:

- On health:
 - Proportion of children aged 0-5 years old who died to the sum of children aged 0-5 years old during the reference year
 - Proportion of mothers who died while giving birth to the sum of mothers who gave birth during the reference year
- On nutrition
 - Proportion of children aged 0-5 years old who are malnourished to the total number of children 0- 5 years old
- On access to basic amenities
 - Proportion of households with access to safe water
 - Proportion of households with access to sanitary toilet facilities
- On shelter
 - Proportion of households who are squatting
 - Proportion of households living in makeshift housing
- On peace and order
 - Proportion of households with members victimized by crimes
- On employment
 - Unemployment rate
- On education
 - Elementary participation rate
 - Secondary participation rate

Objectives

This paper presents the current poverty situation of the country considering the opposing perspectives of both the government and civil society. Essentially, it determines the probability of achieving MDG 1 by estimating the financing gap, if any, between the estimated resource requirements and the projected resources available for reducing extreme poverty and hunger by 2015. It also aims to identify the constraints encountered in the costing exercise vis-à-vis the issues and challenges in implementing the goal.

Limitations

As of writing, the study on the cost estimates for financing the goal on extreme poverty and hunger commissioned by NEDA

² Defined as the minimum annual income needed to meet the food and nonfood requirements.

³ Millennium Development Goal on Eradicating Extreme Poverty and Hunger: Outlook for the Philippines. Presentation by Mr. Ramon Falcon of NEDA.

⁴ Second Philippines Progress Report on the Millennium Development Goals, p. 28. June 2005.

is not yet completed. In the absence of such data, this paper uses the Philippine 20/20 Initiative estimates made by Dr. Rosario Manasan for financing basic social services (i.e. basic education, basic health and nutrition, and water and sanitation) as proxy for extreme poverty and hunger requirements. However, it does not consider an individual's security and enabling needs such as shelter, employment and livelihood, among others. While the Medium Term Public Investment Program (MTPIP) 2005-2010 includes agriculture and infrastructure projects as part of the MDG1 cost requirements, the listing makes no distinction between programs and projects (PAPs) directly affecting poverty and those which are only indirectly contributing to extreme poverty and hunger reduction. The cost of actual poverty components of these MDG1 investments was not segregated due to time and technical constraints.

Poverty measurement is not also entirely free from inaccuracies as available data focus only on income poverty, precluding other dimensions such as vulnerability, powerlessness, exclusion and deprivation. Moreover, the comparability of the official poverty estimates of the National Statistical Coordination Board (NSCB) from 1990 to 2003 is undermined by the 1992 and 2003 major methodology changes. The 1992 method was retroactively used in the 1985 and 1988 figures, and remained in effect for the 1994, 1997 and 2000 rounds of the Family Income and Expenditure Survey (FIES). In 2003, a methodology change was again effected but its retroactive application was only up to the 1997 figures – deterring comparison with earlier data sets.

Another limitation posed by the poverty (particularly FIES) data is its exclusion of families without “official and permanent residence” (the ambulant poor who live under the bridge, squatters areas, on the streets, etc.), leading to the under-representation of the poor in the sample.

TARGET 1: HALVE THE PROPORTION OF PEOPLE LIVING IN EXTREME POVERTY BETWEEN 1990 AND 2015

Status and Trends

Table P-1 shows the progress of MDG1, as reflected in the Second Philippines Progress Report on the Millennium Development Goals. It reveals a high probability of attaining the targets on extreme poverty and hunger except for the percentage of underweight among 0-5 year-old children, which registers a medium probability.

While this paints a favorable picture for the first goal, caution should be made in analyzing the poverty trends considering the two major revisions in the poverty estimation methodology in 1992 and 2003. Comparing poverty data across time cannot be made without first ensuring that they are based on the same assumptions. There are two overlapping series, the first from 1985 to 2000 and the second from 1997 to 2003. While the new methodology resulted in lower poverty headcounts, the old methodology revealed a worsening magnitude of income poverty from 1985 to 2000. The decline in poverty incidence was negated by a very high population growth rate of 2.36 percent per year. In fact, the actual number of poor people even increased substantially by over four million from 1985 to 2000.⁵

Table P-1: MDGs: Rate of progress

MDG	Baseline (1990 or year closest to 1990)	Current Level (2002/ 2003)	Target by 2015	Average Rate of Progress (1990- 2003) (a)	Required Rate of Progress (2003- 2015) (b)	Ratio of Required Rate to Average Rate (b/a)	Probability of Attaining the Targets 1/
Eradicate extreme poverty and hunger							
Proportion of population below the Subsistence/food threshold	24.3a/	13.8c/	12.15	-0.88	-0.14	0.16	High
Poverty threshold	45.3a/	30.4c/	22.65	-1.24	-0.65	0.52	High
Percentage of underweight among 0-5 year-old children	34.5	27.6	17.25	-0.53	-0.86	1.63	Medium
Proportion of households with per capita intake below 100% dietary energy requirement	69.4b/	56.9	34.7	-1.25	-1.85	1.48	High

Source: Second Philippines Progress Report on the Millennium Development Goals 2005

Notes:
a/ 1991: Uses the old methodology considering special rice in the menu and using regional prices; family of 6
b/ 1993
c/ 2003: Uses ordinary rice and provincial prices; family size is five
1/ Rate needed to reach target/current rate of progress

< 1.5	High
1.5 to 2.0	Medium
> 2	Low

⁵ Poverty in the Philippines: Income, Assets and Access. ADB. January 2005.

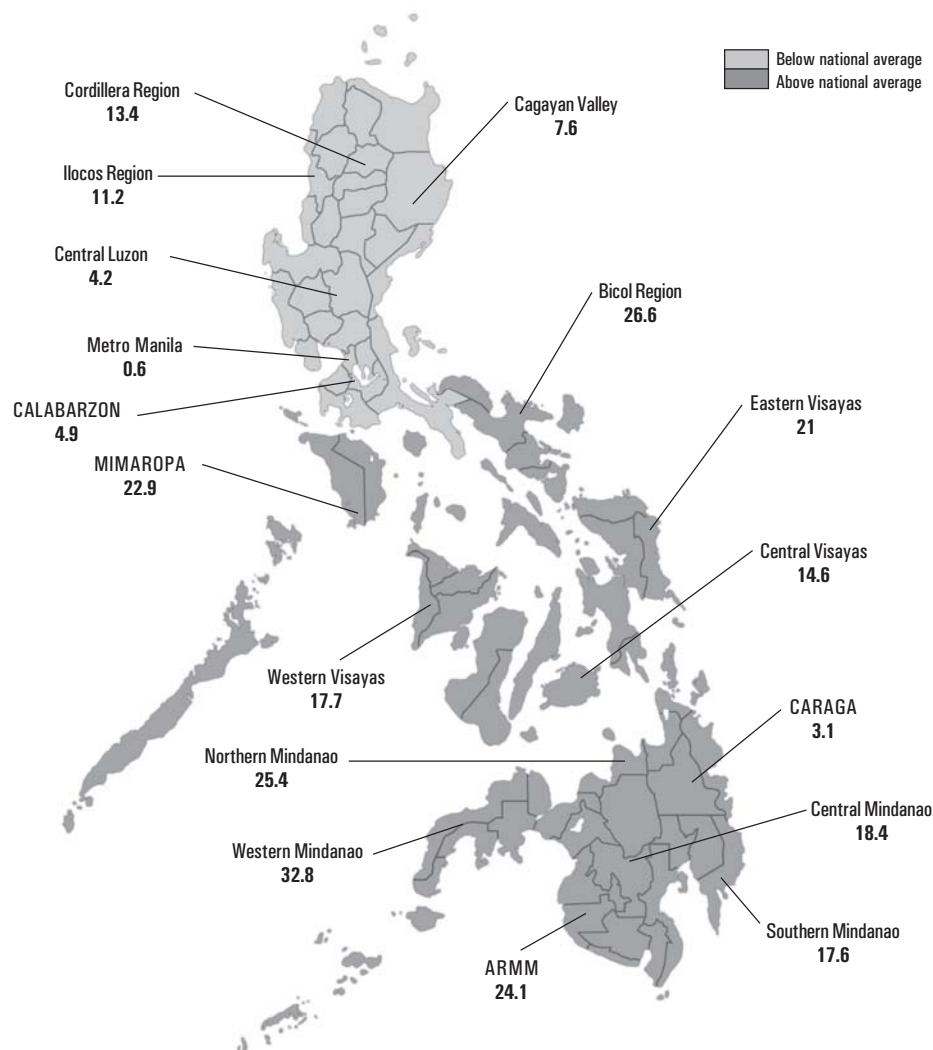
The ADB Report also showed that sustained economic growth from 2000-2003 has not been pro-poor. Despite the country's GDP growth from 2000-2003, preliminary 2003 FIES results indicate a 10-percent drop in real average family incomes. This is worse in the National Capital Region (NCR), where families suffered an almost 20-percent drop. The report further reveals a 6-percent contraction in the real average income of the bottom 30 percent of the population for this period. In real terms, the 2000 poverty line of P11,605 still falls below the 1988 poverty line of P4,777 per person per year, which is equivalent to P14,136 in 2000 using the Consumer Price Index. As previously mentioned in the limitations of this study, the actual number of the poor is also under-represented because

data considered only the income dimension of poverty, and the ambulant poor/informal settlers were not included in the sample.

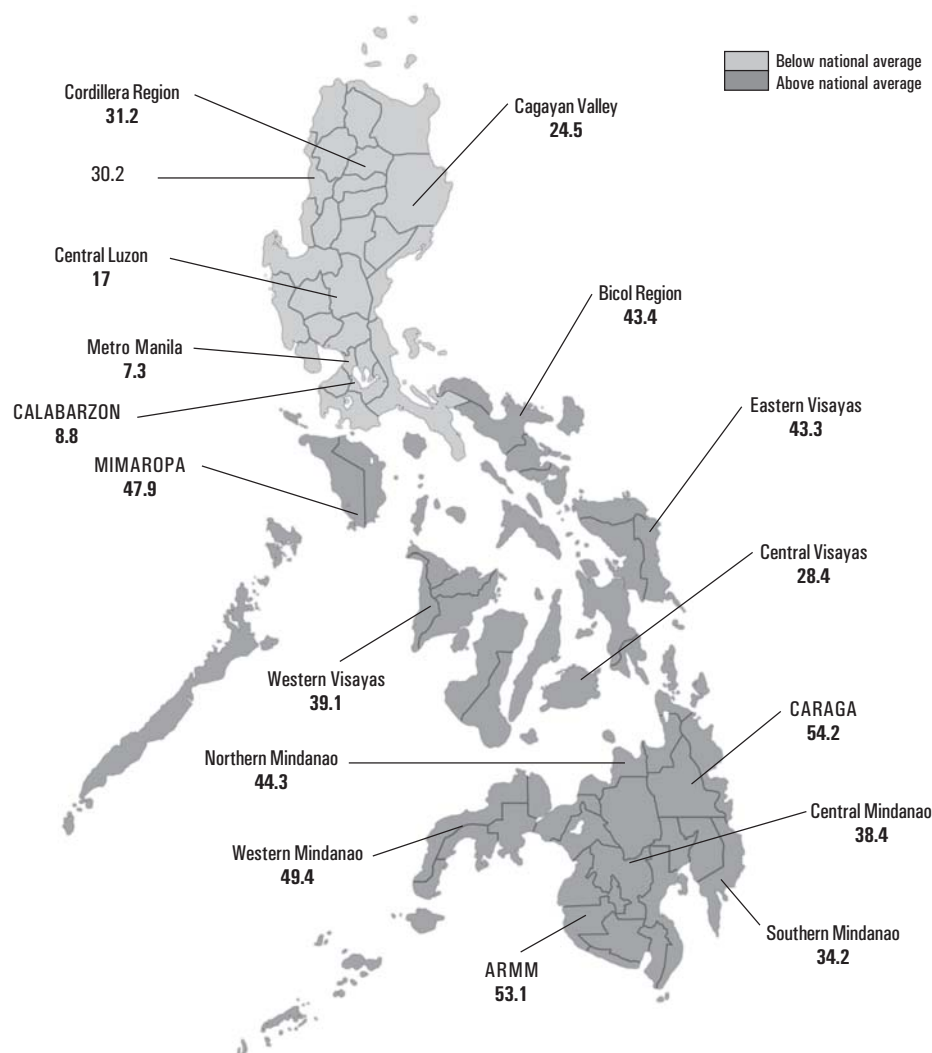
Where are the poor?

Around 13.8 percent of the population are living below the subsistence or food threshold of P22.59 per capita per day in 2003. Referring to Figure P-1, regions with food-poor population higher than this national subsistence incidence are those in dark gray, covering practically all of Visayas and Mindanao. The extremely poor are concentrated in CARAGA, Western Mindanao or the Zamboanga Peninsula and the Autonomous Region for Muslim Mindanao (ARMM). Metro Manila's 0.6 percent food-

Figure P-1. Subsistence incidence by population, by region 2003



Source: NSCB Family Income and Expenditure Survey, 2003

Figure P-2. Poverty incidence by population, by region 2003

Source: NSCB Family Income and Expenditure Study, 2003

poor population is a stark contrast to these regions' double-digit subsistence incidence, revealing persisting inequalities in income distribution. The NCR experienced the biggest decrease in Gini ratio (measure of income inequality) while Zamboanga Peninsula, Northern Mindanao and Bicol had the least equal income distribution.

Poverty incidence is higher than subsistence incidence at 30.4 percent for this already covers the minimum food and nonfood requirements. Figure P-2 shows certain similarities with the figure on subsistence incidence: most regions in Luzon, with the exception of Ilocos and Cordillera Administrative Region (CAR), fared much better than the Visayan and Muslim regions. Poverty is most severe in CARAGA, ARMM and Western Mindanao.

Table P-2 shows the poverty incidence among families in the different provinces and their corresponding quality of life index (QLI). While the former indicator uses the lowness of income in gauging whether an individual is poor or not, QLI measures the core of basic wellbeing using three indicators: proportion of births attended by skilled health personnel, under-five nutrition, and the proportion of Grade One enrollees who reached Grade Six after the required number of years.

As seen in Table P2, poverty incidence increased from 28.1 in 1997 to 28.4 in 2000, which translates to 4.3 million families living below the poverty line, or 26.5 million Filipinos (almost a third of the country's population) earning below P33.61 per day. In magnitude, the number of poor people increased by four million from 1997 to 2000. Sulu, Masbate, Tawi-Tawi, Ifugao,

Table P-2. Poverty incidence of families and population by province (1997 and 2000) and provincial quality life index or QLI (1997 and 1999).

Province	Poverty incidence of families (in percent)		Poverty incidence of population (in percent)		QLI		
	1997	2000	1997	2000	1997	1999	'99 Rank
Philippines	28.1	28.4	33	34			
NCR	4.8	5.7	6.5	7.6			
1 st District	5.7	5.8	8	7.3			
2 nd District	4.5	4.1	5.9	6			
3 rd District	4.6	9	5.9	11.6			
4 th District	4.6	4.9	6.2	6.7			
Region I: Ilocos Region	31.4	29.6	37.7	35.5			
Ilocos Norte	19.3	18.2	25.1	22.8	0.858	0.828	5
Ilocos Sur	28.7	30.6	35.2	35.4	0.755	0.784	12
La Union	37.5	33.7	43.5	39	0.801	0.762	16
Pangasinan	33.5	30.9	39.5	37.2	0.828	0.774	14
Region II: Cagayan Valley	27.1	24.8	32.6	29.7			
Batanes	8.7	7.5	14.6	13.9	0.901	0.908	1
Cagayan	25.3	20.3	30.8	25.4	0.681	0.69	27
Isabela	31.8	30.2	37.2	34.6	0.72	0.743	20
Nueva Vizcaya	13.7	15.9	18.8	21.6	0.684	0.707	25
Quirino	33.8	31.4	40.5	38.2	0.61	0.621	43
Region III: Central Luzon	13.9	17	16.8	20.9			
Bataan	7.7	9.9	10.2	12.1	0.861	0.862	2
Bulacan	8.3	5.4	10.7	7.5	0.866	0.82	7
Nueva Ecija	23.7	27.3	27.1	32	0.731	0.803	9
Pampanga	7.4	14.4	9.7	18.2	0.819	0.823	6
Tarlac	21.5	27.6	25.6	33.6	0.779	0.76	17
Zambales	16.6	23.5	22.3	28	0.758	0.75	18
Region IV: Southern Tagalog	22.8	20.8	26.9	25.9			
Aurora	28.4	26.6	34.4	33.2	0.595	0.56	66
Batangas	22.1	20.9	25.6	25.9	0.822	0.802	10
Cavite	8	10.2	11	13	0.782	0.844	4
Laguna	12.3	8.6	14.9	11.4	0.79	0.793	11
Marinduque	43.2	45.2	51.8	55.5	0.626	0.601	48
Occidental Mindoro	34	41.4	40.9	48.8	0.55	0.522	74
Oriental Mindoro	34.4	43.1	41.5	51.7	0.592	0.594	52
Palawan	31.7	27.9	37.3	35.9	0.588	0.568	63
Quezon	36.5	34.1	41.4	40.7	0.612	0.623	42
Rizal	8.3	8	10.2	11.1	0.799	0.771	15
Romblon	52.8	55.2	59.8	66.5	0.665	0.63	37
Region V: Bicol	46.9	49	53.8	56.2			
Albay	43.2	39.6	50	47.8	0.605	0.629	38
Camarines Norte	49.7	52.7	57.6	57.3	0.599	0.641	34
Camarines Sur	43.7	42.6	51.1	48.7	0.593	0.583	56
Catanduanes	41.3	44.7	48	53.2	0.622	0.642	33
Masbate	61.4	62.8	68.9	70.9	0.541	0.532	72
Sorsogon	42.1	41.4	48.7	51.4	0.59	0.602	46
Region VI: Western Visayas	37.2	37.8	43.2	45.7			
Aklan	30.9	36.3	39.2	42.9	0.684	0.658	29
Antique	44.9	35.1	52.6	45.9	0.592	0.556	67
Capiz	39	51	48.5	57.4	0.525	0.597	51
Guimaras	29.6	22.6	35.7	28.3	0.591	0.621	44
Iloilo	37.2	29.8	43.1	37.1	0.652	0.652	32
Negros Occidental	36.7	41.6	41.2	50.2	0.562	0.55	68

Province	Poverty incidence of families (in percent)		Poverty incidence of population (in percent)		QLI		
	1997	2000	1997	2000	1997	1999	'99 Rank
Region VII: Central Visayas	29.8	32.3	34.7	37.4			
Bohol	37.3	47.3	43.1	53.6	0.708	0.712	24
Cebu	25.5	28.7	29.3	32.7	0.739	0.748	19
Negros Oriental	33	28.9	39.8	36.4	0.59	0.57	62
Siquijor	45.3	29.2	50.5	33.6	0.829	0.855	3
Region VIII: Eastern Visayas	39.9	37.8	47.4	45.4			
Biliran	39.6	34.8	44.9	45.1	0.48	0.549	69
Eastern Samar	58.1	47.3	67.2	57.1	0.63	0.628	39
Leyte	32.9	36.1	39.6	41.9	0.66	0.657	30
Northern Samar	49.5	40.7	55.5	50.4	0.487	0.53	73
Southern Leyte	33.6	28.5	44.4	37.7	0.697	0.64	35
Western Samar	41.1	40.7	47.2	48	0.558	0.573	61
Region IX: Western Mindanao	31.9	38.3	37.1	44.5			
Basilan	20.9	26.2	25.5	32.7	0.455	0.514	75
Zamboanga del Norte	42.4	45.6	47.4	51.9	0.618	0.628	40
Zamboanga del Sur	28.7	37	34.3	43.3	0.599	0.597	50
Region X: Northern Mindanao	37.8	32.9	43.3	38.7			
Bukidnon	42.5	32.2	48.3	39.6	0.53	0.543	70
Camiguin	32.5	53.1	39.4	56	0.751	0.783	13
Misamis Occidental	43.3	43.4	49.3	49	0.648	0.668	28
Misamis Oriental	31.5	27.6	36	32.5	0.68	0.714	23
Region XI: Southern Mindanao	31.1	31.5	37.1	36.5			
Compostela Valley						0.582	58
Davao del Norte	31.9	38.9	37.9	45.9	0.629	0.624	41
Davao del Sur	22.7	18.2	28.2	21.8	0.54	0.566	64
Davao Oriental	46.7	34.4	55.9	41.5	0.558	0.563	65
Saranggani	45.1	48	49.8	51.5	0.544	0.506	76
South Cotabato	33	37.3	38.3	41.8	0.594	0.601	47
Region XII: Central Mindanao	45.3	48.4	51.6	55.3			
Lanao del Norte	45.2	50.8	50.1	55.5	0.647	0.716	22
North Cotabato	50.6	42.9	58.1	51.5	0.554	0.541	71
Sultan Kudarat	36.6	54.3	42.5	61.4	0.576	0.576	59
CAR	35.9	31.1	42.8	38			
Abra	55.7	48.8	58.9	58.6	0.691	0.726	21
Benguet	18.9	14.1	26.2	19.2	0.751	0.81	8
Ifugao	57.7	55.6	66	64	0.725	0.655	31
Mt. Province	56.6	49	64.7	57.6	0.68	0.691	26
Apayao	27.5	26.1	34.1	33.8	0.597	0.603	45
Kalinga	38.7	38.8	44.3	45.1	0.611	0.588	54
ARMM	50	57	55.6	62.9			
Lanao del Sur	55.6	55	62.2	61.9	0.589	0.583	57
Maguindanao	41.6	55.1	47.1	61.3	0.497	0.479	78
Sulu	67.1	63.2	70	67.7	0.478	0.493	77
Tawi-tawi	35	56.5	39.2	60.2	0.659	0.585	55
CARAGA	44.7	42.9	51	50.2			
Agusan del Norte	41.4	39.9	47.3	45.3	0.671	0.637	36
Agusan del Sur	45.3	50.2	53.7	58	0.538	0.59	53
Surigao del Norte	46.9	42.4	51.8	50.8	0.589	0.575	60
Surigao del Sur	45.2	38.2	51.8	45.7	0.596	0.598	49

Source: Social Watch Philippines 2005 Report citing National Statistical Coordination Board (NSCB) and Action for Economic Reforms (AER) as sources of data

Romblon, Maguindanao, Lanao del Sur, Sultan Kudarat, Camiguin, and Camarines Norte were the 10 provinces with the highest concentration of proportion of poor families while the four districts of NCR, together with Bulacan, Batanes, Rizal, Laguna, Bataan and Cavite had the least.⁶

Using QLI, however, the 10 poorest provinces would be: Maguindanao, Sulu, Sarangani, Basilan, Occidental Mindoro, Northern Samar, Masbate, North Cotabato, Bukidnon and Biliran. Table P2 also shows that as income poverty dropped in certain provinces such as Ilocos Norte, La Union, Pangasinan, Bulacan, Aurora, Palawan, Camarines Sur, Antique, Negros Oriental, Southern Leyte, Ifugao, Lanao del Sur, Agusan del Norte, Surigao del Norte and Surigao del Sur, quality of life index in these areas even deteriorated. This kind of information should be the basis for determining areas to be given priority budgetary allocations, especially in major poverty programs such as the Kapit Bisig Laban sa Kahirapan – Comprehensive and Integrated Delivery of Social Services (KALAH-I-CIDSS) and the KALAH-I prototype.

Since it measures basic capabilities using three indicators (deliveries attended by skilled health personnel, mortality among children under five years old⁷, and the number of children remaining in the school system up to the fifth grade), QLI has also been known as basic capabilities index (BCI). The 2005 Human Development Report put the Philippines under the Medium Human Development category, ranking it 84th among 177 countries in terms of its human development index (HDI)⁸. Using the BCI, however, plunks the country at a “very low level” category as shown in Table P-3. Only a notch above India and Cambodia which have “critical level” of BCI, the Philippines lags behind most of its Asian neighbors. Its “very low” BCI rating (under 80) may connote huge constraints in achieving the minimum human development standards. In contrast, the countries in the top two categories which scored over 90 in the index (Singapore, Brunei, Malaysia, Thailand and Vietnam) have already met most if not all of their citizens’ basic needs.

According to Social Watch, an index of 100 — the achievement of that ceiling on all three indicators — does not imply a high level of social development. What it means is that the country has achieved universal coverage of the minimum essential requirements to be able to make progress towards improved well being.

Countries may be classified under the “critical level” on the BCI scale (under 70); under “very low” BCI level (under 80), which includes countries with huge constraints in achieving minimum standards like those set by the MDGs; and “low” BCI

level — a heterogeneous group that includes poor countries which are improving their social development and relatively rich countries with high inequalities. The countries in the top two categories, “medium” and “high” BCI ratings (over 90 in the index), have been able to satisfy most or all of their citizens’ basic needs.

Table P-3: Basic capabilities index (BCI) by country

Countries	BCI
High level (98 and above)	
Singapore	99
Medium level (90-97)	
Brunei Darussalam	97
Malaysia	97
Thailand	97
Vietnam	91
Low level (80-89)	
Indonesia	84
Very low level (71-79)	
Philippines	78
Critical level (under 70)	
India	64
Cambodia	63

Source: Social Watch Report 2005, *Roars and Whispers, Gender and Poverty: Promises Vs. Action.*

Table P-3.1 lists the countries in the same league as the Philippines in terms of their BCI level. Note that most of these countries fall under the “low human development” category of the Human Development Report 2005.

Table P-3.1: Countries with very low BCI level

Countries	BCI
Cote d'Ivoire	71
Gambia	71
Kenya	71
Senegal	71
Comoros	72
Nicaragua	72
Honduras	73
Lesotho	73
Togo	73
Cameroon	75
Iraq	75
Papua New Guinea	75
Sao Tome and Principe	76
Swaziland	76
Benin	78
Djibouti	78
Philippines	78
Paraguay	78
Bolivia	79
Morocco	79

Source: Social Watch Report 2005.

⁶ However, the limited sample size of the Family Income and Expenditure Survey (FIES) which served as basis for the income and expenditure data used in the estimation, may undermine the accuracy of these provincial estimates.

⁷ While “malnutrition among children under 5” was originally used as one of the BCI indicators, Social Watch Philippines raised the possibility of using “under-five infant mortality rate” because there is more data available on this in different countries’ statistical registers, and because there is a high correlation between it and the child malnutrition indicator.

⁸ HDI is almost similar to BCI as it also measures health and education in its components. The only difference is that HDI includes income indicator (GDP per capita) while BCI does not.

TARGET 2: HALVE THE PROPORTION OF POPULATION BELOW THE MINIMUM LEVEL OF DIETARY ENERGY AND HALVE THE PROPORTION OF UNDERWEIGHT CHILDREN (U5)

Status and Trends⁹

There is a high probability of attaining the target proportion of households meeting the minimum level of dietary energy consumption since the country's per capita food supply of 1,188.4 grams in 2001 exceeded the Recommended Dietary Allowance (RDA) of 1,031 grams. Based on the 2003 Household Food Consumption Survey (HFCS) by the Food and Nutrition Research Institute (FNRI), mean one-day per capita food consumption and mean one-day per capita energy intake increased from 869 grams to 886 grams, and 1,684 kilo calories to 1,904 kilo calories, respectively. The proportion of households with per capita intake below the 100 percent dietary energy requirement decreased from 69.4 percent in 1993 to 56.9 percent in 2003. However, Table P-4 shows that eight regions (CALABARZON, Bicol, Central Visayas, Eastern Visayas, Zamboanga Peninsula, Northern Mindanao SOCSARGEN and ARMM) still showed a higher percentage of households with less than 100 percent energy adequacy than the national figure of 56.9 percent in 2003.

Table P4: Percentage of households with < 100% energy adequacy

Region	2003
Philippines	56.9
NCR	23.0
Ilocos	52.9
CAR	51.3
Cagayan Valley	50.1
Central Luzon	55.1
Southern Tagalog	
IV-A CALABARZON	60.8
IV-B MIMAROPA	47.3
Bicol	62.0
Western Visayas	55.5
Central Visayas	64.5
Eastern Visayas	62.5
Zamboanga Peninsula	63.8
Northern Mindanao	62.1
Southern Mindanao	48.4
SOCSARGEN	59.9
CARAGA	52.3
ARMM	64.2

Source: FNRI, National Nutrition Survey

In terms of the prevalence of underweight preschool children, the 6th National Nutrition Survey (NNS) in 2003 showed that 27.6 percent of Filipino children under five years of age were underweight. While this is considered an improvement over the prevalence rate of 34.5 percent in 1989-



90, it still translates to around 3.2 million underweight children in 2003.¹⁰ Moreover, its annual average annual percentage point reduction of 0.53 still failed to meet the MDG target of 0.69 percent.

FINANCING MDG1

Is there money for the MDGs?

For a country burdened with huge debts, money for MDGs may not be easy to come by. The Social Watch Philippines 2005 Report states that for 2004 and 2005, the target deficits are P197.8 billion (4.3 percent of Gross Domestic Product or GDP) and P184.5 billion (3.6 percent of GDP). Fortunately in 2004, the Philippines turned in a "lower-than-targeted deficit of P187.1 billion (3.86 percent of GDP) which helped contain fiscal vulnerability."¹¹ Still, the government is running on deficits. Public debt has exceeded the country's domestic economic output. According to former DBM Secretary Ben Diokno, public sector debt increased from P2.95 trillion in 1998 (110% of GDP) to P5.29 trillion in 2003 (126% of GDP).

Does this mean there is no more money for MDGs and other government spending? Apparently not. The government cannot afford to skip on its mandatory, developmental and non-developmental expenses. To cope with the phenomenon of declining revenues and increasing expenditures, the government was forced to engage in deficit financing, aggravating the country's level of indebtedness. Social Watch Philippines Report 2005 said that the Arroyo Administration borrowed a total amount of P1.2 trillion in the last three years, increasing the national government debt stock to P3.4 trillion. Debt payments for interest and principal in 2004 amounted to P535 billion, which is

⁹ Second Philippines Progress Report, op. cit. p. 41.

¹⁰ Based on the 1995 Census. This estimate was sourced from the approved draft of the Medium Term Philippine Plan of Action for Nutrition 2005-2010

¹¹ Second Philippine Progress Report on the Millennium Development Goals. Op cit. p. 111.

Table P-5: What is left of the budget minus mandatory, non-developmental expenses

Mandatory Expenses	2004		2005	
	Amount (In thousand)	% Budget	Amount (In thousand)	% Budget
Personnel Services	286,420,140	33.1	289,250,112	31.9
Interest Payment	271,531,000	31.4	301,692,000	33.2
Net Lending	5,500,000	0.6	7,600,000	0.8
Allocation to LGUs	148,325,024	17.2	155,900,000	17.2
Subtotal	711,776,164	82.3	754,442,112	83.1
Total Proposed Budget	864,763,579	100	907,589,726	100
Discretionary Sum	152,987,415	17.7	153,147,614	16.9

Source: Social Watch Philippines 2005 Report

already 42 percent of that year's budget. The report added that when the mandatory expenses, such as those for personnel, allocations for LGUs, and net lending to government corporations are taken away, only little is left for new developmental programs (see Table P-5). The P153.1-billion discretionary sum in 2005 does not mean, however, that this is the only source available for the MDGs. It is important to note that most of the required social services for the MDGs have already been devolved to the LGUs. Most MDG activities therefore, can be financed through the LGU allocations.

How much is required to finance MDG1?

Estimating the cost of financing Goal 1 is not an easy task as its various dimensions are spread all over other goals. Moreover, estimating the total poverty requirements would require an intensive needs assessment that takes into account the requirements not only of national agencies but of local government units as well. In the absence of such comprehensive research and an integrated costing methodology that considers both the macro and micro components of poverty, this paper presents the required poverty investments as identified by national agencies, certain government-owned and -controlled corporations (GOCCs), government financial institutions (GFIs) and some LGUs in the Medium Term Public Investment Program 2005-2010. This is shown in Annex P-1.

However, as earlier mentioned, not all of these programs and projects (e.g. Electronic Case Management and Tracking System in National Labor Relations Commission and other digital infrastructures) are direct poverty interventions, although they contribute indirectly to poverty reduction by improving employment and boosting economic production. Moreover, the estimated P1.3-trillion MDG1 requirement cited in the MTPIP is mainly official development assistance (ODA)-based and does not reflect the total poverty resource needs of all the LGUs. Note that delivery and financing of basic social services – elements essential for one's survival – have already been devolved to the LGUs.

The Medium Term Philippine Plan of Action for Nutrition (MTPPAN) 2005-2010 provides the indicative budgetary requirements for nutrition and Table P-6 shows the financing needed for direct interventions for Target 2. While the activities involved in food fortification were originally part of the Plan's program components, it was excluded from the table as the activities it involved (i.e. program and policy development, research, database system and program monitoring) are not considered direct nutrition services. For purposes of this study, the figure does not also reflect the cost of complementary activities such as nutrition information, communication and education and other facilitating activities such as human resource development, nutrition advocacy, research and development and overall plan management and impact assessments although these are admittedly essential components in coming up with an integrated approach to reducing hunger and malnutrition.

Table P-6: Indicative budgetary requirements on nutrition 2005-2010

Program Components	AMOUNT (in million pesos)
1. Home, School and Community Food Production	3,260.36
2. Food assistance	96,255.53
3. Nutrition in Essential Maternal and Child Health Services Program	1,400.69
Livelihood assistance	125,043.96
TOTAL	225,960.54

Note: The table includes only direct nutrition interventions and does not reflect the total MTPPAN requirements for the medium term.
Source: Approved draft of MTPPAN 2005-2010

For a closer estimate of the resource requirements for extreme poverty and hunger, this paper adopts the costs used in the Philippines Country Study Meeting on the Millennium Development Goals.¹² Basic health, education, and water and sanitation were collectively used as proxy indicators for extreme poverty and hunger. Estimates for poverty resource requirements may be seen on Table P-7. From 2005-2010, P1.13 trillion will

¹² Study by Dr. Rosario G. Manasan, commissioned by the UNDP for the UN International Conference on Financing for Development, Monterrey, Mexico, March 2002.

be needed to finance MDG1. While this figure is close to the MTPIP 2005-2010 estimate of P1.29 trillion (see Annex P-1), it only covers the population's basic resource requirements on health, education and water and sanitation. By the end of 2015, a total cumulative amount of P2.47 trillion will be needed to reduce extreme poverty and hunger by half.

Table P-7: Resource requirements on poverty (in million pesos)

Year	Resource Requirement
2005	158,011
2006	168,997
2007	180,622
2008	193,030
2009	206,082
2010	220,494
2011	234,492
2012	250,663
2013	267,707
2014	286,031
2015	305,462
2005-2010	1,127,236
2005-2015	2,471,591

Notes: 1. Estimates for basic education, health and water and sanitation resource needs were used as proxy for poverty resource requirements.
2. The approach used by the source does not allow for the expansion of coverage nor the improvement of quality of interventions.

Source: Philippines Country Study on Meeting the Millennium Development Goals, *op. cit.* p. 37

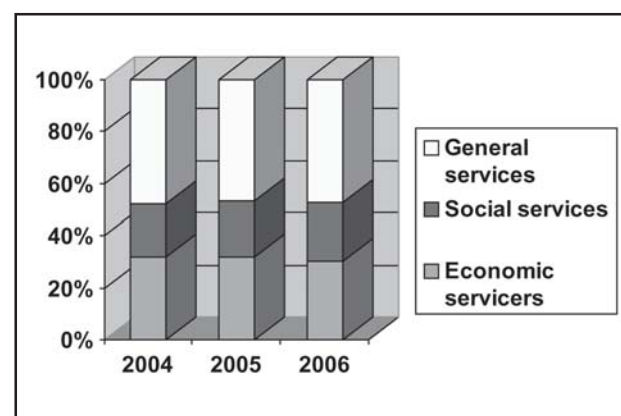
Sources of financing

The national government budget remains to be the biggest source of MDG1 financing. Due to the difficulty of isolating the share of basic social services in the national expenditure, this paper will just use the whole expenditure for social services as basis for financing MDG1. The share of almost all sectors (economic, social, defense and general public services) in the national expenditure declined from 2004 to 2005 when the country relied mainly on budget cuts to contain its fiscal deficit. Aside from net lending, debt servicing is the only item that increased for this period. While the proposed spending for 2006 generally increases allocations for all sectors — with social sector share slightly increasing from 27.68 percent to 27.91 percent of the total government expenditures — interest payment continues to take the biggest share (almost one third) of the budget pie.

Even with the government policy exempting the social sector from budget cuts, the delivery of basic services has been limited by the agencies' reduced real per capita spending on health, education, social security, welfare and employment and housing. Agency budgets have not kept up with the rate of inflation, which in effect reduced their capacity to provide social services.

Meanwhile, at the LGU level, social service expenditure has increased from PhP 33.7 billion in 2003 (20 percent) to PhP 44 billion proposed in 2006 (23 percent), though it continues to get the lowest share of the total public expenditures pie from 2004-2006 (see Fig. P-3). General public services accounted for almost half of the LGUs' total expenditures at PhP 91.6 billion in 2006.

Figure P-3: Local government expenditure program by sector, in percent

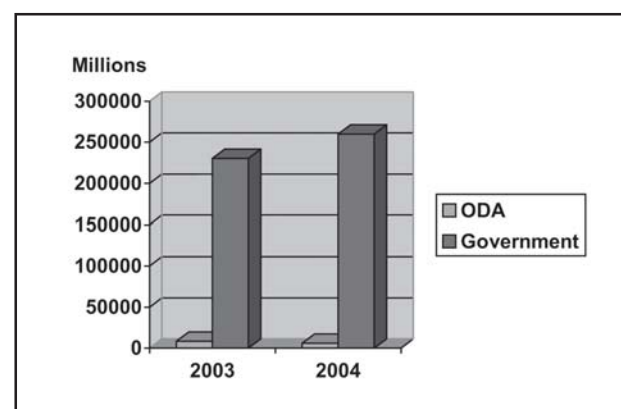


Source: BESF F.Y. 2006

It is important to keep in mind, though, that since most LGUs are heavily dependent on their internal revenue allocation (IRA), LGU "revenues" which finance MDGs, are still sourced from the national government.

Out of the total completed and ongoing foreign-assisted projects in 2001-2005, around US\$8 billion was allotted specifically for MDG programs and projects and 77.4 percent of the total MDG-related ODA responded to poverty. In 2001, the social sector share was just a meager 2.8 percent of the total ODA commitments for that year. Its increase to about 27.32 percent in 2002 was due mainly to the Kapit Bisig Laban sa Kahirapan (KALAHARI) or the Linking Arms Against Poverty-Comprehensive Integrated Delivery of Social Services (CIDSS) project. After this, the share of the social sector declined again in 2003 and 2004. Note that ODA spending on social services was only 2.6 percent (P8.6 billion) of the total public expenditures on this sector in 2003, and this dipped even further to 2.3 percent in 2004 (see Figure P-4).

Figure P-4: ODA vs. Government spending on social services in million pesos, 2003-2004



Notes: ODA conversion was made using NSCB's monthly average exchange rate of P56.052 in 2004. Computation was done by the author due to unavailable official estimates (as of writing) on the ratio of ODA to government spending on social services.
Sources: Based on DBM-Budget of Expenditures and Sources of Financing (BESF) and NEDA 13th ODA Portfolio Review

Table P-8: Expenditure program by sector, FYs 2003-2005 (in million pesos)

Particulars	Level			Percent Distribution		
	FY 2003	FY 2004	FY 2005	FY 2003	FY 2004	FY 2005
Economic services	169,881	155,585	159,585	20.59	18.06	17.53
Social services	237,532	247,888	247,297	28.79	28.77	28.02
Defense	44,439	43,847	44,193	5.38	5.09	4.87
General public services	141,233	137,278	140,650	17.12	15.93	15.50
Net lending	5,620	5,500	7,600	0.68	0.64	0.84
Interest payment	226,408	271,531	301,692	27.44	31.51	33.24
Grand total	825,113	861,629	907,590	100.00	100.00	100.00

Source: DBM, *Budget of Expenditures and Sources of Financing*

With regard to the medium-term investments on poverty and hunger, the MDG1-supportive PAPs in the MTPIP are worth P1.29 trillion (74 percent of the total MDG-related ODA and 60 percent of the whole MTPIP requirements for 2005-2010). Of the total estimate for all the MDGs (PhP 1.74 trillion), the national government is expected to provide the biggest share of PhP 718.2 billion, followed by GOCCs/GFIs with PhP 484.7 billion, and the private sector and LGUs with PhP 473.9 billion. Grant financing is estimated to contribute PhP 67.2 billion to realize the MDGs.¹³ The latter is just a measly 3.86 percent of the total MDG requirements. In the recently held Corporate Responsibility Expo, the private sector, through the Philippine Business for Social Progress (PBSP), pledged P3.2 billion for the MDGs for the next five years (2004-2009).¹⁴

Can we finance MDG1?

Table P-8 provides you with the share of the different sectors in the national expenditure.

Although economic, agriculture and infrastructure sectors may also have programs and projects (PAPs) indirectly contributing to poverty, this paper will only focus on social service sector allocation as basis for Goal 1 financing due to unavailable data clearly disaggregating the poverty component cost of other sector PAPs.

Looking at Table P-8, it would appear that the identified MDG1 requirement of PhP158 billion for 2005 can be adequately covered by the share of social services expenditure for the same year. It is difficult to assume so since the social service expenditures reflected here already cover education, culture and manpower development, health, social security, welfare and employment, housing and community development, land distribution, other social services and subsidy to LGUs. Resource requirement, on the other hand, considered only basic health, basic education and water and sanitation.

Since there is no reliable and comprehensive methodology yet to estimate resource gaps on extreme poverty, the paper will use Dr. Rosario Manasan's estimates of available resources vis-

vis the resource requirements for MDG1, as shown in Table P-9.¹⁵ It likewise presents the cumulative financing gap from 2005-2015, which is equivalent to almost P251 billion. If only half of the country's interest payments for 2005 and 2006 (amounting to PhP 653.4 billion) will be plowed back to the economy in the form of debt for development or debt for MDG swap, such would be more than enough to meet the PhP 250-billion poverty and hunger requirement from 2005-2010.

Is there money for MDG1? Yes, there is. But the bulk of it goes to mandatory expenses, particularly loan repayments.

Table P-9: Resource gaps on poverty (in million pesos)

Year	Available Resources	Resource Requirement	Financing Gap
2005	106,166	158,011	51,845
2006	121,949	168,997	47,049
2007	140,074	180,622	40,547
2008	157,354	193,030	35,676
2009	178,179	206,082	27,903
2010	201,520	220,494	18,974
2011	225,821	234,492	8,672
2012	247,347	250,663	5,323
2013	270,916	267,707	5,183
2014	296,718	286,031	5,069
2015	324,965	305,462	4,710
2005-2010			221,994
2005-2015			250,951

Notes: 1. Estimates for basic education, health and water and sanitation resource needs were used as proxy for poverty resource requirements.

2. The approach used by the source does not allow for the expansion of coverage nor the improvement of quality of interventions.

Source: Philippines Country Study on Meeting the Millennium Development Goals

Programs and projects

To protect the poor and empower the vulnerable, the government implemented the KALAH I program—a comprehensive and integrated convergence approach that remains to be the flagship poverty alleviation program of the country. Its major components include asset reform, human development services and employment and livelihood.

¹³ Medium-Term Public Investment Program 2005-2010

¹⁴ Presentation by Falcon of NEDA, op. cit.

¹⁵ Philippines Country Study, op. cit. p. 37

The DSWD KALAHI-CIDSS provides community grants to partly fund the identified projects of communities. These funds are allocated through the Municipal Inter-Barangay Forum, where representatives of barangays present and rank their development projects using criteria they themselves had set. The maximum amount per proposal is pegged at PhP 300,000.

On the other hand, the KALAHI-prototype rural/urban, which is managed by the National Anti-Poverty Commission (NAPC), receives PhP 16 million from the President's Social Fund or the President's Contingency Fund per tranche four times a year. Around PhP 400 million worth of poverty proposals from LGUs, peoples' organizations and nongovernment organizations are unfunded, according to NAPC. This study tried to provide a summary of this program's regional assistance to determine whether those with the highest poverty incidence are indeed receiving the needed interventions from the government. However, some regions did not provide data on the amount of assistance they received from the project, while others merely attributed to KALAHI the assistance resulting from other interventions.

Credit was also provided to the poor through microfinance institutions (MFIs). A cumulative amount of PhP 1.27 billion was released by the People's Credit and Finance Corporation (PCFC) to 1.65 million borrowers as of 2005. To provide capacity-enhancement support and assistance to MFIs, local government units and other microfinance technical service providers, the People's Development Trust Fund (PDTF) was also created. It is a P4.5- billion fund which the government will appropriate over 10 years. In addition, the Microfinance Sector Strengthening Project (MSSP) III is currently being finalized. It aims to enhance the capabilities of MFIs to provide cost-efficient and sustainable MF services through the adoption of ASA methodology.

The Social Assistance Kaunlaran (SEA-K) was also launched to capacitate people's organizations to self-administer the provision of socialized credit through community organizing, training in microfinance development and lending seed capital to its members. Assistance to vulnerable groups such as women, children, indigenous people, elderly, persons with disabilities and the poor and disadvantaged families was also provided.¹⁶

To expand social protection, seven million beneficiaries were enrolled under the National Health Insurance Corporation, 500 rolling stores carrying low-priced rice and basic commodities were operationalized, and emergency rice and food assistance was provided to about 250,000 coconut farmers. The government also continued to implement the Philippine Plan of Action for Nutrition (PPAN) to reduce hunger and malnutrition.¹⁷ Recently, areas most vulnerable to malnutrition were identified through the Food Insecurity and Vulnerability Information and Mapping Systems (FIVIMS). Its results were used as basis for locating the



beneficiaries of the Food for School Program—the banner program of the administration for hunger mitigation.

Another tracking system—the Community-Based Monitoring System (CBMS), provides disaggregated information on the needs of the communities through household and barangay surveys. It helps LGUs, national government agencies, NGOs, and civil society assess the extent and causes of poverty. It is thus used as basis for identifying program beneficiaries, in developing appropriate interventions at the local level, and in prioritizing and funding social services and programs. It monitors 14 core indicators on health, nutrition, shelter, water and sanitation, basic education, income, employment and peace and order.

ISSUES AND CHALLENGES

The most pressing concern in financing MDG 1 is the lack of an accurate and reliable costing methodology that incorporates an extensive poverty and hunger needs assessment approach. The current method of tracking MDG progress, which is based merely on linear projection, has to be improved. A more integrated model is needed to show how MDG 1 targets are affected by other economic and social variables. This necessitates expanding the scope and revising the methodology of the current MDG resource gap estimates being used. In estimating the available resources, factors such as increasing remittance inflow, inflation and repayment of both the country's interest and principal must be considered.

Moreover, revisions in poverty costing methodology in 2003 would require reworking of data sets since 1990 at the earliest to ensure data comparability until 2015. This will give credence to

¹⁶ Medium-Term Philippine Development Plan 2001-2004

¹⁷ Second Philippines Progress Report, op. cit.



the analysis of poverty trends conducted yearly for inclusion in the Philippine Progress Report. Moreover, the poverty and food threshold levels may have to be revised to consider the actual livable wage in both the urban and rural areas. The current levels are way too low for a poor person to live decently.

Poverty and hunger/malnutrition tracking at the national and local levels also have to be enhanced. At present, a major poverty program such as the KALAHATI prototype does not even have a set of standard criteria for screening and ranking proposals coming from LGUs, NGOs and POs. NAPC should take a more proactive role in ensuring that poverty assistance really goes to areas in most need of poverty interventions. Before this, the NSCB has to improve its methodology for determining provincial poverty estimates as the high coefficient variance in the 2000 figures practically render the data useless to development planners. Without accurate data sets and estimates, no meaningful poverty interventions can take place. Reliable poverty figures will be most important in the formulation of future plans of action for poverty reduction.

One reason why poverty efforts have not yet gained ground is that it is not clear how much is really needed to implement Goal 1. A reliable and comprehensive needs assessment has not even been done to begin with. How does one, therefore, come up with an appropriate investment plan and right budgeting priorities? How can MDG1 be adequately funded and properly implemented? Since all the MDGs are mutually reinforcing, the gains in certain goals contribute to the achievement of the other goals. Caution should therefore be practiced when costing individual MDGs so as to avoid overestimating and duplicating the resource requirements.

On the other hand, no amount of improvement in MDG 1 costing methodology can overcome the bigger problem the

country now faces: its debt problem. Fiscal reforms are needed for the government to attain a balanced budget. These will ensure that poverty initiatives such as microfinance (MF) programs are sustained. Currently, NAPC still taps donor assistance for the much-needed technical and capacity-building strengthening of MF players. While the Medium Term Philippine Development Plan (MTPDP) 2004-2010 targets the transfer of P350 million to PDTF by 2005, it remains to be funded with only PhP100 million as of writing.

Aggravating the fiscal problem is the lack of a clear and aggressive population policy that will curb the high population growth rate of 2.36 percent¹⁸. Although there has been a steady decline in fertility in the Philippines in the past three decades from 6 children per woman in 1970 to 3.5 in 2001, the 2003 National Demographic Health Survey (NDHS) still considers this high compared with the current fertility levels in Southeast Asia. In fact, the NSO projected the number of Filipinos competing for the country's scarce resources to reach 102.82 million by 2015.

CALL FOR ACTION

In a country where domestic resource is lacking, resource mobilization becomes very important. Extensive advocacy should be made to influence government agencies and LGUs into increasing their allocations for MDG-related activities. This is when national and local level poverty data become most useful. An accurate and timely poverty and nutrition database system that allows for data comparability across time is therefore a must. The poverty threshold may also be adjusted to reflect the actual livable wage. For better poverty monitoring, the CBMS needs to be scaled up and be strongly advocated among LGUs.

¹⁸ Average annual population growth rate for the inter-censal period 1995-2000 as estimated by NSO



To meet the poverty and hunger expenditure requirements, the government must embark on both administrative and legislative measures to improve its expenditure management and revenue generation. It must put a rein on the increasing requirements for the non-discretionary portions of the budget like interest payments and personnel services. Repeal of the law on mandatory debt repayment needs the support of both the executive and legislative branches. With the pressure created by rising personnel cost, the government needs to reduce its cost of governance by rightsizing the bureaucracy. Safety nets, however, should mitigate its adverse effects on those who will be displaced.

On the revenue side, innovative and effective means of generating income are necessary. Higher or new taxes seem to be the easiest and fastest way to boost government coffers, but these undermine human development in the long run, diminishing people's access to basic social services.

Foreign direct investments should also be encouraged to generate adequate employment for more labor entrants. This entails a lot of hard work, though, requiring adequate infrastructure, predictable and favorable economic policies and a stable political environment.

The burden of boosting the country's fiscal condition does not lie solely on the government, though. The private sector may also help provide other social services through its corporate social responsibility (CSR) programs and projects. The sector's initial pledge of PHP 3.2 billion, though meager compared to the total MDG1 requirement, is a good sign of its willingness to help achieve the MDGs. What is important is for the government to

be explicit in identifying the kind of assistance it needs from this sector. The media, for instance, can do very well in advocating anti-poverty/hunger initiatives and can even reach the remotest areas that the government cannot. Similarly, civil society must be tapped to improve the monitoring of poverty and nutrition programs and projects particularly at the local level. Other than being watchdogs, they can also pitch in as alternative service providers as well. Microfinance institutions can expand their services to cater to the poor.

Innovative financing ideas may also be explored. Remittances from overseas Filipino workers (OFWs) reached US\$8.55 billion in 2004 and are growing annually by 28 percent. The government may maximize this potential by channeling the money flows through the formal banking system and making them available for lending to microfinance institutions. Instead of being instantaneously used for consumption goods, remittances can be tapped to spur more economic activities which in effect increase the OFWs' earnings.

While remittances from abroad have helped keep the country afloat, they represent a palliative to fiscal woes. MDG1 can only be achieved when the local economy is made strong enough to exist and grow without sending so many people to different parts of the world to work. What the country needs are permanent, long-term measures strongly rooted in the domestic economy. Only then can the Filipinos be truly free from extreme poverty and hunger.

Debt swaps may also be resorted to. However, to benefit from these, the government must ensure that resources from such arrangements will redound to the economy and will be an "additionality" to the current stream of national development budget and ODA. What may be more appropriate at this time is the adoption of debt-for-MDG swap arrangements, where both creditor and debtor countries agree that a certain percentage of the loan will be converted for ODA projects through a bilateral agreement. This arrangement should of course be linked to the MTPDP and the MTPIP. However, since debt-for-education, for health, for water and poverty in general will not be enough to cover the total financing gap for implementing the MDGs, other sources of financing and alternative modes of service provision must still be explored.

It is likewise necessary to push the Philippine Development Forum (PDF) recommendation to secure a commitment from the Development Budget Coordination Committee (DBCC) to increase the budget for social services using a multiyear framework starting 2007.

The government's budget prioritization criteria may also have to be examined to redirect significant portions of national government budget from debt servicing to social services. It is in

¹⁹ The carcinogenic effects of oral contraceptives or "OCs" (considered to be the most effective method of contraception), for instance, are being propagated by certain sectors to dissuade women from using them. Such sweeping claim should immediately be disproved, especially in the light of the World Health Organization (WHO) findings which showed that although there is a small increase in the risk of breast cancer in current and recent users of OCs, 10 years after cessation of use will bring the risk level similar to that in never users. The study also claims that the risk of endometrial and ovarian cancer in fact consistently decreases in women who used combined OCs. The reduction is generally greater with longer duration of use, and some reduction persists at least 10 years after cessation of use.

times of tight fiscal conditions that massive investments should be poured into human capital – a rumbling stomach will not wait, and it pays to manage the number of rumbling stomachs as early as now. With more than a hundred million Filipinos to feed, clothe and educate in 2015, the government should start to aggressively push for appropriate methods of family planning that will be most practicable for the people. Family planning services, whether natural or artificial, must be strongly promoted and adequately funded by the government. Likewise, fears on certain FP methods such as oral contraceptives must be allayed through accurate public information on their real health effects.¹⁹ As recommended during the 2006 PDE, a stronger national population management policy and program should be advocated.

The sound of rumbling stomachs drowns in its noise the dream of a better life and a better future. If the government is serious in saving its people from the downward spiral of the quality of life, it will find means to allocate ample resources for the MDGs. Only then can we see a ray of hope for fiscal, economic and social recovery.

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ANNEX P-1: 2005-2010 Medium-Term Public Investment Program (MTPIP) estimates of investments responsive to MDG1 (In PhP million)

MDG Category	MTPDP Target Outputs	Programs and Projects	2005-2010				TOTAL
			NG	GOCC/GFI	PSP/LGU	Other Sources	
1. Eradicate extreme poverty and hunger			518,032.3	365,412.7	367,186.1	43,652.7	1,294,283.8
Trade-related Investments	- Strengthening government programs to support three million entrepreneurs and small and medium enterprises	1. Sulong Kabuhayan (P0.07B) 2. One Town One Product (P0.6B) 3. Small and Medium Enterprise Development for Sustainable Employment Program (P0.1B) 4. Private Enterprise Accelerated Resource Linkages II (P0.02B) 5. Industrial and Guarantee Loan Fund (P1B) 6. DBP Proper Funds for SULONG (P4.7B) 7. ISSP (P7.5B) 8. Credit Line for Micro and SMEs (P1.3B) 9. Industrial Pollution Control Loan Project II (P0.6B) 10. LBP SME Lending Program (P20.9B) * Refer to Chapter 1 for the complete list	2,570.9	49,328.5	0.0	1,718.2	53,617.6
Infrastructure Investments	Potable water to Metro Manila area through private sector or public investmet	Refer to Chapter 3 for the complete list of water supply and sanitation projects	5,523.9	15,604.5	94,456.0	173.8	115,758.2
	Sufficient and reliable power supply across the country	Refer to Chapter 10 and 11 for the complete list	3,525.4	91,691.8	147,737.1	19,522.1	262,476.4
	Improved quality and adequacy of Strategic Infrastructure Facilities	Refer to Chapter 6 on Transport Infrastructure	337,301.2	90,947.7	44,184.0	3,692.8	476,125.7
	More efficient and effective sharing of network resources among all branches of the government through the implementation of the PREGINET, Global Maritime Distress Signaling System, Community e-Center Program, among others	Refer to Chapter 6 on Digital Infrastructure	2,240.8	0.0	0.0	287.1	2,527.9
	New centers for government, business and housing in Luzon, Visayas and Mindanao established	Refer to Chapter 6 on Establishment of New Government Centers	1,800.0	0.0	0.0	0.0	1,800.0
Social welfare-related investments	4,530 barangays, 182 municipalities and 42 provinces implementing and have institutionalized KALAH-CIDSS (2005-2010)	KALAH-CIDSS Program (DSWD/WB)	16,430.0	0.0	0.0	0.0	16,430.0
	5 provinces, 7 municipalities, 125 barangays (2005)	Poder Y Prosperidad del Comunidad (DSWD/AECI)	0.0	0.0	0.0	0.7	0.7
	255 barangays (2005-2010)	KALAH-CIDSS (DSWD/ proposed for Belgian assistance)	0.0	0.0	0.0	0.1	0.1
	50,000 poor families (2005)	Food for Work Program (DSWD/NAPC)	0.1	0.0	0.0	0.0	0.1
Tourism-related investments	International tourist arrivals increased to 5 million	- Implementation of marketing plans (2005) for China, Japan, Korea and Balikbayans/other major markets	1,468.2	0.0	0.0	0.0	1,468.2
	Employment generated from tourism increased from around 3-6 million	- Develop TEZs	16.4	0.0	0.0	0.0	16.4
		- Pilot implementation of tour programs focusing on the country's culture, history, heritage, sports, health, culinary and others	32.5	0.0	0.0	0.0	32.5
		- "Byahe Tayo" Program	25.0	0.0	0.0	0.0	25.0
Investments in Employment Facilitation	Cut down OFW documentation time and cost by 50% by 2010 • Issuance of 150,000 AACs More efficient matching of jobs and skills	1. Overseas Employment Program (P0.564B) : including: E-link project and Electronic Artist Accreditation System 2. Interconnection of major Public Employment Service Offices 3. DOLE SMS service: "Trabaho Mo, I-text Mo"	1,113.0	0.0	0.0	0.0	1,113.0

ANNEX P-1: 2005-2010 Medium-Term Public Investment Program (MTPIP) estimates of investments responsive to MDG1 (In PhP million)

MDG Category	MTPDP Target Outputs	Programs and Projects	2005-2010				TOTAL
			NG	GOCC/GFI	PSP/LGU	Other Sources	
Investments in Employment Preservation	Improved dispute prevention and settlement	1. Enhanced Labor Management Education Project	925.0	0.0	0.0	0.0	925.0
	Quick response mechanisms to prevent strikes or closures strengthened; Immediate assistance to 50% of displaced workers annually provided	2. Tripartite Assistance and Supervising Committee					
		3. Industrial Peace and Stability Fund					
	Improved case management of the National Labor Relations Commission	4. Conciliation-Mediation Program	213.0	0.0	0.0	0.0	213.0
		5. Electronic Case Management and Tracking System in NLRC	41.0	0.0	0.0	0.0	41.0
Investments in Employment Enhancement	Increased compliance to labor and occupational safety and health standards	1. Standards setting and Enforcement Program	777.0	0.0	0.0	0.0	777.0
	Increased number of enrolled workers by 200% annually 3,085 child laborers saved from most hazardous occupations	2. DOLE Social Protection Program for Workers in the Informal Sector	2,811.0	0.0	0.0	0.0	2,811.0
		3. National Program against Child Labor					
	Joint labor and management Family Welfare Committees established in 4,067 firms	4. Family Welfare Program					
		5. Maritime Training Program	415.0	0.0	0.0	0.0	415.0
		6. Social Protection and Enhancement Program	18.0	0.0	0.0	0.0	18.0
	72 traditional crafts production implemented by end of 2010	7. Wage Determination and Productivity Improvement Program	1.0	0.0	0.0	0.0	1.0
		Traditional Crafts Production (Community Livelihood)	4.6	0.0	0.0	0.0	4.6
		Cultural Tourism Projects	9.8	0.0	0.0	0.0	9.8
Agribusiness-related investments	At least two million hectares of new agribusiness lands developed	Refer to Chapter 2 for the complete list	140,178.7	117,840.2	80,809.0	18,257.9	357,085.8
	Food is plentiful at competitive prices where the cost of priority "wage goods" such as rice, sugar, vegetables, poultry, pork and fish, and other important non-wage goods like corn is reduced						

Source: MTPIP 2005-2010, NEDA

Achieve universal primary education: Direction out of perdition

By Janielle Ann M. Vallesterio

INTRODUCTION

ALL over the globe, the issue of financing for development is a matter close to the heart. With a significant portion of the global population mired in poverty, human development is intertwined with the concern of access to health, housing, education, among others. This chapter will delve into primary education in the Philippines, as the author reviewed various documents pertinent to education. The main restrictions, however, are time constraint, the dearth of materials on the financing aspect, and the limited access to reliable and updated information.

In 2000, world leaders endorsed the Millennium Development Goals (MDGs), which reflects their pledge to assist developing countries as an initial step to make life better for a significant portion of the impoverished population across the earth. Part of this is to ensure that **all children complete primary education by 2015**, also known as MDG 2, target 3. Prior to this, according to the Education For All-Fast Track Initiative (EFA - FTI) Status Report, several global education conferences were held to discuss the matter.



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Philippines National College of Public Administration and Governance (UP NCPAG). She is currently working as a chancery staff at the Royal Thai Embassy. Prior to that, she worked for the USAID-US DOE Energy Project in the Philippines and the UP Center for Leadership, Citizenship and Democracy. Janielle dedicates her contribution to the UP Practice of Administrative Leadership and Service (PALS), and to the Filipino children, especially Jan Jyrell, Gabrielle Legollas and LJ as beneficiaries of quality education.

Furthermore, the EFA Global Monitoring Report cites at least three reasons why education is important. “First, the skills provided by education, such as being able to read and write, are valuable in their own right, as a fundamental outcome of development; second, education can help to displace other more negative features in life; and third, education has a powerful role in empowering those who suffer from multiple disadvantages. Defined in this way, education that is universal, attained by all, regardless of class or caste or gender, has a powerful impact in addressing economic barriers within a society and is central to realizing human freedoms.”

Also, the governments of the world agreed through the Millennium Declaration “To ensure that by 2015 children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.” In addition, Article 26 of the Universal Declaration of Human Rights guarantees, “Everyone has the right to education. Education shall be free... Education shall be directed to the full development of the human personality.”

Philippine Context

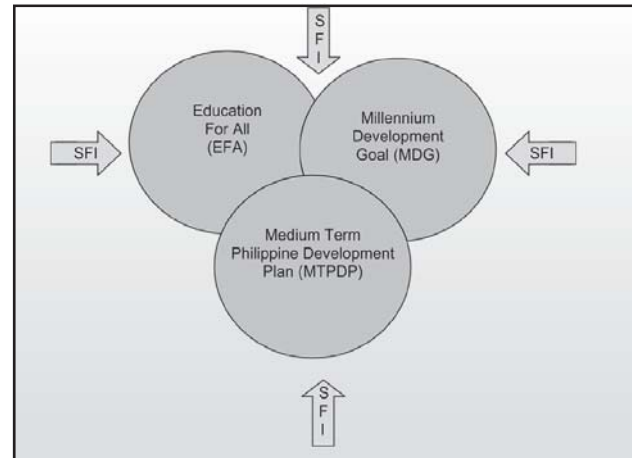
Education in the Philippines has undergone several stages of development from the pre-Spanish times to the present. In meeting the needs of the society, education serves as focus of the priorities of the leadership at certain periods in the national struggle.

In August 2001, Republic Act No. 9155 (RA 9155), or the Governance of Basic Education Act, was passed, defining the role of offices of the then Department of Education, Culture and Sports to the current Department of Education or DepEd. The goal of basic education is to provide the school-age population and young adults with skills, knowledge, and values to become caring, self-reliant, productive and patriotic citizens. The Act directs the DepEd to “protect and promote the right of all citizens to quality basic education and take appropriate steps to make such education accessible to all. It shall establish, maintain, and support a complete, adequate, and integrated system of basic education relevant to the needs of the people and society. It shall establish and maintain a system of free and compulsory public education in the elementary level and free public education in high school level.” Part of the DepEd’s vision and mission is: “to provide quality basic education that is equitably accessible to all and lay the foundation for life-long learning and service for the common good.”

As a legal basis, the 1987 Constitution is an affirmation of how Filipinos give importance to education. Article XI, Section 1 provides that “the State shall protect and promote the right of all citizens to quality education at all levels and shall take appropriate steps to make such education accessible to all.” Furthermore, Section 2 mandates the State to “establish and maintain a system of free public education in the elementary and high school levels. Without limiting the natural right of parents to rear their children, elementary education is compulsory for all children of school age.”

It is against this background both at the national and international levels that the value given to education is deeply anchored on. The essence of financing for development leads to the very significance of having an education sector policy in a country like the Philippines. And this paper attempts to answer the questions very much entwined with the financing aspect, “Is there money for the Universal Primary Education (UPE) goal? If yes, is it adequate?”

Figure E-1: The DepEd approach: Schools First Initiative (SFI)



The figure was conceptualized by the writer

In the country, the main government body in charge of the educational system is the DepEd. Figure E-1 shows an approach that manifests the efforts to have collaborative undertakings regardless of differing program names that will ultimately redound to the achievement of universal primary education goal. According to the DepEd, the **Education For All 2015 (EFA)** is a vision and a holistic program of reforms to achieve an improved quality of basic education for every Filipino by 2015. International organizations such as the United Nations Educational, Scientific and Cultural Organization (UNESCO) acknowledge the essence of EFA. Its Director-General Koichiro Matsuura says that “The quest to achieve EFA is fundamentally about assuming that children, youth and adults gain the knowledge and skills they need to better their lives and to play a role in building more peaceful and equitable societies.”

Meanwhile, **MDG 2 Target 3: Achieve universal primary education (UPE)** is to ensure that all children can complete primary education in terms of human development outcomes. The Philippines as a signatory to the Millennium Declaration must also guarantee to do its part by making action plans responsive to the education goal through government instrumentalities, as spearheaded by the DepEd.

The **Medium Term Philippine Development Plan (MTPDP)** serves as the government’s roadmap for development. The MTPDP 2004-2010, an output of broad-based consultations with all sectors of society includes the commitment in the education area as follows: “standardizing day care instruction

to provide appropriate Early Childhood Education (ECE); closing the classroom gap by building 6,000 classrooms yearly; installing distance learning system in conflict-affected areas; upgrading Mathematics, Science and English Teaching and Learning in Basic Education; institutionalizing a more focused values formation of students; strengthening the Madrasah Education; Strengthening Indigenous Peoples Education; promoting school-based management; and rationalizing the Basic Education Budget.

The DepEd currently banners a program that takes into account all the components and projects that will lead to the achievement of universal primary education. The **Schools First Initiative (SFI)** is the **flagship** program that attempts to significantly enhance efforts at improving the quality of education in the country. The DepEd Primer describes SFI “as a **program** of reforms by government with specific interventions to be adopted and entails commitment of resources via a budgetary exercise. It is also a **movement** where a body of ideas and values animate the bureaucracy and community about the nature of changes that need to be made to get the nation out of its education crisis. The SFI recognizes the need to provide solutions to the state of crisis in Philippine education. This crisis situation is rooted on the fact that there is not enough spending for education, leading to shortages in classrooms, teacher, and textbooks that contribute to the poor performance of schools and students. With the SFI, schools shall be empowered to create solutions at own level, given own context and setting; schools shall be asked to mobilize to raise own standards based on peculiar needs and resources; and schools

shall take a more active role in the implementation of appropriate reform initiatives. The DepED shall be their ally to reform/s.”

How It Looks Like

The **participation rate**¹ for elementary stood at 93.78 percent in SY 2003 to 2004 and 91.75 percent in SY 2004 to 2005. Although the figures show a slight decrease in a span of one year, the good news is that the same figures still put the Philippines in a relatively better position compared to other countries.

Meanwhile, the **achievement rate**² in terms of mean percentage scores stands at 58.73 percent in SY 2004-2005, up from the 48.05 percent in SY 2003-2004. This means that despite the decrease in participation rate, the achievement is actually getting better, although the country's rate still leaves much to be desired. Apparently, there is much room for improvement in this field, and it necessitates more focus on the quality aspect of education. (See the presentation of DepEd Undersecretary Ramon Bacani, 2005).

From Table E-1, it is apparent that the number of public schools, enrolment, and teachers at the elementary have steadily risen for the last six years. In terms of **cohort survival rates**³, although there were certain years with decreasing rates, data for SY 2001-2002 and 2002-2003 are posting positive developments. The same is true with the **completion rate**⁴. More importantly, the **dropout rate**⁵ is gradually declining, from SY 1999-2000 it was 7.72 percent, and in SY 2002-2003 it went down to 7.34 percent. There are also fewer barangays without

Table E-1: Fact sheet on basic education statistics from DepEd (May 2005)

	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003*	2003-2004*
Number of Public Schools	35,587	35,848	36,069	36,234	36,738	37,159
Public School Enrolment	11,562,181	11,786,622	11,837,582	11,916,686	12,048,720	12,065,686
Public School Teachers	329,198	329,198	331,827	331,448	337,082	337,597
Cohort Survival Rate (old formula)	69.79%	69.48%	67.21%	67.13%		
Cohort Survival Rate (EFA formula)	64.09%	63.46%	63.45%		69.84%	
Completion Rate	68.99%	68.38%	66.13%	66.33%	66.85%	
Dropout Rate	7.57%	7.72%	7.67%		7.34%	
Teacher-Pupil Ratio	1:35	1:35	1:35	1:36**	1:36**	
Barangays without public elementary School	4,819	4,710	4,569	1,617***	1,054***	445***

* Source: Basic Education Information System-Schools Statistics Module (BEIS-SSM). Enrolment and number of teachers in public schools does not include data of laboratory schools of SUCs, CHED and TESDA- supervised schools

** public only

*** barangays not being served by an ES

¹ Participation rate – the enrolment by level within the corresponding age group, as a percentage of the corresponding age group's population

² Achievement rate – refers to the degree of performance in different subject areas in various levels of education

³ Cohort survival rate – the proportion of enrollees in the beginning grade who reach the final grade at the end of the required number of years

⁴ Completion rate – the percentage of first year entrants in a cycle of education, who survive until the end of the cycle

⁵ Drop-out rate – the proportion of pupils who left school during the year

public elementary schools. From the SY 1998-1999 of over 4,800 barangays to a relatively manageable 445 in SY 2003-2004.

Situation on a per region basis (SY 2002-2003)

Table E-2: Participation rate

Regions	Participation Rate
ARMM	91.37
Mimaropa	89.09
Bicol	88.45
Zamboanga	87.40
N. Mindanao	84.59
NCR - lowest	77.15

Source: The Second Philippine Progress Report on the MDGs. 2005.

As far as participation rate is concerned in the 16 regions, the Autonomous Region of Muslim Mindanao (ARMM) topped with 91.37 percent, followed closely by the Mindoro, Marinduque, Romblon, Palawan (Mimaropa) region, Bicol, Zamboanga, and Northern Mindanao at 89.09 percent, 88.45 percent, 87.40 percent, and 84.59 percent respectively. The National Capital Region (NCR) ranked lowest with only 77.15 percent.

Table E-3: Cohort survival rate

Regions	Cohort Survival Rate
Ilocos	84.74
NCR	80.00
Central Luzon	79.96
Cagayan Valley	77.66
Bicol	72.44
ARMM - lowest	47.49

Source: The Second Philippine Progress Report on the MDGs. 2005.

In terms of cohort survival rate, Ilocos registered the highest rate at 84.74 percent. It is followed by NCR, Central Luzon, Cagayan Valley, and Bicol at 80.00 percent, 79.96 percent, 77.66 percent, and 72.44 percent, respectively. Meanwhile, the ARMM

Table E-4: Completion rate

Regions	Completion Rate
Ilocos	84.09
NCR	78.37
Central Luzon	76.46
Cagayan Valley	76.36
Calabarzon	73.29
ARMM - lowest	42.91

Source: The Second Philippine Progress Report on the MDGs. 2005.

got the lowest rate of 47.49 percent, or nearly half the rate of the highest region.

Table E-5: Simple literacy rate⁶

Regions	Simple Literacy Rate
NCR	99.0
Ilocos	97.4
Calabarzon	97.2
Central Luzon	96.9
Bicol	95.0
ARMM - lowest	70.2

Source: The Second Philippine Progress Report on the MDGs. 2005.

For Simple Literacy Rate, NCR had the highest rate of 99.0 percent. Ilocos, Calabarzon, Central Luzon, and Bicol follow with 97.4 percent, 97.2 percent, 96.9 percent, and 95.0 percent in that order. The ARMM is at the bottom with 70.2 percent.

Table E-6: Functional literacy rate⁷

Regions	Functional Literacy Rate
NCR	94.6
Calabarzon	90.4
Ilocos	88.6
Central Luzon	86.9
CAR	85.4
ARMM - lowest	62.9

Source: The Second Philippine Progress Report on the MDGs. 2005.

Lastly, for Functional Literacy Rate, the NCR leads again with 94.6 percent. Closely pursuing are Calabarzon, Ilocos, Central Luzon, and Cordillera Administrative Region (CAR) with 90.4 percent, 88.6 percent, 86.9 percent, and 85.4 percent respectively. Lagging behind is the ARMM with only 62.9 percent.

One cannot help but notice the regional trend, that most of the good performers come from the Luzon islands, while the regions in Visayas and Mindanao are relatively performing poorly. Considering the data presented, some are of the belief that geographically, the regions closest to the center or the capital of government are in a more advantageous position when it comes to receiving financial resources, and this may account for their better performance.

Disparity in education accomplishment and where they are located

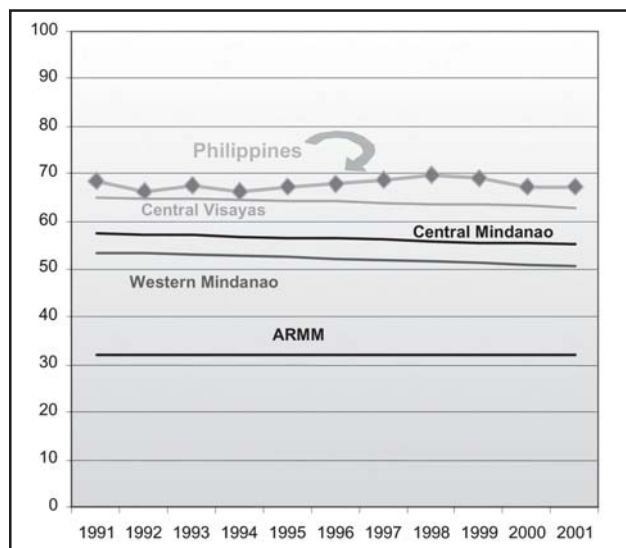
Social Watch Convenor Professor Leonor Briones, noted that in the 1990s, survival rate in primary schools remained low.

⁶ Simple literacy rate – refers to the ability to read and write with understanding simple messages in any language or dialect

⁷ Functional literacy rate – represents a significantly higher-level literacy which includes not only reading and writing skills but also numeracy skills. These skills must be sufficiently advanced to enable the individual to participate fully and effectively in activities commonly occurring in his life situation that require a reasonable capability beyond oral and written communications

In some of the poorest regions, survival rate deteriorated or stagnated: The Philippines was averaging 67.13 percent on elementary cohort survival rate for SY 1991-2001, but the national average is pulled up due to the high cohort survival rate in most of the Luzon regions. Looking closely, the regional rates reveal that Central Visayas has only 61.76 percent, Central Mindanao with 56.45 percent, Western Mindanao 45.51 percent, and the ARMM with a lowly 33.96 percent, which is nearly half of the national average.

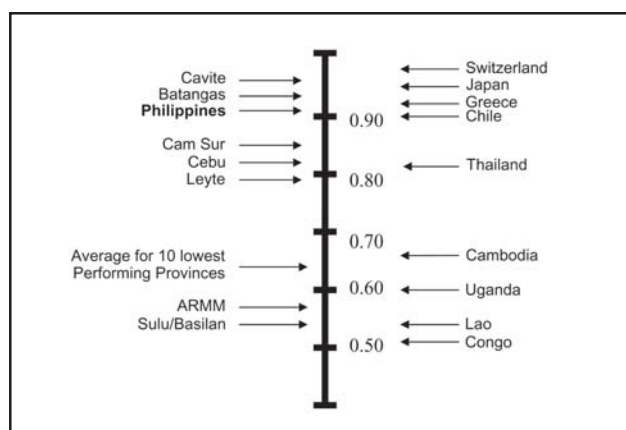
Figure E-2: Elementary cohort survival rate (1991-2001)



Source: Briones, Leonor. *The Philippines and the Millennium Development Goals: Academe and Civil Society Perspectives*. October 2004.

Thus, it is logical to conclude that the areas with the biggest concentration of high dropout rates are found in the poorest areas, in remote and rural areas, in IP and Muslim areas, in conflict zones and war - torn communities, and in depressed urban communities.

Figure E-3: Disparity in education performance, UNDP's Education Index (HDI)



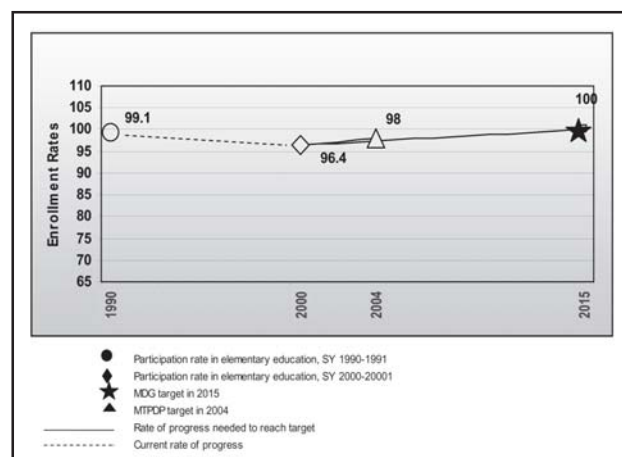
Source: Briones, Leonor. *The Philippines and the Millennium Development Goals: Academe and Civil Society Perspectives*. October 2004.



Although the Philippines is often projected as doing relatively better in education, a further examination of data and the disaggregation of information on a per-province basis would show that those provinces in the lower rankings are actually comparable to the level of the poorest countries in the world. As an area of immediate concern, inequity is plaguing the Philippine education system. Reports show that progress in educating Filipino children appears to be bypassing the poor, the disadvantaged, the Indigenous Peoples, and the Muslim children. And if giving appropriate solutions will not abate the situation, then for these population segments, the goal of universal primary education will most likely be **unmet**.

Is the Philippines on track?

Figure E-4: MDG Goal: achieve universal access to elementary education

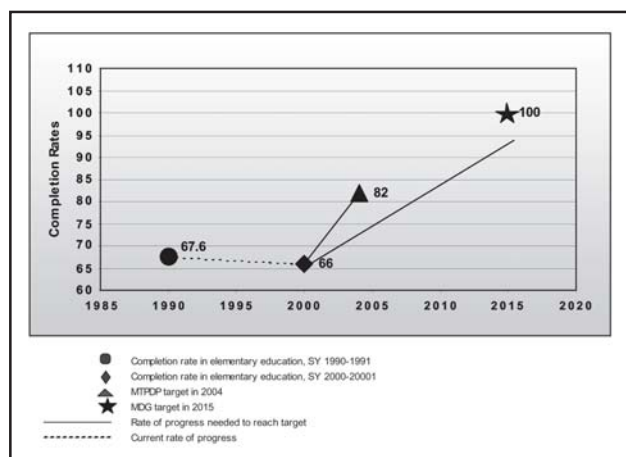


Source: Dr. Rosario Manasan. *Philippines Country Study on Meeting the MDGs*, 2002.

The net enrollment rate of the Philippines is one of the highest in the region. For SY 1990-1991, the Philippines showed an impressive participation rate of 99.1 percent. Although that gradually decreased after a decade (96.4 percent), the decline is relatively manageable. It is interesting to note that with the

MTPDP target of 98 percent, the MDG education target also goes with it side by side. This means that with a sufficient budget, the Philippines is more likely to be on track in reaching the UPE in 2015.

Figure E-5: MDG: Achieve universal complete elementary education



Source: Dr. Rosario Manasan. *Philippines Country Study on Meeting the MDGs, 2002.*

On the other hand, the completion rates are way below the mark. For SY 1990-1991, the completion rate was at 67.6 percent. Ten years after, it fell further to 66.0 percent. The MTPDP target of 82 percent will mean an average of 1.6 percent increase annually from SY 2005-2006 until 2015-2016 in order to meet the target. And as the MDG targets 100 percent, bigger strides must be taken. Efforts of the government must be doubled to achieve a 3.4-percent annual increase in completion rate for 10 years to be on track with the target. With the current trend, however, this objective looks hardly achievable.

The financing side of education

As daunting as the challenge to meet the UPE goal is the arduous task of sourcing the funds for the education sector. The

Second Philippines Progress Report on the MDGs says that from 2000-2004, on the whole, the government's basic education sector spending grew. There was an annual average of 4.5 percent for the said years. The 2004 budget for basic education increased by P10.8 billion or about 11 percent from the 2001 level of P98.2 billion. Aside from the budget allocated by the national government, the sector gained from the **Special Education Fund**⁸ (SEF) provided by the Local Government Units (LGUs), the private sector, and the Official Development Assistance (ODA).

However, with the alarming test scores of the Filipino students as contrasted with other countries, former Education Secretary Florencio Abad pointed that the Philippines must compare the existing budget for education with those of other countries. To wit, "Our per capita budget for education is a paltry 138 dollars a year. That's around PhP7,700 a year per student. That's equivalent to a mere 16.2 percent of Thailand's annual per capita spending on education, which is at US\$852 or around PhP47,700 per student. And our budget for education is ridiculously small when compared with those of the US and New Zealand which are both in the neighborhood of US\$2,240 or around PhP125,000 for each student for each year."

From the table, investment in Philippine education is low when put alongside the total public expenditure on education as



Table E-7: Primary education expenditure comparison

Country	Public Expenditure per student as a % of GDP per capita (2001/2002)	Total public expenditure on education % of GDP	Total public expenditure on education % of government expenditure
Philippines	11.8	3.2	14.0
Rep. of Korea	17.2	3.6	17.4
Thailand	15.9	5.0	28.3
Malaysia	17.0	7.9	20.0
Bangladesh	8.3	2.3	15.8
India	13.7	4.1	12.7
Japan	22.1	3.6	10.5
USA	21.1	5.6	15.5

Source: *Five Pillars of Growth. Senate Economic Planning Office, 2004.*

⁸ Special Education Fund – this represents local government funds intended for education

a portion of GDP of other countries. On a per student as a percentage of GDP per capita, the Philippines ranked seventh in a total of eight countries, just higher than Bangladesh, but trailing from the rest. The Philippines spends only 3.2 percent in primary education whereas India, Thailand and Malaysia spend 4.1 percent, 5.0 percent, and 7.9 percent respectively.

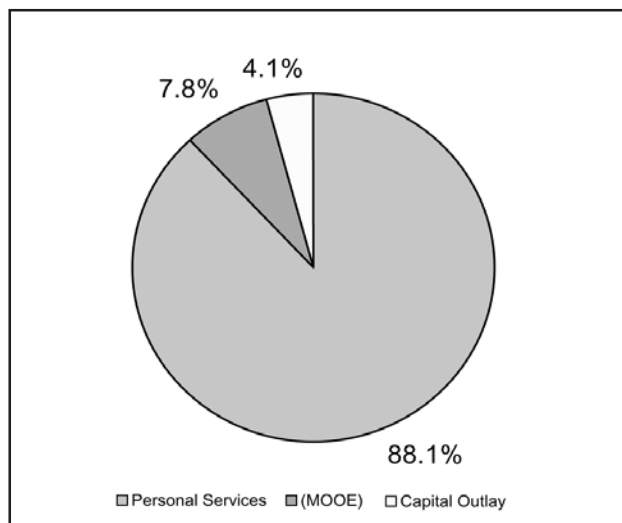
A closer look at the budget of the Department of Education

Since SY 1995-1996, the DepEd budget generally increased in real terms from P46.83 billion to P112.04 billion for SY 2005-2006 that translates into more than double the appropriation in a span of 10 years. While the average increase is 8.7 percent for the same period, one noticeable observation was the registered decrease from P91.36 billion in SY 2000-2001 to P89.61 billion or a 1.9 - percent reduction.

As observed by Social Watch Co-Convenor Ma. Victoria Raquiza, 88.1 percent of the DepEd expenditure goes to **Personal Services**, and only 7.8 percent is allotted for **Maintenance and Other Operating Expenses**⁹ (MOOE). **Capital Outlay** gets the smallest share at 4.1 percent.

Meanwhile, the share of education in the national budget in 1999, 2000, and 2005 was pegged at 19 percent, 17 percent,

Figure E-6: Breakdown of the education budget

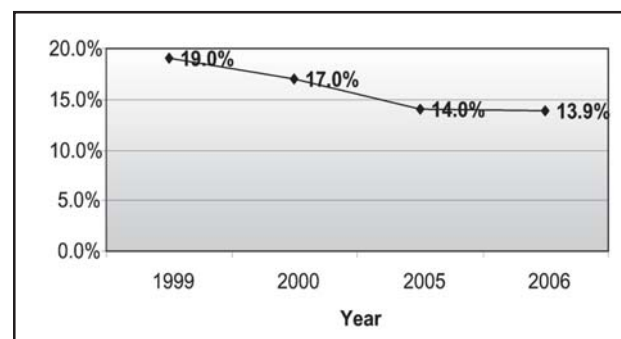


The figure was conceptualized by the writer

and 14 percent respectively. For year 2006, the sector will take 13.9 percent of the proposed budget. Hence, from the human development perspective, a consistently diminishing portion in the budget pie for the education sector becomes more disturbing.

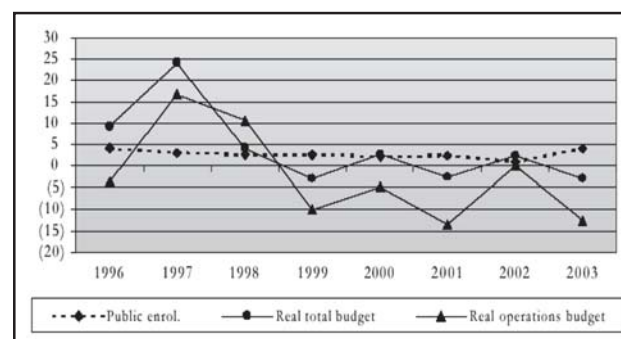
Considering the continuous increase in population, the growing enrolment rate among schoolage children, and the inflation rate, the perceptive public cannot help but question why the budget of education is even constantly slashed.

Figure E-7: Share of education in the national budget



The figure was conceptualized by the writer

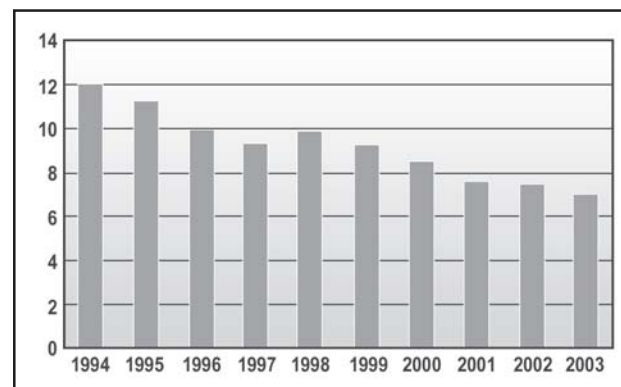
Figure E-8: DepEd total & operations budget vis-à-vis Public enrollment growth rate (%)



Source: DepEd, BESF

According to the Congressional Planning and Budgeting Department (CPBD), on a per capita basis (per pupil), the increase in the allocation of the total DepEd budget deteriorated in recent years. In particular, per capita allocation in real terms declined by about nine percent in 2003. Further, it claimed "high population growth and the transfer of students from the private to the public school system, owing in part to the Asian financial crisis, may account for the large increase in public enrolment."

Figure E-9: Department of Education MOOE, 1994-2003



Source: BESF

⁹ MOOE (Maintenance and Other Operating Expenditures) – refers to the account which includes recurrent expenses for travel, communication services, repair and maintenance of government facilities, supplies, materials, desks, rent, water and electricity, maintenance of motor vehicles, discretionary representation expenses and other expenses

The CPBD also averred that “since much of the DepEd’s budget goes to personal service, **the decline in the education budget in real term leaves a meager and worsening share for the MOOE.**” It added that budgetary share for the acquisition of basic inputs had fallen to just 6.64 percent from 11.92 percent from 1994 to 2003. Even in 1994, the share of the MOOE was already below international standard. This is because according

to the World Bank-Asian Development Bank Study in 1998, at least 15 percent of agency budget should be spent on MOOE to have a good quality of basic education.

The Technical Background Paper No. 2 Education Costs and Financing in the Philippines states: “LGU spending in education is largely financed through the Special Education Fund (SEF). SEF receipts come from a one percent tax on real property located in the LGU. SEF collections are shared equally by the province and its respective municipalities. Under the Local Government Code (LGC), proceeds of the SEF are allocated for the operation and maintenance of public schools; the construction and repair of school buildings; facilities and equipment; educational research; purchase of books and periodicals; and sports development; with the actual spending priorities being determined by the Local School Boards (LSB).”

As may be gleaned from the table above, through 1992 until 1997, there has been a remarkable surge in the LGU expenditure on education; the growth posted in 1997 of P 7.6 billion was more than thrice the spending of 1992. Such development underscores the relevance of the SEF as the counterpart share of the LGUs to the Philippine education sector.

Recently, the Department of Budget and Management (DBM) issued Local Budget Memorandum No. 47 dated July 18, 2005, which included the MDG localization as part of the Initial FY 2006 Internal Revenue Allotment (IRA) and other related budget preparations. This is a significant move that DBM initiated in an effort to emphasize the essence of cascading the MDGs at the grassroots level.

Table E-8: Expenditure on education by local government units (LGUs) as a percentage of total government expenditure on education, 1985 to 1997

Year	LGU Expenditure on Education (P million)	As a percentage of total Government Expenditure on Education
1985	1,904	10.18
1986	1,221	8.05
1987	1,293	7.10
1988	901	3.93
1989	942	3.34
1990	711	2.09
1991	847	2.51
1992	2,121	5.38
1993	2,925	7.02
1994	4,012	8.29
1995	4,967	7.52
1996	5,689	7.18
1997	7,648	7.55

Source: Manasan, Rosario. *Technical Background Paper No. 2 Education Costs and Financing in the Philippines*



Table E-9: Official Development Assistance (ODA) in basic education

Project Title	Project Objectives/Description	Coverage	Time-frame	ODA Source	Proj. Cost in million P
PA-BEAM (Phil-Aust. Basic Educ. Assistance for Mindanao)	Help improve the quality of teaching/learning in Mindanao	Regions XI, XII and ARMM	2001-2003	AusAid	160
HIP-PROBE (Phil-Australia Hastening the Impact of Proj. in Basic Educ)	Enhancement of PROBE impact in poor communities in selected regions	Regions II, VII, IX, X and XIII	2001-2003	AusAid	123
BIARSP (Belgian Intergated Agrarian Reform Support Program)	Provision of basic educ. Assistance in selected agrarian reform communities to help alleviate rural poverty	Regions VII, IX and ARMM	2000-2003	Gov't of Belgium	32
CPC V (Fifth Country Program for Children)	Creation of enabling policy environment to develop/replicate sustainable models of child-friendly schools	Regions NCR, CAR, II, III, V, VI-XIII, ARMM	1999-2003	UNICEF	187
SBTP (School-Based INSET for Science and Math Teachers)	Strengthen the system of school-based INSET for elementary and secondary schools science and math teachers	Regions V, VI, VII	2002-2005	JICA	151
EFIP VI (Educl. Fac. Improvement Proj., Phase VI, Stages I & II)	To help improve quality of basic education by providing school facilities to selected elementary and secondary schools	Region III	2002-2005	Gov't of Japan	869
Total Grants					1,522
ECDP (Early Childhood Dev't Project)	Provision of child and family focused services for disadvantaged children aged 0-6 years	Regions VI, VII and XII	1998-2004	WB/ADB	367
TEEP (Third Elem. Education Proj.)	To improve quality of public elementary education in poverty-affected areas	SRA Provinces	1997-2006	WB/JBIC	12,726
SEDIP (Secondary Educ. Dev't & Improvement Proj)	To improve quality of public secondary education in poverty-affected areas	SRA Provinces	1999-2006	ADB/JBIC	6,806
MINSSAD (Mind. Sustainable Settlement Area Devt. Proj.)	To alleviate poverty and improve the quality of life of the beneficiaries in the settlement areas	Regions X, XI, CARAGA	2002-2007	JBIC	123
SEMP I (Social Expend. Mgt. Proj. I)	To protect the financing of basic social services during a period of continuing fiscal difficulties	All Regions	2000-2002	WB	3,532
SEMP II (Social Expend. Mgt. Proj. II)	To protect the financing of basic social services during a period of continuing fiscal difficulties	All Regions	2002-2005	WB	3,865
Total Loans					27,418
Grand Total					28,940

Source: "A Road Map for Education". Public Lecture on the Macapagal-Arroyo Presidency and Administration. 2004. Lecture of Secretary Edilberto de Jesus, 2004.

Legend: ADB - Asian Development Bank
 AusAid - Australian Agency for International Development
 JBIC - Japanese Bank of International Cooperation
 JICA - Japan International Cooperation Agency
 UNICEF - United Nation's Children's Fund
 WB - World Bank

Another important source of funding is the Official Development Assistance (ODA). ODA in Philippine education usually focuses on basic education, and this is beneficial for the MDG target. Based on the data provided above, the total ODA amounts to P 28.94 billion with 5.3 percent comprising grants and 94.7 percent forming the loans component. The biggest

grant is the Educational Facility Improvement Project (EFIP VI) of the Japanese government that costs P869 million, while the Third Elementary Education (TEEP) is the largest loan amounting to P 12.73 billion.

Former Education Secretary de Jesus raised, however, certain problems in the ODA-funded projects. Allegedly, there were

Table E-10: Resource Gaps

Resources	FY 2003					
	Requested		Per GAA (General Appropriations Act)		Backlogs	
	No.	Cost (in million P)	No.	Cost (in million P)	No.	Cost (in million P)
Classrooms	44,716	16,769	5,333	2,000	(39,383)	(12,408)
Seats	4.87M	2,922	0.75M	450	(4.12M)	(2,472)
Textbooks	24.22M	1,211	14.32M	716	(9.9M)	(495)
Teacher Items	22,932	2,408	0	0.00	(22,932)	(2,408)
Principal Items	2,053	324	0	0.00	(2,053)	(324)
Total Cost		29,351		3,166		(18,107)

Source: De Jesus, Edilberto. "A Road Map for Education". Public Lecture on the Macapagal-Arroyo, Presidency and Administration. 2004.

Assumptions:

- Classrooms are estimated based on a classroom-pupil ratio of 1:45 per Roxas law.
- Teachers are estimated based on teacher-pupil ratio of 1:40.
- Excludes provisions under the foreign-assisted projects.

reports that some donor agencies were not satisfied with the progress of their programs, and some even expressed concern over questionable transactions that ultimately boil down to the issue of transparency and accountability. There were even apprehensions on the counterpart funds from the Philippine side and the reported delays in the implementation due to various reasons.

In 2003, the DepEd requested a total of PhP 29.35 billion to cover the shortage in classrooms, seats, textbooks, teacher items, and principal items, the breakdown of which is to 57.13 percent, 9.95 percent, 4.12 percent, 8.20 percent, and 1.10 percent respectively.

The Multiyear Spending Plan for Basic Education

The information on the multiyear spending plan is culled from the presentation of Undersecretary Ramon Bacani. **It is imperative to note that** although there is a steady increase in enrollment growth, it does not necessarily follow that critical inputs such as teachers, facilities, and textbooks are growing proportionately in the same sense, since the provision is largely based on the availability of government funds.

Scenario 1: Business as usual

The assumption is that the grade 1 intake rate is based on age-specific distribution of ages 6, 7, and 8-11 in 2003/2004. The DepEd data shows that growth in the sector is historically within the range of 13,931,217 to 17,363,965 in enrollees from SY 1995-1996 to SY 2005-2006, with an annual average of 15,789,152. Percentage-wise, this spells a 2.23-percent annual enrolment growth rate. Using Scenario 1 or the Business as usual, the budget for the sector must be PhP135 billion by 2015. It also means that there is a constant 2.09- percent increase in the budget for 10 years.

Scenario 2: Population - Driven

The assumption is that the grade 1 intake rate is again based on age-specific distribution of ages 6, 7, and 8-11 in 2003/2004. The DepEd data illustrates that in a population - driven scenario alone the budget is within the range of PhP112.04 billion to PhP132.2 billion from SY 2005-2006 to SY 2015-2016, with an average of 1.6 percent. Using a population-driven, inflation-adjusted scenario, the budget will reach PhP112.04 billion to PhP186.44 billion for the same period. Percentage-wise, this means a 2.23 percent annual enrolment growth rate. Also, the budget requirement by the SY 2015-2016 will reach PhP186,442 billion.

Scenario 3: Addressing resource shortages "catch-up"

Among the enrolment assumptions is the portion that in 2006, the effect of the additional classrooms and seats will be felt, while the effect of addressing teacher shortages will be reflected from SY 2007; and enrolment estimates do not cover number of repeaters. The cost assumptions take in the unit cost of teachers, classrooms, furniture and textbooks held constant in real terms at 2005 level; per-student MOOE (net of specified inputs) held constant in real terms at levels implied in the 2005 budget. The budget is projected to increase from PhP112.04 billion in SY 2005-2006 to PhP 200.91 in SY 2015-2016.

Scenario 4: Policy scenarios supportive of "Education for All" (EFA)

Using this scenario, the basic education budget is expected to reach PhP205.65 billion in SY 2015-2016. The costs are based on Scenario 3 plus the cost of new programs supportive of EFA. In terms of percentage, it leads to an average of 6.2 percent for the mentioned years.

If we factor in the total requirement for teachers, classrooms, textbooks, school MOOE and the cost of new programs supportive



Table E-11: Budget gap in basic education under EFA ++ Scenario

School Year	Budget gap (in PhP billion)
2005-2006	4
2006-2007	19
2007-2008	27
2008-2009	34
2009-2010	41
2010-2011	47
2011-2012	51
2012-2013	56
2013-2014	62
2014-2015	68
2015-2016	74
TOTAL	483

Source: *A Spending Plan for Philippine Education. September 2005.*

of EFA, the country will have a total shortfall of PhP483 billion by SY 2015-2016 (see Table E-11).

As far as financing is concerned, there is definitely a gaping resource gap. While several reports may reveal differing quantities and amounts needed to address shortages in such critical inputs as teachers, textbooks, furniture, among other supplies, **it is more crucial to point** that the government must work double-time to address the formidable task of ensuring universal access to primary education by 2015.

Issues and challenges

Available information, suggests on alarming disparity in terms of participation and survival rates, particularly at the regional and provincial levels. The poorer and marginalized school-age children in rural areas are further disadvantaged compared to their urban counterparts. According to the Education for All (EFA) 2000 Assessment Report: while there were “impressive levels of access and participation,” still, “there was a yawning gap in quality, internal efficiency and learning outcomes.” This means that despite the good news in terms of accessibility, bigger strides must be taken in order to address the gap in terms of quality. Moreover, Briones (2004) and Manasan (2002) believe that in the Philippines, the issue in education is not access but quality. Improving the quality of education will positively lead to improved school completion rate, and consequently address the problems of repetition rate¹⁰ and dropout rate. Thus, it is imperative to analyze funding for critical inputs such as teachers, textbooks and classrooms.

The education sector even has to compete for political support with other equally important social services, such as resources for health, agriculture, environment, social work, housing, and other priorities. Also, political decisions do not always reflect stated priorities. To Manasan, it is unclear how Congress can be dissuaded from making pledges on education without due regard for resource availability or from introducing changes that can only be achieved by taking resources away from other equally important programs.

There is obviously a budgetary restraint that affects the education sector. This stems from either the lack of budget or

¹⁰ Repetition rate – the proportion of pupils who enroll in the same grade more than once, to the total number of pupils enrolled in that grade during the previous year

delays in fund release by the DBM, making it just like in any other government agency given the cash-strapped position, another issue is the huge amount of the actual appropriation that goes to Personal Services alone, making it virtually impossible for the MOOE and Capital Outlay to address the need for improvement. This poses a big dilemma, as the need to give the teachers reasonable compensation to retain them in the sector is as important as the need to upgrade school facilities and improve other areas of education. It is thus imperative to strike a balance when allocating resources for teaching professionals and for other special concerns of the sector.

In addition, part of the challenge includes the highly politicized bureaucracy, where the legislature, the executive agencies, and some programs with good intentions are dragged down by their vulnerability to political underpinnings. Related to this is the seemingly unstable leadership in the Department of Education. It is observed that since 1998, the Department has been under four Secretaries (Gonzales, Roco, de Jesus, and Abad) – undermining institutional stability. Furthermore, for nearly two decades, nine Education Secretaries have headed the Department, each one serving an average of just two years. This top-level instability may have indirectly contributed to short planning horizons, changing policy framework and unpredictable funding priorities of the Department. Incidentally, a number of months after the resignation of Secretary Abad, the President has yet to officially appoint the next Education Secretary who will

lead the agency. Meanwhile, even the Undersecretary positions are also tainted with politics.

Conclusion

As stakeholders are nearly finished in identifying the problems in education, what needs to be done next is to provide system-wide acceptable and implementable solutions to these concerns. If the government is serious in doing its part, then it can perhaps start by making sure that only competent leaders are installed in DepEd and by giving them enough time and opportunity to effect reforms – shielded from pressures such as internal and external vested interests. The education institution is very critical at the present precarious time, and it requires strong political will to resuscitate the near-death condition of the Philippine education.

On the financing aspect, theoretically there is money for education, more specifically for the MDG target. The Second Philippines Progress Report on the MDGs states that there was an increase in education sector spending from 2000 to 2002. But even as the budget increases, it can hardly keep up with the increases in enrolment and inflation rates. The result is just an arbitrary raise in budget on a year-to-year basis. A closer look at the breakdown of the expenditure class will also show that through the years, the lion's share has been going to personal services, as DepEd has the biggest manpower in the bureaucracy, then the MOOE and capital outlay amounted to relatively





negligible percentages. Thus, even if **there is money, it is not adequate** to respond to the needs of the sector, the **country needs additional resources**, particularly in MOOE, **to ensure that the Philippines will achieve the goal**. It is important to note too that for the past years, the budget for social services, including education has steadily declined, while the budget for debt servicing is consistently escalating. Thus, it is understandable why some sectors of the society call the present administration's budget anti-poor.

Recommendations

The succeeding portion will identify some of the possible solutions to halt the deterioration of the education system. One of these is the localization of education efforts which means that LGUs should improve governance through effective decentralization and performance accountability, especially since the education function was already devolved.

The Local Government Code provides for decentralization, yet DepEd is still to a large extent highly centralized. This even though administrative and financial capacities of the central government are quite limited. It is time to make significant leaps in genuine decentralization, including the localization of MDGs. In addition, the SEF of the LGUs, which they use for construction, rehabilitation, and maintenance of school facilities, must be efficiently utilized and monitored.

There should also be a sense of ownership of the MDGs to spur participation of various sectors of the society. Business sector support and civil society participation must be encouraged through the creation of a network of cause-oriented groups to launch a campaign that will reach more people to further advocate the attainment of the goals.

The government also needs to implement teacher development programs to improve teaching quality and to make sure teachers effectively pass on to students the needed knowledge

and skills for lifelong learning. The current situation of teachers shows one side of the plight of the Philippine education sector. The low salary of teachers significantly account for the unending shortage of education professionals in public schools. The good ones are leaving the country either to work as domestic help overseas or teach in developed countries, where they get higher pay. Meanwhile, there may be a tendency for the underqualified or those who do not have the opportunity to move abroad to be taken in by the public schools. Also, some of those who get to stay may not be capable enough to effectively pass on their knowledge and skills to their students. This is further aggravated by the lack of quality textbooks and poor facilities accessible to the pupils.

Another recommendation is to expand pilot alternative learning schemes that target students at risk and remote schools. Best practices may also be documented for possible replication in other areas, and this will boost confidence in the education sector.

MDG players must also be urged to disaggregate national totals. There are wide disparities in human development across the country. For example, while the Philippines will likely meet some of the MDG targets at the national level, not all provinces will actually reach these targets. Since national figures are pulled up by the rate of urban centers, there should be a strategy to significantly reduce discrepancies in the quality of education in rural and urban areas.

Moreover, there should be closer coordination between the executive and the legislative branches, particularly the DepEd and the House of Representatives' Special Committee on the Millennium Development Goals. The output should be a strategic tool to synchronize efforts to address the challenges to be faced in achieving the goal.

Ideally, social expenditures should be aligned with the MDGs, but with the impact of the crisis comes the reality that expenditures for social development are severely affected and the attainment of the MDGs may be disrupted. As such, expenditure for many agencies, including the DepEd, is nearly cut to the bone. This is exacerbated when some government offices indulge in improvident spending. The Budget allocation for MDG-related initiatives and the inclusion of MDG programs/projects in the annual GAA should be focused since the targets are time-bound.

If the Philippines is to improve the quality of education, then it necessitates higher spending per pupil. If the quality is to be developed, more resources are definitely needed. It is must be emphasized that education is actually overarching with other human development targets. To address the discrepancies at the regional level, the government must prioritize the needs of the hard-to-reach areas and the most impoverished section of the country because the gap will eventually have far-ranging adverse effects.

Programs require an elaborate system of tracking beneficiaries, with prudent planning and cofinancing from LGUs. The government can establish stipend programs to cover out-of-pocket costs that hinder school participation among the poor. For

example, the government can help by giving subsidy to transportation cost or boarding costs for those in remote areas with no schools. This can help ease the socioeconomic difficulties of the poor.

The importance of efforts such as *Adopt-a-School*, *Brigada Eskwela*, *Every Child a Reader*, whether they are efforts to improve facilities or enhance quality education are timely to augment the meager resources of government, particularly in times of crisis. Projects sponsored by the private sector, organized groups, and concerned citizens are vital to ensure that despite limited budget, there is hope for school-age children.

In terms of financing, Manasan notes that DepEd needs to reorder its priorities, giving top priority to the provision of quality elementary education. A solid early foundation would improve the efficiency of subsequent investments. Also, according to her, cost savings can be realized through: the use of more cost-effective modes of delivering sources; cutting back on waste and operational inefficiencies; and improved governance (procurement reform) among others. The writer adds that it is imperative to make the implementers more accountable, whether it be the use of government fund or the ODA-funded projects to exact transparency.

MDGs are aspirations that in many ways reflect how the countries plan to move forward in order to achieve greater human development. In the Philippines, any plan will remain futile without the corresponding funding. For the education goal to be realized, plans, programs and projects in the sector merit adequate budgets.

The Constitution accords first priority to education in the government budget and enunciates a policy of compulsory elementary education for every school-age child. While the Philippine government is optimistic it can improve the education system, the **existing budget for education is seriously derisory**. In fact, the share of social services, which includes education in the national budget, has been stagnant for the past years, while the chunk for servicing debts continues to escalate. In the end, it all boils down to the country's sincerity in fulfilling the Constitutional

mandate of according education priority for government financing. It is the only thing that might give hope to the future leaders of this nation.

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Equality in gender, equality in development

By Zoren T. Amat and Rhoda Tiongson



What this paper is all about

THE complexities of today's international political spectrum have made even more crucial the role of government and development partners in securing a world that allows every nation to enjoy the fruits of development through cooperation and unified action. The Millennium Development Goals (MDGs), which have been the subject of different international conferences, are the United Nations (UN) member state's timely commitment to address the most pressing problems faced by people, especially those living in poor and least developed countries.

This paper discusses MDG number 3, which is *"to promote gender equality and empower women,"* and assesses its progress in the country by evaluating the implementation of selected gender-related government programs and projects. The assessment gives particular attention to the financial requirements of the goal vis-à-vis its full realization. It is important to note that the true reflection of the sincerity of government signatories in this endeavor is the financial support being provided towards the fulfillment of the same. Unfortunately, little attention has been given to this aspect of the MDGs.



Zoren T. Amat is a member of the academic staff at the Philippine Public Safety College – the country's premier training institution for

police, fire and jail personnel. He graduated from San Beda College with a degree in Commerce Major in Marketing Management. He is convinced that the empowerment of women lies in their active participation in all human endeavors and believes that through responsive training and education, the tri-bureaus of public safety services in the Philippines namely, Bureau of Fire Protection, Bureau of Jail Management and Penology, and the Philippine National Police will assume a more strategic role in promoting gender equality and women empowerment.

The paper reviewed different articles and documents pertaining to gender and development issues in the country. Most of the data were from The National Commission on the Role of Filipino Women (NCRFW) and the United Nations. Although these documents illustrated different gender issues and concerns in great depth, the adequacy of financial resources for the elimination of gender disparity in education (in particular, the five percent Gender and Development (GAD) budget provided in the GAD budget policy) was not discussed in great details. The GAD budget policy enjoined all the government instrumentalities to utilize at least five percent of their budget for programs that promote women's empowerment and gender sensitivity.

To address this limitation, the researcher conducted a case study of The Philippine National Police (PNP) GAD projects to obtain a clearer picture of the status of GAD mainstreaming strategies, specifically those related to police functions and training.

Despite the limited data, this paper hopes to provide a better understanding of the different fiscal issues concerning the promotion of gender equality and empowerment of women.

The beginning of GAD

According to a booklet developed by the UNDP Regional Bureau for Asia-Pacific entitled "Gender Mainstreaming in the Asia-Pacific Region", gender mainstreaming has been in the development agenda of international aid organizations for more than a decade, but it has not yet achieved its rightful role in these efforts.

As may be gleaned from the primer on Gender Mainstreaming and Institutionalization in the Budgeting Process, the need to address and integrate women's concerns and development was first introduced in the '70s through the Women in Development (WID) framework. It focused on providing services that promote equal participation of women in education, employment and other spheres of society. Soon after, another approach or paradigm, Women and Development (WAD), emerged to focus on the relationship between women and development. However, these two approaches failed to fully explain why women continued to be disadvantaged in the society. The emergence of studies claiming a strong connection between gender equality and development gave birth to a third approach introduced in the late 80s – the gender and development approach – "a paradigm of development that focuses on how social, economic, political and cultural forces determine how differently women and men participate in, benefit from, and control resources and activities for development."¹ Giving further credence to this concept is the May 2001 issue of the World Bank Policy Research Report, which showed that in situations where the status of women is better, there is less poverty, the population growth is slower, and the education and health of the

population are better and corruption in government is less.

Article II, Section 14 of the 1987 Philippine Constitution says that the "The State recognizes the role of women in nation-building and shall ensure the fundamental equality before the law of women and men." In addition to this provision, the country is also a signatory to several significant international fora and conferences, including the United Nations Convention on the Elimination of All Forms of Discrimination Against Women (UNCEDAW), the Universal Declaration on Human Rights, and the Beijing Platform for Action and the Millennium Development Goals.

In pursuit of these commitments, laws and policies have been issued to strengthen the implementation of the GAD policy. One of these is Republic Act (RA) No. 7192 or the Women in Development and Nation Building Act, which "ensures the fundamental equality before the law of women and men. Executive Order No. 273 was also issued adopting the Philippine Plan for Gender-Responsive Development, 1995-2025. It is a 30-year plan "to wear down resistance, redefine policies and carve out a culture where gender issues become mainstream issues." To operationalize this, the Framework Plan for Women, 2001-2004 was formulated to focus on women's empowerment, protection and fulfillment of human rights and gender-responsive governance. The Medium Term Philippine Development Plan (MTPDP) also supports the aforementioned policies on women as they reflect strategies, programs and activities that promote gender equality and women empowerment. The most explicit statement on GAD however, was the GAD budget provision in the General Appropriations Act or the national budget since 1995. This was deemed a crucial step in promoting gender equality in the country as it "enjoins all government agencies, government-owned and controlled corporations, state universities and colleges, and local government units to utilize at least five percent of their budgets for programs to promote women's empowerment and gender equality."

The government is committed at present to implement the GAD policy through its mainstreaming and institutionalization program.

Eliminating gender disparity in education: What have we done so far?

Under goal number 3 is target number 4, which specifically pursues "the elimination of gender disparity in primary and secondary education, preferably by 2005, and all levels of education no later than 2015."

According to the Second Philippines Progress Report on the Millennium Development Goals, female advantage over the male can be generally observed across the three levels of education. This is in terms of several indicators, namely, simple literacy rate, functional literacy rate, participation rate, cohort survival rate,

¹ Gender Mainstreaming and Institutionalization in the Budgeting Process, A Primer. August 2002



completion rate and the number of graduates in higher education.

For simple literacy, the Progress Report showed that based on 2003 Functional Literacy, Education and Mass Media Survey or FLEMMS, the rate among females was 94.60 percent and among males 93.20 percent. On a regional basis, Cordillera Administrative Region (CAR), Ilocos Region, Central Luzon, Mindoro-Marinduque-Romblon-Palawan (MIMAROPA) and ARMM showed slight male dominance. The female advantage is more pronounced in functional literacy, as female rates were higher in most of the regions except in ARMM.

Female dominance was also noted at the higher education level. Females comprise 55 percent of total enrollees for school year 2001-2002 and 60 percent of graduates for the school year 2000-2001. Likewise, the entry of females into several “traditionally” male-dominated disciplines is continuously increasing. The Philippine Military Academy (PMA), for instance, had seven women who graduated in 1997; the Philippine National Police Academy (PNPA), under the auspices of the Philippine Public Safety College (PPSC)², has graduated 249 female cadets since it started accepting female applicants in 1993. While women compose around 30 percent of the total training population of PPSC for SY 2003, jail and fire training are still generally male-dominated with an average of 85 percent male participants. The College has now integrated the Gender and Development Module in its curricula, making the Philippines ahead of most South East Asian nations in terms of mainstreaming GAD in public safety

training and education.

Although women are becoming more visible in the education sector, their labor force participation rate (LFPR) still lags behind men's. In the October 2002 Labor Force Survey, women's LFPR was 51.7 percent while men's was 80.8 percent. According to the NCRFW, *Filipino women have been joining the labor force partly out of economic necessity and partly in response to economic opportunities. It added that the low labor force involvement of women reflects the greater preference given to the employment of men over women.*

For a developed country where the economic adjustments such as increase in taxes, opening of the market to global competitions, and decrease of government control over some industries are adopted alongside economic expansion, the impact on the daily lives of the people, particularly women, is minimal. However, in a situation where the country's unemployment rate is very high, the economy is largely dependent on borrowings and remittances of overseas workers, and the political situation is painted with uncertainty, the previously mentioned economic adjustments have a great negative impact on the lives of the people, especially women.

FINANCING GOAL NUMBER 3

The Philippine Gender and Development (GAD) budget policy

While financing has been the common problem for most of the goals, the promotion of GAD in the Philippines is supported by the aforementioned GAD budget provision of the GAA since

² PPSC is the country's premier education and training institution for the public safety personnel such as the police, fire and jail personnel. It is directly under the Department of Interior and Local Government.

1995, which puts the responsibility for implementing GAD programs on the entire government, with the NCRFW as the lead in coordinating their monitoring and evaluation.

The UNIFEM-sponsored NCRFW policy appraisal report on Gender and Development Budgeting in the Philippines in 2004 gave a comprehensive picture of the GAD planning and budgeting process in the Philippines. According to this study, the Philippines started gender-responsive budgeting earlier than most countries, and was the only country at that time that authorized a specific budgetary allocation to implement the GAD budget policy.

However, compliance with this policy remains low. Only 162 out of the 385 agencies submitted a GAD plan and budget in 2005, and the GAD allocation even went down from PhP4.58 billion in 2004 to only PhP1.93 billion in 2005. The annual GAD budgets have an average of only 0.43 percent of the total annual general appropriations from 1995-2005.

Why GAD doesn't always work

While the GAD budget policy may have successfully introduced the GAD approach into the stream of consciousness of the bureaucracy, including the local government units, a genuine appreciation of the concept and a deeper understanding of its purpose seem to be lacking. The UNIFEM-NCRFW GAD policy appraisal report identifies the following reasons for its weak implementation.

a. "Compartmentalization" of the GAD budget

The two basic components of the current GAD budget policy (i.e. formulation of the GAD plan and allocation of a minimum percentage of the total agency budget to implement this plan) appear to be two isolated processes. NCRFW emphasized that the GAD plan, which is intended to address issues confronting women based on each agency's mandate, is only a section of the main agency plan submitted to the Department of Budget and Management (DBM) during the annual budget exercise. While the proposed budget for the GAD plan is a subset of the agency's main budget proposal, it is typically formulated through a different process and for a different time. As a result, "gender concerns are compartmentalized from the start of implementation of the GAD budget policy – separating it from both the agency plan and the agency budget."

b. The five percent Myopia

NCRFW also cites as a reason for the GAD's weak implementation the agencies' preoccupation with what constitutes valid expenditures for the five percent, rather than on how it can be used to influence the rest of the budget. NCRFW reported that some NGAs have included their regular programs and services as part of their GAD plans without even examining their gender-differentiated implications.



NCRFW responded to the issue by deemphasizing the quota and focusing more on planning for programs that would correct gender imbalances and mainstream gender concerns within each agency's mandate. A suggested list of programs to be "allowed and not allowed" for inclusion in the agency's GAD plan was developed but this led to the agency GAD focal points' tendency to limit their GAD programs, projects and activities to those specified in the list. The Commission noted that this diminished their capacities to critically analyze the gender issues specific to their agency.

Apparently, such efforts to fine-tune the categories of the GAD programs were not enough to clear confusion among agencies. They have tended to associate the GAD budget policy only with the quota, and they missed the essence of the policy, which is to ensure that gender issues are recognized, interventions to address them are planned and the required budget is provided. Still befuddled on the use of five percent allocation, compliance with policy remains low.

c. Inappropriate attributions

Inappropriate attributions occur when agencies include GAD programs that "benefit women and men" without analyzing what gender issues they are addressing. NCRFW observed that because of this misconception, regular programs targeting males and females (or those with no specified targets at all) are then "qualified" or attributed for funding under the GAD budget, e.g. construction of school buildings, sports and fitness programs, general livelihood programs. Such mindset defeats the objectives of the GAD budget policy.

Case study on GAD mainstreaming at the Philippine National Police (PNP)

While some agencies have difficulty complying with the policy, others have managed to successfully mainstreamed gender concerns into their budget and regular functions and training, as in the case of the PNP.

Predominance of male police

During the precolonial period, the functions of policing were given to the headman or chieftain of the community. He exercised his duty by employing all the males of the tribes as guardian of his people. Later, he confined his choice exclusively to the able-bodied males to serve as watchmen especially when there were threats from other tribes. Nevertheless, the main police duty was to ensure that the laws were enforced and peace and order was maintained in the community.

As different foreign invaders came and went the policing functions became a very important part of the colonial administrative system. This was to primarily quell any type of rebellion of Filipinos, thus ensuring that the colony was kept safe from the internal insurgents and even from other colonizers. During those times, the tasks of police officers were very physically challenging, such that women had a difficult time entering the police force, if not refrained at all. This set-up gave a picture of a “masculine organization” for the police organization which further galvanized the perception that policing is for men and for men alone.

Today, the police organization of the country has evolved not only by name, but most important by functions and organizational set-up. The professionalization of the police service gained official recognition when RA 4864 otherwise known as the Police Act of 1966 was passed. After sometime, other laws were promulgated to infuse efficiency and effectiveness in the police force. These are RA 6975 or the Department of the Interior and Local Government Act of 1990 and the most recent, RA 8551 or the Philippine National Police Reform and Reorganization Act of 1998.

PNP GAD policies, programs and projects

The PNP’s organizational and administrative developments brought with it the agency’s positive orientation towards gender issues. The passage of RA 7192 or the “Women in Development and Nation-Building Act of 1991,” together with the infusion of the GAD agenda in the planning process of the government, made gender mainstreaming a major endeavor in the police organization, albeit being a male-dominated field.

On March 1993, a Presidential Memorandum regarding the creation of

Women’s Desk was issued under the supervision of Directorate for Police Community Relations (DPCR). Further, RA 8551 or the PNP Reform and Reorganization Act provided for the institutionalization of the Women and Children’s Desk as specified in Section 57.

From 1999-2000, several PNP administrative issuances on women and children were adopted. As a result of these issuances, a series of trainings and other skills enhancement programs were developed and conducted for the police officers who are assigned to Women and Children’s Desk. The PNP became an active participant in various task forces on women and child protection. In 2001, the PNP Women’s Crisis and Child Protection Center based was set up in Camp Crame. On the same year Memorandum Circular (MC) 2001-007, which provided for the “Strengthening and Promotion of Women and Children’s Desk,” was issued (Mascariña, 2005). Presently, GAD is under the supervision of the Directorate for Community Relations while the Women and Children’s Desk is under the Directorate for Investigation and Detection Management. Majority of those assigned to the Women and Children’s Desk are women police officers because the PNP believes that they are more sensitive to the clientele’s needs.

The enabling mechanisms

The PNP continuously develops mechanisms to fast-track the attainment of a gender-sensitive policing system. It has started establishing its own GAD Focal Point System, not only at the national level (meaning at the PNP Headquarters), but down to the regional, provincial and municipal levels as well. The PNP also made some linkages with government agencies and non government organizations, both local and international. Meaningful partnerships with the NCRFW and the Violence Against Women Coordinating Council (VAWCC) have been



established. Partnerships with the client-based organizations such as Kalakasan Women's Crisis Center or (WCC) is also maintained.

Using modern technology, the PNP also utilizes a database system that is used in analyzing gender issues and concerns. The sex-disaggregated data system on violence against women (VAW) was developed with the assistance of VAWCC. In addition, a uniform format for reporting VAWs is also being adopted to make the database more responsive to the needs not only of the PNP but of the concerned groups and organizations as well.

According to recent police statistics, the cases of violence against women such as wife battery and sexual abuse have decreased in the last three years. PSUPT Ildebrandi Usana, head of the PNP-Juvenile and Gender Sensitivity Division, said that the number of VAW cases is 7.6 percent lower in 2004 and 20.2 percent lower in 2003. This may be due to the aggressive campaign of the government and private groups on VAW and women's rights as supported by RA 9262 or the "Anti-violence Against Women and their Children Act." However, PSSUPT Usana also admitted that the number of VAW cases could actually be higher since most of them remain unreported. He noted the unwillingness of victims to report violence committed against them for refusal to see their partners put to jail. The new law intends to provide heavier penalties for those who committed violence against them.

The PNP GAD budget

In terms of fiscal support to GAD programs and projects, the PNP allotted PhP 83.6 million from its total budget of PhP 821.6 million for fiscal year 2005 (GAD Plan/Budget is attached as ANNEX). These GAD initiatives were divided into two categories: organization-focused and client-focused. Organization-focused efforts are geared to respond to gender issues that affect the welfare and performance of women and men employees of the agency. On the other hand, client-focused initiatives address gender issues affecting agency client-partners or beneficiaries. The activities include upgrading of skills and knowledge of employees on GAD to make police service delivery more GAD responsive.

Table G-1. Gender and development budget of PNP for FY 2005 (organization-focused activities)

Program/Activity/ Project	GAD Budget (in million pesos)
1. Construction of PNP Day Care Facilities at the national, regional and provincial levels	3.25
2. Construction of comfort rooms and dressing rooms for women	20
3. Conducting gender sensitivity training programs	12.5
4. Orientation seminars on RA 9262 for police personnel	8.5
5. Conducting responsible parenting seminars	4
TOTAL	48.25

Following are the PNP's organization-focused activities and their corresponding budget:

On the other hand, the client-based programs include the following:

Table G-2. Gender and development budget of PNP for FY 2005 (Client-focused activities)

Program/Activity/ Project	GAD Budget (in million pesos)
1. Skill building program for police officers assigned to Women and Children Protection Desk	4.8
2. Production of information education and communication materials on women and children protection	2
3. Provision of sufficient facilities for the Women and Children Protection Desks	26
4. Ocular and audit inspection of Women and Children Protection Desk	2.5
TOTAL	35.3

Apart from the in-house trainings conducted by the PNP, the courses offered by PPSC, as mentioned earlier, were also consistent with the GAD module. The following programs were also identified to address the gender issues in the College:

Table G-3. GAD budget of PPSC for FY 2005

Program/Activity/ Project	GAD Budget (in million pesos)
1. Development of GAD programs and activities (Review of school policies, conduct of forum on women's emerging issues, conduct of GAD-committed regular meetings)	0.7
2. Establishment of linkages with local and foreign organizations for scholarship and trainings	1.4
3. GAD advocacy and women empowerment (e.g. GAD trainings, maintenance of GAD facilities, health and nutrition programs, Trade Fair)	4.35
4. GAD activities monitoring, research and evaluation	1.5
5. Development and review of curricula to be more GAD-responsive	1.35
TOTAL	9.3

The PhP83.5 million allocated by the PNP is 10.16 percent of the PhP821.5 million-agency budget for FY 2005, exceeding the five percent GAA provision for the GAD budget. A big chunk of the PNP budget (57 percent of its total GAD budget or PhP48.2 million) was allocated for activities intended to directly benefit the organization. These include the construction of Day Care Centers, GAD in-house trainings and seminars and construction of comfort rooms. Client-focused projects, on the



other hand, comprise merely 47 percent of the budget or roughly PhP35.3 million.

Capacity - building programs for police officers assigned at the Women's and Children's Desk only count for PhP4.8 million while projects which include improvement of facilities and infrastructure – activities with little direct effect on addressing the pressing gender issues in police organization – amounted to more or less PhP46 million. Monitoring and evaluation of GAD projects was allotted only PhP2 million, not enough to really determine and establish the effectiveness of PNP's GAD mainstreaming interventions.

This situation is the same with the PPSC. Most of the projects were designed to benefit the organization alone. While the inclusion of GAD modules in curricular offerings has signified the College's intention to truly integrate GAD issues and concerns, the level of gender sensitivity of police officers after the training has not been clearly established. This is because of the weak monitoring and evaluation of PPSC projects/activities. For the past years the PNP and the PPSC had not embarked on consultative monitoring and evaluation efforts to clearly determine the effects of the GAD training programs. Research and monitoring efforts amounted to only PhP1.5 million, while employee-and-organization, focused projects such as health and nutrition programs, trade fairs, and maintenance of GAD facilities which cannot be felt by the masses, were given a PhP4.35 – million allocation. According to one of the PPSC focal points, coordination between them and PNP focal points was weak, offering few opportunities for the fine-tuning of their GAD

mainstreaming strategies. The in-house training of the PNP and the courses offered by the PPSC should complement each other to effectively enforce GAD concepts to students. Gender training needs analysis has never been done before. It is thus difficult to determine the gender issues that need to be addressed in these two agencies.

Issues and challenges in mainstreaming GAD in the PNP

Transformation of the PNP from a masculine organization to a police organization that promotes gender-responsive projects and programs truly deserves praise. It has significantly placed gender issues and concerns alongside priority projects. This endeavor is supported by the newly-created directorate and division in the PNP administrative system that primarily implements GAD projects and programs. However, specific issues still need to be addressed by the PNP to succeed in its effort to promote gender empowerment. For instance, some units in the PNP still do not have GAD focal points, and those who perform GAD functions are usually from the Women and Children Concerns Division. This setup seemed to make police officers and even the community associate "gender and development" with the women's desk alone. Likewise, only female police officers are usually assigned to the Women and Children's Desk, defeating the purpose of gender mainstreaming efforts of the PNP.

These issues call for enhanced program interventions designed to instill the true meaning of gender and development in the police organization. The PNP needs better coordination

with other government agencies, particularly those providing public safety training and education. Effective capability-building measures of the police officers can only be achieved if the provider of the training the PPSC, and the recipient of the same the PNP- can work hand-in-hand. Responsive monitoring schemes to measure the effectiveness of GAD activities are imperative to realistically integrate gender sensitivity not only in the police organization but in the entire public safety services as well.

Conclusion

As the country moves beyond the five percent GAD budget policy, mainstreaming GAD concerns in the agencies' regular functions and activities poses an equally formidable challenge. The attainment of goal number 3 goes beyond statistics; it cannot be simply realized by just balancing the number of males / vis-à-vis females / in schools and training institutions nor by tagging the agency's entire finances a GAD budget. It will only gain meaning when concrete outcomes begin to manifest: more women have started to participate actively in the labor force, their participation in decision-making becomes more meaningful, or when men start to take part in household and reproductive responsibilities, reducing women's multiple burdens and providing them with adequate time to engage in economic activities.

The challenge now is to influence the whole budget of agencies and government instrumentalities so as to make it gender-responsive. Nevertheless, we must not lose sight of the fact that resources for gender mainstreaming efforts in education and other sectors can only succeed if the full potential of women is recognized by the labor sector and the society in general – if the

nation begins to view them as active participants rather than just passive recipients of development. A change of heart seems necessary for changes in agencies' work and financial plans to take place.

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The gnawing realities of poverty and State negligence in the lives of children

Will we see an end?

By G.H. S. Ambat



A story told and retold over and over again

MARIE Caðete was on the brink of tears when she realized that once again, she is pregnant. At 28, she is mother to six children, ages ranging from 9 months to 10 years, and wife to a husband who is a high school dropout and never had a regular job.

On days when relatives would remember to give her some money, she takes the children to Jollibee, their favorite fast food chain. “*Dun lang sumasaya itong mga bata e* (That is the only time my children become happy),” Marie explains. But on ordinary days, the family survives on rice, a small can of tuna or sardines and what has now become a staple in many Filipino households – noodles.

Now that she is pregnant again, she sees more burdens adding to her many problems. For one, there surely will be fewer trips or none at all to Jollibee. Marie sighs, “*Kailangang tipirin yung pera, lalo na maggagatas ito dahil konti lang ang gatas ko* (I have to save the money, considering this new baby will likely require infant formula; I have little breastmilk).”



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She was a university scholar in graduate school and is formerly a legislative staff at the Senate of the Philippines.

It also worries her that now, she has to eat to feed the child in her womb. Marie explains that before, she often went to the extent of not eating at all, just so her six children can have a few more bites.

That means she has not been getting adequate nutrition, which could adversely affect her and the unborn child's health. For example, anemia or the severe lack of iron is the leading cause of death during childbirth, while low iron in lactating women may result in ill health of the child.¹

"Dapat nga, siyam na yan ngayon. Nakunan ako nang dalawang beses; yung isa, namatay pagkapanganak ko (Actually, I should have nine children now. I had a miscarriage twice; another baby died soon after delivery)," she explains as she puts the nine-month-old to sleep.

Marie's life has all the elements that make a typical human interest story for a public service TV show. At times, towards the end of the five-minute feature, telephone numbers would be flashed on the screen for viewers to call, in case they want to give donations or any assistance.

But for Marie and her family, this is not a mere five-minute sob story. Hunger, inadequate nutrition, lack of access to education and lack of opportunity for income are things they have to contend with. Everyday. Even by her child who has yet to be born.

Promises told and retold...

"We will spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty ... We are committed to making the right to development a reality for everyone and to freeing the entire human race from want."

This is the promise contained in the Millennium Declaration, made by heads of state and governments in September 2000.

The Millennium Declaration, which the Philippines signed together with other UN member states, embodies the Millennium Development Goals (MDGs), which are specific targets in eliminating extreme poverty worldwide by 2015.

One of the goals is to reduce child mortality. It is hoped that by 2015, the number of children dying before they reach the age of five will be reduced by two-thirds.

The goal is in consonance with the declared principles and policies of the Philippines, as stated in Article II of the 1987 Constitution. Among its policies are:

Sec. 12. The State recognizes the sanctity of family life and shall protect and strengthen the family as a basic autonomous



social unit. IT SHALL EQUALLY PROTECT AND STRENGTHEN THE LIFE OF THE MOTHER AND THE UNBORN FROM CONCEPTION...

Sec. 13. The State recognizes the vital role of the youth in nation-building and shall promote and protect their physical, moral, spiritual, intellectual and social well-being...

Sec. 15. The State shall protect and promote the right to health of the people and instill consciousness among them.

The Philippines is also a signatory and has ratified international treaties and conventions pertinent to people's and children's right to health and health services.

The goals

The Department of Health (DOH) came up with the following indicators in relation to reducing by two-thirds the under-5 mortality rate between 1993 and 2015:

- *Indicators:*
 - Under-5 mortality rate per 1,000 live births
- Baseline.....54.2 (National Demographic Statistics [NDS], 1993)
- Target by 2015.....18.1
 - Infant mortality rate per 1,000 live births
- Baseline.....33.6 (NDS, 1993)
- Target by 2015.....11.2
 - Proportion of one-year-olds immunized against measles
- Baseline.....percent (NDS, 1993)
- Target by 2015.....95 percent

In line with efforts to achieve the health-related MDGs, the Health Sector Reform Agenda (HSRA) was institutionalized in 2000 in order to better respond to the challenges in the health sector. The HSRA seeks to undertake the following:²

- Secure funding for priority public health programs
- Promote the development of local health systems and ensure their effective performance
- Strengthen the capacity of health regulatory agencies
- Provide fiscal autonomy to government hospitals
- Expand the National Health Insurance Program (NHIP)

Within the HSRA framework, the DOH drafted the National Health Objectives which outlines the intermediate goals that will contribute significantly to improving the overall health of Filipinos. Specifically, the National Objectives for Health set the following targets:³

¹ Food and Nutrition Research Institute, 2003.

****Infant mortality rate is the number of children dying at birth or before they reach the age of one, while under-five mortality rate refers to the number of children dying before they reach the age of five

² Manasan, Rosario. Philippine Country Study on Meeting the Millennium Development Goals. March 2002.

³ Manasan, 2002.

Table CM-1: Percentage targets of mothers and infants receiving prenatal, natal and post natal care

Targets	1998 %	2004 %	2015 %
Increase proportion of fully immunized infants	89	95	98
Increase proportion of infants immunized against hepatitis-B	37	95	98
Increase the proportion of women receiving 2 doses of tetanus toxoid vaccine	50	80	90
Increase proportion of children given Vitamin A supplement		90	100
Increase proportion of lactating women given Vitamin A supplement	49	56	80
Increase proportion of pregnant and lactating women given iron supplements	64	74	96
Increase the proportion of women aged 15-40 given iodine supplements	21	35	90

Source: DOH, National Objectives for Health

The sorry statistics

Despite the principles, the commitments and the goals set, a recent survey by the National Statistics Office (NSO) revealed that in 2003, **a child born in the Philippines is at greater risk of dying than children born in other South East Asian Countries.** The National Demographic and Health Survey (NDHS) showed that infant and child mortality rates in the Philippines are still high compared to other countries in the region such as Vietnam, Brunei, Singapore, Thailand and Malaysia.

Table CM-2: Infant and child mortality rate in the Philippines and other countries, (1990 & 2003)

Country	Infant Mortality Rate (per 1000 live births) 1990	Infant Mortality Rate (per 1000 live births) 2003	Under 5 Mortality Rate (per 1000 live births) 1990	Under 5 Mortality Rate (per 1000 live births) 2003
Vietnam	36	19	51	23
Singapore	7	3	8	3
Thailand	34	23	40	26
Malaysia	16	7	21	7
Brunei	10	5	11	6
Philippines	34	29	66	40

Source: NSO, DHS 2003

Comparing the figures between 1990 and 2003, the Philippines' overall average of infant and child mortality rates slightly improved. However, some regions in the country still registered very high infant and child mortality rates. For example, Region 4B (Mindoro, Marinduque, Romblon and Palawan [MIMAROPA]) registered 44 deaths of infants below one year old out of 1000 live births in 2003. In the same year, the Autonomous Region in Muslim Mindanao (ARMM) recorded 72 deaths of children under the age of five, per 1000 live births.

From 1990 to 2003, the country registered and continues to register double-digit rates of infant and under-five mortality. The DOH cites the top 10 causes of death for infants and children in the country in the following tables:

Table CM-3: Leading causes of infant mortality (1991-1996)

CAUSE	5-YEAR AVERAGE (1991-1995)			1996		
	Number	Rate/1000 l.b.	% of Infant Deaths	Number	Rate/1000 l.b.	% of Infant Deaths
1. Respiratory condition of fetus and newborn	5,488	4.1	16.0	5,720	3.6	18.7
2. Pneumonia	7,386	5.6	21.6	5,705	3.5	18.7
3. Congenital anomalies	2,650	2.0	7.7	2,799	1.7	9.2
4. Diarrheal diseases	1,557	1.2	4.5	1,554	1.0	5.1
5. Birth injury and difficult labor	1,320	1.0	3.9	1,467	0.9	4.8
6. Septicemia	1,206	0.9	3.5	840	0.5	2.7
7. Measles	554	0.4	1.6	713	0.4	2.3
8. Meningitis	502	0.4	1.5	498	0.3	1.6
9. Other diseases of respiratory system	419	0.3	1.2	458	0.3	1.5
10. Avitaminoses and other nutritional deficiencies	768	0.6	2.2	430	0.3	1.4

Source: Philippine Health Statistics, DOH

**Table CM-4: Leading causes of child mortality by age-group and sex
No. and Rate/100,000 population, Philippines, 2000**

Cause	1-4 Years			
	Male	Female	Both Sexes	Rate*
1. Pneumonia	1,540	1,341	2,881	37.76
2. Accidents	839	506	1,345	17.63
3. Diarrheas and gastroenteritis of presumed infectious origin	685	546	1,231	16.14
4. Measles	452	425	877	11.50
5. Congenital anomalies	350	337	687	9.01
6. Malignant neoplasm	219	153	372	4.88
7. Meningitis	201	155	356	4.67
8. Septicemia	173	173	346	4.54
9. Chronic obstructive pulmonary disease and allied conditions	174	164	338	4.43
10. Other protein-calorie malnutrition	175	159	334	4.38

Source: Philippine Health Statistics 2000, DOH

**Table CM-5: Mortality among immunizable diseases (Under 1; 1-4, 5-9; 10-14 Years)
Number and Rate/100,000 Population Philippines, 2000**

Cause	Under 1		1-4 Years		5-9 Years		10-14 Years	
1. Measles (B05)	412	20.9	877	11.5	104	1.1	34	0.4
2. Tetanus (A35)	146	7.4	11	0.1	47	0.5	51	0.6
3. Tuberculosis of Meninges (A17)	24	1.2	117	1.5	78	0.8	63	0.7
4. Diphtheria (A36)	5	0.3	12	0.2	7	0.1	0	0.0
5. Other Tuberculosis (A14-A18;B90)	36	1.8	67	0.9	67	0.7	111	1.3
6. Acute poliomyelitis, including late effects (A80)	0	0.0	2	0.0	6	0.1	3	0.0

Source: Philippine Health Statistics 2000, DOH

The United Nations Children's Emergency Fund (Unicef) estimates about 29,000 children under the age of five – 21 each minute – die every day, mainly from preventable causes. The DOH lists the mortality among immunizable diseases in Table CM5.

Some factors affecting infant and child mortality:⁴

• Medical care before, during and after delivery

Prenatal care from a trained provider is important to monitor the pregnancy and reduce the risks for mother and child during pregnancy and at delivery. To be most effective, regular prenatal care should be given throughout a pregnancy.

Lack of medical care, before, during and after delivery, can increase the risk of complications and infections that can cause death or serious illness for either the mother or the newborn.

• Mother's level of education

The relationship of a mother's level of education to the health and well-being of her child is evident in that the probability

of dying among infants whose mothers received no formal schooling (79 deaths per 1,000) is two and a half times higher than that for infants whose mother has had some high school education (31 deaths per 1,000).

• Mother and infant nutrition

Breastfeeding with all its healthful and economic advantages is the best form of feeding during the first six months of infancy. Although most Filipino babies (88 percent) are breastfed for some time, NDHS data indicate that supplementation with other liquids and foods occur too early.

The first breast milk, or colostrum, is particularly beneficial to newborns because it contains a high concentration of antibodies that protect children against certain infectious diseases.

In the Philippines, among newborns less than two months of age, one in seven is not breastfed, and 19 percent are receiving supplementary foods in addition to breast milk.

⁴ NSO. National Demographic and Health Survey. 2003

Table CM-6: Nutrition indicators for infants and children, Philippines 1995 to 2003

Nutrition Indicators	Percentage
% of infants with low birthweight 1998-2003	20
% of children who are exclusively breastfed (< 6 months) (1995-2003)	24
% of children who are breastfed with complementary food (< 6-9 months) (1995-2002)	58
% of under-fives who are underweight (moderate & severe) (1995-2003)	31
% of under-fives suffering from wasting (moderate and severe) (1995-2003)	6
% of under-fives suffering from stunting (moderate and severe) (1995-2003)	31
Vitamin A supplementation coverage rate (6-59 months), 2002	86

Source: *State of the World's Children, 2005 Report* UNICEF

Table CM-7: Prevalence of nutrient deficiency among children and mothers (1993, 1998, 2003)

Deficiencies	Age Group	1993	1998	2003
Vitamin A Deficiency Disorder (VADD)	Preschoolers	35.3%	38.0%	40.1%
	Pregnant	13.4%	22.2%	17.5%
	Lactating Mothers	11.2%	16.5%	20.1%
Iron Deficiency Anemia (IDA)	Infant	49.2%	56.6%	66.2%
	Preschoolers	26.7%	29.6%	29.1%
	Pregnant	43.6%	50.7%	43.9%
	Lactating Mothers	43.0%	45.7%	42.2%
Iodine Deficiency Disorder (IDD)	6 years to 12 yrs. old	---	36% with moderate to severe IDD	11% with moderate to severe IDD
	Pregnant	---	28.4%*	18%
	Lactating Mothers		35.2%*	23.7%

Source: All figures from NNS, FNRI and Dept. of Science and Technology (DOST). Those with asterisk are from Early Child Development (ECD) program

Past studies have shown that in developing countries, the problem of malnutrition has been the cause of death of 60 percent of children less than five years old (USAID-HKI).

Micronutrient malnutrition, particularly with reference to vitamin A, iron and iodine deficiencies, has been found prevalent in the Philippines as shown by the following results of the National Nutrition Survey (NNS)* of the Food and Nutrition Research Institute (FNRI)* in 1993, 1998 and 2003:

Taking note of the factors behind infant and child mortality, the Philippine government undertook the following programs:

1. Expanded Program on Immunization (EPI) – targets to immunize children aged 12-23 months against seven immunizable diseases such as diphtheria, pertussis, tetanus, poliomyelitis, TB, measles and Hepatitis B.

2. Vitamin A supplementation and food fortification program— involves twice-yearly vitamin A supplementation for preschool children through the national “Garantisadong Pambata” program, vitamin A supplementation for post-partum women and those at risk of Vitamin A Deficiency (VDA) cases.

This also includes Iodine supplementation for identified cases of goiter in endemic areas and women aged 15-40 years; and iron supplementation for infants, pregnant and lactating women.

3. Improvement in case management — such as Mother- and Baby-Friendly Hospital initiatives, Early Childhood

Development Program and Bright Child Program.

4. Newborn Screening (NBS) — a recent initiative involving a simple procedure to find out if the baby has a congenital metabolic disorder that may lead to retardation or death if left untreated.

NBS is available in hospitals, lying-ins, rural and health centers. Babies delivered at home may be brought to the nearest institution offering NBS.

The above cited initiatives are still within the framework of the 1999-2004 National Objectives for Health. Because of such efforts, the government hopes to attain the Millennium Development Goal of reducing infant mortality by two thirds. For the Philippines, that would mean having 19 or fewer infant deaths per 1000 live births, and 27 or fewer under-five children dying per 1000 live births by 2015.

The realities

While the government is hopeful, the latest international development index reports do not share the optimism of the Philippine government.

In the latest Human Development Index (HDI) report of the United Nations' Development Programme (UNDP), the Philippines ranked 84 out of 177 countries in terms of life expectancy, health, education and literacy.

On the other hand, in the 2005 Social Watch Global Report, the Philippines, with a Basic Capabilities Index (BCI) of 78, falls

into the group of nations in the second-worst situation along with the Sub-Saharan and African countries. The BCI merges three indicators: under-5 mortality rate, children reaching fifth grade in primary schools and births attended by skilled personnel.

The efforts of the Philippine government are noteworthy. However, the grim statistics remain.

1. In terms of immunization, Social Watch placed the Philippines on the list of countries performing below average, together with Bolivia, Ghana Iraq and Uganda, among others.

Table CM-8: Percentage of 1-yr-old children immunized (1992 & 2003)

	DPT - immunized 1-yr-old children		Polio-immunized 1-yr-old children		Measles-immunized 1-yr-old children		Tuberculosis-immunized 1-yr-old children	
	1992 %	2003 %	1992 %	2003 %	1992 %	2003 %	1992 %	2003 %
Philippines	88	79	88	80	85	80	89	91

Source: Roars and Whispers Social Watch Report 2005

As Table CM-8 shows, between 1992 and 2003, there were fewer children receiving immunization against DPT, polio and Measles.

2. In terms of nutrition, Table CM-9 shows that, the Philippines falls in the list of countries with a high percentage of undernourished, underweight and malnourished children.

Table CM-9: Percentage of undernourished, underweight and malnourished children (1990/1992 and 2000/2002)

	Undernourishment		Estimated Low Birth Weight		Under-5 children malnutrition (weight for age)	
	1990/1992 %	2000/2002 %	1990/1992 %	2000/2002 %	1990/1992 %	2000/2002 %
Philippines	26	22	8.7	20.0	33.5	31.0

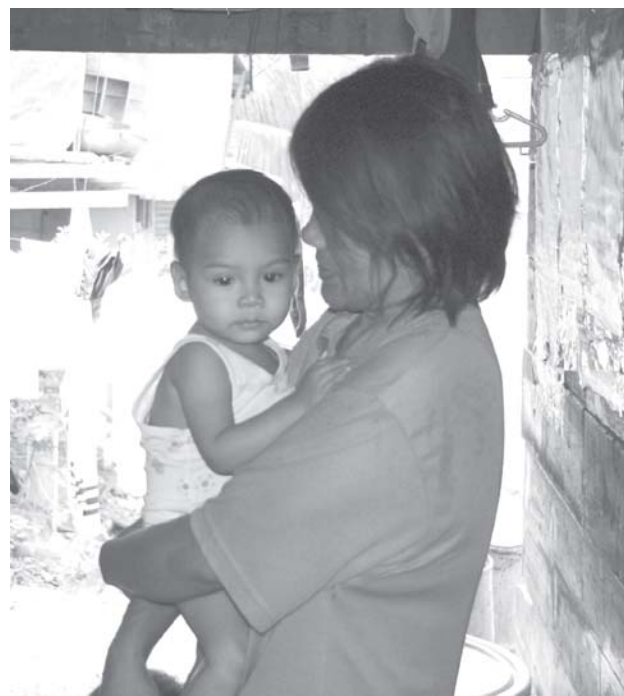
Source: Roars and Whispers, Social Watch Report 2005

In terms of prenatal and natal care, the Philippines showed slight progress in a span of 10 years, from 1993-2003. It is among the countries in above-average situation.

Table CM-10: Percentage of people who received prenatal and natal care (1993 and 2003)

	Women aged 15-49 attended at least once during pregnancy by a skilled health professional		Births attended by skilled health personnel	
	Initial data: 1993 %	2003 : %	Initial data: 1993 %	2003: %
Philippines	83.1	94	52.8	60

Source: Roars and Whispers, Social Watch Report 2005



The story behind the realities

As alternative assessments of the Philippines' progress in terms of reducing child mortality would show, much is left to be done.

The above cited government efforts are not enough, because the funding for health is not enough.

At the 10th Diliman Governance Forum held at the University of the Philippines National College of Public Administration and Governance (UP NCPAG), Social Watch Philippines warned that if the government continues to under-invest in poverty alleviation, education, health and environment, the country may one day wake up to a generation of malnourished, uneducated, unhealthy Filipinos living in insecure environments.

With the government allocating a measly percentage of its budget to health in the past five years, there is a possibility that the forecast of Social Watch may one day come true.

Table CM-11: Investment of the National Government in DOH , in billions of pesos (2001-2005)

Year	National Budget	DoH Budget	Percent Distribution
2001	707	10.7	1.51
2002	742	11.7	1.57
2003	811	10.4	1.28
2004	Reenacted		
2005	907	12.92	1.45

Source: National Expenditure Program FY 2004

Table CM-12: Percentage expenditures on health, education, military and debt service of some countries. (1990 and 2001)

	Public Health Expenditure (% of GDP)		Public Education Expenditure (% of GDP)		Total Debt Service (% of GNI)		Military Expenditure (% of GDP)	
	1990 %	2001 %	1990 %	2001 %	1990 %	2001 %	1990 %	2001 %
<i>Countries in better situation</i>								
Australia	5.3	6.2	4.9	4.6			2.2	1.7
Japan	4.6	6.2	3.5	3.6			0.9	1.0
<i>Countries above average</i>								
Argentina	4.3	5.1	10.0	4.6	4.6	6.1	1.3	1.2
Fiji	2.0	2.7	4.5	5.5	8.2	1.6	2.2	2.3
<i>Countries below average</i>								
Brazil	3.0	3.2	1.7	4.0	1.8	11.7	1.9	1.6
India	0.9	0.9	3.7	4.1	2.6	2.6	2.7	2.6
Malaysia	1.5	2.0	5.1	7.9	10.3	9.1	2.6	2.1
Philippines	1.5	1.5	2.9	3.2	8.1	11.1	1.4	1.0
Thailand	1.0	2.1	3.6	5.0	6.3	15.8	2.3	1.4

Source: Roars and Whispers 2005 Social Watch Report

The government's practice of spending little for health services compromises the achievement of the goals. Social Watch places the Philippines among the countries performing below average in terms of financing development. Table CM-12 would show the percentage expenditures of countries on health, education, military and debt service.

Investing in MDGs

The Medium-Term Public Investment Program (MTPIP) for 2005-2010 has a budget to implement the 10-point agenda and the MDG. The MTPIP accompanies the 2004-2010 MTPDP.

The amount of PhP69.9 billion or PhP13.98 billion annually is proposed to be allocated to the health-related MDGs from 2005-2010. It remains questionable whether that amount

Table CM-13: Investments supportive of the MDGs under the MTPIP for 2005-2010

MDGs	Cost (in PhP Billion)
1. Eradicate extreme poverty and hunger	923.1
2. Achieve universal primary education	56.7
3. Promote gender equality	--
4. Reduce child mortality	69.9
5. Improve maternal health	
6. Combat HIV/AIDS, malaria and other diseases	
7. Ensure environmental sustainability	
8. Develop a global partnership for development	128.1
Total	1, 251.6

Source: NEDA- Public Investment Plan

is enough, or if it will be released for the sole purpose of achieving the specific health goals.

A sneak peek at the DOH

For the past five years, the DOH has been given an average of 1.5 percent share of the national budget. Its meager budget has been used to finance its major programs in partnership with the LGUs, NGOs, other NGAs. Its major programs include the following:

- **Public health**
 - Disease control
 - Women and child's health
- **Hospital system**
 - Upgrading of hospital facilities and services
- **Local health service delivery**
 - Capacity-building through Sentrong Sigla
 - Doctors to the Barrios
- **Health regulation**
 - Access to quality low-priced medicines
 - Registration of pharmaceutical products
- **Health financing**
 - Health insurance for indigents
- **Support for all programs**
 - Procurement system

So, just how much money do we need to reduce child mortality?

The DOH lists the following critical interventions to reduce child mortality:

- Micronutrient supplementation
- EPI vaccines

- EPI 2nd dose measles vaccination
- EPI Logistic Support
- Control of diarrheal diseases
- Control of acute respiratory infections
- Deworming

Since infant health is very much related to maternal health, the other critical interventions include:

- Improvements in reproductive health
- Micronutrient supplementation of pregnant and lactating women
- Tetanus Toxoid immunization of pregnant women
- Establishment of BEMOC and CEMOC

The DOH lists the critical interventions to reduce child mortality together with the total cost, the funding available and the budget gap in Table CM-14.

A DOH document on *Financing the Reduction of Child Mortality* explains the costs. The following excerpts contain the explanation:

“Micronutrient supplementation for 14.3 million under-five children is estimated to cost PhP502.2 million. This entails the administration of vitamin A 200,000 i.u. per capsule twice a year which costs about PhP57.2 million. The procurement of iron drops for 8.9 million low-birth-weight infants costs PhP445 million. Only around PhP9 million of the total amount for the two programs is allocated by the DOH and ODA, resulting in an estimated funding gap of PhP493 million for micronutrient supplementation of under 5 children.

The annual cost for the procurement of BCG (for tuberculosis), DPT (for diphtheria, pertussis and tetanus), MV (for measles), OPV (for polio), and hepatitis B vaccines for 2.6 million children covered under the EPI is estimated to be around PhP452.6 million. An additional amount of PhP49.2 million is needed for a second dose of measles vaccine to be administered to 2.6 million children. An estimated PhP406 million is also needed to purchase other logistics for EPI like the auto-destruct syringes, mixing syringes and safety boxes for proper disposal of sharps. The

bulk procurement of vaccines is being handled by the DOH. The purchase of the other logistics belongs to the LGUs as their counterpart, but many lack the capacity to buy.

For the CDD, the Oral Rehydration Solution needed for 465,307 cases of acute gastroenteritis among under-5-year-olds costs around PhP7 million annually. The LGUs are expected to procure the supplies for the control of diarrheal diseases as a devolved function.

Under the Control of Acute Respiratory Infections (CARI), the procurement of cotrimoxazole 200 mg /40mg per tablet, the first-line antibiotic for community-acquired pneumonia costs around P4.9 million for 488,361 under-five-year old children. The DOH has no budget to buy first-line drugs for pneumonia. Procurement for this drug depends on the LGUs.

The deworming of 8 million 2- to 4- years-old children twice a year is estimated to cost around PhP48 million. The DOH has no allotment for such, and the purchase of deworming drugs depends on the LGUs.

As stated earlier, maternal health is also critical to infant health. The DOH data show that the total annual cost to improve maternal health is PhP4,750,729,673.00. However, DoH only has PhP107,880,277.00, with an additional ODA of PhP11,230,000.00, thus, leaving a budgetary gap of PhP4,706,817,950.00.

The DOH statistics give rise to doubts as to how the goals will be achieved, considering the large budgetary gap. However, one caveat is to be considered:

Assistant Secretary Mario Villaverde reiterated that the preceding DOH figures do not include the support coming from LGUs. He added that the projects aimed at reducing child mortality and improving maternal health have long been devolved to the LGUs, which now provide the basic health services to the clients.

Financing the MDGs at the local level

Majority of the programs and projects in support of the

Table CM-14: Summary of the yearly cost estimate for the programs and projects for the reduction of child mortality, DOH 2005.

REDUCTION OF CHILD MORTALITY	TOTAL COST (PhP)	DOH FUNDING (PhP)	ODA ASSISTANCE (PhP)	BUDGET GAP (?) (PhP)
Micronutrient supplementation	502,200,000	7,584,000	1,500,000	493,116,000
EPI Vaccines	452,608,456	362,960,000	2,000,000	87,648,456
EPI 2nd Dose Measles Vaccination	49,155,725	0	0	49,155,725
EPI Logistic Support	406,111,148	0	0	406,111,148
Control of Diarrheal Diseases	6,979,605	0	0	6,979,605
Control of Acute Respiratory Infections	4,883,610	0	0	4,883,610
Deworming	48,000,000	0	0	48,000,000
TOTAL	1,469,938,544	370,544,000	3,500,000	1,095,894,544

health-related MDGs are being spearheaded by DOH, although LGUs are the main implementer of the programs and projects. The funding is insufficient and majority of the programs and projects to meet the MDG targets are supported by the DOH and ODA.

For FY 2005, the Internal Revenue Allotment (IRA) for LGUs amounted to PhP151 billion. The National Government (NG) tasks LGUs to use the IRA and other local resources to first cover the cost of providing basic services and facilities, particularly those that have been devolved by the NG.

Various studies however have observed a bias for infrastructure and economic services in the local budget. This is shown by the distribution of public expenditures by LGUs from 2001-2004.

A look at the preceding data indicates that while there is an increase in the amount for social services, which includes health services, from PhP29 billion in 2001 to PhP36 billion in 2004, its percentage share in the total expenditure decreased from 26 percent in 2001 to 20 percent in 2004.

Such a situation should worry the national government, because the LGUs, which are expected to finance and deliver basic social services, are performing below expectations.

Localizing the MDGs

For FY 2006, the LGUs are required to include in their budgets the implementation of basic social services responsive to the MDGs, which include nutrition services and maternal and child health services.⁵

The case of Makati

The total population of Makati City based on the census conducted by NSO in the year 2005 is 505,379. Among cities and municipalities in the National Capital Region (NCR), Makati ranks seventh in population with a 4.73 percent share.

Being host to the country's central business district, Makati is one of the richest LGUs, if not the richest, with income of P4 billion or more annually.

Long before the signing of the Millennium Declaration, the City of Makati has been working at reducing child mortality, improving maternal health and combating diseases.

The city is known for its "yellow card" program for its residents. The card is considered indispensable, especially to the indigents, as it allows them free access to medical and health services in the hospitals and clinics in Makati.

Its 33 barangays all have health centers and its recently renovated health facility — the Ospital ng Makati — boasts of world-class facilities, equipment and health professionals.

Of the 92,843 recorded live births from 1996 to 2002, infant mortality rate averages 8.7 percent. For 2003 the infant mortality rate was 8.9 percent of the total registered live births, and for 2004, it was 8.5 percent. Compared to the national figures which registered infant mortality rate at 14.3 percent for 2001 and 2002, Makati has less infants dying at birth or before they reach the age of five.

Each year, Makati comes up with an investment plan that embodies the city's programs and projects, as well as the financing requirements.

Included in the annual investment plan are the health projects for the city. Dr. Julie Dineros of Makati's Health Department said the city fully finances from its income most, if not all the health services it provides its citizens. The city rarely depends on the fund given by DOH.

As indicated by the investment plan, Makati invested the following amounts for maternal and child care alone:

- 2004: PhP1,521,055.00
- 2005: PhP1,820,025.00

Such amounts are only for the purchase of supplies and medicines.

For 2006, the city intends to spend higher amounts. However, the figures are yet to be finalized.

For a blessed LGU like Makati, it is easy to provide for the programs and projects for the attainment of the health-related MDGs. At the rate Makati is investing in health, especially in child and maternal health services, it is most likely that it will achieve and perhaps do better than just achieving the national target.

However, for 4th class LGUs like Malinao in Aklan, it is a different story altogether. The population of Malinao is estimated at 23,000 as of 2004. Unlike Makati whose income makes it almost independent from the National Government in financing

Table CM-15: Distribution of public expenditures, LGUs by sector, 2001-2004 (in thousand pesos)

Sector	2001	2002	2003	2004
Economic services	15,982, 070	45, 484,830	52, 853,500	58, 700, 890
Social services	28, 979, 110	26, 352, 690	34, 001, 700	36, 135, 990
Defense	--	--	--	--
General public services	63, 375, 820	69, 580, 140	73, 954, 470	78, 545, 740
Total productive expenditure	108, 337, 000	141, 417, 660	160, 809,670	173,382, 620

Source: DBM, *Budget of Expenditures And Sources of Financing, 2005*

⁵ DBM Policy, per LBM No. 47 (July 2005)

its programs and projects, Malinao is almost entirely dependent on NG subsidy.

For 2002, the income of the municipality was PhP29.74 million. Of this amount, PhP26.95 million or 90.6 percent came from the NG.

Malinao spent PhP2.68 million for health, nutrition and population control in the year 2002. A detailed statement of its development fund of PhP5.45 million in 2002 will reveal the following health-related spending:

- Improvement of Malinao Health Center: PhP150,400.00
- Physical fitness program: PhP230,000.00
- Purchase of medicines: PhP500,000.00
- Nutrition program: PhP97,400.00
- Philhealth premiums and contributions: PhP210,000.00

As there is no available financial document stating the health projects, it is difficult to determine how much the municipality spent on critical interventions to reduce child mortality and improve maternal health. More so, it cannot be determined if the P2.68-million health expenditure included personal services and MOOE.

For 2003, the development fund amounting to P5.59 million will reveal the following health-related spending:

- Improvement of Malinao Health Center : PhP39,000.00
- Physical fitness program: PhP300,000.00
- Purchase of medicines: PhP500,000.00
- Nutrition program: PhP200,000.00
- Philhealth premiums: PhP200,000.00
- Purchase of nebulizer: PhP20,000.00

Conclusions and recommendations ignored and reignored

The huge budgetary gap in financing development continues to compromise, not just our commitments in the Millennium Declaration, but the government's duty to the people as well.

The lack of national government and ODA support places a large portion of the population in critical condition, as poverty worsens by the day.

In 2005, statistics show that of the 1500 municipalities in the country, most belong to the lower brackets of 3rd, 4th, 5th, or even 6th class based on revenues. Of the 115 cities, on the other hand, only 40 percent are classified as 1st class.

It is disturbing that there are more LGUs that are not capable of providing the basic health services — either because of lack of funds, or lack of capacity.

The DOH recommends the following in financing the health-related MDGs:

- Collaboration among the national government, LGUs, ODA and civil society in financing the MDGs
- Continuation of pooled procurement for the logistics of the MDG programs and projects on a national scale

- Promotion of enrollment in the National Health Insurance Program
- Promotion of public-private partnership in program implementation
- Promotion of focused targeting of diseases both at national and local level
 - Performance-based budgeting for health programs and projects
 - Disease-free zones
 - Intensified advocacy and IEC

Upon signing the Millennium Declaration, the government knew what will be required from it to realize the MDGs. The academe, civil society organizations, POs and NGOs have long voiced their sentiments, given their recommendations and extended assistance to the government towards achieving the MDGs.

The government knows what to do to prevent children from dying of otherwise preventable causes; it knows what to do to improve maternal health.

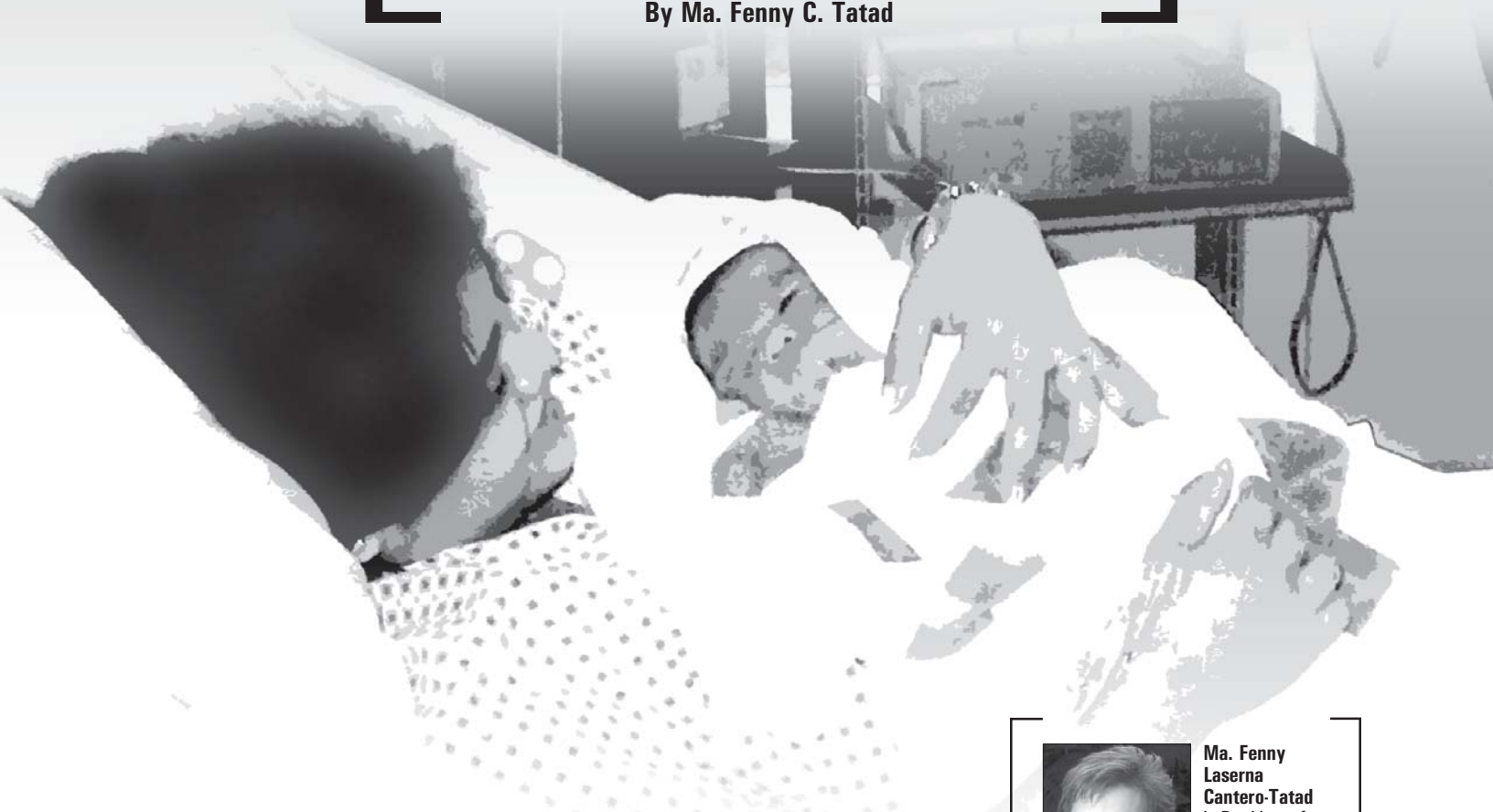
As the data and situation indicate, it just makes a conscious effort to look away.

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Women's health, nation's wealth

By Ma. Fenny C. Tatad



THE Millennium Development Goals, according to the January 2005 Report of Jeffrey Sachs to United Nations Secretary General Kofi Annan, are the world's time-bound and quantified targets for addressing extreme poverty in its many dimensions – income poverty, hunger, disease, lack of adequate shelter and exclusion – while promoting gender equality, maternal health, education and environmental sustainability. (*Sachs, 2005 Report to the UN*)

Sachs, Director of the UN Millennium Project, believes that if Millennium Development Goal No.5 is achieved by 2015, the world will see two million mothers saved from mortality during childbirth. In the Philippines, the annual maternal death figure is about 2,800 to 3,500, or between 130 and 178 deaths for every 100,000 live births, depending on whose figures one is quoting. Whichever number is quoted, it is regarded as high by international standards. It is the number that guides the Philippine government in achieving Goal No. 5.



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What are the Maternal Health Targets for the Philippines based on MDG-5?

- To reduce by three-quarters the maternal mortality rate between 1990 and 2015
- To increase access to reproductive health services to 60 percent by 2005, 80 percent by 2010, and 100 percent in 2015.

What is the status of the targets in the Philippines as of 2005:

- According to Rosario Manasan: maternal death rate per 100,000 live births in 1990 was 209; 172 in 1998; 163 in 2000; about 130 in 2005. Target by 2015 is 52. (*Manasan, 2002*) DOH quotes 178 per 100,000 live births in 2005.
- The contraceptive prevalence rate among Filipino women is 48.9 percent



UNFPA maintains that maternal mortality can be reduced without the need to require governments to achieve high levels of economic development (www.unfpa.org). Most maternal deaths are preventable. The prevailing thinking among maternal health experts is that, programs to reduce maternal deaths should be based on the principle that every pregnant woman is at risk from life-threatening complications.

For the maternal death ratio to be reduced dramatically, all women must have access to high quality delivery care. "Such care has three essential elements: a skilled attendant at delivery; access to emergency obstetric care (Emoc) in case of complications; and a referral system to ensure that women who do experience complications can reach life-saving Emoc on time. And also, that no matter how skilled an attendant is, if she or he is performing deliveries in a setting without drugs, equipment

and infrastructure to deliver Emoc – and cannot get her patients quickly to that care – some women will die. The large majority of maternal deaths are linked to this kind of unexpected complication." (*Progress Towards the Millennium Development Goals, 1990-2005 Report, United Nations Department of Economic and Social Affairs*)

The Department of Health and MDG Goal No. 5

DOH Assistant Secretary Mario Villaverde indicated in his presentation at the UP National College of Public Administration and Governance (NCPAG) forum on *Financing MDGs in the Philippines (September 2005)* that "majority of the programs and projects in support of MDG No. 5 are being spearheaded by the Department of Health although the main implementer of the programs and projects are the local government units." (*Villaverde 2005*)

The Philippine Government implements MDG Goal No. 5 by way of its Women's Health and Safe Motherhood Program (WHSMP). The first phase of implementation started in 1995, five years before the Millennium Development Goals were formally adopted by the United Nations, and ran until year 2002. The second phase began in 2005 and will continue until 2010.

Added to the services provided by the WHSMP are the DOH micronutrient supplementation for pregnant and lactating women, tetanus toxoid vaccination of pregnant women and the establishment of Basic Emergency Management Obstetric Care (Bemoc) and Comprehensive Emergency Management Obstetric Care (Cemoc).

Before proceeding to the discussion on the WHSMP implementation by the DOH, it would be useful at this point to define concepts used by the programs according to established references.

Definitions

Maternal Health is defined as "the sense of well-being related to the prenatal, natal and post-natal periods of a woman's life cycle." (*Philippine Plan for Gender-Responsive Development [PPGD], 1995*)

"*Safe Motherhood* aims at attaining optimal maternal and newborn health. It implies a reduction of maternal mortality and morbidity and enhancement of the health of newborn infants through equitable access to primary health care including prenatal, delivery and post-natal care for mother and infant, family planning, and access to essential obstetric and neonatal care." (*World Health Organization, 1994*) "It is of immense importance because it affects the health of the next generation through its impact on children." (*PPGD, 1995*)

Maternal death (or maternal mortality) is “the death of a woman while pregnant or within 42 days after childbirth (or termination of pregnancy), irrespective of the duration and the site of the pregnancy, from any cause related to or aggravated by the pregnancy or its management, but not from accidental or incidental causes.” (*WHO, International Classification of Diseases, 1992*)

Pregnancy-related death is “the death of a woman while pregnant or within 42 days after childbirth (or termination of pregnancy), irrespective of cause of death.” (*WHO, International Classification of Diseases, 1992*)

The **maternal mortality ratio** (MMR) is “the number of maternal deaths during a given time period per 100,000 live births during the same time period.” The **maternal mortality rate** is defined as “the number of maternal deaths in a given period per 100,000 women of reproductive age during the same period and thus reflects both obstetric risk and the risk of being pregnant.” (*UN Dept. of Ecosoc World Population Monitoring, 2002*)

Another **measure of maternal mortality** is “the lifetime risk which measures both the probability of becoming pregnant and the probability of dying as a result of that pregnancy cumulated across a woman’s reproductive years. The lifetime risk can be estimated by multiplying the maternal mortality rate by the length of the reproductive period (around 35 years).” (*UN Dept. of Ecosoc World Population Monitoring, 2002*)

Family planning services and programs are aimed at “helping couples to meet their reproductive goals in a framework that promotes optimum health, responsibility and family well being, and respects the dignity of all persons and their right to choose the number, spacing and timing of the birth of their children.” (*ICPD, 7.14 [a]*) “Education and appropriate services regarding responsible planning of family size, with respect for cultural, religious and social aspects, in keeping with freedom, dignity and personally held values and taking into account ethical and cultural considerations, must contribute to these health activities.” (*UN Agenda 21, 6.3*)

Skilled health personnel or skilled attendants are “doctors (who are specialist or non-specialist) and/or persons with midwifery skills who can handle normal deliveries and diagnose and manage obstetric complications. A person with midwifery skills is one who has successfully completed the prescribed course in midwifery and is able to give the necessary supervision, care and advice to women during pregnancy, labour and the postpartum period, to conduct deliveries alone, to provide lifesaving obstetric care and to care for the new-born and the infant.” (*UN Dept. of EcoSoc World Population Monitoring, 2002*)

Women’s health and safe motherhood is for “achieving a rapid and substantial reduction in maternal morbidity and mortality and reducing the differences observed between developing and developing countries and within countries.” (*ICPD, 8.20 [a]*)



THE PHILIPPINES WOMEN’S HEALTH AND SAFE MOTHERHOOD PROGRAM: AN INTEGRATED WOMEN’S HEALTH SERVICE

WHSMP I and WHSMP II Program Implementation Strategies

The government promotes maternal health through a two-pronged strategy that involves providing health services to pregnant women (safe motherhood), and providing family planning services. The basic premise of *Safe Motherhood* is that childbirth must not carry with it the risk of death or disability for the woman and her infant. (*2nd Philippine Progress Report on MDGs, 2005*)

Based on the above premise, nine safe motherhood strategies were instituted:

- 1) Training
- 2) Information dissemination
- 3) Social mobilization
- 4) Community participation
- 5) Promotion of gender sensitivity
- 6) Quality assurance schemes
- 7) Maternal Mortality Rate audit
- 8) Upgrading of equipment for obstetric emergencies and
- 9) Making quality care accessible

In 2001, the National Family Planning Policy promoted was as follows:

- 1) Family planning as a health intervention to promote the overall health of Filipinos;
- 2) Family planning as a means to prevent high-risk pregnancies;
- 3) Family planning as a means to reduce maternal deaths, particularly those related to post-partum hemorrhage and hypertensive disorders of pregnancy;
- 4) Family planning as a means to prevent abortions;
- 5) Family planning as a reproductive right for women, meaning it should be delivered to respond to the unmet needs and demands of women;
- 6) Family planning as a means towards responsible parenthood;
- 7) Family planning as a means to reduce poverty.

The government did, and is doing, WHSMP in two phases: WHSMP I from 1995-2002, and WHSMP II from 2005 to 2010.

Women's Health and Safe Motherhood Program (WHSMP) I: 1995-2002 – What it accomplished

WHSMP I was implemented for seven years and directly affected maternal and child health services. This included family planning, prenatal, delivery and postnatal services, cancer detection, protection of women and children against violence, reproductive tract infection (RTI) and sexually transmitted diseases (STD) health services. Equipment such as ultrasound, colposcopy examination beds and others were procured for the improvement of services.

Clients noted a big improvement in the delivery of women's health services. There were positive changes in facilities, too. Training gave health providers adequate skills and knowledge, making them more confident in performing their duties and in using the new and upgraded facilities. Health providers were introduced to emergency obstetric services which allowed them to handle complicated obstetric conditions. Availability of supplies and equipment was noted.

New services were introduced such as cancer screening, women and child protection units and RTI/STD management. Training materials were standardized.

Members of the communities noticed an increased awareness of women's health concerns. With the upgrading of facilities and better knowledge and skills by health providers, and better access to equipment and supplies, there was a corresponding increase in utilization of services and the level of satisfaction among clients.

Data analyzed from 1998 to 2003 indicated positive trends in the following areas: a higher proportion of births attended by

health professionals; a bigger percentage of births delivered in a health facility; a wider prenatal and postnatal care coverage with the help of the National Health Insurance Program; an increase in the percentage of those injected with tetanus toxoid; and the decline of maternal anemia in pregnant women owing to the provision of iron tablet supplements for pregnant women and nursing mothers.

How WHSMP I was funded

Women's health services have been limited by underinvestment. The upgrading of facilities and services could not have been possible without external funding:



PhP1,947,710,950.00 came from the five major donor agencies: the World Bank, the Asian Development Bank, the Kreditanstalt fur Wiederaufbau (KfW), the Australian International Aid for Development (AusAid), the European Union, and counterpart money from the Government of the Philippines (PhP495,549,222.00).

However, while the allotment for WHSMP I was PhP1,947,710,950.00, the amount invested in WHSMP I from 1995 to 2002 was only PhP1,546,623,564.33. Of obligations incurred, PhP1,265,589,618.97 came from loan proceeds and PhP281,032,946.36 was GOP counterpart.

According to Dr. Ma. Virginia Ala, Officer-in-Charge of the DOH Bureau of International Health Cooperation, PhP401,087,385.27 was unspent for WHSMP I and reverted to the Department of Budget and Management for two reasons:

- 1) In seven years, seven Secretaries of Health took charge of DOH – Dr. J. Flavio, Dr. J. Tan, Dr. H. Ramiro, Dr. C. Reodica, Dr. Estrella, Dr. A. Romualdez and Dr. M. Dayrit. Every DOH Chief Executive had to study pending programs before proceeding with implementation and continuity was disrupted. Money therefore was also unspent while program was on hold or was inactive.

**Women's Health and Safe Motherhood Project (WHSMP), IBRD LOAN 3852 PH
Statement of allotment, obligations incurred, 1995-2002**

YEAR	OBJECT CODE	ALLOTMENT			OBLIGATIONS INCURRED - CURRENT			OBLIGATIONS INCURRED - CONT.			SUB - ALLOTMENT		
		LP	GOP	TOTAL	LP	GOP	TOTAL	LP	GOP	TOTAL	LP	GOP	TOTAL
1995	MOOE*	1,583,000.00	-	1,583,000.00	491,512.50	-	491,512.50	-	-	-	-	-	-
	Capital Outlay	26,054,450.00	3,962,550.00	30,017,000.00	-	-	-	-	-	-	-	-	-
	Sub-Total	27,637,450.00	3,962,550.00	31,600,000.00	491,512.00	-	491,512.50	-	-	-	-	-	-
1996	MOOE*	12,877,062.00	1,776,538.00	14,653,600.00	5,806,010.29	506,532.06	6,312,542.35	-	-	-	-	-	-
	Capital Outlay	14,844,440.00	1,701,960.00	16,546,400.00	-	-	-	25,100,450.00	3,856,550.00	28,957,000.00	-	-	-
	Sub-Total	27,721,502.00	3,478,498.00	31,200,000.00	5,806,010.29	506,532.06	6,312,542.35	25,100,450.00	3,856,550.00	28,957,000.00	-	-	-
1997	MOOE*	65,006,100.00	7,560,000.00	72,566,100.00	7,975,306.44	495,464.20	8,470,770.64	541,597.49	207,017.71	748,615.20	18,000.00	1,700,360.00	18,000.00
	Capital Outlay	10,580,150.00	1,305,300.00	11,885,450.00	-	-	-	-	-	-	14,830,040.00	-	16,530,400.00
	Sub-Total	75,586,250.00	8,865,300.00	84,451,550.00	7,975,306.44	495,464.20	8,470,770.64	541,597.49	207,017.71	748,615.20	14,848,040.00	1,700,360.00	16,548,400.00
1998	Personal Services	100,000.00	-	100,000.00	-	-	-	-	-	-	-	-	-
	MOOE*	116,739,000.00	7,432,500.00	124,171,500.00	15,612,931.90	1,337,326.68	16,950,258.58	40,950,762.25	3,589,880.43	44,540,642.68	5,251,603.22	48,197.53	5,299,800.75
	Capital Outlay	33,220,000.00	17,856,258.00	51,076,258.00	290,402.50	51,247.50	341,650.00	606,769.38	107,076.95	713,846.33	11,185,318.96	1,329,480.20	12,514,799.16
	Sub-Total	150,059,000.00	25,288,758.00	175,347,758.00	15,903,334.40	1,388,574.18	17,291,908.58	41,557,531.63	3,696,957.38	45,254,489.01	16,436,922.18	1,377,677.73	17,814,599.91
1999	MOOE*	98,078,261.00	17,494,000.00	115,572,261.00	45,066,588.33	2,840,520.78	47,907,109.11	66,966,119.87	2,930,170.88	69,896,290.75	2,279,556.67	525,179.98	2,804,736.65
	Capital Outlay	20,573,000.00	2,268,000.00	22,841,000.00	-	-	-	5,532,910.04	1,201,894.41	6,734,804.45	14,351,673.23	2,348,942.51	16,700,615.74
	Sub-Total	118,651,261.00	19,762,000.00	138,413,261.00	45,066,588.33	2,840,520.78	47,907,109.11	72,499,029.91	4,132,065.29	76,631,095.20	16,631,229.90	2,874,122.49	19,505,352.39
2000	MOOE*	159,290,000.00	45,472,000.00	204,762,000.00	6,201,653.69	689,769.31	6,891,423.00	35,195,168.48	2,303,518.69	37,498,687.17	3,748,092.21	631,507.27	4,379,599.48
	Capital Outlay	10,000,000.00	15,000,000.00	25,000,000.00	-	-	-	9,152,174.12	1,722,682.49	10,874,856.61	13,652,065.43	13,342,941.44	26,995,006.87
	Sub-Total	169,290,000.00	60,472,000.00	229,762,000.00	6,201,653.69	689,769.31	6,891,423.00	44,347,342.60	4,026,201.18	48,373,543.78	17,400,157.64	13,974,448.71	31,374,606.35
2001	MOOE*	15,472,000.00	-	15,472,000.00	70,914.00	-	70,914.00	123,870,495.73	9,590,366.03	133,460,862.03	13,611,901.72	2,093,982.28	15,705,884.00
	Capital Outlay	45,000,000.00	-	45,000,000.00	29,130,115.27	-	29,130,115.27	2,013,190.74	5,379,643.65	7,392,834.39	22,015,648.91	8,896,485.83	30,912,132.74
	Sub-Total	60,472,000.00	-	60,472,000.00	29,201,029.27	-	29,201,029.27	125,883,686.47	14,970,009.68	140,853,696.12	35,627,548.63	10,990,468.11	46,618,016.74
2002	MOOE*	-	-	-	-	-	-	11,762,833.18	4,372,070.37	16,134,903.55	732,076.00	1,796,086.42	2,528,162.42
	Capital Outlay	-	-	-	-	-	-	1,620,050.82	-	1,620,050.82	-	-	-
	Sub-Total	-	-	-	-	-	-	13,382,884.00	4,372,070.37	17,754,954.37	732,076.00	1,796,086.42	2,528,162.42
Grand Total		629,417,463.00	121,830,106.00	751,247,569.00	110,645,434.92	5,920,860.53	116,566,295.45	323,312,522.10	35,260,871.88	358,573,393.98	101,675,974.35	32,713,163.46	134,389,137.81

*MOOE - Maintenance and Other Operating Expenses

- 2) Supervising Health Officer Zenaida Recidoro of the DOH National Center for Disease Prevention and Control added that aside from the first reason, implementation of the program was nationwide. A large number of local government units were unprepared for WHSMP I due to lack of personnel with medical and technical skills and a lack or absence of medical facilities and equipment to implement the program.

**Women's Health and Safe Motherhood
Program II: 2005-2010**

Learning lessons from WHWMP I, WHSMP II has become a far more modest program that limits its territory to five test provinces, namely: Sorsogon, Surigao del Sur, Isabela, Masbate and Southern Leyte. These provinces have become the pilot areas which could help set directions for a better thought-out and scientific blueprint for a women's health program for the rest of the country.

WHSMP II is basically meant to provide quality women's health and safe motherhood services as an important component of the LGU's health service package. Health, according to DOH, is essentially a local issue. WHSMP must therefore ensure that

structural, health-facility and human-resource capacities necessary to deliver health services are installed and maintained at appropriate levels of the local health delivery system.

The specific objectives of WHSMP II are to:

- Improve the quality and coverage of women's health and safe motherhood services;
- Strengthen the capacity of Local Government Units (LGUs) and the private sector to manage the provision of these services and of the Department of Health (DOH) to provide policy, technical, financing and logistics support;
- Improve the fiscal impact for women's health services, with the development of appropriate and sustained financing mechanisms, and establish technical expertise at strategic levels and areas, consistent with the primary strategy of the Health Sector Reform Agenda (HSRA), sustained investments for effective public health technologies;
- Enhance the effectiveness and sustainability of health interventions through the participation of local communities, the private sector and nongovernment organizations in the project; and

- e) Expand the knowledge base upon which to draw policy and technical guidance for women's health programs.
- f) Provide the blueprint for succeeding WHSMPs in other provinces and other LGUs in the future.

To meet the objectives, WHSMP II must accomplish the following, in specified areas:

- a) Service Delivery in the areas of maternal and child care, particularly emergency obstetric services, family planning, diagnosis and treatment of TIs and STDs and other women's health problems;
- b) Institutional development including:
 - 1) Information, education and communication (IEC) programs to promote attitudes and practices that improve women's health;
 - 2) Training for public sector health care workers in program management (such as planning and development) and in delivering women's health services;
 - 3) Development and installation of an improved national or regional public health logistics system for the DOH to ensure the efficient procurement and delivery of commodities to end users;
 - 4) Support for the DOH in project management.
- c) Community partnerships which support local communities and NGOs working with LGUs and the DOH in planning and implementing community-based women's health services;
- d) Policy and operations research to conduct studies on women's health and related service delivery questions.

WHSMP II implementation strategies

The Department of Health seeks to develop a model for integrating women's health service delivery that is cost-effective and culturally acceptable. For maternal care, WHSMP II uses the currently practiced risk approach that considers all pregnant women to be at risk of complications at childbirth. This requires:

- a) More skilled deliveries by professional health practitioners;
- b) Midwife-led teams of traditional birth attendants (TBAs) and barangay health workers (BHWs) reaching all pregnant women with essential prenatal care and birth plans;
- c) More normal deliveries at basic health facilities and more referrals of emergency obstetric cases to intermediate-level facilities;

The DOH says its family planning program is based on four major principles:

- 1) Respect for the sanctity of life;
- 2) Respect for human rights;
- 3) Freedom of choice and voluntary decisions; and

- 4) Respect for the right of clients to determine their desired family size.

The program requires:

- a) Increased outreach at barangay level by midwife-led teams of traditional birth attendants (TBAs) and barangay health workers (BHWs) identifying potential family planning clients;
- b) More public hospitals able to conduct frequent, regular and high-quality outreach through itinerant teams for nonscalpel vasectomies (NSV);
- c) Increased number and reliability of static outlets for IUD insertions and bilateral tubal ligations at affordable cost;
- d) Barangay-to-barangay, door-to-door family planning campaign to provide services whenever and wherever needed.

To note, there is confusion in the government's appreciation of what "sanctity of life" means. This doctrine is derived from natural law, and popularized by the teaching of the Catholic Church, which says that every marital act must be open to the transmission of human life. Vasectomy and tubal ligation destroy and impede the reproductive functions of husband and wife. The procedure effectively kills the flow of life and therefore violates the "sanctity of life." It also violates the married couple's right to found a family and decide for themselves how many children they will have. Every such violation could actually trench on several moral principles.

For STI/HIV Control, the plan is as follows:

- a) Integration of the assessment of STI risks and symptoms into family planning and antenatal visits, during labor and delivery and post-partum care;
- b) Targeted services to registered female sex workers by upgrading and expanding services provided by Social Hygiene Clinics;
- c) Fostering of public-private partnership to control STIs, through NGOs and OFWs; also, partnerships with private providers to disseminate treatment guidelines, and with LGUs to support distribution of a subsidized prepackaged syndromic STI treatment;

For adolescent and youth health, the government plan is to:

- a) Use peer facilitators to provide BCC (Behavior Change Communication) on sexuality and reproductive health;
- b) Transfer experience from successful NGO-led programs already tested in the country on effective and sustainable ways to reach the youth.
- c) Field multisectoral teams of professionals at the provincial level with the appropriate skills to track the needs of the youth.

- d) Establish teen centers to provide a venue for adolescents and youth to discuss their concerns with the help of peer counselors and to serve as a base for organizing outreach services;
- e) Establish measures to prevent early childbearing among adolescents by creating a safe and supportive environment through the promotion of delayed marriage and childbearing, expanding access to education and training, and providing income-earning opportunities.

Funding for WHSMP II

For WHSMP II, which is from 2005 to 2010, the World Bank component is expected to be approximately **PhP802,367,300.00** with a Philippine Government counterpart of approximately **PhP133,156,700.00**, or a total of **PhP946,442,500.00**. The investment will be spent on a range of inputs (*see WHSMP II schedule of funding, as annexed*), including:

- Construction or upgrading of first-level referral and primary health care centers;
- Package of equipment for upgraded facilities;
- Training for health providers of upgraded facilities;
- Technical and financial support for development and implementation of IEC and advocacy initiatives in women's health;
- Development of clinical practice guidelines; and
- Operational researches in women's health.

The WHSMP II will also place reliable and sustainable support systems for service delivery as follows:

- a) Drug and contraceptive security: Through market segmentation, procurement, logistics and management systems, and social marketing;
- b) Safe blood supply;
- c) Behavior change intervention through advocacy and communication and performance-based awards and incentives;
- d) Sustainable financing of local health services and commodities through diversification of funding sources and market segmentation;
- e) Human resource management and development which will include capacity and capability building and establishing a network of training providers.

For the year 2005, DOH also funded other maternal health-related services such as micronutrient supplementation for pregnant and lactating mothers at PhP16,000,000.00; tetanus toxoid immunization of pregnant women at PhP37,599,277.00; reproductive health services at PhP54,281,000.00 or a total funding of **PhP107,880,277.00** added to the yearly allocation for WHSMP II. Official Development Assistance for 2005 is **PhP11,230,000.00**. (*DOH WHSMP II Schedule of Cost of Investment is Annexed*)

Documents obtained from the DOH show an increase in the cost of investments in women's health and safe motherhood

from PhP70.1 million in 2005 to PhP207.3M in 2007. This, however, plummets to 196.4M in 2008 and slides even further to PhP163.7M in 2010. While a general increase in the investment cost may be observed from 2005 to 2010, actual government counterpart is projected to decline from 17 percent in 2005 to 12 percent in 2010 as the bulk of spending comes mostly from ODA loans. On the average, the GOP counterpart accounts for only 15 percent of the total investments on the sector. Such scenario undermines the sustainability of financing Goal No. 5 as it breeds dependency on ODA loans, which may lead to the widening of the NG fiscal deficit if revenue efforts are not dramatically improved. It also subjects the country to loan conditionalities which, in the long-run, might hamper the achievement of the MDGs. (*Rhoda Tiongson, 2006*)

As we speak of improving maternal health, maternal deaths are also results of complications arising from various causes. One of them is complication from cardiovascular disease. To give true meaning to improving maternal health as a Millennium Development Goal, it is proposed that the DOH focus attention on critical areas that seriously impact on women's health.

These are:

1. The biggest killers of women are cardiac and vascular diseases, cancer, respiratory diseases. At least 60 to 75 percent of deaths among women are caused by the above diseases. Women's health reform programs must focus on these killers and propose measures to reduce deaths.
2. Girls need proper nourishment from infancy and childhood so that their normal reproductive functions are not impaired at childbearing age. Likewise, if girls are to be competitive in the workplace, their brains have to be literally nourished from childhood. Needless to say, unhealthy and uneducated mothers produce unhealthy and disadvantaged children.
3. The contraceptive prevalence rate has gone down to 48.9 percent from 49.5 percent along with the population growth rate, which has gone down from 2.36 percent to 1.9 percent. Fewer women are using contraceptives. The World Health Organization through its International Agency for Research on Cancer (IARC) confirmed on July 29, 2005 that all estrogen-progesterone oral contraceptives (OCs), the most commonly prescribed contraceptives, are highly carcinogenic. (*Copy of WHO study summary annexed*)
4. Majority of the maternal deaths have been attributed to the absence of skilled health personnel and dependable health facilities during childbirth, not to their inability to contracept. Only 60 percent of childbirths have been attended by health professionals, 40 percent only by doctors and 38 percent delivered at a health facility. Health reform must be intensified in this area.
5. Among the youth, the DOH does not teach sexual restraint or continence but promotes contraceptive use

for “safe sex.” Consistent and advanced studies in the US and Africa have shown that the most effective way to curb teen pregnancies and the spread of HIV is through continence.

If the government must promote women’s health, relevant statistics should guide the program. DOH must look at the biggest killers of women and see how these affect their maternal functions. And in the light of the new WHO findings on contraceptive pills as being highly carcinogenic, the family planning component of the Women’s Health and Safe Motherhood Program must be reviewed for the hazardous effects and the real danger of continued use of pills on the lives of Filipino women.



Prospects for meeting the MDG target for maternal health

The first target, which is to reduce maternal mortality rate by half in 2015, appears to be eminently achievable. The Zero Maternal Death Project in Gattaran, Cagayan provides a model that other municipalities and cities could follow to achieve the target. By setting up birthing centers in remote barangays of the municipality with assured motherhood services; putting in place a barangay council ordinance requiring pregnant women to give birth only in birthing homes with skilled birth attendants; installing a highly functional and reliable referral system to the municipal hospital with 24-hour service—ready

to provide the necessary medical response to complications; and the presence of community drugstores with assured availability of medicines and supplies for birthing requirements, the project has become a total success. (*Gattaran project report annexed*)

Makati City, as a local government unit, also has a maternal health program which has allowed the city government to keep its maternal death rate at three deaths annually. With an efficient maternal health delivery system and an ever-increasing focus on the health requirements of its citizens, the city continues to commit itself to a zero-maternal death target as a health reform objective. (*Case study is annexed*)

Zero Maternal Death in Gattaran, Cagayan Project – Babae, Ikaw Lamang, Wala Nang Iba

How it was done:

1. Setting up birthing centers in far barangays of the municipality with assured motherhood services;
2. Installation of a highly functional and reliable referral system to the Municipal Hospital where the MHO, an experienced OB-Gyne, was ready to provide the necessary medical response to complications; MHO trained the midwives, barangay health workers and traditional birth attendants in maternal health and formed them into teams who regularly checked on pregnant women (which they called the Pregnancy Watch) and provided 24-hour service in birthing clinics. The teams hosted Buntis parties to inform pregnant women how they should take care of themselves and their babies, before, during and after delivery and what to watch out for in terms of signs and symptoms of complications;
3. The Barangay council supported this effort by passing an ordinance requiring pregnant women to give birth only in birthing homes;
4. The MHO introduced an innovative system of prepaid perinatal services where the woman saves for her delivery by paying a portion of the fees during prenatal service. A PhP1,000 fee pays for her medicines and medical supplies, the health worker, the birthing home and the midwife. This scheme also financed the operations of the birthing center;
5. Community drugstores known as Botika sa Birthing made medicines and supplies available;
6. The innovative leadership of the MHO, the full support of the municipal and barangay officials, dedication of health workers made this project a total success;
7. The Municipal Health Officer was Dr. Nida Nolasco-Rosales.

For the second target, I have very serious reservations that this could be achieved. Money is not enough. The WHO announcement regarding pills as highly carcinogenic makes it totally unwise for DOH to push this method for spacing childbirth. The statistical increase in the incidence of cancer among women lends credence to the WHO findings and may just keep women away from using contraceptive pills. Aside from the medical and scientific arguments, the moral prohibition on the use of contraceptives among the faithful of the most numerous Church will also not help achieve the target.

Conclusion – Is there funding for maternal health? And is the funding adequate to achieve MDG Goal No. 5?

Assistant Secetary Mario Villaverde reported at the forum on financing MDGs that programs to improve maternal health in the Philippines include reproductive health and family planning services, micronutrient supplementation for pregnant and lactating women, tetanus toxoid vaccination of pregnant women and the establishment of BEMOCs (Basic Emergency Management Obstetric Care) and CEMOCs (Comprehensive Emergency Management Obstetric Care). “Improving access to modern contraceptive methods for an estimated 11.8 million married couples of reproductive age would require **PhP4.604 billion** annually with only around **PhP54 million** provided by the DOH and more than **PhP1 million** support coming from ODA. A huge amount of **PhP4.548 billion** is needed to address the budget gap.” (Villaverde 2005)

“Under micronutrient supplementation for pregnant and lactating women, around **PhP155.86 million** is required to provide Vitamin A capsules and Iron tablets to 2.6 million lactating women and 3.03 million pregnant women. **Only PhP16 million** from DOH and **PhP7.758 million** from ODA is available to address this need. A gap of **PhP132 million** needs funding support.” (Villaverde 2005)

“The tetanus toxoid vaccination of pregnant women is under the EPI and the funding for vaccine procurement of around **PhP37.599 million** is covered by the DOH.” (Villaverde 2005)

“The establishment of Bemocs and Cemocs is being funded by foreign agencies amounting to **PhP2.292 million** annually. A gap of **PhP26.220 million** per year is needed to finance the capability-building of frontline workers for this program.” (Villaverde 2005)

An estimated **PhP4.826 billion** is needed to improve maternal care in the country annually and only a small portion, around **PhP0.1 billion**, is being funded by the DOH and donor agencies. An amount of **PhP4.707 billion** is necessary to finance the gap in improving maternal health in the Philippines, according to DOH’s Villaverde. (*DOH Cost Estimates attached*)

With respect to the 5-year Women’s Health and Safe Motherhood Program II, funding at close to **PhP1 billion** has been provided by the World Bank and the Philippine Government counterpart fund. The program is at least assured

of continuity and completion though, very definitely, dependent on foreign assistance.

“Meeting the resource requirements for the MDGs will entail collaborative effort of the national and local government units as well as the civil society, especially in the areas that are lagging behind in reaching the goals and targets.” (Villaverde, 2005)

Local government units and nongovernment sector participation has not been factored in arriving at funding sources for maternal health. Although based on the Philippine National Health Accounts of 2003, “the LGUs exceed DOH in financing the annual health expenditures in the Philippines.” (Villaverde 2005)

What happens at the end of WHSMP II?

Dr. Marivie Ala explains that WHSMP would have accumulated sufficient data and experiences to allow a maternal health blueprint that could be used by other local government units to enable them to operate autonomously without foreign funding. There is also a proposed scheme to allow health centers to accept consignments of maternal health merchandise for distribution, without the government having to assume the cost of commodities. The entry of PhilHealth coverage as soon as health facilities in the provinces have been upgraded will also enable local government units to continue working on the government’s commitment to meet the targets set by MDG 5.

In the meantime, the conclusion we can derive from everything that has been said thus far is, there is funding available for MDG Goal 5 – but not enough.

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ANNEX 1: Women's Health and Safe Motherhood Project (WHSMP) I
ADB LOAN 1331 PHI (SF)
Statement of allotment, obligation incurred , 1995- 2002

YEAR	OBJECT CODE	ALLOTMENT			OBLIGATION S INCURRED - CURRENT			OBLIGATIONS INCURRED - CONT.			SUB- ALLOTMENT		
		LP	GOP	TOTAL	LP	GOP	TOTAL	LP	GOP	TOTAL	LP	GOP	TOTAL
1995	Personal Services	725,570.00	98,940.00	824,510.00	133,741.38	32,350.00	166,091.38						
	MOOE *	6,500,000.00	1,625,000.00	8,125,000.00	6,332,052.37	1,282,702.79	7,614,755.16						
	Capital Outlay	129,715,090.00	55,369,910.00	185,085,000.00	64,858.58		64,858.58						
	Sub-total	136,940,660.00	57,093,850.00	194,034,510.00	6,530,652.33	1,315,052.79	7,845,705.12						
1996	Personal Services	2,436,533.00	420,000.00	2,856,533.00	2,409,941.71	332,170.61	2,742,112.32	-	-	-			
	MOOE *	38,643,721.00	1,527,746.00	40,171,467.00	29,325,401.04	1,518,747.96	30,844,149.00						
	Capital Outlay	84,349,482.00	37,073,000.00	121,422,482.00				39,369,910.00	55,369,910.00	94,508,990.42			
	Sub-total	125,429,736.00	39,020,746.00	164,450,482.00	31,735,342.75	1,850,918.57	33,586,261.32	39,369,910.00	55,369,910.00	94,508,990.42			
1997	Personal Services	3,204,000.00	472,000.00	3,676,000.00	2,724,997.52	401,717.40	3,126,714.92						
	MOOE *	117,687,600.00	19,856,700.00	137,544,300.00	34,462,659.44	3,509,371.29	37,972,030.73	186,439.79	8,889.52	195,329.31	72,000.00	18,000.00	90,000.00
	Capital Outlay	34,220,900.00	99,802,250.00	134,023,150.00		476,045.50	476,045.50		1,300,000.00	1,300,000.00	83,965,986.00	21,197,431.90	105,163,417.90
	Sub-total	155,112,500.00	120,130,950.00	275,243,450.00	37,187,656.96	4,387,134.19	41,574,791.15	186,439.79	1,308,889.52	1,495,329.31	84,037,986.00	21,215,431.90	105,253,417.90
1998	Personal Services	3,290,000.00	448,000.00	3,738,000.00	2,777,171.90	378,498.01	3,155,669.91						
	MOOE *	112,307,074.00	103,259,676.00	215,566,750.00	39,496,276.52	5,026,286.20	44,522,562.72	52,844,131.64	5,122,181.88	57,966,313.62	226,157.08	8,813,539.67	8,039,696.75
	Capital Outlay	169,250,000.00	43,250,000.00	212,500,000.00	2,349,283.93	1,908,620.40	4,257,904.33	63,694,142.54	5,003,168.00	68,697,310.54	82,770,735.73	21,394,857.65	104,165,593.38
	Sub-total	284,847,074.00	146,957,676.00	431,804,750.00	44,622,732.35	7,313,404.61	51,936,136.96	116,538,274.18	10,125,349.88	126,663,624.16	82,996,892.81	30,208,397.32	113,205,290.13
1999	Personal Services	3,305,000.00	526,000.00	3,831,000.00	3,286,858.94	446,987.63	3,733,846.57						
	MOOE *	230,374,758.00	35,118,000.00	265,492,758.00	192,433,534.67	6,248,349.28	198,681,883.95	50,559,758.04	9,140,006.28	59,699,764.32	26,767,208.44	4,734,872.07	31,502,080.51
	Capital Outlay	33,300,000.00	18,000,000.00	51,300,000.00	11,846,399.76	3,816,661.85	15,663,061.61	8,430,051.93		42,150,271.69	43,703,644.68	10,071,059.17	53,774,703.85
	Sub-total	266,979,758.00	53,644,000.00	320,623,758.00	207,566,793.37	10,511,998.76	218,078,792.13	84,279,877.80	17,570,058.21	101,850,036.01	70,470,853.12	14,805,931.24	85,276,784.36
2000	Personal Services	5,150,000.00	702,000.00	5,852,000.00	5,121,152.13	682,322.48	5,803,474.61						
	MOOE *	310,000,000.00	59,000,000.00	369,000,000.00	9,448,769.84	1,268,021.18	10,717,791.02	13,964,808.68	7,976,378.47	21,941,187.15	34,626,298.12	5,055,659.91	39,671,958.03
	Capital Outlay	71,000,000.00	14,000,000.00	85,000,000.00	17,200,156.99	5,590,358.97	22,790,515.96	2,684,224.88	3,550,602.80	6,234,827.78	62,332,740.37	10,719,243.22	73,051,983.59
	Sub-total	386,150,000.00	73,702,000.00	459,852,000.00	31,771,078.96	7,540,702.63	39,311,781.59	16,649,033.66	11,526,981.27	28,176,014.93	96,959,038.49	15,774,993.13	112,723,941.62
2001	Personal Services	4,400,000.00	600,000.00	5,000,000.00	2,366,529.24	459,153.32	2,825,682.56						
	MOOE *	47,302,000.00		47,302,000.00				205,543,935.61	51,943,966.51	257,487,902.12	29,387,204.88	3,981,898.08	33,369,103.06
	Capital Outlay	45,000,000.00	4,400,000.00	49,400,000.00	18,017,867.05	1,719,463.19	19,737,330.24	529,094.08	464,241.92	993,336.00	13,861,311.80	3,156,852.43	17,018,164.23
	Sub-total	96,702,000.00	5,000,000.00	101,702,000.00	20,384,396.29	2,178,616.51	22,563,012.80	206,073,029.69	52,408,208.43	258,481,238.12	43,248,516.78	7,138,750.51	50,387,267.29
2002	MOOE *							41,043,528.04	4,881,010.00	45,924,538.04	2,797,763.31	3,602,296.79	6,400,060.10
	Capital Outlay							400,654.37		400,654.37	979,897.50		979,897.50
	Sub-total							41,444,182.41	4,881,010.00	46,325,192.41	3,777,660.81	3,602,296.79	7,379,957.60
	Grand Total	1,452,161,728.00	495,549,222.00	1,947,710,950.00	379,798,653.01	35,097,828.06	414,896,481.07	504,310,017.95	153,190,407.41	657,500,425.36	381,480,948.01	92,745,710.89	474,226,658.90

*MOOE - Maintenance and Other Operating Expenses

ANNEX 2: Women's Health and Safe Motherhood Project (WHSMP) I
KFW GRANT ASSISTED
Statement of allotment, obligations incurred, 1997- 2002

YEAR	OBJECT CODE	ALLOTMENT			OBLIGATION S INCURRED - CURRENT			OBLIGATIONS INCURRED - CONT.			SUB- ALLOTMENT		
		LP	GOP	TOTAL	LP	GOP	TOTAL	LP	GOP	TOTAL	LP	GOP	TOTAL
1997	MOOE *	-	8,188,200.00	8,188,200.00	-	32,940.37	32,940.37	-	-	-	-	-	-
	Sub-total	-	8,188,200.00	8,188,200.00	-	32,940.37	32,940.37	-	-	-	-	-	-
1998	MOOE *		21,571,371.00	21,571,371.00	-	-	-	-	4,693,217.00	4,693,217.00	-	-	-
	Sub-total		21,571,371.00	21,571,371.00	-	-	-	-	4,693,217.00	4,693,217.00	-	-	-
1999	MOOE *	-	30,000,000.00	30,000,000.00	-	-	-	-	21,571,371.00	21,571,371.00	-	-	-
	Sub-total	-	30,000,000.00	30,000,000.00	-	-	-	-	21,571,371.00	21,571,371.00	-	-	-
2000	MOOE *	-	-	-	-	-	-	-	27,082,548.00	27,082,548.00	-	90,000.00	90.0
	Sub-total	-	-	-	-	-	-	-	27,082,548.00	27,082,548.00	-	90,000.00	90,000.00
2001	MOOE *	-	2,561,674.00	2,561,674.00	-	2,561,674.00	2,561,674.00	-	-	-	-	-	-
	Sub-total	-	2,561,674.00	2,561,674.00	-	2,561,674.00	2,561,674.00	-	-	-	-	-	-
Grand Total		-	62,321,245.00	62,321,245.00	-	2,594,614.37	2,594,614.37	-	53,347,136.00	53,347,136.00	-	90,000.00	90,000.00

*MOOE - Maintenance and Other Operating Expenses

ANNEX 3

The Maternal Health Program of the City of Makati

“The City of Makati takes pride in being one of the local government units with high investments in social development. One subsector in its social development program is Maternal Health. This is a program that has been in place for the past ten years.”

Dr. Julie Dineros

Head, Maternal and Child Health Section
City of Makati Department of Health

The people of Makati understandably takes pride in the facilities and services they enjoy in their city. They credit their city leadership for good governance and a vision of a progressive and modern Makati with a preferential option for the poor. Their Mayor, they say, has made Makati City what it is through careful and deliberate planning to realize that vision.

One such facility the City is proud of is its hospital. In previous years, they used some floors in the Makati Medical Center to service the health needs of the people in the City. Today, they have their own Ospital ng Makati. Residents are issued yellow health cards for use in this hospital for free services for families with an income below P18,000.00 per month. It is also for proper identification as a citizen in its territory to entitle them for free medical service. The yellow card entitles residents to services on top of health services covered by Philhealth cards which the City provides every resident of Makati.

To meet the basic requirements of their Maternal Health program, and other health programs as well, the City has twenty seven (27) barangay health centers (BHCs) strategically situated in the poor areas of Makati. Each of these centers has a regular doctor, a nurse and a midwife on 24-hour call.

Their maternal health program covers the following:

1. Pre-natal services at the Barangay Health Centers (BHCs).
2. Natal services at their Lying-In Clinics for normal deliveries which function on a 24-hour basis. There are three such clinics throughout the city which are staffed with properly trained personnel. Each clinic has three health center physicians and nine midwives.
3. For emergency cases, they are referred to an Acute Care Center which is equipped with high-tech medical equipment and skilled medical staff or they are referred to the Ospital ng Makati.
4. Post natal services are also provided in their BHCs.
5. Family planning programs at the Family Planning Clinics and BHCs.

Pre-natal services in BHCs include check-ups starting in the early stage of pregnancy with micronutrients which include folic acid, calcium, and iron tablets supplementation. Tetanus toxoid vaccinations are given on the fifth month of pregnancy.

The objective of pre-natal programs is to reduce complications during pregnancy.

Natal services for normal deliveries are in Lying-In Clinics or in the Ospital ng Makati with 100 percent availability of trained personnel.

Post natal services include follow-up of post partum/lactating women within four weeks after delivery with micronutrients supplementation such as Iron and Vitamin A capsules.

Family Planning programs in Family Planning Clinics and the BHCs include:

- a) counseling of couples and provision of modern and traditional contraceptives or appropriate birth plans;
- b) managing side effects that arise from the use of any family planning method;
- c) counseling of adolescents when necessary
- d) Menopausal and andropausal management
- e) Surgical and non-surgical interventions
- f) STD screening for non-pregnant women

Maternal health programs also include nutrition education and nutrition counseling which aims to promote the adoption of desirable practices which ensures nutritional well-being. Micronutrient deficiencies are addressed with Vitamin A, Iron and Iodine supplementation. Mothers are also encouraged to breastfeed their babies for at least four months from delivery.

How much has been spent on Maternal Health in the City of Makati?

Dr. Julie Dineros who is head of the Maternal and Child Care Department could only provide figures for three years: 2004, 2005, and the intended investment on maternal health for 2006. MMR is only for 2003 and 2004.

Program	2004	2005	2006
Pre-natal/posnatal care	249,345.00	299,214.00	1,437,000.00
Natal	1,019,000.00	1,222,800.00	5,721,800.00
Family Planning	–	–	2,700,000.00

Maternal mortality rate figures are as follows:

	2003	2004
Crude Births	13,110	12,575
Maternal Mortality Rate		
Makati Resident	3 - 0.2%	1 - 0.07%
Non-Makati Resident	0	2 - 0.15%

Annual Investment Plan of Makati 2004-2006
Social Development—Health Subsector

Program/ Project title	Brief description	Location	Target Beneficiaries	Performance indicators	Project cost	Sources of funds
A. maternal and child care 1. Maternal pre natal	Check up starting in the early stage of pregnancy with micronutrients (folic acid, calcium, ferrous sulfate tablets supplementation)	Health centers	Pregnant women (3.5% of population)	Complications of pregnancy reduced	Medicines: 2004 P249,345.00 2005: P299, 214.00 For 2006 P1, 437, 000.00	Dept. Fund and DOH
Natal	Normal deliveries are attended by trained personnel	Lying in clinics	Pregnant women	100% availability trained personnel for normal deliveries	Medicines: 2004 P355,600.00 Supplies: P663,600.00 Total: P1,019,000.00 2005: Medicines: 426, 480.00 Supplies: 796,320.00 Total: P1,222,800.00 For 2006 Medicines: P2, 066,400.00 Supplies: 3, 655, 400.00 Total: P 5, 721, 800.00	Dept. fund
Post Natal	Follow-up of post partum/lactating women within 4 weeks after delivery; micronutrients (ferrous sulfate and vitamin A) supplementation	Health centers		Maintenance of low maternal mortality rate (1- 2 deaths/year)	Included in pre-natal	
Reproductive Health	Counseling of couples and provision of modern and traditional contraceptives; and/or side effects that may arise from the use of family planning method. Counseling of adolescents when necessary	FP Clinic and health centers	Marriageable women of reproductive age (17% of population) Adolescents	Couples practice choice of FP method	20% of DILg fund	Dept. fund , DOH

Annual Investment Plan of Makati 2004-2006
Social Development—Health Subsector

Program/ Project title	Brief description	Location	Target Beneficiaries	Performance indicators	Project cost	Sources of funds
Under 5 clinic	Children 0-5 years old are masterlisted; growth and development of each child is monitored using the Growth Monitoring Chart	29 health centers	Children less than 5 yrs. old (14.5% of the population)	0-5 years old children registered; growth and development monitored	Growth monitoring chart included in printing and binding	Dept. fund
Expanded Program of Immunization	All 0-12 month old infants (3% of total population) are vaccinated against 7 immunizable diseases such as diphtheria, pertussis, tetanus, poliomyelitis, TB, Measles and Hepa B	29 health centers	0-12 months infants (3% of total population)	Complications of immunizable diseases prevented	Supplies: 2004 P14,590.00 2005: P17,508.00 For 2006: P1,302,500.00	Dept. fund
CARI (Control of Acute Respiratory Infections)	Aims to control acute respiratory infections among 0-5 year old, thus reducing the mortality due to pneumonia thru early adequate treatment using a standard case management by WHO	health centers	Children less than 5 yrs. old (14.5% of total population)	Pneumonia cases detected early and given adequate treatment	Medicines: 2004 P84,000.00 2005: P100,800.00 For 2006 P2,786,000.00	Dept. fund
CDD (Control of Diarrheal Disease)	Caregivers are taught the preventive strategies for acute diarrhea; children below 5 yrs. with diarrhea are given ORS	29 health centers	Children less than 5 yrs. old (14.5% of total population)	100% complications of diarrhea prevented	For 2006 P95,700.00	
Nutrition Maternal	Nutrition education and nutrition counseling which aims to promote the adoption of desirable practices which ensures nutritional well-being; interventions to address micronutrient deficiencies of vitamin A, iron and iodine	All health centers	Marriageable women	Nutritional status of pregnant women monitored	For 2006 Medicines P850,000.00	DOH
Child	Weighing of children 0-83 months; supplementary feeding; micronutrients supplementation	All health centers		Nutritional status of pre-schoolers, schoolers monitored	Medicines: 2004 P153,920.00 2005: P184,704.00 For 2006 P668,000.00	

Source: Makati Health Department

ANNEX 4

IARC Monographs Programme Finds Combined Estrogen-Progestogen Contraceptives and Menopausal Therapy are Carcinogenic to Humans

An International Agency for Research on Cancer (IARC) Monographs Working Group has concluded that combined estrogen-progestogen oral contraceptives and combined estrogen-progestogen menopausal therapy are carcinogenic to humans (Group 1), after a thorough review of the published scientific evidence.

At the same time, the Working Group stressed that there is also convincing evidence that oral contraceptives have a protective effect against some types of cancer.

There are both beneficial and adverse effects for oral contraceptives and menopausal therapy. Each woman who uses these products should discuss the overall risks and benefits with her doctor.

The Working Group, comprising 21 scientists from 8 countries, was convened by the IARC Monographs Programme of the IARC, the cancer research agency of the World Health Organization.

Major public health importance

"These new IARC Monographs [volume 91] address exposures that are experienced daily by many millions of women worldwide," said Dr Peter Boyle, Director of IARC. "It is of enormous public health importance that we identify and understand the full range of effects of these products." Worldwide, more than 100 million women – about 10 percent of all women of reproductive age – currently use combined hormonal contraceptives. In addition, there has been widespread use of hormonal menopausal therapy: approximately 20 million women in developed countries at its peak around the year 2000.

ORAL CONTRACEPTIVES INCREASE RISK OF SOME CANCERS

Use of OC's increases risk of breast, cervix and liver cancer.

There is a small increase in the risk of breast cancer in current and recent users of oral contraceptives. However, ten years after cessation of use, the risk appears to be similar to that in never-users. The risk of cervical cancer increases with duration of use of combined oral contraceptives. The risk of hepatocellular carcinoma is increased in long-term users of combined oral

contraceptives in populations with low prevalences of hepatitis B infection and chronic liver disease – two major causes of human liver cancer.

COMBINED MENOPAUSAL THERAPY INCREASES RISK OF CANCER

Breast cancer and endometrial cancer are increased

Epidemiological studies consistently demonstrate an increased risk of breast cancer in women who used combined menopausal therapy. Largely confined to current or recent users, the risk increases with duration of use and exceeds that in women taking estrogen-only therapy. Endometrial cancer risks depend on the number of days that progestogens are included in the combined therapy. When progestogens are taken fewer than 10 days per month, the risk of endometrial cancer is increased, but when progestogens are taken daily, the risk is similar to that in women who never used hormonal therapy. There was not sufficient evidence to conclude that hormonal therapy has a protective effect at any cancer site.

WHAT IS NEW, AND WHAT DOES THIS MEAN FOR ME?

More cancer sites are targets of oral contraceptives

Previously, combined oral contraceptives had been determined to be carcinogenic to humans, but only primary liver cancer was specifically implicated. The Working Group concluded that combined oral contraceptives alter the risk of several common cancers in women. They increase a woman's risk of cervical cancer, breast cancer, and liver cancer. At the same time, they have a protective effect against endometrial cancer and ovarian cancer.

Menopausal therapy now "Carcinogenic to humans"

Previously, combined menopausal therapy was regarded as "possibly carcinogenic to humans." The new evaluation concluded, based on an expanded study base, that it is carcinogenic to humans, increasing a woman's risk of breast cancer and, when progestogens are taken fewer than 10 days per month, endometrial cancer.

Consider risks and benefits of hormonal products and use only under careful medical supervision

This new information about cancer risks – and also protection against cancer in the case of oral contraceptives – makes it important that each woman who uses these hormonal products discuss the risks and benefits with her doctor, taking into consideration her personal circumstances and family history of cancer and other diseases.

ABOUT THE IARC MONOGRAPHS

What are the IARC Monographs?

The IARC Monographs critically review and evaluate the published scientific evidence on human carcinogenic hazards. These include chemicals, complex mixtures, occupational

exposures, lifestyle factors, and physical and biological agents. International, interdisciplinary working groups of expert scientists prepare the critical reviews and consensus evaluations. Nearly 400 potentially carcinogenic agents and exposures have been identified in the 91 volumes and approximately 900 evaluations developed since 1971. National and international health agencies use the IARC Monographs as a source of scientific information and as the scientific basis for their efforts to prevent cancer.

Definitions

- Group 1: The agent (mixture) is carcinogenic to humans.

The exposure circumstance entails exposures that are carcinogenic to humans.

This category is used when there is *sufficient evidence* of carcinogenicity in humans. Exceptionally, an agent (mixture) may be placed in this category when evidence of carcinogenicity in humans is less than sufficient but there is *sufficient evidence* of carcinogenicity in experimental animals and strong evidence in exposed humans that the agent (mixture) acts through a relevant mechanism of carcinogenicity.

- Group 2

This category includes agents, mixtures and exposure circumstances for which, at one extreme, the degree of evidence of carcinogenicity in humans is almost sufficient, as well as those for which, at the other extreme, there are no human data but for which there is evidence of carcinogenicity in experimental animals. Agents, mixtures and exposure circumstances are assigned to either group 2A (probably carcinogenic to humans) or group 2B (possibly carcinogenic to humans) on the basis of epidemiological and experimental evidence of carcinogenicity and other relevant data.

- Group 2A: The agent (mixture) is probably carcinogenic to humans.

The exposure circumstance entails exposures that are probably carcinogenic to humans.

This category is used when there is *limited evidence* of carcinogenicity in humans and *sufficient evidence* of carcinogenicity in experimental animals. In some cases, an agent (mixture) may be classified in this category when there is *inadequate evidence* of carcinogenicity in humans and *sufficient evidence* of carcinogenicity

in experimental animals and strong evidence that the carcinogenesis is mediated by a mechanism that also operates in humans. Exceptionally, an agent, mixture or exposure circumstance may be classified in this category solely on the basis of *limited evidence* of carcinogenicity in humans.

- Group 2B: The agent (mixture) is possibly carcinogenic to humans.

The exposure circumstance entails exposures that are possibly carcinogenic to humans.

This category is used for agents, mixtures and exposure circumstances for which there is *limited evidence* of carcinogenicity in humans and less than *sufficient evidence* of carcinogenicity in experimental animals. It may also be used when there is *inadequate evidence* of carcinogenicity in humans but there is *sufficient evidence* of carcinogenicity in experimental animals. In some instances, an agent, mixture or exposure circumstance for which there is *inadequate evidence* of carcinogenicity in humans but *limited evidence* of carcinogenicity in experimental animals together with supporting evidence from other relevant data may be placed in this group.

- Group 3: The agent (mixture or exposure circumstance) is not classifiable as to its carcinogenicity to humans.

This category is used most commonly for agents, mixtures and exposure circumstances for which the *evidence of carcinogenicity is inadequate* in humans and *inadequate or limited* in experimental animals

Exceptionally, agents (mixtures) for which the *evidence of carcinogenicity is inadequate* in humans but *sufficient* in experimental animals may be placed in this category when there is strong evidence that the mechanism of carcinogenicity in experimental animals does not operate in humans.

- Group 4: The agent (mixture) is probably not carcinogenic to humans.

This category is used for agents or mixtures for which there is *evidence suggesting lack of carcinogenicity* in humans and in experimental animals. In some instances, agents or mixtures for which there is *inadequate evidence* of carcinogenicity in humans but *evidence suggesting lack of carcinogenicity* in experimental animals, consistently and strongly supported by a broad range of other relevant data, may be classified in this group.

[HIV/AIDS: Waiting for a full bloom?]

By Annalyn Sevilla Santiago

BACKGROUND

The Millennium Development Goals

THE Millennium Development Goals or **MDGs** is a commitment born of the historic Millennium Declaration adopted by 189 countries at the United Nations Millennium Summit in September 2000. Governments, aid agencies and civil society organizations everywhere are reorienting their work around the specific Eight Goals, which are:

1. Eradicate Extreme Poverty and Hunger
2. Achieve Universal Primary Education
3. Promote Gender Equality
4. Reduce Child Mortality
5. Improve Maternal Health
6. Combat HIV/AIDS, Malaria and other Diseases
7. Ensure Environmental Sustainability; and
8. Develop a Global Partnership for Development



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Brightest for the Bureaucracy participant. She completed her MPA program at UP NCPAG as a university scholar. She dedicates her toil and fruits to her children, Alvynna and Alley Paul.

However, despite the welcome commitments in principle to reduce poverty and advance other areas of human development in practice, many countries still fall short in keeping on track with the targets. This was mainly due to financial constraints/ gaps in implementing programs and projects responsive to the goals.

The best indicators of the political will and agenda for MDGs, aside from right and good policy ideas attempting to meet these goals, are nationally-owned and nationally-driven financial development strategies and sufficient resources such as the national budget or the General Appropriations Act and Official Development Assistance (ODA).

This paper shall focus on the financing/funding side of a particular MDG. Aside from finding out what has been happening in the attainment of this particular goal, the identification of the budgetary support (domestic and foreign) is a primary concern.

Specifically, the paper aims to answer the questions: ARE THERE RESOURCES AVAILABLE FOR THE ATTAINMENT OF THE ASSIGNED MDG? And if there is/ are; ARE THESE RESOURCES SUFFICIENT TO ATTAIN THE TARGET OF THE ASSIGNED MDG?

Identification of the assigned MDG goal and target

Target 8: Halt and reverse the spread of HIV/AIDS by 2015

“The cumulative number of HIV/Ab seropositive cases increased from 1,451 in 2000 to 2,200 in 2004: despite the increase, the prevalence rate remains below one percent. However, the presence of preconditions for a full-blown epidemic was noted, and the Philippine National AIDS Council (PNAC) describes the epidemic to be *hidden and growing*.”¹

MDG Number 6, specifically battling HIV/AIDS, is among the health goals: child mortality and maternal health, that suffer from a severe shortage of trend data, hence the difficulty to assess the likelihood of its achievement.²

1. Definition of terms:

a. Human Immunodeficiency Virus (HIV) –refers to the virus that causes acquired immune deficiency syndrome (AIDS); it replicates in and kills the helper T cells

b. Acquired Immune Deficiency Syndrome (AIDS)—a condition characterized by a combination of signs and symptoms, caused by HIV contracted from another person and which attacks and weakens the body’s immune system, making the afflicted individual susceptible to other life-threatening infections³

2. History:⁴

The first AIDS case in the Philippines was recorded in 1984, with the death of a foreign national from pneumonia. In 1987, the Department of Health established the HIV/AIDS Registry, a passive form of reporting system, to help monitor the HIV epidemic

in the country. Reports were received from accredited hospitals, clinics and laboratories and blood banks for HIV screening. In 1993 the National HIV Sentinel Surveillance System (NHSSS) was established through the AIDS Surveillance and Education Project (ASEP), funded by the United States Agency for International Development (USAID) and technical assistance from the World Health Organization (WHO). From two sentinel cities in 1993, NHSSS gradually expanded to include 10 cities by 1996. These are the cities of Angeles, Baguio, Cagayan de Oro, Cebu, Davao, General Santos, Iloilo, Quezon, Pasay and Zamboanga.

The NHSSS has two components, serologic and behavioral. HIV serologic surveillance (HSS) was started in 1993 to provide periodic estimates and monitor the prevalence of HIV infection among vulnerable groups in the sentinel sites. Behavioral sentinel surveillance (BSS) was introduced to NHSSS in 1997 to monitor trends in knowledge and behaviors of the vulnerable groups. Information from both the HSS and BSS could be used to focus appropriate interventions.

HSS serosurveillance methodology entailed the collection of blood samples from 300 individuals belonging to the following high-risk groups: registered female sex workers (RFSW), and freelance female sex workers (FFSW) in all sites, men having sex with men (MSM) in Quezon and Cebu Cities, and injecting drug users (IDUs) in Cebu. In addition, new military recruits of the Armed Forces of the Philippines were included as a surrogate group for the general population. Blood samples were tested for HIV and syphilis antibodies.

3. Indicators:

- HIV prevalence among 15-24 year old pregnant women
- Condom use rate of the contraceptive prevalence rate
- Number of children orphaned by HIV/AIDS (to be measured by the ratio or proportion of orphans to non-orphans aged 10-14 who are attending school).

Table HA-1: HIV/AIDS Prevention Indicators, CY 2003

HIV/AIDS Prevention Indicators				
Indicator	Value	Data Unit	Year	Source
HIV Prevalence proportion: Adults (15-49 years)				Data Not Available
Estimated number of people living with HIV: Adults and Children	9,000		2003	UNAIDS-2004
Estimated number of people living with HIV: Women (15-49 years)	2,000		2003	UNAIDS-2004
Estimated number of people living with HIV: Children (0-14 years)				Data Not Available
Males Reporting Condom Use With Last Non-Regular Partner				Data Not Available
Females Reporting Condom Use With Last Non-Regular Partner				Data Not Available

Source: USAID Country Health Statistical Report, Philippines June 2005

¹ NEDA and UN Country Team in the Philippines. 2nd Philippines Progress Report on the Millennium Development Goals.

² UNDP. 2003. Human Development Report 2003. Millennium Development Goals: A Compact Among Nations to End Human Poverty.

³ Philippine AIDS Prevention and Control Act of 1998

⁴ Department of Health, USAID and WHO. Status and Trends of HIV/AIDS in the Philippines. The 1999 Technical Report of the National HIV/AIDS Sentinel Surveillance System

Most of the data for HIV/AIDS prevention indicators are not available. The estimated numbers of people living with HIV/AIDS (PLWHA) for the year 2003 were also far from the actual number of PLWHA.

Purpose of the goal and target

The extent of the effect of HIV/AIDS has an inevitable negative economic effect. High rates of AIDS-related diseases could reduce the value of human capital. Since majority of HIV victims are people of working age, the absence of the victim themselves and the people caring for them have a negative impact on businesses and other work organizations. The impact on productivity may also decrease an economy's attractiveness to foreign investments. Savings rates and disposable income will also be reduced. Finally, aside from the influences on aggregate economic performance, the disease is likely to infect individuals working in sectors that involve mobile and sex-segregated labor, including the military, fishing, trucking, and other vulnerable sectors like healthcare and tourism.

According to an ADB report⁵ poverty reduction will also become more difficult due to the foreseen economic impact of AIDS. Though Asia has seen huge reductions in poverty rates, particularly in China, the spread of HIV/AIDS may become a major barrier to the poor's continued emergence from poverty. Around the world, it is evident that poorer countries are harder hit by the disease. The world's most impoverished region, Sub-Saharan Africa, has the highest infection rate and overall, 95 percent of persons living with HIV/AIDS are from developing countries.

On the other hand, early preventive action to combat AIDS can result in huge economic benefits. ADB cited the case of Thailand as an example. As in most Asian countries, in the beginning, the spread of the disease in Thailand was slow and was not expected to become a very serious problem. However, the late 1980s saw a very alarming increase in the infection rate among injection drugs users in Bangkok, reaching a high of 30 percent in 1988 from one percent during the previous year. Rates in sex workers showed similar increases. All of Thailand's 14 provinces also reported sexually transmitted infections in men, and infections in pregnant women.

National response

The Government of the Philippines' development strategy/action to prevent the spread of HIV is the creation of a National AIDS Prevention and Control Program which was established in 1987. And in 1995, the Philippine National AIDS Council (PNAC)—the central advisory, planning, and policy body for all HIV/AIDS prevention and control activities in the country—developed a national HIV/AIDS strategy. One of the AIDS Council's most significant accomplishments was the enactment



of the Philippine AIDS Prevention and Control Act of 1998, which has become a model for HIV/AIDS-related human rights legislation. UNAIDS has highlighted the legislation and the participatory process used for its formulation as a "best practice." Key aspects of the legislation include:

1. Prohibition of compulsory testing for HIV
2. Respect for human rights, including privacy of individuals living with HIV/AIDS
3. Integration of HIV/AIDS education in schools from intermediate to tertiary levels
4. Provision of basic health and social services for individuals with HIV
5. Promotion of safety and precautions in practices that carry the risk of HIV transmission
6. Prohibition of discrimination against persons living with HIV/AIDS in the workplace, schools, and hospitals, and in
7. Insurance services

However, while the law provides a clear basis for policies and plans to address the problem of HIV/AIDS, its effectiveness has yet to be proven. Six years after its passage, the law has been inadequately implemented and put into action.

In 1993, with funding from the USAID and technical assistance from the World Health Organization, the Department of Health established the National HIV/AIDS Sentinel Surveillance System.

Today, the Philippines conducts both serological and behavior surveillance at 10 sentinel sites. Although an evaluation of USAID assistance conducted in 2001 showed that surveillance, education, and policy initiatives had been successful, the evaluation also indicated that several gaps need to be filled. These include better HIV sentinel and behavioral surveillance; better education and policy activities; and stronger advocacy efforts,

⁵ Asian Development Bank report January 2005. *Poverty in the Philippines: Income Assets and Access*. Manila. Philippines.

especially for the most underserved and at-risk populations, such as freelance female sex workers, men who have sex with men, and injecting drug users.

E. Policies, programs and laws in attaining the goal and target

The government has actively responded to the HIV/AIDS concern since the first AIDS case was diagnosed in 1984. Sero surveys were undertaken regularly and in 1987, the DOH officially declared the government's initial official response to the problem. The following are concrete policies and programs that support the HIV/AIDS goal:

1. Supportive policies and programs

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

For MTP I, the following major events are worth noting:

- Creation of the National AIDS Prevention and Control Program (NAPCP) in 1988 leading to the eventual creation of the Philippine National AIDS Council (PNAC) through EO 39 in 1992;
- Drafting and approval of 12 policy guidelines of HIV Infection/AIDS Prevention and Control in 1989;
- Formulation of the National HIV Sentinel Surveillance in 1991;
- Signing of the bilateral agreement for the AIDS Surveillance and Education Project (ASEP) between the government and USAID; and
- Integration of the Sexually Transmitted Diseases (STD) Control Program into the NAPCP in 1993 and the emergence of what is now called the National AIDS/STD Prevention and Control Program (NASPCP). This covers the following:
 - Continuous assessment of the status of infection in the country to guide appropriate interventions;
 - Information, education and dissemination of information for individuals at risk as well as for the general population on a voluntary and confidential basis; and
 - Strengthening clinical management.

While awareness-raising was the main thrust of MTP I, prevention of transmission and reduction of HIV/AIDS were the priority strategies of the second Medium-Term Plan (MTP II). Some of the achievements under the MTP II include:

- Adoption of Republic Act (RA) 8504 or the Philippine AIDS Prevention and Control Act of 1998;
- Implementation of Memorandum Order (MO) 495 s.1996 integrating HIV/AIDS education in all schools nationwide by the DepEd; and
- Implementation of foreign-assisted projects such as

European support for HIV/AIDS and STD in the Philippines, USAID Model Community Health/STD Facilities in Commercial Sex Areas in the Philippines, and JICA Project for the Prevention and Control of STD etc.

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

2. Legislations and policies

RA 8504 is a response to the need for an institutionalized and comprehensive multisectoral effort at the highest levels of government. The law affirms the rights of HIV/AIDS infected individuals. It mandates measures on education, information, and adoption of safe practices and procedures, as well as the conduct of testing, screening and counseling and provision of health support services. It formalizes the creation of the PNAC as the central advisory policy making and program-directing body on HIV/AIDS matters. Basic policy guidelines and technical standards have been issued by the government on such matters as laboratory testing for HIV, management of AIDS patients in hospitals, prevention and control of sexually-transmitted diseases, quality of informational and educational materials on HIV/AIDS, and implementation of safe blood services, among others. Rules and regulations to implement RA 8504 have also been issued. These policies were disseminated to relevant agencies and organizations responsible for their implementation.

3. Organization and institutional arrangements

The PNAC was established to coordinate and direct the nationwide implementation of the Philippine AIDS Prevention and Control Act of 1998. It utilizes various organizational networks and operational channels for its activities. In several sites, local AIDS councils have been set up, by ordinances, partly in response to the passage of the Act and to PNAC's advocacy. A nationwide network of sentinel surveillance sites operated by DOH was present in 10 cities. It has been operating since 1993 and has been regularly providing the most reliable set of information on the status of HIV infection and the level of risks.

CURRENT STATUS OF THE ASSIGNED MDG GOAL AND TARGET

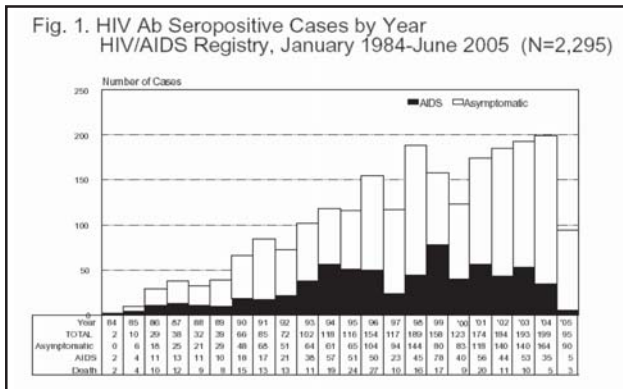
In 1993, experts on HIV/AIDS projected that by the year 2000 there would be 100,000 HIV/AIDS cases in the Philippines (WHO-Western Pacific Region, 2000). This estimate was based on very limited information available at that time. In 1996, both passive and active HIV surveillance data showed a very low HIV prevalence, and based on available information, the Philippine Department of Health (PDOH) adjusted the estimate to 38,000 HIV infections by the year 2000 (WHO-Western Pacific Region, 2002)⁶.

Illustration HA-1: National Epidemiology Center: HIV/AIDS Registry on the Internet



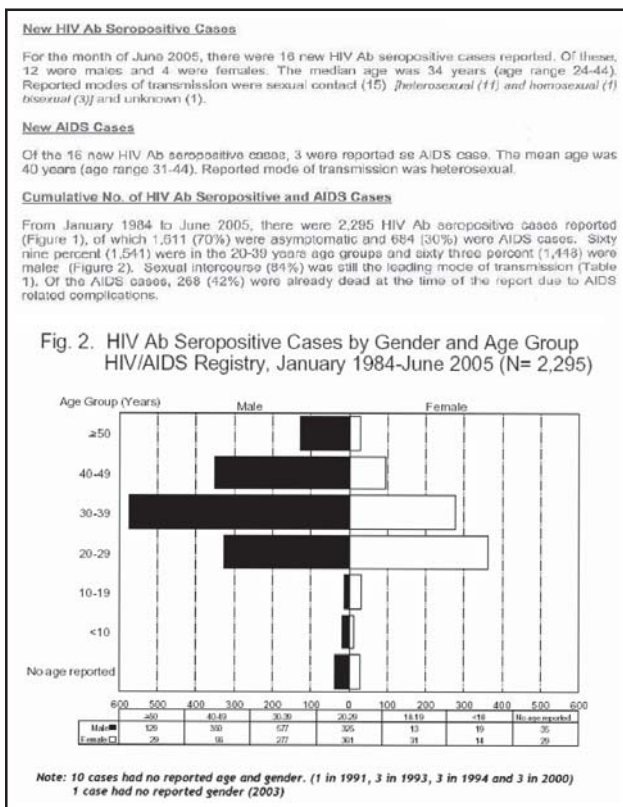
Source: NEC website

Table HA-2: HIV/AIDS Registry: Ab Seropositive Cases, June 2005



Source: NEC website

Illustration HA-2: HIV/AIDS Registry: Ab Seropositive Cases (Narrative), June 2005



Source: NEC website

The low prevalence/slow transmission scenario may not continue for long, because the ingredients for an explosive epidemic, including low consistent condom use rate among sex workers (less than 30 percent), the increasing practice of anal sex, and the high prevalence of STDs, are already present. Much more alarming is the 2002 NHSSS report stating that sharing of needles among IDUs in Cebu City may be as high as 77 percent (PDOH, 2003)⁷.

Data from the current registry (Table HA-2) revealed that there are cumulative (from January 1984 up to June 2005) 2,295 reported HIV seropositive cases in the country, of which 1611 or 70 percent were asymptomatic and 684 or 30 percent were AIDS cases.

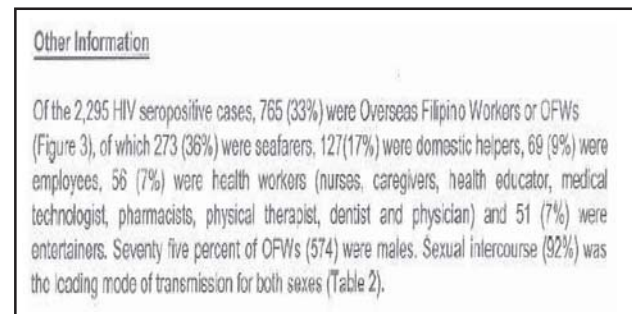
HIV infection is found in all regions of the country, although it appears to be concentrated in the urban areas of Luzon, Mindanao,

Table HA-3: HIV/AIDS Registry: Reported Modes of Transmission, Among OFWs, June 2005

Reported Modes of Transmission	Jan. 1984-June 2005 N= 2,279	June 2005 n= 16
Sexual Transmission:		
Heterosexual contact	1,411	11
Homosexual contact	398	1
Bisexual contact	123	3
Blood/blood product	19	0
Injecting Drug Use	7	0
Needle prick injuries	3	0
Perinatal	33	0
No exposure reported	301	1

Source: NEC website

Illustration HA-3: HIV/AIDS Registry: Other Information, June 2005



Source: NEC website

⁶ Ricardo Mateo Jr., Jesus N. Sarol Jr., and Roderick Poblete "HIV/AIDS in the Philippines"

⁷ Ibid.

and Visayas Islands. Sexual intercourse (Table HA-3) remains the predominant mode of transmission, accounting for up to 86 percent of all infections. Mother-to-child and other modes of transmission, such as via blood and blood products, needle-stick injuries, and injecting drug use, account for smaller percentages of infections.

Filipinos continue to seek employment abroad. The Philippine Overseas Employment Administration (POEA, 2001) indicates that overseas employment has increased at a rate of 5% annually. The total number of OFWs deployed rose from 660,122 in 1996 to 866,590 in 2001, with an annual remittance to the Philippines of up to \$U.S. 6 billion. This accounts for about seven percent to eight percent of the Philippine government's gross national product. As of June 2002 the Commission on Filipino Overseas reported that over seven million Filipinos were deployed in more than 120 countries.

In a study conducted among seamen who had worked abroad and returned to the Philippines, 35 percent admitted to having

Table HA-4: HIV/AIDS Registry: reported modes of transmission

Reported Modes of Transmission	Jan. 1984-June 2005 N= 765	June 2005 n= 7
Sexual Transmission:		
Heterosexual contact	544	5
Homosexual contact	117	1
Bisexual contact	41	1
Blood/blood product	10	0
Injecting Drug Use	1	0
Needle prick injuries	3	0
No exposure reported	49	0

Source: NEC website

sex abroad; of those, 36 percent had unprotected commercial sex. These high-risk sexual encounters were mostly with female sex workers (FSWs) in countries such as Brazil, Vietnam and Thailand. Likewise, the same study revealed that 85 percent of seamen had commercial sex with FSWs and consensual sex with unpaid partners in the Philippines. The threat that the seamen will serve as the bridge for HIV to the general population is very likely.

The rising number of HIV cases occurring among overseas workers shows that there is no effective surveillance of this population. The infection status is only discovered once they reapply for another work stint abroad, where by that time they could have spread the virus to their partners already. Because this population has been known to engage in high-risk behaviors outside of the country, **these individuals should be encouraged to undergo testing upon their return and to obtain their results immediately so they can protect their partners and seek treatment if they are indeed infected.**

Although the Philippines has had some success keeping the AIDS epidemic at bay, an active sex industry and a population of injecting drug users pose an ongoing threat for future spread of

the disease. Behavioral data from 1997 to 2001 indicate knowledge of AIDS and prevention practices is increasing, yet many Filipinos continue to practice behaviors that place them at risk for HIV infection.

Dr. Nafis Sadik, the UN secretary general's special envoy for HIV/AIDS in Asia and the Pacific has also indicated a "huge explosion potential" in the Philippines. This is primarily because all known routes of HIV transmission exist in the country: low condom use, even among commercial sex workers, high-risk adolescent sexual activity, a large number of overseas workers who are vulnerable to infection while abroad, and rising prevalence of other sexually transmitted diseases and infections.

FINANCING THE ASSIGNED MDG GOAL AND TARGET Resource Mobilization

1. Government's annual budget allocation, as a line item in the DOH's budget,
2. Local public financing through the Local AIDS Board; and
3. External funding from multi-lateral & bilateral agencies

In the making of the FY 2006 budget proposals, the Department of Budget and Management's Budget Call stressed the consideration of the attainment of MDGs in preparing the FY 2006 budget proposals. Though not so specific in procedures, it was the first time that the words, "Millennium Development Goals" were included in a national budget memorandum.

A more recent DBM policy release is Local Budget Memorandum No. 47 (July 2005) which specifically stressed the "Inclusion of a Special Provision on HIV/AIDS Surveillance in the 2006 Budget Proposal of the DOH and all LGU.s"

However concrete these financial policies are to support the HIV/AIDS goal, the national (internal) budget provided for the HIV/AIDS activities is ironically low.

The DOH has the following offices specializing for this particular Goal:

- Philippine National AIDS Council (PNAC)
- National Center for Disease Prevention and Control (NCDPC)
- National Epidemiology Center (NEC)

The DOH budget⁸ for FYs 2003 to 2005 has line-item HIV/AIDS programs/activities as follows:

A.III.c.1	Epidemiology, Disease Surveillance and Laboratory Network	P 12.458M
A.III.c.2.f	Infectious Disease and Control Program	P 20.000M
A.III.c.2.h	Operation of the PNAC	P 9.445M
Total		P41,903

⁸ General Appropriations Act. CYs 2003-2004-2005. DBM

Various studies on the HIV/AIDS resource mobilization have observed that the HIV/AIDS Sentinel Surveillance System budget is lumped together with the rest of the National Epidemiology Center's budget. The non-exclusivity of the financing source for HIV/AIDS programs, projects and activities means that it has to compete with the other infectious and emergent disease, such as SARS and avian flu, for the budget. Likewise, the budget of PNAC, the council created for the assured implementation of HIV/AIDS activities in the country, is not focused/ prioritized on the primary activities of the Council.

Most of the budget appropriated for these DOH line agencies are just enough as payment for personnel compensations and benefits. So little funding was provided for HIV/AIDS project-related activities specifically for surveillance, prevention, control and treatment.

The national government and a number of local governments are funding HIV/AIDS prevention activities. Since 2003, HIV/AIDS activities have been supported through the Local Enhancement and Development for Health Project implemented by the Management Sciences for Health. This project continues to provide technical assistance in strengthening the national HIV/AIDS surveillance system and assists in building the capacity of local government units in HIV prevention, counseling, and testing.

The funding counterpart of the LGUs for HIV/AIDS activities is also minimal compared to the total allocated health budget for provinces and cities. Although the presence of the Local AIDS Council and the Social Hygiene Clinics at the local levels are very vital and critical, the funding for its operations is not fully supported.

The Department of Interior and Local Government (DILG) has its AIDS Medium Term Plan IV (2005 – 2010) with the following highlighted points:

- 48 cities identified as strategy priority areas for local responses
- Angeles, Pasay, QC, Davao and General Santos has allocated resources for HIV/AIDS as of 2002
- All LGUs have "Social Hygiene Clinics" as the primary arm in delivering health services and in surveillance of the 14 communicable diseases, together with HIV/AIDS (critical role: field data collection and collection of blood samples from target clients)

Table HA-5: CYs 2001 and 2002 Local AIDS council budget of selected sentinel sites

Sites	2001 (Php)	2002 (Php)
Davao		<500,000
General Santos	800,000	800,000
Zamboanga	2,500,000	2,500,000
Iloilo	46,150	112,000
Angeles	1,600,000	1,700,000
Pasay		1,500,000
Quezon City	1,009,000	1,200,000

Source: HIV/AIDS COUNTRY PROFILE Philippines 2002

It was in the year 2001 when General Santos, Zamboanga, Iloilo, Angeles and Quezon City started to have a local annual appropriation for the Local AIDS Council. Davao and Pasay followed such practice in 2002. However, the annual appropriation cited in the above table, correspond mostly to honoraria expenses of the members of Local AIDS Council and not for the prevention, control and treatment of HIV/AIDS.

The external funding from bilateral and multilateral sources are great sources for HIV/AIDS advocacy and capacity building campaigns of the country. From 1993 to 2003, the USAID AIDS Surveillance and Education Project (ASEP) has worked to prevent the spread of HIV in the Philippines. The Program for Appropriate Technology in Health (PATH), a USAID partner, administered ASEP's educational component in the Philippines' eight largest cities. PATH worked with communities to establish local AIDS councils, reactivate local child protection councils, advocate with local governments to support HIV/AIDS prevention activities, and encourage entertainment establishments to promote condom use. Ordinances creating local AIDS councils and mandating basic HIV prevention policies were passed in all eight ASEP cities. In several of the cities, the ordinances also mandated 100 percent condom use in registered establishments.

PATH and its partners also mobilized pro bono media placements valued at more than \$11 million and conducted mass media campaigns to increase public awareness of HIV/AIDS prevention.

There is also a Global Fund to Fight AIDS, tuberculosis and malaria which assists in the expansion of care and support services in 11 risk sites. The intervention focuses on poor and



marginalized populations where prevention is most needed—among sex workers, MSM, IDUs, and migrant workers—and also on people living with HIV/AIDS. Activities include a social mobilization and advocacy campaign to key stakeholders; outreach and education activities, including condom promotion and a needles/syringe program; capacity building of service providers and vulnerable populations; and strengthening of monitoring and evaluation mechanisms to track progress in project implementation. This project runs from 2004 through 2008, and, by the end of that period, it is expected that HIV prevalence will not exceed one percent for the vulnerable focal populations, and that 40 percent of the estimated HIV-positive population will be receiving adequate support, care, and treatment.

With regards to future resource availability, there are two available assumptions: the projected budget shares that are found in the Medium Term Philippine Development Plan; and the historical average share of the HIV/AIDS related offices/sectors in the government's budget.

Meeting the resource requirements of the HIV/AIDS Millennium Development Goal will entail collaborative effort of the national and the local government units (LGUs), the private sector, nongovernment organizations and the external sources. The national government's financial support to the HIV/AIDS activities is not enough and most of the projects on HIV/AIDS are foreign- assisted and/or granted.

Partial list of available external funding sources for HIV/AIDS projects:

- WHO
- USAID
- European Union Support
- AusAID
- JICA
- Southeast Asian Ministers of Education Organization

(SEAMEO)

- UNAIDS
- UNFPA
- UNICEF
- ILO
- UNRC
- Global Fund AIDS Project
- World Bank

Expenditures: What and how much it takes to meet the HIV/AIDS goal

Calculating the additional public resources that would be used in meeting this particular health goal is difficult. The enormous uncertainties in data availability and the uncured stigma on HIV/AIDS put the links between public spending and health/education outcomes at a bleak picture.

An analysis of public expenditure on health, specifically on HIV/AIDS-related issues show that little was provided for the treatment phase: such as medicines and consultations for positively identified AIDS patients. The extent to which the current and future (at least over the medium term) levels and composition of public expenditure, though consistent with the attainment of the MDGs, are not specific and not enough to meet the targets.

How much it takes to achieve the HIV/AIDS goal is the sum total of available expert opinion in the country on the type and quantity of interventions needed to achieve the MDGs. However, detailed costing estimates are not available for HIV/AIDS.

Per presentation delivered by DOH Assistant Secretary Mario Villaverde on September 30, 2005 at the University of the Philippines, National College of Public Administration and Governance, the MDG costing for health related goals, specifically for HIV/AIDS amounts to PhP358.254 million for the year 2005 alone.

Table HA-6: MDG costing for HIV/AIDS for the year 2005 only

MDGs PROGRAMS AND PROJECTS	TOTAL COST (PhP)	DOH FUNDING (PhP)	Official Development ASSISTANCE (PhP)	BUDGET GAP (?) (PhP)
COMBAT HIV AIDS, MALARIA AND OTHER DISEASES				
HIV/AIDS				
Mass Treatment for STI	148,977,000	0	0	148,977,000
Clinical Care of HIV/AIDS Cases	34,000,000	8,000,000	3,000,000	23,000,000
Provision of TA to Field Health workers	9,999,000	0	0	9,999,000
Surveillance, Research, Treatment of Cases, etc	165,277,587	14,899,667	150,377,920	0
TOTAL	358,253,587	22,899,667	153,377,920	181,976,000

Source: DOH ASEC Mario Villaverde, Diliman Governance Forum, UP-NCPAG, September 30, 2005

Based on Table HA-6, it is alarming that there is no funding or assistance for the mass treatment for STI and funding for clinical care for HIV/AIDS cases is short by 68 percent. Transportation allowance to field health workers also lacks funding support.

The only funded activity for HIV/AIDS is the surveillance, research, treatment of cases, etcetera which amounts to PhP166 million annually.

More alarming, the total annual government funding for fighting HIV/AIDS can only cover 6.4 percent of the total costing/requirement (PhP23 million out of total PhP358 million). The HIV/AIDS prevention, surveillance, treatment, care and management system should be a national concern and priority; and hence, should also be supported financially at the national level.

Simple mathematical computation, without consideration to inflationary increases, of the 11-year (2005 to 2015) funding requirement of the HIV/AIDS MDG goal, shows that the country needs an estimated PhP3.941 billion.

B. Resource gap

There is an estimated **PhP2-billion** financing gap for the HIV/AIDS programs and projects, for the years 2005 to 2015, specifically for:

1. Mass Treatment for STI: PhP148,977,000 x 11 years = PhP1.639 billion
2. Clinical Care of HIV/AIDS Cases: PhP23,000,000 x 11 years = P.252 billion
3. Provision of Technical Assistance to Field Health Workers : PhP9,999,000 x 11 years = P.109 billion

This funding gap assumes however, that ODA will remain constant from 2005 to 2015 at PhP153.378 million annually and that local funding shares of LGUs through the Local AIDS Council and Social Hygiene Clinics remain unquantifiable. It may be noted that the bulk of the gap goes to the mass treatment of Sexually Transmitted Diseases and that no national or foreign assisted funding was allotted for this.

Further, the government's budget for HIV/AIDS has been decreasing over time. The original amount of PhP35 million up to PhP40 million for PNAC operations in 1998 to 1999 was cut down to PhP9.5 million in 2003. The PNAC, a multisectoral, and interagency body, had long contended that its budget should not be subject to changes in the overall budget ceiling for the Department of Health. But since the PNAC, as provided by RA

8504, is attached to the DOH, its annual budget is still part of the DOH allocation and subject to that department's discretion.

As it is, the PNAC's hP9.5-million budget is being used to finance small projects of NGOs and other government agencies. As of December 2003, only a small number of confirmed HIV/AIDS cases have been provided care and support, with only 4 percent (of 1,965 cases) receiving the necessary drug treatment.

This was attributed to the "poor financial capabilities" of both the government and the persons with HIV/AIDS. There is no plan yet for the Philippines to manufacture its own anti-retroviral drugs to treat people with HIV/AIDS and in other countries of the Association of Southeast Asian Nations (ASEAN). Only a few of the 56 DOH-retained hospitals provide anti-retroviral treatment.

An official of the joint United Nations Program Against HIV/AIDS (UNAIDS) has expressed concern over the Philippine government's decreasing budget allocation for anti-AIDS campaigns.¹⁰

In a statement, UNAIDS deputy executive director Kathleen Cravero said the budget of the Philippine National AIDS Council (PNAC) was significantly reduced from PhP48 million in 1997 to PhP6 million in 2004.

UNAIDS estimates that a comprehensive campaign to curb the spread of AIDS in Asia cost \$1.5 billion in 2003 but only \$200 million was spent, taken from combined public sources.

Cravero said the resource gap in the region will continue to escalate as unmet needs grow. By 2007, it is estimated that the funding needed for AIDS prevention, care and treatment services in Asia will rise to \$5.1 billion annually.

Since a large proportion of money spent on AIDS care and treatment services comes out of the pockets of ordinary people, UNAIDS warned that this will carry off their savings and drive more families into "grinding poverty from which they will never emerge."

However, Cravero also advised the Philippines not to trust the "low and slow transmission" of HIV/AIDS in the country because this can be easily reversed.

"Asia is home to some of the fastest-growing epidemics in the world, with well over 7.4 million people living with HIV. A country like the Philippines, with as much as 10 percent of its people living overseas, needs to pay attention to global trends."

⁹ Esplanada, Jerry E. Jul. 18, 2004. Drive for public awareness Uphill Battle for Advocates. Manila Time. http://www.inq7.net/nat/2004/jul/18/text/nat_4-1-p.htm

¹⁰ Crisostomo, Sheila. November 29, 2004. Manila. Star: RP Budget vs. HIV/AIDS Too Low, says UN Official.

The provision in RA 8504 instructing the DOH and the Insurance Commission to conduct a feasibility study on possible insurance benefits for people with HIV/AIDS has not been implemented, again because of budget problems.

Aside from budgetary concerns and gaps, the government has failed to fully involve the private and religious sectors in the prevention program. Only minimal efforts were undertaken to mobilize church support during the period 2000-2003. The Church's view towards the "sanctity of life," hinders the implementation of massive preventive measures such as the use of condoms and oral birth-control pills.

FINDINGS / CONCLUSIONS (WHAT SHOULD BE DONE?)

Like a cancer that silently, abnormally and uncontrollably decays one's body system, HIV/AIDS will soon worsen our financial, economic and cultural crises, unless drastic interventions are resorted to.

It is evident that although there are resources available (PhP23 million – national; and PhP153 million – ODA per year) to support the attainment of the HIV/AIDS millennium development goal, such is not sufficient to finance even half of the total national HIV/AIDS requirement. The PhP182-million annual funding deficiency may even grow bigger when left unsolved.

Factors such as the youth, HIV/AIDS stigma, high exposure of OFWs to external environment and the poor financial capabilities of the country, if not managed seriously, will not help in the attainment of the goal but instead contribute to its aggravation.

We should deal with the foreseen problem as soon as possible. The following are not the most certain answers to the possible occurrence of an epidemic, but are preventive measures to ensure the attainability of the goal:

A. Guard the young. Young people, between 13 and 24 years old, represent a high proportion of those who need to be reached by targeted prevention programs. Representing a significant proportion of the total Filipino population, the youth are at higher risk for a number of well-known reasons, including their biological, social, and economic status. Among the sex workers (SWs), men who have sex with men (MSM), and injecting drug users (IDUs), young men and women predominate. Information regarding HIV/STI risk and protective behaviors should be appropriate, understandable, and delivered in a manner that reaches the young.¹¹

Sexual attitudes and behaviors among young people should also be developed through responsible parenthood and school-based HIV/AIDS education (stronger information and education campaign by using mass media and peer groups to vulnerable

groups and mobile population).

Contraceptives and use of condoms have both negative and positive effects; and the net benefit of using such should be a product of personal choice, will and belief.

B. Empower the victims. Key among the contextual factors that affect HIV prevention and care are the human rights environment in the country and the stigma environment at the community level. When a local community works to lessen the stigma directed at those individuals and groups usually most vulnerable to HIV transmission, those individuals will be less afraid to seek services. They will also be more likely to receive and internalize prevention information and messages. In the same way, when a local community works to eliminate stigma directed at PLWHA, such individuals will not only be more likely to seek appropriate care, but will be more empowered to participate in the community's HIV prevention response. The governmental, community, and individual attitude change, as well as the requisite policy change to promote it, require both health and nonhealth sector collaboration.¹²

Various organizations recognize the need to involve people living with HIV/AIDS (PLWHA) in the decision-making processes at all levels of program development, implementation, and monitoring. Through the provision of technical support for organizational and advocacy efforts, organizations representing this population will be able to mobilize and provide support to their constituencies so that PLWHA may play an important role addressing the epidemic in the Philippines. Acting as educators and spokespersons for prevention, care and support messages not only empowers PLWHA, but serves to destigmatize the disease by reducing the social distance between those infected and those who are not. It also helps to demonstrate visibly the range of people affected by the epidemic, thereby making prevention messages more relevant and meaningful.¹³

C. Particularize the gender. Bringing a gender perspective to all of the programs is an essential element of making them effective. Men and women have different needs, perspectives, and experiences both in areas relating to HIV prevention and the care and support of those affected by HIV. Women are more concerned with issues relating to pregnancy, childbirth, and childrearing. When a family member is infected with HIV and becomes sick, women bear the greater burden of health care, income loss, and increased workload. A common concern is managing to keep their children in school. Men typically tend to be more concerned about their health and continuing to work to support their families.¹⁴

¹¹ Human Development Report Office based on David 2003. UNDP.

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid.



D. Survey the OFWs. Regular HIV surveillance activities should be continued and implemented properly to serve as an early warning of increases in HIV prevalence and to guide decision-makers in the formulation and prioritization of interventions. In particular, more effective surveillance among overseas workers and wider surveillance coverage among MSM and IDUs are imperatives. HIV intervention measures such as behavioral change, communication, treatment of STDs, and condom promotion and social marketing should be an integral part of HIV prevention and control plans.

In order to reduce the risk of spreading the epidemic through the OFWs, HIV/AIDS prevention measures, including counseling and the provision of adequate health treatment and services in the workplace, are also necessary.

E. Ensure Financing. The lack of convergence of individual budgets of the units involved in HIV/AIDS in the national level, specifically the Central Office of DOH should be addressed and integrated into a more rationalized body.

LGUs and their Social Hygiene Clinics, though Internal Revenue Allocation (IRA)-dependent, should learn to become alert and competent for financial and commodity assistance regarding HIV/AIDS activities.

Capacity building through the assistance of foreign donors is currently being implemented to answer the lack of information on the total budget requirement for the conduct of AIDS-related activities among LGUs. Seminars including technical assistance through consultation on budgeting practices are being conducted in the 10 sentinel sites.

The prevailing view that LGUs finance health programs may not be totally correct because of their dependency on IRA, which is quite relative and inadequate. There should be a long-term financing plan for HIV/AIDS Surveillance, Prevention, Control and Treatment at the national level. This will help ensure the continuity of the programs/projects related to the attainment of the HIV/AIDS MDG.

The most vital factor in the attainment of the HIV/AIDS goal is the firmness and effectivity of financing strategies to support the abovementioned recommendations. Besides the clear finding on the inadequacy of data, system and procedures in the campaign against HIV/AIDS, there is also a dire need

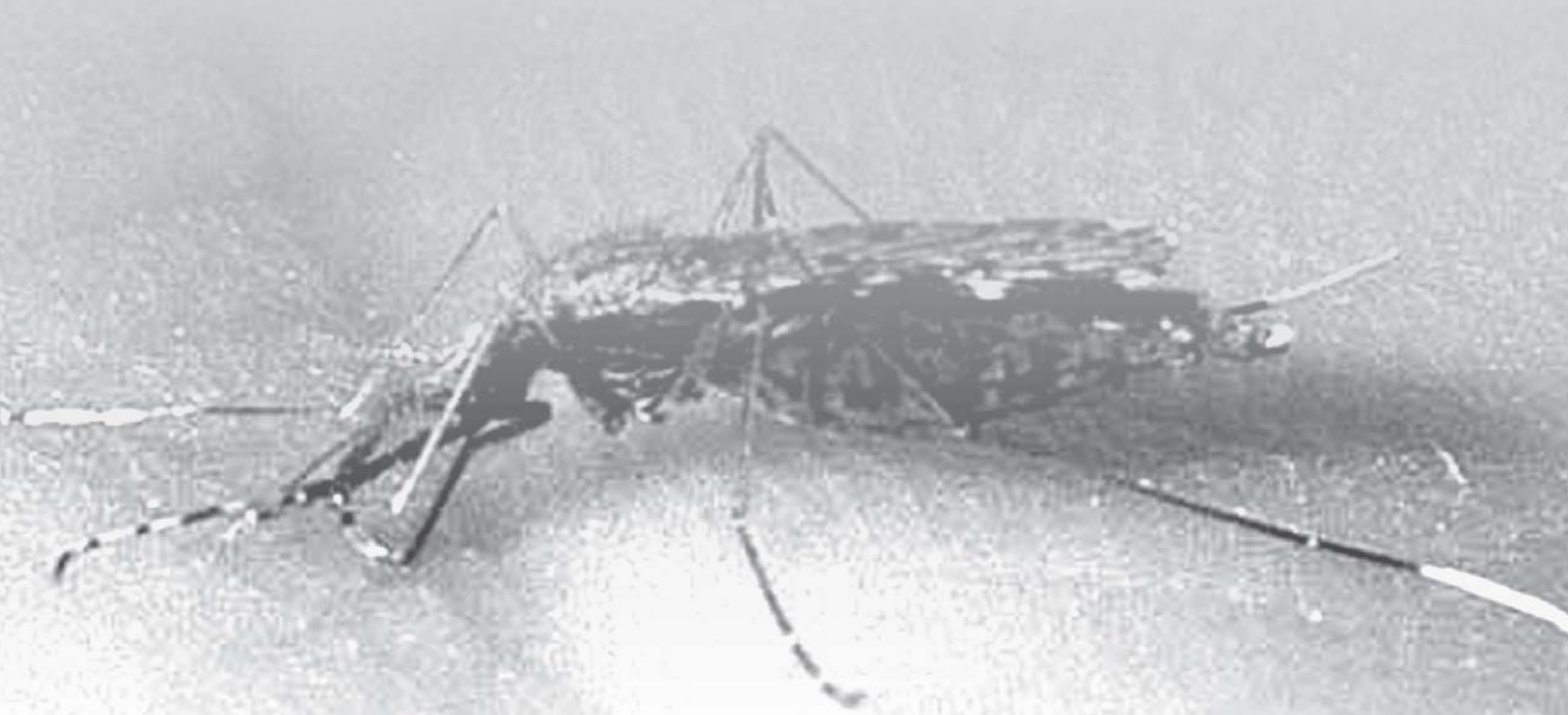
for better health care financing initiatives, better targeting of financial resources/subsidies, and development of a health insurance system that will prepare the country in case the "low and slow" epidemic becomes full bloom.

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Combat HIV/AIDS, Malaria and other diseases

By Jerico V. Villanueva and Annalyn Sevilla Santiago



INTRODUCTION

GOAL 6 of the Millennium Development Goals centers on combating HIV/AIDS, Malaria and other major diseases that account for most fatalities especially in the developing countries. The Philippines ranks as the ninth most populous country in Asia and 14th in the world. The country's population growth, if unabated, will double to 128 million by 2025. Rapid population growth and imbalances in spatial distribution will continue if policy decision-making at all levels of governance do not recognize the relationships among population, resources, environment and development. These factors are to be considered in the sphere of policy-making, specifically in the areas of attaining the goals set forth in MDG6.

In the Philippines, 68 out of 78 provinces are malaria-endemic. But 90 percent of cases are found only in 25 provinces, where 65 percent of the total deaths have occurred. The unavailability of necessary drugs for treatment of severe cases, physicians untrained in the proper management of severe malaria and delayed consultations are among the reasons behind the rising mortality rates due to malaria.



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For the purpose of this paper, discussion shall focus on the financing aspect of Goal 6, while presenting data that represents the specific targets, areas of concentration in achieving the goals, and to answering the question whether resources are available or not. After all, no matter how clear the targets and the commitments are, if these are not transformed into actual commitment in terms of resources, it will remain just a very good plan.

Malaria

In May 2005, a team composed of journalists Reyster Langit, Christian Macadaeg and cameraman Arnold Tañare conducted a research among indigenous tribespeople in Palawan afflicted with cerebral malaria. Reyster cohosted the public affairs TV program “Kasangga Mo ang Langit” with his father, the veteran and renowned media personality Rey Langit. The mosquito-transmitted disease hit the “Kasangga” crew during their trek. The DWIZ radio stringer Macadaeg died after their trip. According to the Palawan Adventist Hospital where he was confined, he died of multiple organ failure due to septicemia or blood poisoning caused by a virus. Langit and Tañare soon also experienced recurrent flu after their trip to the Tau’t Bato community. Tañare was admitted to San Lazaro hospital after showing signs of Malaria while the 33-year-old Langit was admitted in the United States, where he had flown days after the coverage, unaware of his condition. Both of them soon died due to the weakening vital organs and heart failure. The high-profile death of Langit and Tañare prompted the Department of Health to carry out a more hectic campaign against the dreaded disease.

Malaria is a life-threatening parasitic disease transmitted by the female *Anopheles* mosquito. There are four types of human malaria: the *Plasmodium Vivax*, *Plasmodium Malariae*, *Plasmodium Ovale* and *Plasmodium Falciparum*. The one that hit Reyster and his crew is the *Plasmodium falciparum*, the deadliest type of malaria infection, most common in Africa. Malaria parasite enters the human body when an infected anopheles mosquito takes a blood meal. The plasmodia are then carried by the blood in the victim’s liver where they invade the cell and multiply. After nine to 16 days, depending on the plasmodium specie, they return to the blood and penetrate the red cells where they multiply and break down the red cells. Malaria symptom includes fever, headache, vomiting and other flu-like symptoms. A victim is critical if there is yellowing of the eyes and skin, and bleeding of the gums and eyes. It can be life threatening if not immediately treated and can kill by destroying red blood cells or other vital organs and by clogging the capillaries that carry blood to the brain (cerebral malaria).

Malaria is found throughout the tropical and sub-tropical regions of the world. Every year it kills more than one million a year worldwide and infects 500 million people, nearly 10 percent

of the world’s population. Ninety percent of deaths due to malaria occur in sub-Saharan Africa. It is the leading cause of death of the African children under five years, causing at least 20 percent of all deaths. Children recovering from malaria infections may be left with significant mental and physical disability. And also pregnant women and their unborn child are susceptible to malaria infection which is one of the major causes of perinatal mortality, low birth weight and maternal anaemia.

Malaria has economic costs and is shown to be a major constraint in the development of a country. It is believed that malaria is both a disease of poverty and cause of poverty. It affects the health and wealth of a nation and its people. Contracting malaria in endemic areas can deter investments and affects the tourist industry due to reluctance of travellers to visit.

There are personal and public expenditures on both prevention and treatment of the disease. People spend on insecticide treated mosquito nets (ITNs), anti malarial drug and hospital expenses for them to be able to fight the disease. The government also allotted their budget in maintaining their health facilities and infrastructure, educating people about the disease, trainings and research.

In the Philippines, of the 78 provinces, 68 are endemic of malaria. But 90 percent of cases are only found in 25 provinces with 65 percent of the total deaths occurring in these provinces. The unavailability of necessary drugs for treatment of severe cases in the peripheral health services, hospital based physicians untrained on the proper management of severe malaria and delayed consultations all contribute to the increase in mortality rate caused by malaria.

Figure MC-1: Philippine’s geographical distribution of malaria cases (1991-2001)

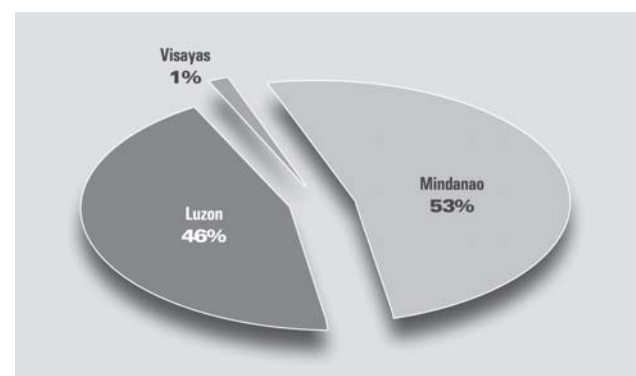


Figure MC 1 shows the geographical distribution of malaria cases in the Philippines based on a ten-year average (1991-2001). Based on the data, Luzon posted 46 percent, Visayas one percent and Mindanao got the largest share of 53 percent. The top ten provinces in terms of the number of cases recorded in 2001 were Palawan, Tawi-tawi, Agusan del Sur, Sulu, Davao del Sur, Isabela, Davao del Norte, Compostela Valley, Apayao and Cagayan.

Tuberculosis

Today, tuberculosis (TB) is the most common major infectious disease which infects two billion people or one-third of the world's population with nine million new cases of active disease annually. It results in two million deaths mostly in developing countries. TB is one of the top three infectious killing diseases in the world: HIV/AIDS kills three million people each year, TB kills two million, and malaria kills one million.

With the discovery of anti-TB drugs in the 1940s, cases began to decrease for most of the 20th century. However, between 1985 and 1992, TB cases increased. The World Health Organization (WHO) declared tuberculosis a global health emergency in 1993.

TB deaths increased after 40 years of decline. The spread of HIV and AIDS contribute to the worsening impact of the disease. Another is the breakdown of the public health services. When TB cases started to decrease, public policymakers concluded that TB was no longer a threat to public health. Funding was reduced, research stopped, health-care workers were not trained about TB, and services to make sure people took their medicine ceased. And also the emergence of multi drug-resistant TB strains makes TB cases increase and difficult to cure. TB strains resistant to one or more anti-TB drugs evolved because of inadequate treatment programs, poor compliance with treatment, and lax public health controls.

HIV and TB form a deadly combination, each speeding the other's progress. In Africa, HIV is the most important factor behind dramatically increased incidence of TB in the last 10 years. HIV weakens the immune system. TB is a leading cause of death among people who are HIV-positive. It accounts for about 13 percent of AIDS deaths worldwide.

Table MC 1 shows the estimated TB incidence and mortality in each of the WHO regions. The incidence of all forms of TB,

the incidence of infectious (smear-positive) cases, and mortality are shown both as the total number of cases and as the rate per 100,000 population.

Thirty five percent of the incident cases globally occur in the South-East Asia Region, the highest number of cases in the world. However, the estimated incidence per capita in sub-saharan Africa is nearly twice that of the South-East Asia, at 345 cases per 100,000 population. Deaths resulted from TB in 2003 is estimated at 1.75 million deaths. The highest mortality per capita is in the Africa Region (at 78 per 100,000 population) where HIV has rapidly led to increases the incidence of TB and increases the percentage of dying from TB.

The WHO has set TB-control goals for 2005 which was ratified by the World Health Assembly in 1991. These goals are to detect 70 percent of new infectious (smear positive) cases worldwide and to successfully treat 85 percent of all cases detected. In 2002, eighteen countries had already achieved these targets. Much progress has been made towards the targets but there a lot of things to be done in order to achieve the goals of reversing the incidence of TB.

Accomplishments / plans and programs

The DOH continued to implement the Malaria Control Program (MCP) in partnership with LGUs, NGOs and the communities at risk. The program aims to further enhance the delivery of health services in malaria endemic areas in the context of ongoing health sector reform, to broaden and sustain the existing DOH-LGU-community partnership to empower the population at risk and ensure sustainable malaria control.

The MCP has been successful in obtaining and coordinating donor funding for malaria control activities in selected project

Table MC-1: Estimated TB incidence and mortality, 2003

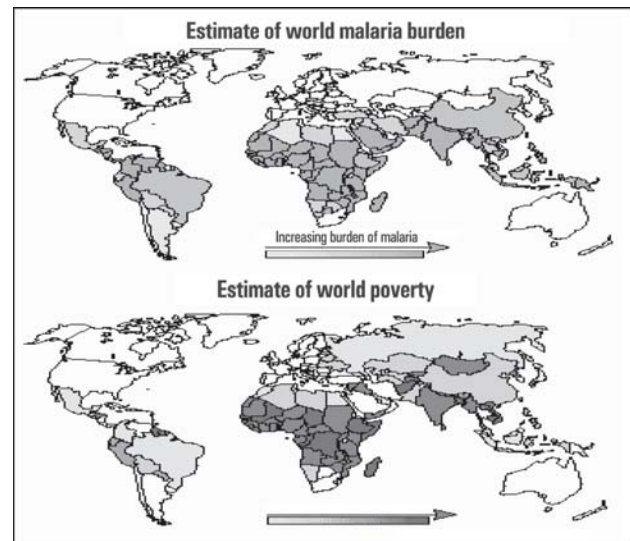
WHO Region	Number of cases (thousands)		Cases per 100,000 population		Deaths from TB (including TB deaths in people infected with HIV)	
	All forms (%)	Smear-Positive	All forms	Smear-Positive	Number (thousands)	Per 100,000 population
Africa	2372 (27)	1013	345	147	538	78
Americas	370 (4)	165	43	19	54	6
Eastern Mediterranean	634 (7)	285	122	55	144	28
Europe	439 (5)	196	50	22	67	8
South-East Asia	3062 (35)	1370	90	85	617	38
Western Pacific	1933 (22)	868	112	50	327	19
Global	8810 (100)	3897	40	62	1747	28

sites from external sources such as the World Health Organization / Rollback Malaria Program (WHO/RBM), USAID, AUSAID, Global Fund for AIDS, TB and Malaria (GFATM) and Japan International Cooperation Agency (JICA). There is lack of budgetary support for drugs, diagnostics and insecticide purchase because funds are mainly for training and capacity building except those funds from WHO/RBM and GFATM.

The internationally recommended approach to TB control is the Directly Observed Treatment Short-course (DOTS). It is an inexpensive strategy that has a treatment success on the average of 82 percent worldwide, just below the 85 percent goal for 2005. It produces cure rates of up to 95 percent even in the poorest countries. There are only few countries where the impact of TB control has been studied in detail. Among these are Peru, where widespread implementation of the DOTS strategy for more than a decade, with a treatment success rate of 90 percent, has led to a decline in incidence and the prevention of an estimated 70 percent of deaths among infectious cases over the period 1991 to 2000. In half of China, where the DOTS strategy has been implemented progressively since 1991, prevalence fell 30 percent more than in the rest of the country. In Russia the incidence of tuberculosis rose by more than 300 percent between 1990 and 1996, with a substantial proportion of the cases drug resistant. Adapting DOTS to meet the challenges of drug resistance will involve moving towards "DOTS plus." It is the cornerstone of managing multidrug-resistant tuberculosis which requires strict supervision of therapy regimens.

In the Philippines, The National Tuberculosis Control Program (NTP) continued to promote the DOTS therapy as its main strategy for TB control. One of the major activities in the NTP during the period 2002-2004 is the TB summit and the signing of the Comprehensive and Unified Policy for TB Control (CUP). It covers the guidelines for the

Figure MC-2: Estimates of world malaria burden and world poverty



Source: RBM data / J. Bachs 1999

implementation of the NTP in government agencies other than the DOH. It also includes policies that would formalize the involvement of the private sector particularly private physicians in TB control. The Executive Order No. 187 states that government agencies and private sector organizations to work in partnership with regard to the dissemination and training on the CUP.

Based on the Social Watch Report 2005, there is a progress in the Philippines TB control and program and its target could be attained. With a base year of 1994, there are 269 TB cases per 100,000 people. It was reduced to 168 cases per 100,000 in 2001.

Figure CM 2 shows that geographically, a great portion of malaria burden comes from most countries adversely stricken by poverty. Therefore, the more impoverished the people in a country are, the higher likelihood of being prone to malaria.



Table MC-2: Communicable Diseases, Philippines, 2002

AREA	Tuberculosis				Malaria	
	New Sputum (+) Initiated Treatment		Total TB Cases		Confirmed Cases	
	No.	Rate	No.	Rate	No.	Rate
Philippines	65,116	81.9	123,208	155.0	91,509	0.2
NCR	7,914	73.7	23,780	221.3	0	-
CAR	705	48.1	1,415	96.5	3,578	0.4
Region 1	3,131	73.1	6,724	156.9	37	0.001
Region 2	2,177	74.9	4,196	144.3	59,616	2.3
Region 3	6,200	75.7	11,331	138.4	1,237	0.02
Region 4	7,776	66.2	13,877	118.1	9,746	0.1
Region 5	4,766	96.9	9,546	194.1	17	0.001
Region 6	6,077	92.7	10,432	159.2	17	0.003
Region 7	4,959	86.1	7,233	125.6	0	-
Region 8	3,333	85.4	5,516	141.3	6	0.001
Region 9	2,376	78.0	5,419	177.9	167	0.01
Region 10	2,700	93.3	4,408	152.3	982	0.1
Region 11	5,766	104.7	8,149	148.0	3,907	0.1
Region 12	2,489	89.3	3,564	127.9	1,040	0.05
ARMM	1,739	77.0	2,969	131.5	7,722	0.3
CARAGA	3,008	131.4	4,649	203.1	3,437	0.1

Source: Field Health Service Information System, National Epidemiology Center

Table MC-3: Ten Leading Causes of Morbidity
No. and Rate/100,000 Population, Philippines, 2001

CAUSE	NO.	RATE
1. Diarrhea	845,526	1085.0
2. Bronchitis/bronchiolitis	694,836	891.7
3. Pneumonia	652,585	837.4
4. Influenza	499,887	641.5
5. Hypertension	318,521	408.7
6. TB Respiratory	110,841	142.2
7. Diseases of the heart	47,040	60.4
8. Malaria	40,543	52.0
9. Measles	24,494	31.4
10. Chickenpox	24,359	31.3

Table MC-4: Leading Causes of Morbidity
No. and Rate/100,000 Population, Philippines, 2001

CAUSES	NUMBER	RATE*
1. Diarrhea	866,411	1134.8
2. Bronchitis/bronchiolitis	700,105	917.0
3. Pneumonia	632,930	829.0
4. Influenza	502,718	658.5
5. Hypertension	279,992	366.7
6. TB Respiratory	126,521	165.7
7. Diseases of the heart	52,957	69.4
8. Malaria	50,869	66.6
9. Chickenpox	35,306	46.2
10. Measles	23,287	30.5

Table MC-5: Ten leading causes of mortality by sex, number, rate/100,000 population and percentage, Philippines, 2000

Cause	Male	Female	Total Number	Rate	% of TotalDeaths
1. Diseases of the heart	34,356	26,061	60,417	79.1	16.5
2. Diseases of the vascular system	27,197	21,074	48,271	63.2	13.2
3. Malignant neoplasm	19,597	16,817	36,414	47.7	9.9
4. Pneumonia	16,549	16,088	32,637	42.7	8.9
5. Accidents	26,009	6,346	32,355	42.4	8.8
6. Tuberculosis, all forms	18,590	8,967	27,557	36.1	7.5
7. Chronic obstructive pulmonary diseases and allied conditions	10,770	5,134	15,904	20.8	4.3
8. Certain conditions originating in the perinatal period	9,083	6,015	15,098	19.8	4.1
9. Diabetes mellitus	5,147	5,600	10,747	14.1	2.9
10. Nephritis, nephritic syndrome and nephrosis	4,642	3,321	7,963	10.4	2.2

Table MC-6: Leading causes of mortality, number and rate/100,000 population, Philippines, 1999

Causes	Number	Rate
1. Diseases of the heart	58,574	78.4
2. Diseases of the vascular system	43,671	58.4
3. Malignant neoplasms	34,238	45.8
4. Pneumonia	32,883	44.0
5. Accidents	30,026	40.2
6. Tuberculosis, all forms	28,904	38.7
7. Chronic obstructive pulmonary diseases and allied condition	15,163	20.3
8. Certain conditions originating in the perinatal period	12,800	17.1
9. Diabetes mellitus	9,749	13.0
10. Nephritis, nephrotic syndrome and nephrosis	7,544	10.1

Source: Philippine Health Statistics, 1997

Financing Malaria and Tuberculosis

In September 2005, the DOH released a report entitled *Situationer and Financing of Health-Related MDGs in the Philippines*, which identified the financing requirement and available funding sources for combating Malaria and TB.

Below is the estimated yearly financing requirement, available resources, and the gap for malaria prevention and control.

“The Malaria Control Program covers the treatment of malaria cases, prophylaxis for pregnant and non-immune visitors to the endemic areas, laboratory diagnosis, promotion and distribution of insecticide treated bed nets in endemic areas, in-door residual spraying of insecticides in areas with outbreaks, capability building, research and provision of technical assistance.”¹

It is estimated that treatment of around 28,000 cases of malaria due to *Plasmodium falciparum* per year costs about PhP5.4 million; an estimated amount of PhP 2.2 million is for the treatment of 12,000 *Plasmodium vivax* cases. For the treatment of 1,400 drug-resistant malaria cases due to *Plasmodium falciparum* the projected cost is about PhP1.6 million. With most health services devolved, the LGUs within the endemic areas are expected to obtain the medicines using money from their own coffers. However, due to financial constraints, the drugs for treatment are procured by utilizing the ODA which is approximately PhP9.2 million.

The largest amount of funding needed, at an estimated cost of PhP1.109 billion yearly, goes to the prophylaxis of about 1.5 million pregnant mothers and estimated 100,000 non-immune visitors against malaria in endemic areas. Only 3.7 percent of the needed requirement is being provided by ODA, at PhP41.676 million. The larger portion of the funds needed for this activity, in the amount of PhP1.067 billion, is identified as the annual financing gap.

Laboratory supplies for malaria – the staining reagents, glass slides and oil immersion – are estimated to cost PhP1.396 million

yearly. Again, this is being partially funded by the ODA.

To cover the promotion and provision of insecticide-treated bed nets to about one million households in endemic areas, PhP410 million per year is required. However, only about PhP164 million is available from the ODA for this program.

Another necessary activity for malaria prevention is the in-door residual spraying in areas with malaria outbreak. Approximately PhP35 million is needed for the in-door spraying of around 50,000 households in endemic areas that may have malaria outbreak in a year. ODA is providing only PhP0.601 million, hence, another annual gap of PhP34.399 million is identified.

DOH reports and statistics show that the capability building of around 8,666 field workers is estimated to cost P26 million per year; only around PhP20.4 million is available, yielding a gap of PhP5.6 million.

The purchase of equipment, training, research, monitoring and evaluation and other operating expenses for malaria control is estimated to cost around P136.309 million and is entirely covered by ODA.

In a nutshell, the control and prevention of malaria is estimated to cost around PhP1.727 billion yearly. Only 21.65 percent of this amount is being financed through the national budget (1.11 percent) and ODA (20.54 percent). A financial gap of PhP1.353 billion or 78.35 percent of total annual funding requirement is identified.

For the 2005 to 2015 Malaria MDG operations, the amount of PhP18.997 billion is required. However, the available fund is only PhP4.113 billion. Hence, the projected 11- year financing gap for malaria alone is PhP14.884 billion.

Financing of the Tuberculosis Control Program on the other hand covers the treatment of TB cases, laboratory diagnosis, capability-building of field health workers, operation of Public-Private Mix Department (PPMD) units, advocacy, monitoring and evaluation and other operating expenses.

Table MC-7: Annual cost estimate for the programs and projects to combat Malaria

MDGs PROGRAMS AND PROJECTS	TOTAL COST (P)	DOH FUNDING (P)	ODA ASSISTANCE (P)	BUDGET GAP (?) (P)
MALARIA				
Treatment of Cases	9,217,687	0	9,217,687	0
Prophylaxis for Pregnant Women and Visitors	1,109,180,000	0	41,676,536	1,067,503,464
Laboratory Supplies	1,395,600	0	1,395,600	246,000,000
Insecticide Impregnated Mosquito nets	410,000,000	0	164,000,000	246,000,000
In-Door Residual Spraying	35,000,000	0	601,384	34,398,616
Capability Building, Research, TA, Equipments, etc	162,309,683	19,200,000	137,509,683	5,600,000
TOTAL	1,727,102,970	19,200,000	137,509,683	1,353,502,080

Source: DoH, 2005

¹ Department of Health, Philippines. Situationer and Financing of Health-Related MDGs in the Philippines. September 2005 Report.

The financing table for TB has the following details:

Table MC-8: Yearly cost estimate for the programs and projects to combat Tuberculosis

MDGs PROGRAMS AND PROJECTS	TOTAL COST (PhP)	DOH FUNDING (PhP)	ODA ASSISTANCE (PhP)	BUDGET GAP (?) (PhP)
TUBERCULOSIS				
Treatment of Category I and II Cases	110,330,000	110,330,000	0	0
Treatment of Category III Cases	4,070,000	4,070,000	0	0
Treatment of MDR Cases	300,000,000	0	200,000,000	100,000,000
TB in Children	79,200,000	7,200,000	0	72,200,000
Laboratory Logistics	9,445,700	9,445,700	0	0
Capability Building, PPMD Operations, M&E, etc.	103,831,300	35,831,300	61,000,000	6,800,000
TOTAL	606,877,000	166,877,000	261,200,000	178,800,000

Source: DOH, 2005

The treatment of 120,000 cases of TB Category I (sputum positive with acid fast bacilli or sputum negative but with moderately or far advance TB or extra-pulmonary TB undergoing initial treatment), Category II (cases of treatment failure, default or did not continue previous treatment, and recurrence of sputum positive) and Category III (sputum negative but with mild PTB on chest X-ray) cost around PhP114.4 million per year, and all of this is shouldered by DOH and distributed to the LGUs which directly supervise the treatment of patients.²

The funding requirement estimate for the treatment of around 1,500 multidrug resistant cases (MDR) of TB amounts to about PhP300 million annually, computed at approximately PhP200,000 per case. About two-thirds of the funding requirement, or PhP200 million is shouldered by the ODA, thus an annual financing gap of PhP100 million.

The next activity, treatment and diagnosis of an estimated 18,000 cases of TB in children cost about PhP79.2 million per year. Only 10 percent of that amount is available through the internal budget of DOH. An identified financing gap of PhP72 million per year exists.

The Department provides for the entire amount needed for laboratory logistics nationwide. The DoH also covers the monitoring and evaluation, IEC, advocacy and other operating expenses of around PhP19.831 million. The operating expenses for the PPMD units are covered by ODA of about P60 million.

The capability-building of around 8,000 field health workers costs PhP24 million. About PhP17.2 million is covered by the DOH and ODA; thus, an annual financial gap of PhP6.8 million.

In summary, an annual amount of PhP606.877 million is needed to finance the programs and projects to combat TB in the Philippines. Only PhP428.077 million is provided by DOH and ODA. A total gap of about PhP178.8 million per year, or roughly PhP1.967 billion for the 2005 to 2015 operations, is still required to finance TB control.

Table MC 9: Combined financing requirements and gaps for malaria and tuberculosis, 2005-2015 (in billion pesos)

MDGs programs and projects	Total Cost	DOH Funding	ODA	Financing Gap
Malaria	18.998	0.211	3.898	14.889
Tuberculosis	6.676	1.836	2.873	1.967
Total	25.674	2.047	6.771	16.856

The detailed cost estimate for the programs and projects to combat malaria and tuberculosis were provided through the budget of the DOH, shown as an annex of this report.

The computation of the financing requirements of MDG Target No. 9 is not a difficult task. Estimates on treatment, prevention, control and surveillance of malaria and tuberculosis cases are easily identifiable and accessible. The clear financing cost helps planners strategize in this area.

The problem now lies in the sourcing the funds to finance the cost of achieving the target. The national contribution integrated in the DOH line-item annual budget however, is not enough. The present Official Development Assistance is higher than the support coming from the National Government. LGU assistance cannot be relied upon in the attainment of the goal because malaria and tuberculosis are diseases of national concern and coverage.

The high cost needed to combat and halt the spread of malaria and tuberculosis in the country should be partnered with concrete, consistent and sustainable financing strategies. The budget of the DOH for Malaria and TB control and prevention should be strengthened and increased either through domestic or international support. The strategies, plans and programs in the realization of the target remain futile without adequate financial back-up.

² DOH Situationer..

Annex MC-1: Detailed cost estimate for the programs and projects to combat malaria and tuberculosis (DOH 2005)

MDG	PROGRAM	TARGET POPULATION	UNIT COST	TOTAL COST	WHAT IS FUNDED		ANNUAL ADDITIONAL FUNDING NEEDED TO MEET THE TARGET (PhP)
					ANNUAL GoP BUDGET 2006 (PhP)	ANNUAL FOREIGN ASSISTANCE (PhP)	
Combat HIV/AIDS, malaria and other diseases (Continuation): Malaria Indicator-Malaria Mortality rate Baseline: 0.5743 / 100,000 population Target 2006: 0.40 / 100,000 population Target 2010: 0.27 / 100,000 population Target 2015: 0.09 / 100,000 population Indicator-Malaria Morbidity rate Baseline: 455 / 100,000 population Target 2006: 269 / 100,000 population Target 2010: 138 / 100,000 population Target 2015: 1 / 100,000 population	Treatment of malaria cases: Treatment of <i>Plasmodium falciparum</i> regular cases	39,994 total malaria cases: 27,999 cases	 PhP10.00/ Chloroquine tablet PhP25.00/ Sulfadoxine Pyrimethamine tablet PhP6.00/ Primaquine tablet	For Pf regular cases: PhP5,403,807.00 Total PhP2,799,900.00 = PhP10.00 / Chloroquine tablet X 10 tablets X 27,999 + PhP2,099,925.00 = PhP25.00 / Sulfadoxine Pyrimethamine tablet X 3 tablets 27,999 + PhP503,982.00 = PhP6.00 Primaquine tablet X 3 tablets 27,999	-	5,403,807.00	0.00

Annex MC-1: Detailed cost estimate for the programs and projects to combat malaria and tuberculosis (DOH 2005)

MDG	PROGRAM	TARGET POPULATION	UNIT COST	TOTAL COST	WHAT IS FUNDED		ANNUAL ADDITIONAL FUNDING NEEDED TO MEET THE TARGET (PhP)
					ANNUAL GoP BUDGET 2006 (PhP)	ANNUAL FOREIGN ASSISTANCE (PhP)	
Combat HIV/AIDS, malaria and other diseases <i>(continuation)</i> Malaria <i>(continuation)</i>	Treatment of <i>Plasmodium falciparum</i> severe and drug resistant cases	1,400 cases	Php1.46 / Quinine tablet Php78.00 / Quinine ampule Php132.00 / 24 pcs. Co-Artem tablet Php6.00 / Primaquine tablet	PhP1,606,248.00 Total PhP85,848.00 = PhP1.46 / Quinine tablet X 42 tablets X 1,400 + PhP1,310,400.00 = PhP78.00 / Quinine ampule X 12 ampules X 1,400 + PhP184,800.00 = PhP132.00 / 24 pcs. Co-Artem tablet X 1,400 + PhP25,200.00 = PhP6.00 / Primaquine tablet X 3 tablets X 1,400	-	1,606,248.00	0.00
	Treatment of <i>Plasmodium vivax</i> cases	11,998 cases	Php10.00 / Chloroquine tablet Php6.00 / Primaquine tablet	PhP2,207,632.00 Total PhP1,199,800.00 PhP10.00 / Chloroquine tablet X 10 tablets PhP1,007,832.00 PhP6.00 / Primaquine tablet X 14 tablets X 11,998	-	2,207,632.00	0.00

Annex MC-1: Detailed cost estimate for the programs and projects to combat malaria and tuberculosis (DOH 2005)

MDG	PROGRAM	TARGET POPULATION	UNIT COST	TOTAL COST	WHAT IS FUNDED		ANNUAL ADDITIONAL FUNDING NEEDED TO MEET THE TARGET (PhP)
					ANNUAL GoP BUDGET 2006 (PhP)	ANNUAL FOREIGN ASSISTANCE (PhP)	
Combat HIV/AIDS, malaria and other diseases (Continuation): <i>Malaria</i> (Continuation)	Provision of mosquito nets including insecticide bed net treatment twice a year	1 million households in endemic areas	PhP280.00/ mosquito net PhP65.00 / K-Othrine tablet	PhP410,000,000.00 Total PhP280,000,000.00 = PhP280.00 X 1 million households + PhP130,000,000.00 = PhP65.00 / K-Othrine tablet X 1 million mosquito net X 2 times a year	-	PhP164,000,000.00 Roll-Back Malaria	PhP246,000,000.00
	Provision of logistics for In-door Residual Spraying during epidemic	50,000 houses (probably be affected)	PhP350 / 50g sachet of insecticide (EP-PENPROX 20%)	PhP35,000,000.00 = PhP350/50g. sachet of insecticide X 2 sachet X 50,000	-	PhP601,384.00 Roll-Back Malaria	PhP34,398,616.00
	Capability building for health workers and other operational expenses	8,666 field health workers	PhP600.00 / man day	PhP26,000,000.00 = PhP600.00 / man day X 5 days X 8,666 field health workers	PhP 3,200,000.00 Central Office PhP 16,000,000.00 CHD	PhP 1,200,000.00 WHO	PhP5,600,000.00
	Purchase of equipment, research, training, monitoring, evaluation, and other operating expenses			PhP136,309,683.00	-	PhP123,797,083.00 Global Fund PhP12,512,600.00 Roll-Back Malaria	0.00
	Sub-Total for Malaria			PhP1,727,102,979.00 Total budgetary needs	PhP 19,200,000.00 Total GoP funding	PhP354,400,083.00 Total Foreign funding	PhP1,353,502,080.00 Total budgetary gap

Annex MC-1: Detailed cost estimate for the programs and projects to combat malaria and tuberculosis (DOH 2005)

MDG	PROGRAM	TARGET POPULATION	UNIT COST	TOTAL COST	WHAT IS FUNDED		ANNUAL ADDITIONAL FUNDING NEEDED TO MEET THE TARGET (PhP)
					ANNUAL GoP BUDGET 2006 (PhP)	ANNUAL FOREIGN ASSISTANCE (PhP)	
Combat HIV/AIDS, malaria and other diseases (Continuation):	Treatment of Category I and II tuberculosis cases	118,000 cases	PhP935.00 / INH, RIF, PZA, EMB & STM need / TB cases	PhP110,330,000.00 = PhP935.00 / INH, RIF, PZA, EMB need / TB cases X 118,000 cases	PhP110,330,000.00 Central Office	-	0.00
<i>Tuberculosis</i>	Treatment of Category III tuberculosis cases	2,000 cases	PhP2,035.00 / INH, RIF, PZA, & EMB need / TB cases	PhP4,070,000.00 = PhP2,035.00 / INH, RIF, PZA, EMB, STZ need / TB cases X 2,000 cases	PhP 4,070,000.00 Central Office	-	0.00
Indicator-TB Mortality rate	Treatment of multi-Drug resistant cases	1,500 MDR TB cases	PhP200,000.00 / MDR TB case	PhP300,000,000.00 = PhP200,000.00 X 1500 MDR TB case	-	PhP 200,000,000.00 Global Fund,	PhP100,000,000.00
Baseline 1999: 39.4 / 100,000 population Target 2006: 24.2 / 100,000 population Target 2010: 19.6 / 100,000 population Target 2015: 19.2 / 100,000 population	Treatment and diagnostic expenses for TB- in children	18,000 cases	PhP400.00 / child's RIF, INH, PZA PhP4,000.00 / diagnostic examination / child	PhP79,200,000.00 Total PhP7,200,000.00 = PhP400.00 / child's RIF, INH, PZA X 18,000 + PhP72,000,000.00 = PhP4,000.00 / diagnostic examination / child X 18,000	PhP 7,200,000.00 Central Office	-	PhP72,000,000.00
Indicator-TB Morbidity rate							
Baseline 1999: 310 / 100,000 population Target 2006: 290 / 100,000 population Target 2010: 250 / 100,000 population Target 2015: 190 / 100,000 population							

Annex MC-1: Detailed cost estimate for the programs and projects to combat malaria and tuberculosis (DOH 2005)

MDG	PROGRAM	TARGET POPULATION	UNIT COST	TOTAL COST	WHAT IS FUNDED		ANNUAL ADDITIONAL FUNDING NEEDED TO MEET THE TARGET (PhP)
					ANNUAL GoP BUDGET 2006 (PhP)	ANNUAL FOREIGN ASSISTANCE (PhP)	
Combat HIV/AIDS, malaria and other diseases <i>(continuation)</i> Tuberculosis <i>(continuation)</i>	Laboratory logistics for tuberculosis	72 provinces with 1,499 municipalities 115 cities with CHOs and MHOs	PhP760.10 / Staining kit PhP242.00 / Oil immersion bottle PhP31.90 / 72 pcs. glass slides / box PhP1.10/ sputum cup	PhP9,445,700.00 Total PhP5,320,700.00 = PhP760.10 / Staining kit X 7,000 kits PhP968,000.00 = PhP242.00 / Oil immersion bottle X 4,000 bottles PhP957,000.00 = PhP31.90 / 72 pcs. glass slides / box X 30,000 boxes PhP2,200,000.00 = PhP1.10/ sputum cup X 2,000,000 sputum cups	PhP9,445,700.00 Central Office	-	0.00
	Capability building of field health workers other operating expenses	8,000 field health workers	PhP600.00 / man day	PhP24,000,000.00 = PhP600.00 / man day 5 days X 8,000 health workers	PhP16,000,000.00 CHD	PhP1,200,000.00 WHO	PhP6,800,000.00
	Operating expenses for PPMD Units nationwide		P60,000,000.00	PhP60,000,000.00	-	PhP60,000,000.00 Global Fund	0.00
	Monitoring and evaluation, especial events, IEC , advocacy and other operating expenses			PhP19,831,300.00	PhP19,831,300.00	-	0.00
	Sub-Total for Tuberculosis			PhP606,877,000.00 Total budgetary needs	PhP166,877,000.00 Total GoP funding	PhP261,200,000.00 Total Foreign assistance	PhP178,800,000.00 Total budgetary gap

Commitment to a cause vs. the cost of our commitment

By Reginaldo Guillen, Rhoda Tiongson and Annalyn Sevilla Santiago

Target 10: Implement national strategies for sustainable development by 2005, to reverse the loss of environmental resources by 2015

INTRODUCTION

EVEN before the country committed to the Millennium Declaration which includes ensuring environmental sustainability as one of its goals, it had already adopted the principles of sustainable development (SD) – a paradigm which the United Nations (UN) defines as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” This definition assumes that if excesses on the environment and natural resources are not curtailed, economic growth alone will not be enough to ensure the survival of future generations.



Reginaldo Guillen or Regie is an advocate of agrarian reform and rural development and has worked with various social development NGOs. He is presently the Program Coordinator of Pondo ng Piniy Commission Foundation.

The concept of SD emanates from some of the principles of the Declaration of the UN Conference on the Human Environment. Principle 1 states that “man has the fundamental right to freedom, equality and adequate conditions of life, in an environment of a quality that permits a life of dignity and well-being, and he bears a solemn responsibility to protect and improve the environment for present and future generations.” Another principle states, “the natural resources of the earth, including the air, water, land, flora and fauna and especially representative samples of natural ecosystems, must be safeguarded for the benefit of present and future generations through careful planning or management, as appropriate.”

Target 10 of MDG 7 reinforces these SD initiatives as it aims to integrate the principles of sustainable development into country policies and programs, and reverse the loss of environmental resources. This paper assesses the country’s commitment to ensure environmental sustainability by looking at the trend of government financing for the management and protection of environmental resources including forest, biodiversity, water, coastal and marine resources. It also looks into the budget for the improvement of air quality and waste management. However, the unavailability of data on the total investment needs required by all the environmental components limits its analysis only to the adequacy of financing for sewage and sanitation.

STATUS AND TRENDS

In a study conducted by Yale and Columbia Universities and commissioned by the Joint Research Committee of the European Commission, the Philippines ranked 55 out of 133 countries in the Environmental Performance Index Pilot for 2006, a significant leap from a previous ranking of 117th out of 142 countries in the same study. The categories of measurement are in terms of the quantity and the quality of water, quality of air, biodiversity, health, and energy. Again, this concerns number, but the picture here in our country paints a different story.

Forest resources and watersheds

The World Bank’s Philippines Environment Monitor 2004 states that of the 52 percent of the country’s population living in rural areas, 22 percent reside in or near forests and majority of these people rely on forest resources for their livelihood. The report showed that while there has been some increase in forest cover resulting from reforestation and natural regeneration, per-capita forest cover in the Philippines is still lowest in Asia. In addition, the remaining primary forests also remain under threat.

The Department of Environment and Natural Resources (DENR) classified half (15 million hectares) of total land as forestland and 47 percent as alienable and disposable (A&D) land. The remaining three percent remains unclassified. Lands previously categorized as forests but which were later converted



into agricultural or settlement lands were no longer reclassified. The same is true of lands converted from agriculture to other land uses, estimated to average at 2,631 hectares per year from 1988-2000. This, according to WorldBank, can lead to future conflicts in ownership and management, which can be a disincentive for land protection.

It is disturbing to note that around 76 percent of the total land area of the country faces some degree of degradation, as reported by the Philippines Environment Monitor (PEM) 2004. It also reveals that 45 percent of the total arable land and 66 percent of nonagricultural lands have been moderately to severely eroded, causing subsistence farmers to move to marginal lands¹ just to be able to eat daily. While the prime agricultural lands in Region III showed no apparent erosion, the report states that 35 percent of the total area of Regions IV, V and VII are slightly eroded. “The economic value of the loss of soil nutrients due to degradation doubled from PhP635 million in 1988 to PhP1.16 billion in 2000. To compensate for this loss, outlays for fertilizer have increased from PhP41.7 million to PhP154 million over the same period” (NSCB:2003).

Biodiversity of resources

The International Union for Conservation of Nature (IUCN) identified the Philippines as a biodiversity “hotspots”, meaning a country where biodiversity is extremely threatened by deforestation, conversion, fragmentation of natural habitats, unregulated trade and overall low environmental quality (Philippines Environment Monitor:2004).

In terms of commercial logging, the number of timber license agreements (TLAs) granted for commercial logging continues to decline from 137 in 1987 to 14 in 2004. In 2005, a more

¹ Soil-eroded areas

comprehensive review of all forestry permits was made and tenurial holders with violations and with low performance were assessed. DENR reported a total of 276 forestry contracts that were cancelled. Of these, 233 were Community-Based Forestry Management Agreements (CBMAs), 37 were Industrial Forest Management Agreements (IFMAs) and six were Industrial Tree Plantation Lease Agreements (ITPLAs). Despite all these, the World Bank's PEM revealed that encroachment and illegal extraction continue, and upland areas remain threatened. It added that the country now imports 60 percent of the wood and wood products it consumes.

Coastal and marine resources

The country's coral reefs are among the richest and most diverse in the world, with about 464 species of hard corals and more than 50 species of soft corals. However, more than 30 percent of these reefs are in poor condition. Moreover, there has been a steady decline in the quality of the coral reefs and only



about 0.24 percent were reported to be in excellent condition in 2004, compared to 4.3 percent in 2000. A whopping 98 percent of these reefs are "under medium or high threat" (Licuanan and Gomez:2000).

Aside from natural causes, PEM 2004 identified rising population and poverty near coastal areas as among those leading to the shortsighted overuse and destruction of marine resources. It added that poison and blasting (both destructive fishing) and overfishing still top the list of methods with anthropogenic impact on the country's reefs and seagrass areas. "Poaching, including by local communities and fishing-related environmental risks, were identified as the worst threats to reefs in the Visayan Sea. Sedimentation and tourism-related activities were next in rank.

In the Sulu and Celebes Sea, destructive fishing and overfishing, sedimentation and pollution were identified as the most common threats causing reef decline in the Philippines" (Wilkinson et al., 2002). Nevertheless, the number of marine-protected areas are "displaying improved reef parameters of living coral cover and fish abundance and healthy seagrass beds, both inside and adjacent to the sanctuary portion of the protected areas" (Nanola, et al., 2004 and White et al., 2002).

Air quality

"The health costs of fine particulate matter (PM10)² pollution in Metro Manila, Davao, Cebu and Baguio for 2001 have been estimated to be more than US\$400 million or around PhP20 billion. These costs account for 2.5 to 6.1 percent of per capita income in these cities" (PEM:2004). Data gathered by DENR from over 40 air-quality monitoring stations in 2003 and 2004 showed that majority of the stations exceeded the allowable or standard level of total suspended particles (TSP), although an improvement was noted. Those falling within the standards increased from 23 percent in 2003 to 31 percent in 2004. Davao and Bocaue, Bulacan registered the highest record in 2003 and 2004 respectively.

As of 2003, DENR reported that the TSP annual mean concentrations of ambient air in most monitoring stations in Metro Manila decreased by an estimated 14 percent compared with that recorded in 2000. PEM 2004 also showed that ambient concentrations of ozone and nitrogen oxides, while still within the standards, are on the rise, mostly due to a rapid increase in the number of motor vehicles.

Water resources

PEM 2003 revealed that access to clean and adequate water remains an acute seasonal problem in urban and coastal areas in the country. Metro Manila (NCR), Central Luzon, Southern Tagalog and Central Visayas are the four urban critical regions in terms of water quality and quantity. Monitoring data indicate that: a) 36 percent of the country's river systems are classified as sources of public water supply; b) up to 58 percent of groundwater sampled is contaminated with coliform and needs treatment; c) approximately 31 percent of illnesses monitored for a five-year period were caused by water-borne sources; and d) many areas are experiencing a shortage of water supply during the dry season.

As shown by PEM 2003, water pollution in the four water-critical regions is dominated by domestic and industrial sources. Poor water has been known to cause gastro-enteritis, diarrhea, typhoid, cholera, dysentery, hepatitis, and severe acute respiratory syndrome (SARS). While water-related health outbreaks go up, connection to a sewerage system remains low. Economic losses caused by water pollution were estimated by PEM to be around PhP67 billion (PhP3 billion for health, PhP17 billion for fisheries production, and PhP47 billion for tourism).

² Fine particulate matter penetrates the upper defenses of the respiratory tract and deposits deep in the lungs, affecting human health (PEM:2004)

Waste and toxic chemicals

According to ADB, the NCR and Southern Tagalog Regions respectively account for 23 percent and 13 percent of the total garbage generated annually. A recent study of the Bank showed that 6,700 metric tons of waste are generated daily in Metro Manila alone. Annual waste generation is expected to grow 40 percent by 2010. PEM 2004 estimated Metro Manila's annual solid waste collection and disposal to cost over PhP3.54 billion. It also showed that 5-24 percent of the total expenditures of Metro Manila's local governments went to solid waste management.

Approximately 2.3 million MT of hazardous waste are generated by industries every year, as reported by the Environmental Management Bureau (EMB) of DENR. By 2004, 3,015 hazardous waste generators were registered with the Bureau, a significant increase from the 721 generators in 2001. "Oil, immobilized waste, containers, and plating waste make up more than half (55 percent) or recorded hazardous waste nationwide. Hospitals generate an additional 6,750 tons of infectious waste annually. The NCR contributes 34 percent of hazardous and 47 percent of infectious waste" (PEM:2004).

With regard to forest resources and watersheds, the DENR prepared an Updated Master Plan for Forestry Development and adopted the Community-Based Forest Management Program, which consolidated the various programs on integrated social forestry, community forestry, coastal environment, and ancestral

domains. It transforms the role of forest dwellers from destroyers of the environment to protectors of the forests.

To mitigate the impact of natural disasters caused by soil degradation, the DENR imposed a log ban in 15 regions and carried out reforestation in open and denuded areas covering a total of 6,617 hectares. The latter was done with the help of other government agencies, LGUs, civic groups, NGOs, and the communities. Of the total area reforested, 1,329 hectares were planted within the critical Pampanga River Basin and 525 hectares in the Bicol River Basin.

DENR also issued Department Administrative Order (DAO) No. 24 on Coastal Area Special Use Agreement to address the declining fisheries productivity, loss of marine biodiversity and degradation of the coastal environment. Moreover, 11 Coastal Law Enforcement Teams were created to strengthen protection of the coastal and marine ecosystem. These teams drew members from the DA-BFAR, DILG, PNP, League of Municipalities of the Philippines (LMP), Philippine Coast Guard (PCG) and NGOs. Technical assistance was also provided to LGUs in the assessment and establishment of 17 marine sanctuaries.

To improve the air quality, airsheds were established in Metro Iloilo and Surigao. The greening program in Metro Manila and other urban centers nationwide was also revitalized to help minimize air pollution in the urban areas. A total of 116 mini-

Table ES1: Environmental quality at a glance

Indicators	Status	Priority Level
BROWN ENVIRONMENT		
Air pollution in Metro Manila and urban centers		
Ambient TSP level in MM, Cebu, Davao and Baguio	Declining particulate concentrations in urban centers but annual averages still exceed national standards. Non-conventional and area sources like biomass burning and re-suspended dust need controlling.	Medium priority
Number of highly polluting vehicles on MM roads	Declining number of polluting vehicles and rising production of cleaner motorcycles and vehicles. Rapidly rising vehicle population points to urgent need for public transport and transport management	Medium priority
River and coastal water quality		
% population with access to sanitation and sewerage	Access to sanitation rising slowly. Urban access to piped sewerage in Metro Manila is very low (8%) as the investments in sewerage are inadequate.	High priority
Contamination of groundwater	Total coliform contamination increasing with domestic wastewater accounting for majority of the pollution load	High priority
% industrial waste treated	More waste treated but the total production as well as illegal solid, toxic/hazardous waste dumping is rising	Medium priority
Solid hazardous waste		
Solid and hazardous waste generated	Total waste generation is rising with population while services are not keeping up with the demand.	High priority

Source: *Philippines Environment Monitor 2004*. World Bank.



forests were developed and 388 km of roadsides were planted with trees nationwide.

As for water resources, Phase 1 of the Angat Water Utilization and Aqueduct Improvement Project (AWUAIP) of the MWSS/MWCI/MWSI was completed in December 2005. This is a 5.5-kilometer by-pass aqueduct built to maintain and optimize the quantity of raw water delivered from Angat Dam via Ipo Dam-Bicti-La Mesa Portal System to the water treatment plants. The Manila Second Sewerage Project (MMSP), which aims to improve sanitation facilities for proper disposal of wastewater/septage, was also completed in 2005. It entails the construction of Septage Treatment Plant and Rehabilitation of existing sewerage system in Dagat-Dagatan in Tondo. In addition, the Implementing Rules and Regulations (IRR) of the “Clean Water Act” was approved.

On waste management, a set of guidelines on the eco-labelling of products (such as (i) synthetic laundry detergents, (ii) tissue paper products, (iii) zinc carbon and zinc alkaline manganese dioxide batteries, (iv) polyethylene and

polypropylene packaging materials, (v) automatic engine oil, and (vi) printing and writing paper) was prepared to promote waste recycling and recovery. The “Linis Estero” Program – an initiative that aims to de-clog canals, was also pursued to minimize flooding and doll up the metropolis. The DENR provided technical assistance to four LGUs in Metro Manila (Manila, Mandaluyong, San Juan and Quezon City) in the clean-up of critical “esteros” in their areas. In addition, the “Bateria Mo, Balik Mo Program” was implemented in 15 drop-off centers as part of the efforts to manage toxic and hazardous wastes. It deals with the retrieval and safe disposal of millions of batteries that usually just thrown anywhere.

FINANCING GOAL 7

To truly ascertain the likelihood of achieving MDG 7, it is important to look into the adequacy of government financing for environmental concerns. However, the wide coverage of environmental sustainability and the insufficient data on the investment requirement for forest resources, biodiversity, air and solid waste management make it difficult to determine the actual financing gap for Target 10. Hence, this paper will just be limited to the adaptation of the computed environmental investment needs of the Medium Term Public Investment Program (2005 – 2010) of the National Economic Development Authority and the identification of available resources mainly from the Department of Environment and Natural Resources (2005 -2010). Financing gap will be determined by getting the difference of the totals of the two (2) financing only for the sanitation and sewerage component, which has available data on its investment needs.

Investment requirements for Target 10

On the aggregate, the estimated MTPIP requirement for ensured environmental sustainability amounts to PhP198.8

Table ES-2: Medium Term Public Investment Program, CYs 2005 to 2010

	2005-2010 Cost in PhP Billion				
	NG	GOCC/GFI	PSP/LGU	Others	Total
1. Eradicate extreme poverty and hunger	518.0	365.4	367.2	43.6	1,294.3
2. Achieve universal primary education	56.2	0.0	0.0	0.6	56.8
3. Promote gender equality and empower women - Integrated in relevant components of the projects listed in the other Goals.					
4. Reduce child mortality	53.3	1.1	12.2	2.3	68.9
5. Improve maternal health					
6. Combat HIV/AIDS, malaria and other diseases.					
7. Ensure environmental sustainability	73.5	26.9	94.5	3.9	198.8
8. Develop a global partnership for development	17.2	91.2	0.0	16.7	125.1
TOTAL	718.2	484.7	473.9	67.2	1,743.9

Source: NEDA MTPIP 2005 – 2010 Estimates According to the Millennium Development Goals page 7

billion (item 7 of Table ES-2). The breakdown of the aggregate estimated investment requirement by cost is: National Government (NG) at PhP73.5 billion; GOCCs/GFIs at PhP26.9 billion; with Private Sector Participation (PSP) and Local Government Units (LGUs) counterpart at PhP 94.5 and Others or Grants at PhP3.9 billion. As can be seen, the PSP and LGUs counterparts take up the biggest share (47.5 percent) of the MTPIP investment requirements.

The total investment requirement for environmental sustainability ranks second in terms of financing need, next to goal 1 – eradication of poverty. It is only in goal 7—environmental sustainability— where the contribution of the PSP and LGUs

outrank the contribution of the National Government.

The NG contribution stated in Table ES-2 is not limited to the requirement attributed to the DENR. The amount of PhP73.5 billion is a collective amount composed of internal/ within the budget allocation from and among various National Government Agencies. The breakdown, i.e., as to what agencies are included in the PhP73.5-billion requirement, is unfortunately not readily available.

Available resources for Target 10

Table ES-3 showed that the country's total expenditures has remained constant in the range of 0.72 to 0.74 percent. It is

Table ES-3: Comparative expenditure program by sector CYs 2004, 2005, 2006 (In Million Pesos)

Particulars	Level						Percent Distribution		
	FY 2004	FY 2005	FY 2006 Proposed	DBM Recommendation	Program	Unprogrammed	FY 2004	FY 2005	FY 2006 Proposed
ECONOMIC SERVICES	168,224	157,994	197,176	158,586	148,814	9,772	19.40	17.20	18.72
Agriculture and Agrarian Reform	28,462	25,939	27,515	24,736	23,259	1,477	3.28	2.82	2.61
Natural Resources and Environment	6,258	6,801	7,571	7,036	7,013	23	0.72	0.74	0.72
Trade and Industry	3,474	3,019	3,083	2,891	2,883	7	0.40	0.33	0.29
Tourism	1,455	1,411	1,740	1,255	1,255		0.17	0.15	0.17
Power and Energy	1,780	1,511	2,223	1,857	1,856	2	0.21	0.16	0.21
Water Resources, Development and Flood Control	7,559	6,471	8,237	6,213	6,213		0.87	0.70	0.78
Communications, Roads and Other Transport	66,769	53,829	71,807	53,365	51,968	1,397	7.70	5.86	6.82
Other Economic Services	3,119	5,945	16,736	7,627	5,017	2,610	0.36	0.65	1.59
Subsidy to LGUs	49,350	53,068	58,263	53,606	49,350	4,256	5.69	5.78	5.53
SOCIAL SERVICES	250,205	254,263	293,930	251,539	236,991	14,548	28.86	27.68	27.91
Education, Culture and Manpower Development	128,789	135,442	146,446	134,296	131,032	3,264	14.85	14.74	13.90
Health	14,478	12,923	13,657	13,209	13,154	55	1.67	1.41	1.30
Social Security, Welfare and Employment	44,761	40,079	58,557	40,617	33,943	6,674	5.16	4.36	5.56
Housing and Community Development	1,599	1,739	2,752	1,889	1,880	9	0.18	0.19	0.26
Land Distribution	7,355	,422	4,422	2,227	2,181	46	0.85	0.48	0.42
Other Social Services	1,053		6,504	2,631	2,631		0.12	0.39	0.62
Subsidy to LGUs	52,170	56,101	61,593	56,670	52,170	4,500	6.02	6.11	5.85
DEFENSE	42,683	44,173	52,427	42,986	42,977	9	4.92	4.81	4.98
GENERAL PUBLIC SERVICES	139,320	141,868	161,497	-	-	-	16.07	15.44	15.33
General Administration	45,520	41,246	48,379				5.25	4.49	4.59
Public Order and Safety	53,254	54,405	60,507				6.14	5.92	5.74
Other General Public Services	1,066	3,763	6,000				0.12	0.41	0.57
Subsidy to LGUs	39,480	42,454	46,611				4.55	4.62	4.43
NET LENDING	5,676	6,928	8,250	8,434	5,500	2,934	0.65	0.75	0.78
DEBT-SERVICE (INTEREST PAYMENTS)	260,901	313,393	339,998	280,531	280,531		30.09	34.12	32.28
GRAND TOTAL	867,010	918,619	1,053,277	742,076	714,813	27,263	100.00	100.00	100.00

Source: Budget of Expenditures and Sources of Financing, 2006 (DBM)

comparable to the share of the Water Resources, Development and Flood Control and slightly higher than other social and other general public services. However, the scope of the operations and concern of the environment and natural resources is largely bigger than the sectors mentioned.

Table ES-4: Projected DENR budget for 2005 to 2010 (in million pesos)

Year	Projected DENR Expenditures (in million pesos)	Increase/ (Decrease)	Growth rate (+/-)
2007	5,992	343	7.799%
2008	6,355	363	7.799%
2009	6,741	386	7.799%
2010	7,150	409	7.799%
2005 to 2010	36,443		

Table ES-4 shows the projected available resources for forest and land management, protected areas and wildlife management, ecosystems research and development, environmental management and pollution control, and toxic substances and waste management from 2005 to 2010, based on historical costing. The projection was based on the average annual increase of the DENR budget as reflected in the National Expenditures Program (NEP) 2006. While it estimates a total amount of PhP36.4 billion as available funding for Target 10 by 2010, about three fourths of the budget is usually allocated for personal services. In 2006, for instance, only the remaining 23 percent of the total budget or roughly PhP1.153 billion was left for maintenance expenses and capital outlays. Such observation is based on the assumption that there will be no drastic changes in the components of the environment and natural resources sector and in the government's priority programs/projects.

The details of the proposed DENR 2006 budget per operations, local and foreign-assisted projects and per object of expenditures are shown as Annexes ES 1-5.

In terms of GOCC/GFIs, PSP/LGUs and other grants, there is no concrete or valid premise on the availability of financing resources from 2006 onwards, which are directly responsive or contributory to the targets of enhanced environmental sustainability.

The total financial gap for environmental sustainability up to year 2010 amounts to PhP162.4 billion (as shown in Table ES-5). The amount of available resources (based mainly on the DENR's projected budget) is hardly enough

Table ES-5: Financing gap on environmental sustainability, 2005 to 2010 (in billion pesos)

Available resources	Resource needs	Financial surplus/gap
36.4	198.8	162.4

to meet the needed resources of PhP198.8 billion. The NG's share, which provides the bulk of the budget for environment, is only P36.4 billion - a measly 18.3 percent of the total financing requirement. GOCC/GFIs, PSP/LGUs and external sources are, however, not considered in the computation. Nevertheless, the absence of the financing data of the last three financing sources is considered acceptable, since a substantial amount of the contribution should first come from national government.

ISSUES AND CHALLENGES

While there may be an average 7.8-percent annual increase in the DENR budget, the increment is not sufficient to meet the Department's targets on its regular activities such as boundary delineation, land survey and mapping, land classification, and land distribution – all of which are important elements in land ownership, management and protection. Moreover, the bulk of the department budget (around three-fourths of the pie) is spent on personal services or manpower needs, with the remaining 25 percent hardly enough to finance the sector's capital outlay and actual operations. There is also a need for a costing methodology that accurately assesses the investment needs and financing gap of the components of the sector.

Despite the hype on PA 21 and the MDGs, the government is still banking on the potentials of mining to generate the much needed resources, much to the chagrin of most environmentalists.



“With the present rate of deforestation due to logging through TLAs and IFMAs, mining licenses and claims, our forest will dwindle down to 320,000 hectares of primary forest by year 2010, if nothing is done today” (ESSC:1999). The challenge lies in ensuring that all mining activities in the country strictly conform to its environmental laws. Unfortunately, most laws enacted to protect the environment are often the ones with no clear budgetary allocations. It is therefore crucial to remind all stakeholders concerned that the goal of financial gain should be balanced with the broader goal of sustainable development.

RECOMMENDATIONS

1) Do away with debt-for-equity swap schemes, especially those that do not significantly reduce our debt stock but just transfer resources to profit-making activities instead of funding actual conservation work;

2) Increase the share and allocation of social services that are covered in the MDG targets by reducing the percentage of the national budget that is automatically devoted to debt servicing;

3) Implement measures that will generate resources from companies and or entities who profit from destructive environmental endeavors.

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ANNEX ES-1: CY 2006 National Expenditures Program of DENR

	PS	MOOE	CO	TOTAL
A. OFFICE OF THE SECRETARY	3,159,432,000	667,421,000	136,037,000	3,962,890,000
B. ENVIRONMENTAL MANAGEMENT BUREAU	124,466,000	131,979,000	30,600,000	287,045,000
C. MINES AND GEO-SCIENCES BUREAU	306,598,000	95,853,000	-	402,451,000
D. NATIONAL MAPPING AND RESOURCE INFORMATION AUTHORITY	174,535,000	90,690,000	-	265,225,000
Sub-total	3,765,031,000	985,943,000	166,637,000	4,917,611,000
Foreign-Assisted Projects	6,923,000	417,750,000	306,870,000	731,543,000
Grants			16,100	16,100
TOTAL	3,771,954,000	1,403,693,000	473,507,000	5,649,154,000

Source: National Expenditures Program, CY 2006

ANNEX ES-2: Detailed proposed budget for the Office of the Secretary, DENR

	PS	MOOE	CO	TOTAL
A. PROGRAM				
I. General Administration and Support	692,145,000	169,113,000	20,775,000	882,033,000
II. Support to Operations				
a. Coordination, Formulation and Integration of ENR Sector Plans and Policies	125,028,000	15,814,000	320,000	141,162,000
b. Coordination, Monitoring and valuation of ENR Program and Projects Including Those Devolved to Local Government Units	25,615,000	17,685,000		43,300,000
c. Information System Development and Maintenance	12,045,000	6,570,000	990,000	19,605,000
d. Statistic Services	6,872,000	7,468,000		14,340,000
e. Production and Dissemination of Technical and Popular Material in the Conservation and Development of Natural Resources Including Environment Education	30,755,000	26,342,000	82,000	57,179,000
f. Legal Services, Including Operations Againsts Unlawful Titling Of Public Land	68,879,000	9,655.00		78,534,000
g. Conduct of Special Studies, Design and Development in Support of Forestry, Mining and Environment Management Operations	7,438,000	23,475,000	1,250,000	32,163,000
h. Provision for Operation Against Illegal Forest Resources Extraction/Utilization Activities, Including Payment of Reward to Informers in the Discovery and Seizure of Illegally Collected/ Transported Forest Products and the Apprehension of Violators of Section 68 (b) of P.D. No. 705, as Amended by E.O. No. 277, the Hauling Fees of Confiscated Logs, Space Rentals, Guards Representation Expenses and others Expenses in the Disposal/ Selling of Confiscated Illegally Cut logs, Subject to Special Budget and Approval by the President		5,000,000		5,000,000
i. Laboratory Services		894,000		894,000
Sub-total, Support to Operations	276,632,000	112,903,000	2,642,000	392,177,000
III. Operations				
a. Forest Management	1,280,471,000	183,880,000	99,731,000	1,564,082,000
b. Land Management	642,822,000	63,210,000	250,000	706,282,000
c. Protected Areas and Wildlife Management	124,769,000	67,970,000	11,907,000	204,646,000
d. Ecosystems Researches and Development	142,593,000	70,345,000	732,000	213,670,000
Sub-total, Operations	2,190,655,000	385,405,000	112,620,000	2,688,680,000
Total, Programs	3,159,432,000	667,421,000	136,037,000	3,962,890,000

Source: NEP, CY 2006

ANNEX ES-3: Expenditure program for CY 2006 of the Environmental Management Bureau, DENR

	PS	MOOE	CO	TOTAL
A. PROGRAMS				
I. General Administration and Support	8,525,000	35,347,000	-	43,872,000
II. Support to Operations				
a. Planning and Policy Formulation	723,000	1,275,000	-	1,998,000
b. Environmental Education and Information	5244000	1602000	-	6846000
c. Legal Services and Provision of Secretariat Services to the Pollution Adjudication Board	4,555,000	2,491,000	-	7,046,000
d. Pollution Research and Laboratory Services	6,474,000	7,953,000	-	14,427,000
Sub-total, Support to Operations	16,996,000	13,321,000	-	30,317,000
III. Operations				
a. Environmental Management and Pollution Control	98,945,000	58,344,000	30,000,000	187,289,000
b. Toxic Substances and Wastes Management	98,945,000	24,967,000	-	24,967,000
Sub-total, Operations	124,466,000	83,311,000	30,000,000	212,256,000
Total, Programs		131,979,000	30,000,000	286,445,000
B. PROJECT(s)				
I. Locally-Funded Project(s)				
a. Water Quality Monitoring and Community-Based Waste Management Project for the Pasig River Rehabilitation Plan			600,000	600,000
Total, Projects	-	-	600,000	600,000
TOTAL NEW APPROPRIATIONS	124,466,000	131,979,000	30,600,000	287,045,000

Source: NEP, CY 2006

ANNEX ES-4: Expenditure program for CY 2006 of the Mines and Geo-sciences Bureau, DENR

MINES AND GEO-SCIENCES BUREAU				
	PS	MOOE	CO	TOTAL
A. PROGRAMS				
I. General Administration and Support	70,534,000	22,186,000	-	92,720,000
II. Support to Operations				
a. Planning and Policy Formulation	2,783,000	1,056,000		3,839,000
b. Mineral Economics, Information and Publications	5,682,000	3,347,000		9,029,000
c. Research and Development	50,300,000	6,610,000		56,910,000
Sub-total, Support to Operations	58,765,000	11,013,000	-	69,778,000
III. Operations				
a. Mineral Lands Administration	130885000	31587000		162,472,000
b. Geoscience Development and Services	46414000	21689000		68,103,000
c. Operation and Maintenance of the RPS Explorer		9378000		9,378,000
Sub-total, Operations	177,299,000	62,654,000	-	239,953,000
TOTAL NEW APPROPRIATIONS	306,598,000	95,853,000	-	402,451,000
NATIONAL MAPPING AND RESOURCE INFORMATION AUTHORITY				
	PS	MOOE	CO	TOTAL
I. General Administration and Support	34,160,000	22,321,000		56,481,000
II. Operations				
a. Water, Coastal and Land Surveys	71,325,000	45794000		117119000
b. Mapping and Remote Sensing	49,129,000	19627000		68756000
c. Information Management and Statistical Services	19,921,000	2948000		22869000
Sub-total, Operations	140,375,000	68,369,000	-	208,744,000
TOTAL NEW APPROPRIATIONS	174,535,000	90,690,000	-	265,225,000

Source: NEP, CY 2006

ANNEX ES-5: List of foreign assisted projects, environment related, CYs 2004 to 2006

DONOR / CREDITOR	DEPARTMENT / AGENCY / PROJECT TITLE	FY 2004 ACTUAL	FY 2005 PROGRAM	FY 2006 NEP
		TOTAL	TOTAL	TOTAL
ADB	DEPARTMENT OF ENVIRONMENT and NATURAL RESOURCES	636,627	609,745	747,643
	Office of the Secretary	636,627	609,745	747,643
	Metro Manila Air Quality Improvement Sector Development Project	137,546	188,933	78,768
CIDA	Philippine-Canada Environmental and Economic Management Project	56,258	-	-
JEXIM/CITIBANK	San Roque Multi-Purpose Project	3,678	100,000	100,000
EU	National Integrated Protected Areas System Program	1,762	-	-
EU	ASEAN Regional Center for Biodiversity Conservation	8,116	-	-
JBIC	Southern Mindanao Integrated Coastal Zone Management Project	142,736	269,536	387,024
USAID	Natural Resources Management Program	5,702	-	-
UNDP	Strengthening Local Environmental Planning Management	-	-	-
WB-GETF	Conservation of Priority Protected Areas Project	-	-	-
WB	Land Administration Management Project	38,839	10,255	109,519
WB-GETF	Mindanao Rural Development Project - Coastal and Marine Biodiversity Conservation Component	22,752	16,100	16,100
WB-IBRD	Environmental and Natural Resources-Sector Adjustment Loan Project	-	-	-
GEF-UNDP	Partnership in Environmental Management for the Seas of the East Asia	9,984	-	-
GEF-UNDP	Samar Island Biodiversity Project	108,840	-	-
SIDA	International Coral Reef Initiatives	-	-	-
ADB	Low Income Upland Communities Project	-	-	-
GTZ	RP-German Community Forestry Project, Quirino (Formerly : RP-German Integrated Rainforest Management Project)	1,036	-	-
JBIC	Forestry Sector Project II	82,334	-	-
WB-IBRD	Water Resources Development Project	14,451	24,921	-
	Enhancement of Rural Livelihood in Mindanao Upland Project	-	-	-
IBRD/GEF	River Basin and Watershed Management Program Project	-	-	-
GTZ	Leyte Island Program on Sustainable Management of Natural Resources	1,490	-	-
GTZ	Integrated Visayan Seacoastal Resources and Fisheries Management Program	1,103	-	-
	Philippine Econogovernance Program	-	-	-
UNDP	Improved Production of Man-Made Forest	-	-	-
KFW	Debt for Nature Swap (Initiative)	-	-	-
WB	Laguna de Bay Institutional Strengthening and Community Participation Project			56,232

Source: Budget of Expenditures and Sources of Financing, CY 2006, Department of Budget and Management

Meeting the challenges: Safe drinking water and basic sanitation

By Reynaldo G. Tagudando

INTRODUCTION

The Millennium Development Goals (MDGs)

THE historic Millennium Declaration at the United Nations Millennium Summit in September 2000 set concrete commitments for 189 member countries to attain “Eight Goals”: ranging from halving extreme poverty to halting the spread of HIV/AIDS to enrolling boys and girls everywhere in primary schools by 2015.

Although the goals provide a good framework for progress, specifically for human development, these will remain goals and targets only, if the financing needed for their attainment is not there.

Any effort by UN member countries to meet the goals depends on the existing financial strategies, policies and support of these countries.

This study attempts to find out how much is needed and how much financing is available to achieve specific goals and targets. Recommendations will be made to address issues/concerns in attaining the goals despite the financing gap.



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Much has been written and discussed about the status and trends of the MDG goals and targets, but few have centered on the **FINANCING** side. This paper will seek to find answers to two basic questions:

1. *May pera pa ba para sa MDGs?* (Are there resources/ money for the MDGs?); and
2. *Kung may pera naman, sapat ba?* (If there are resources, are they enough?)

Identification of the assigned MDG goal and target

This paper shall focus on:

MDG No. 7: **Ensure environmental sustainability**

Target No. 11: **Halve the proportion of people with no access to safe drinking water and basic sanitation, or those who cannot afford it, by 2015**

In adopting the Millennium Development Goals, the countries of the world had promised to reduce by **half the proportion of people without access to safe drinking water and basic sanitation**. The results so far are mixed. With the exception of sub-Saharan Africa, the world is well on its way to meeting the drinking water target by 2015, but progress in sanitation is slowed down in many developing regions.

Safe water and basic sanitation are basic services which are reposed on the public sector, specifically the national government. The private sector, civil society and local government units are just side actors in the attainment of this MDG goal and target.

Purpose of the goal and target

The combination of safe drinking water and hygienic sanitation facilities is a precondition for health and for success in the fight against poverty, hunger, child deaths and gender inequality.

It is also central to the human rights and personal dignity of every woman, man and child. Our collective failure to address this problem dims the prospects of the billions of people locked in a cycle of poverty and disease.

Definition of terms

1. Water Quality¹

Drinking water must be:

- Clean
- Colorless
- Free from objectionable taste and odor
- Free from any substance, organism, or radioactive material at a level and/or concentration which could endanger the health and lives of the public

2. Access to safe drinking water

It is the percentage of the population using improved drinking water.

a) Improved drinking water sources

- Household connection
- Public standpipe
- Borehole
- Protected dug well
- Protected spring
- Rainwater collection

b) Unimproved drinking water sources

- Unprotected well
- Unprotected spring, rivers or ponds
- Vendor-provided water
- Bottled water²
- Tanker truck water

3. Access to sanitary facilities

It is defined as access to, and use of, facilities for excreta and wastewater, and services that provide privacy and dignity while ensuring a clean and healthy living environment both at home and in the immediate neighborhood of users.

a) Improved sanitation facilities

- Connection to a public sewer
- Connection to a septic system
- Pour-flush latrine
- Simple pit latrine³
- Ventilated improved pit latrine

b) Unimproved sanitation facilities

- Public or shared latrine
- Open pit latrine
- Bucket latrine

Enabling laws and policies

The enabling laws and policies concerning safe water and sanitation are the following:

1. President's Ten- Point Agenda
2. The Medium Term Philippine Development Plan of 2004-2010
3. Philippine Clean Water Act of 2004 or Republic Act No. 9725
4. P3W (The President's Priority Program on Water)
5. Memorandum of Agreement between Department of Public Works and Highways (DPWH) and the National Anti-Poverty Commission (NAPC) = Water Supply and Sanitation Coordinating Office (WASCO)
6. Executive Order 124, Reconstituting the National Water Resources Board

The Ten-Point Agenda of the President commits her government to providing electricity and potable water to all barangays. This policy was complemented in the Medium Term Philippine Development Plan for 2004 up to 2010 and the FY

¹ NAPC- Water & Sanitation Coordinating Office (WASCO)

² Bottled water is not considered improved due to limitations in the potential quantity, not quality, of the water. Source: website –www.wpep.org (water project enhancement program)

³ Only a portion of poorly defined categories of latrines are included in sanitation coverage estimates.

2006 budget message, as a part of the administration's socioeconomic renewal theme for the coming year.

The Philippine Clean Water Act of 2004 mandates the Department of Environment and Natural Resources (DENR) to implement a comprehensive quality management program to guarantee effective water utilization and conservation. It aims to protect the country's water bodies from pollution from all sources such as industries and commercial establishments, agriculture and community and household activities. Moreover, it provides for a comprehensive and integrated strategy to prevent and minimize pollution through a multisectoral and participatory approach involving all stakeholders.

The P3W means "President's Priority Program on Water: Water for Waterless Barangays." It aims to increase the number of households with access to potable water supply and sanitation services in the identified 432 waterless municipalities (see Annex A) outside Metro Manila and 210 communities in Metro Manila.

The P3W project created the DPWH and NAPC joint coordinating office called WASCO, which will facilitate the grant-matching, local government contributions and partnership building with DPWH and municipal levels.

Executive Order 124 through the National Water Resources Board will continue to formulate an organizational structure that effectively carries out its mandate, including economic and resource regulation. Through this EO, the NWRB shall act as the independent economic regulator for the water sector. Hence, private-sector participation and investments for water resources are expected to increase.

Enabling agencies

The National Government Agencies, local government units and the private sectors are the actors/players involved in and responsible for the formulation, implementation and assessment of the safe drinking water and sanitation programs, projects and activities of the country.

The National Government Agencies involved are the DPWH – Project Monitoring Office for Water Supply; DPWH – Local Water Utilities Authority; Department of Interior and



Local Government-Water Supply and Sanitation Project Monitoring Office; and the NAPC – Water and Sanitation Coordinating Office.

Since many infrastructure projects are implicated in the attainment of the water and sanitation project, the DPWH is one of the main departments that actively form part of the national government agencies. The DPWH works closely with the DILG and the NAPC.

Among the Local Government Units, the principal local implementing unit is the Planning and Development Board and Engineering Office.

The Local Government Units (LGUs) are also vital players in the water and sanitation program. Most of the main activities such as advocacy, equipment maintenance and monitoring, capacity-building and community participation are done at LGUs levels.

Other participating agencies are the private sector, water districts, water cooperatives, water utilities/water service providers, and people's organizations/ NGO such as the Philippine Center for Water & Sanitation (PCWS) and the Water Supply Sanitation & Hygiene for All (WASH).

Lastly, private sector and nongovernment organizations are the support and assistance groups who help in the organization and preservation of the common interest.

CURRENT STATUS OF THE ASSIGNED MDG GOAL AND TARGET

Comparative Regional Data

The Philippines is way behind Thailand and Malaysia in terms of access to water sources and sanitation for the year 2002. Although the available data for Malaysia is limited, it still has a higher percentage of access than our country. China and Cambodia, countries belonging to East Asia, fall below the Philippine rate.

The nonmoving or undeveloped state of water sources for the Philippines is an alarming indicator because for a 12-year period (1990-2002 Table W-2), there was a 2 percent decrease in the access to water sources.

Table W-1 shows a better picture of the Philippines compared to the ratings stated on Table W-2 because the World Bank data is confined to the urban sewerage and sanitation only. Table W-2, on the other hand, rates the country with a significant and stagnant progress on sanitation and water sources, respectively.

Status and Trends

The goal for MDG access to safe drinking water and sanitary toilet facility is **87 percent by 2015**.

The MTPDP 2004-2010 targets, on the other hand, are:

- 92 percent to 96 percent (for safe drinking water) and
- 86 percent to 91 percent (for sanitary toilet facility)

According to the *2nd Philippine Progress Report on the MDGs*, over 2 million households still do not have access to water that is safe and affordable.

- Household access to safe water supply = 78.69 percent⁴ to 80 percent⁵
- Households with sanitary toilet facility account for 81.97 percent⁶ to 86 percent⁷

About 96 percent of Central Luzon families obtain water from community water systems, while the most disadvantaged region in terms of having access to clean and safe water is the Autonomous Region in Muslim Mindanao (ARMM), where only one-third or 33 percent of families use water coming from community water systems.

Table W-1: Asian countries' figures on the urban access to water sources and urban sanitation, 2001 to 2002

Country	Population (Millions)	Urban Population	Pop. Density (per sq.km.)	GNP per Capita (US\$)	Female literacy ¹	Access to WS ²	Urban Sanitation ³
Philippines	76	59%	253	1,040	95%	91%	88%
Thailand	61	22%	119	2,000	93%	94%	98%
Malaysia	23	57%	71	3,380	82%	100%	100%
East Asia and Pacific	1,855	35%	116	1,060	78%	89%	61%

Source: *World Bank Water and Sanitation Program: Urban Sewerage and Sanitation Lessons Learned From Case Studies in the Philippines: June 2003*, adapted from *World Development Report 2001/02*

¹ Percent of literate adult women (aged 15 and above)

² Percent of urban population with access to improved water sources

³ Percent of urban population with access to sanitation

Table W- 2: Situation of selected Asian countries with access to sanitation and improved water sources 1990 to 2002

Country	Population with Access to Sanitation			Population with Access to Improved Water Sources		
	1990 (%)	2002 (%)	Progress/ Regression	1990 (%)	2002 (%)	Progress/ Regression
Philippines	54	73	Significant progress	87	85	stagnant
Thailand	80	99	Significant progress	81	85	Slight progress
Malaysia	96	(no data)	(no data)	(no data)	95	(no data)
China	23	44	Significant process	70	77	Slight progress
Cambodia	(no data)	16	(no data)	(no data)	34	(no data)

Source: *Joint Monitoring Programme for Water Supply and Sanitation, UNICEF and WHO from the book Social Watch Report 2005: Roars and Whispers. Instituto Del Tercer Mundo. Copyright 2005, p. 97.*

⁴ 2000 Census, National Statistics Office (NSO)

⁵ 2002 Annual Poverty Indicators Survey APIS, NSO

⁶ 2000 Census, National Statistics Office (NSO)

⁷ 2002 Annual Poverty Indicators Survey APIS, NSO

Annex “A” (List of 432 Waterless Municipalities) enumerates municipalities with less than 50 percent of total households having access to potable water (based on the 2000 NSO data). Such list was identified by the WASCO. Of the total 432 waterless municipalities, the municipality of Roseller Lim (Zamboanga del Sur) has the highest rate at 49.92 percent. The lowest waterless municipalities were: Pangutaran (Sulu) – 0.95 percent; Turtle Islands (Tawi-Tawi) – 0.93 percent; and Tubaran (Lanao del Sur) – 0.48 percent.

The Region with the highest rate of access to water among the waterless list is the Cordillera Autonomous Region (CAR), having an average 41.34 percent access to water with the municipality of Atok (Benguet), at 48.57 percent, as the highest and municipality of Flora (Apayao), at 34.24 percent, as the lowest. On the other hand, The Autonomous Region in Muslim Mindanao (ARMM) has the lowest average rate of access among the waterless regions at 23.99 percent. The highest municipality in ARMM is Sultan Kudarat (Maguindanao), with 48.19 percent, while the lowest municipality is Turtle Islands (Tawi-Tawi) at 0.93 percent. All of the regions have municipalities on the waterless list, except for the National Capital Region (NCR).

Facts and Figures on Water Supply and Sanitation in the Philippines⁸ (Annex “B”), detailing the percentage of families with access to safe drinking water for CY 1999, shows that Batanes and Aurora provinces have 100 percent access to safe drinking water. Most provinces in Central Luzon enjoy accessibility rates ranging from 95 percent to 99 percent. The lowest-ranked is the province of Tawi-Tawi with 11.4-percent accessibility.

On sanitation, NCR has the highest proportion of families with sanitary toilets, 98 percent. Again, the ARMM has the lowest rank at 45 percent of families with sanitary toilets.

Various literature have attributed the decline in water supply and sanitation coverage largely to the rapid increase in demand. Annual population growth rate averages 2.34 percent, or roughly 1.8 million people more to be served each year.

Table W-3 illustrates the percentage distribution of drinking water source, use of private flush toilet and toilet facility. Piped water as a water source, although at the 40 percent rate, is still close to the use of protected wells. Private flush toilet is more widely used in urban than rural households. Toilet facilities, on the other hand, are at an acceptable level.

Sanitation practices in the country, as seen in table W-4, range from sewerage, septic tanks, pit latrines, flying saucers (throwing of waste anywhere), open spaces (fields, vacant lots) and open seas. The most prevalent practice is the septic tank system.

Water distribution in the metropolitan area is managed by two large concessionaires; Manila Water Company, Incorporated and

Table W-3: Percentage of drinking water source, use of private flush toilet and no toilet facility in urban and rural areas, 2002

Drinking water source	Percentage
Piped water into dwelling/yard/plot	40 of the country's households
Protected wells	35
Others	25
Use of private flush toilet	
Urban areas	77 of urban households
Rural areas	54 of rural households
NO toilet facility	
Urban areas	4 of total households
Rural areas	15 of total households

Source: 2003 National Demographic Health Survey, National Statistics Office

Table W-4: Current sanitation practices

Current Sanitation Practices:	
Sewerage	(minimal)
Septic Tanks	(majority)
Pit Latrines	(rural areas)
Flying Saucers	(depressed areas)
Open spaces	
Open seas	

Source: 2005 Ecological Sanitation, Center for Advanced Philippine Studies

Table W-5: Water distributors

Water Distributors ⁹ :
Metropolitan Waterworks & Sewerage System (MWSS) with 2 water concessionaires
Water Districts
Water Associations
Local Government Units
Cooperatives
Private Sector/ small-scale water providers
Bulk water suppliers

Source: 2005 Ecological Sanitation, Center for Advanced Philippine Studies

Maynilad Water Supply, Incorporated. In rural areas, water distribution is administered by any of the following: Water District, Water Associations, LGUs concerned, cooperatives, small-scale water providers and bulk water suppliers. The lower the level of the water distributor, the higher the cost of the people's water consumption.

⁸ www.wpep.org

⁹ The distribution of these systems, however, are LIMITED.

Government's actions

At the Cabinet meeting on Water and Power held on November 2, 2004, President Gloria Macapagal-Arroyo appointed Secretary Imelda M. Nicolas, Secretary General of NAPC as the new Water and Power Czar, and eventually mandated the organization of the Water and Sanitation Coordinating Office (WASCO).

The Water and Sanitation agenda of the President may be addressed on two levels:¹⁰

1. Addressing the medium-term goal of providing safe water and sanitation to the "Waterless Barangays"; and
2. Addressing the sustainable and strategic development of the water and sanitation sector, especially toward realizing the MDGs targets on water and sanitation.

The focus on waterless areas prompted a national advocacy campaign directed at various stakeholders, specially the LGUs and the NGOs who can assist in pursuing the "P3W Water for Waterless Barangays."

Scope of work number four of the WASCO states that the Office shall coordinate, oversee and monitor the development and implementation of a Resource Mobilization Campaign to generate funds and other resources in support of the "P3W Water for Waterless Barangays." Specifically, WASCO shall:

- Engage in partnership-building with national government, local governments, nongovernment organizations, private organizations, academe and other stakeholders;
- Coordinate with and enlist the support of all relevant government agencies in support of achieving the Program's objectives; and
- Organize a Water and Sanitation Trust Fund that can be used to support water and sanitation projects.

The DILG is crafting a Master Plan for Water Supply and Sanitation Sector in partnership with foreign donors, such as the Japan International Cooperation Agency (JICA), Australian Agency for International Development (AusAID), Asian Development Bank (ADB), and World Bank through the Water and Sanitation Program Office.

The President's budget message for FY 2006, "Moving the 10-point Agenda for Socioeconomic Renewal and Fiscal Health," also has the Kalayaan Barangay Program to pursue basic infrastructure works such as access to roads, **water system** and electricity, facilities and school buildings.¹¹

NGO's actions

Several NGOs and People's Organizations are engaged in advocacy and support work for the attainment of the safe water supply and sanitation goal.

One of those the researcher interviewed is the Philippine Center for Water and Sanitation (PCWS), which started in 1990 as a project of the Netherlands-based Institute of Infrastructure, Hydraulics and Engineering (IHE). Known at that time as International Training Network (ITN), it provided a platform for government, nongovernment groups and the academe to work together for the promotion of community-based water supply and sanitation systems.

PCWS works for the awareness, appreciation, protection and conservation of water resources. It offers technical assistance and consultancy services in environmental sanitation, policy advocacy, action researches, training, appropriate technologies for water supply and sanitation and decentralized wastewater treatment systems (DEWATS).

PCWS actively promotes community participation and encourages local initiatives for sanitation efforts and the protection and conservation of water resources. Engineers of PCWS-ITNF develop and test locally-suited, low-cost, appropriate technologies on water supply and sanitation. These are then shared with local communities. Experiences and lessons from the implementation of PCWS projects are shared through publications, training, consultancies, and research-based advocacy efforts.

It leads the *WASH* (Water, Sanitation and Hygiene) *Philippines* coalition of 21 organizations working for the achievement of the Millennium Development Goal targets for water supply and sanitation in the Philippines.

To improve the health and environment of low-income urban communities, PCWS and Bremen Overseas Research and Development Association (BORDA) promote community-based management of DEWATS using specific mechanisms for planning, budgeting, and designing sanitation facilities. The community chooses the most suitable technology and approach for them, based on their own needs and capabilities. PCWS and BORDA enhance the community's capability to operate and maintain their chosen system.

Generally, the NGOs and POs' focus of action is on advocacy and capacity building for the following:

1. Low-cost water and sanitation technologies (e.g. rainwater collection; traditional vs. conventional water tanks; ecological sanitation)
2. Openness for "new practices"; and
3. Means for accessing resource programs and making proposals

There is also a strong and active endorsement for the environmental/ ecological sanitation or EcoSan, defined as: the promotion of hygiene and the prevention of disease and other consequences relating to environmental factors.¹²

¹⁰ WASCO scope of work draft2, November 12, 2004.

¹¹ The President's FY 2006 Budget message: p.20, 31-32.

¹² Rosalie Castro, Junior Professional Officer of Philippine Centre for Water and Sanitation-International Training Network Foundation. *Water and Environmental Sanitation: The Experience of San Luis, Agusan Del Sur, Philippines*



Ecological sanitation has two dimensions: environmental factors and sanitation practices. Environmental factors include the disposal of human excreta, sewage, household waste and other waste likely to contain infectious agents, water drainage, domestic water supply and housing. All of these have an impact on the transmission of infectious agents and incidence of disease.

Sanitation practices are the various hygienic practices of the communities, their basic knowledge, skills and human behaviors. Included are social and cultural factors influencing health, life-styles and environmental awareness. These include personal hygiene (washing, dressing, eating), household cleanliness (kitchen and bathroom cleanliness) and community hygiene (waste collection, maintenance of public places).

The EcoSan or the segregation of the dry and wet human waste, already being practiced by various Asian countries (Annexes H and I) will help keep water consumption at low level, reduce wastewater management costs, improve the public health conditions of the community, provide lower construction cost (Annexes K-1 to K-3) and provide for probable utilization of waste resources as fertilizers to farm products (Annex K-4).

At the national level, the benefits of EcoSan are: water conservation, protection of water bodies, employment creation,

increased food security and reduced wastewater management costs.

At the Local/ individual level, the benefits are lower water consumption, improved public health conditions, lower construction cost and the utilization of waste resources, i.e., NPK (ammonium nitrate as fertilizers).

FINANCING THE ASSIGNED MDG GOAL AND TARGET Requirements

There is no absolute figure or computation of the total funding requirement for MDG Number 7, target 11 (safe drinking water and sanitation) due to the demand-driven approach (based on community/LGU proposal and/or master plan) being implemented by the NGAs, specifically the DILG, DPWH and NAPC – WASCO, and DPWH-LWUA.

According to interviews with the DILG Water Supply and Sanitation Project Monitoring Office, each province/ LGU sets its own funding requirement and there is no available database on the consolidated water supply requirement of the country.

Interviews with NGOs show that the high cost of the water supply infrastructure is not necessary to the attainment of the goal. Such huge amounts of funding could even give rise to graft and corruption, as seen in several high-level infrastructure projects that were previously built but not utilized and maintained properly. According to PCWS, water and sanitation do not require that much financing, and the cost depends on the community's particular situation/scenario.

The P3W project of the WASCO commencing from CY 2005 and ending CY 2010 costs PhP4.0 billion, computed as follows:¹³

Basis of P3W:

Household Population = 1 million
(1st 200 municipalities)
20 percent of 1 million = 200,000 (target household)
With 60-percent Level II and 40-percent Level I combination
120,000 households will be served with Level II water system
80,000 HH with Level I facilities

Budget Requirement:

Assumption:

Level II $\frac{120,000}{100} \times \text{PhP}1.4 = \text{PhP}1.68\text{B say, PhP}1.5\text{B}$
Level I $\frac{80,000}{15} \times \text{PhP}100,000 = \text{PhP}0.533\text{B say, PhP}0.5\text{B}$
PhP2.0B

Therefore: for 432 municipalities = PhP2.0B x 2 = PhP4.0B

¹³ President's computation of total budget requirement for 432 waterless municipalities in 6 years (Cabinet Meeting, November 2, 2004).

Table W-6: Six-year program for 432 waterless municipalities, P3W's computation¹⁴

Year	1/Funding (Pmillion)	# of facilities		2/# of households		TOTAL	
		Level I	Level II	Level I	Level II	# of facilities	# of households
2005	500	1,200	270	18,000	27,000	1,470	45,000
2006	500	1,200	270	18,000	27,000	1,470	45,000
2007	500	1,200	270	18,000	27,000	1,470	45,000
2008	700	1,684	380	25,260	38,000	2,064	63,260
2009	800	1,925	434	28,875	43,400	2,359	72,275
2010	1,000	2,411	546	36,165	54,600	2,957	90,765
TOTAL	4,000	9,620	2,170	144,300	217,000	11,790	361,300

Source: WASCO, P3W

¹⁴ Assumption: P 100,000/ Level I facility, Source: DPWH
PhP1.4M / Level II Facility Source: DILG² Assumption: 15 household served/ Level I system, source: NEDA
100 household served/ Level II system source: DILG

The PhP4.0 billion funding requirement for the 432 waterless municipalities, as computed in Table W-6, falls short in costing because it is computed at 400 municipalities only.

To have an idea of the funding requirement of a certain province, a case study¹⁵ of Sulu's water supply requirement, with a population of 619,668 or 0.81 percent of the total national population of 76.5 million, was evaluated based on the current condition of existing water supply system and sanitation facilities. Such computation was based on Sulu's priority service areas, water source/s availability, and service area population.

The study aimed to provide a 10-year period for water and sanitation project in the province of Sulu. The implementation of the project is assumed to be undertaken in two phases: Phase I to cover the needs of the province from year 2005 to 2010, and Phase II from 2010 to 2015.

Based on Sulu's Cost Estimates (Annexes L and M), the required development cost for water supply and sanitation facilities

Table W-7: Sulu's Summary of Water Supply and Sanitation Requirements

Sector	Service Coverage	Phase I Facilities	Phase II Facilities
Water Supply-Urban	74,060	38,555	31,991
Water Supply-Rural	110,369	121,760	69,123
Household Toilets	35,597	19,288	54,100
School Toilet	370	49	36
Public Toilet	15	30	22

Source: DILG-JICA, December 2003. Comprehensive Basic Study of the Autonomous Region in Muslim Mindanao in the Republic of the Philippines, Final Report: Water Supply and Sanitation Sector of the Province of Sulu

¹⁴ WASCO data.¹⁵ DILG-JICA, December 2003. Comprehensive Basic Study of the Autonomous Region in Muslim Mindanao in the Republic of the Philippines, Final Report: Water Supply and Sanitation Sector of the Province of Sulu.

covering Phase I (2005-2010) and Phase II (2010-2015) will amount to PhP981.985 million and PhP676.768 million, respectively. The PhP982-million cost estimate for CY 2005 is true for Sulu's scenario only. When we multiply that by the total number of provinces needing the same level of financing, the PhP500 million fund of the PhP3W is definitely insufficient. The problem is, it is difficult to say by how much.

B. Resources / sources of financing

The Program Resources for water supply and sanitation may be sourced from either support from national agencies or from external support agencies.

Table W-8: Sources of Financing for Water and Sanitation 1997 to 2010, (in million pesos)

ADB	Rural Water Supply Sewerage and Sanitation Project: (1997 to 2003)	DILG	PhP967.598
		DOH	255.077
		DPWH	616.536
IBRD	Water Resources Development Project (1997 to 2005)	DENR	PhP326.337
		DPWH	74.646
		NIA	1,850.022
JBIC	Rural Water Supply Sewerage and Sanitation Project, Phase V (2000 to 2007)	DILG	PhP190.714
NG	LWUA (P100,000 annually from 2005 to 2010)		PhP600.000
NG	P3W (2005 to 2010)		PhP4,000.000
TOTAL			PhP8,880.930

Source: BESF, DBM, 2000 to 2006

The national agencies that may be tapped are DPWH (funds for construction of facilities; personnel, close coordination); LWUA (detailed personnel + projects); DSWD (for social preparation + projects); DILG (ongoing projects); DLR (DAR) (ongoing projects); MWSS and their concessionaires; and PAGCOR.

Among the external support agencies are NGOs (Streams of Knowledge, PLAN Intl, PBSP, PCWS); GTZ (technical assistance on the setting up of database/GIS for water and expertise on the development of guidelines for the program); WSP-WB for the project preparation assistance; and the Asian Development Bank.

Resource Gap

There is definitely a resource gap in the attainment of the water supply and sanitation goals. Although funding resources are available for the purpose, the big problem lies with identifying the whole funding requirement of the nation.

Studies made by the DILG in collaboration with the JICA, ADB and WB show that the water supply and sanitation sector of various provinces require huge amounts of financing. This was evident in the Sulu case study, where almost PhP1.659 billion is needed for the complete provision of safe and potable water and better sanitation system.

The crafting of the master plan and/or the consolidated amount for the national water supply and sanitation is vital to the attainment of the goals. Any program, project and activity needs a financial plan for it to become a success.

CHALLENGES, ISSUES AND CONCERNS

MDG No. 7 target No. 11, safe drinking water and sanitation, is not confined to the accessibility issue but to a greater extent to the QUALITY, AFFORDABILITY and SUSTAINABILITY of the water supply and sanitation system. The financing requirement therefore, does not only rest on accessibility to water and sanitation, but more on the provision for a high-quality, affordable and sustainable water source and basic sanitation of the whole country.

There has been a deterioration in the quantity and quality of water resources owing to the poor maintenance scheme of the water resources agencies handling previous and current water projects. The financing side of the programs and projects is weak, with no clear picture of how much we need to allot/spend for identified "waterless" communities.

Another major concern is the decentralized system of providing services for water supply and sanitation. The LGUs' lack of financial management skills and technical capacity to initiate, plan and implement programs and projects for this MDG goal is a principal hindrance. There are also huge disparities across regions that must be matched or responded to.

The level of investments for water supply and sanitation should also be considered, especially for communities where water

supply systems are typically too complex to be well managed by community groups, but are too small to be financially viable for professional water utilities. Options should be open for the best viable projects that would benefit the community and their administration as a whole.

Besides the financial side of the MDG goal and target, several lessons on other substantial issues were learned from this study¹⁶:

Empowering the community for small towns water supply

Autonomous management models (water districts and cooperatives) were found to perform best due to community-based management models and community-support system. Participation and empowerment of the community are the keys to a successful small town water supply.

Greater involvement of LGUs

There is a strong case for improving the support provided by LGUs. This will require strengthening their water supply and sanitation capacity, in line with the ongoing decentralization process, and new forms of regulation and contract management.

Regulation

There is a need for improved regulation of small towns water supply, particularly in the areas of tariff-setting, performance audits, and water resource use. Local level regulation is of primary importance in small towns, but the local government regulatory bodies must also be monitored and regulated by effective national-level bodies. Performance benchmarking (technical, financial and environmental) would aid local regulation, and be beneficial to the management of all small-town water supply systems.

Regional water management units have the potential to provide benchmarking and professional support services to groups of small towns, or to federations of cooperatives.

Transition from community-based to commercial management

Many small towns eventually become large towns. This presents a problem for rapidly expanding and urbanizing small towns whose water supply systems are currently managed by local water districts and cooperatives.

The transition from community-based to commercial management should be incremental, allowing the advantages of the locally-embedded management to be gradually enhanced with the introduction of more efficient operations and monitoring, financial management and decision-making processes.

CONCLUSION / RECOMMENDATIONS

There is money for MDG Goal No. 7, target 11: access to water sources and basic sanitation amounting to approximately PhP8.881 billion up to 2010. However, this study cannot

¹⁶ Robinson, Andy. TEST Consultants Inc. February 2003. "MANAGEMENT MODELS FOR SMALL TOWNS WATER SUPPLY. Lessons learned from case studies in the Philippines"

conclude that such amount is enough to finance the overall requirement of the country for safe drinking water and sanitation programs.

The lack of an absolute figure or computation of the total funding requirement to attain the safe drinking water and sanitation target, owing to inadequacy of information and a database system, renders inapplicable the equation: $\text{FUNDING REQUIREMENTS} - \text{AVAILABLE FINANCIAL RESOURCES} = \text{DEFICIENCY}/(\text{SURPLUS})$.

The required funding source to meet the goal and target cannot be exactly determined owing to the absence of a competent study on the total funding requirement of the Philippines. The studies being conducted by the DILG-Water Supply and Sanitation Project Monitoring Office on the financial computations and requirements of certain provinces and areas in the country are not yet consolidated, and funding for such studies are highly donor-dependent and driven.¹⁷

The DILG-JICA sponsored study, previously presented in this paper, on Sulu's cost estimate for water and sanitation already amounts to PhP1.659 billion. There are 16 regions in the country, including NCR, CAR and ARMM, that need funding for water and sanitation, although not at the same levels.

Moreover, the financial computation of the funding requirements for water and sanitation projects greatly depends on the population status of the country. The current requirements for this year may not apply for the requirements of succeeding years due to the increase in need or demand.

There is an extreme need for a comprehensive study on the country's financial for safer drinking water and sanitation. The actual technical and financial needs should be competently assessed. Only then can we state that the MDG goal for water and sanitation is adequately or inadequately financed.

Even so, it is also undeniable that besides the financing, advocacy and capacity building—fortunately financed at the national level— would be one of the most viable ways to attain the goal of safe drinking water and sanitation. The role of women in water, environmental sanitation, and hygiene practices should be promoted— for mothers are the first and best teachers of the next generation.

Advocacy and capacity-building invested in by the LGUs, NGOs and POs should go with strong political will and financial commitment of the executive and legislative branches. Such financial commitment and partnership should entail a comprehensive study of the nationwide financing factor of the projects intended for water supply and sanitation.

The most affected areas/communities are those small towns in the rural areas, specifically from down South, or those deemed

to be the “neglected market.” The meager local government budgets together with low local knowledge, poor community involvement, non-availability of technical support and poor financial management, should be saved by national financial and technical support.

The attainability of the water supply and sanitation goal would still depend, in the fiscal analysis, on the accuracy and sufficiency of the FINANCING data for the purpose.

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¹⁷ Areas and/or provinces to be studied are identified by the donor (JICA, World Bank, ADB...)

ANNEX A: List of 432 Waterless municipalities final

Rank	Municipality/ Number of Barangay	1-Urban 2-Rural	Total Population	Household Population	No. of Household	No. of Household with Access to Water	% of Household with Access to Water
PHILIPPINES			13,096,097	13,084,778	2,486,261	862,524	34.69%
Region I			292,311	292,096	60,006	23,967	39.94%
Ilocos Norte			144,176	143,999	29,495	11,329	38.41%
217	Badoc, 31	2	27,862	27,851	5,879	2,083	35.43%
213	Banna (Espiritu), 20	2	16,704	16,704	3,390	1,199	35.37%
272	Batac, 43	2	47,682	47,610	9,882	3,889	39.35%
239	Currimao, 23	2	10,615	10,564	2,126	786	36.97%
153	Nueva Era, 11	2	6,095	6,084	1,242	374	30.11%
316	Pagudpud, 16	2	19,315	19,283	3,804	1,605	42.19%
349	Pinili, 25	2	15,903	15,903	3,172	1,393	43.92%
La Union			11,202	11,201	2,083	939	45.08%
366	Santol, 11	2	11,202	11,201	2,083	939	45.08%
Pangasinan			136,933	136,896	28,428	11,699	41.15%
301	Agno, 17	1	25,077	25,069	5,493	2,275	41.42%
342	Anda, 18	2	32,833	32,821	6,546	2,842	43.42%
231	Bani, 27	2	42,824	42,824	8,910	3,232	36.27%
362	Tayug, 21	2	36,199	36,182	7,479	3,350	44.79%
CAR			103,526	103,461	19,582	8,096	41.34%
Abra			3,894	3,894	796	315	39.57%
276	Lagayan, 12	2	3,894	3,894	796	315	39.57%
Apayao			82,975	82,919	15,389	6,131	39.84%
300	Calanasan (Bayag), 16	2	12,806	12,778	2,034	842	41.40%
361	Conner, 21	2	20,429	20,429	3,808	1,705	44.77%
203	Flora, 16	2	14,860	14,850	2,985	1,022	34.24%
208	Kabugao (Capital), 21	2	13,985	13,967	2,501	870	34.79%
398	Pudtol, 22	2	11,039	11,039	2,066	978	47.34%
224	Santa Marcela, 13	2	9,856	9,856	1,995	714	35.79%
Benguet			16,657	16,648	3,397	1,650	48.57%
416	Atok, 8	2	16,657	16,648	3,397	1,650	48.57%
Region II			732,811	732,130	141,355	53,225	37.65%
Cagayan			406,534	406,115	79,071	28,353	35.86%
110	Abulug, 20	2	26,683	26,660	5,297	1,293	24.41%
162	Allacapan, 27	2	26,960	26,942	5,260	1,623	30.86%
108	Ballesteros, 19	2	27,534	27,510	5,570	1,293	23.21%
271	Buguey, 30	2	26,401	26,401	5,113	2,012	39.35%
374	Calayan, 12	2	14,309	14,277	2,654	1,206	45.44%
401	Camalaniugan, 28	2	21,186	21,184	4,106	1,967	47.91%
373	Enrile, 22	2	29,062	29,060	5,223	2,372	45.41%
348	Gonzaga, 25	2	32,079	32,067	6,039	2,646	43.82%
191	Lal-lo, 35	2	36,529	36,387	7,443	2,483	33.36%
263	Lasam, 30	2	34,082	34,082	6,634	2,572	38.77%
70	Pamplona, 18	2	20,142	20,122	3,787	657	17.35%
294	Sanchez-mira, 17	2	21,475	21,384	4,240	1,735	40.92%
305	Santa Teresita, 13	2	13,804	13,790	2,776	1,156	41.64%
138	Santo Niño (Faire), 31	2	22,752	22,752	4,539	1,256	27.67%

ANNEX A: List of 432 Waterless municipalities final

Rank	Municipality/ Number of Barangay	1-Urban 2-Rural	Total Population	Household Population	No. of Household	No. of Household with Access to Water	% of Household with Access to Water
269	Tuao, 32	2	53,536	53,497	10,390	4,082	39.29%
Isabela			256,910	256,668	48,749	19,921	40.86%
413	Alicia, 34	2	57,178	57,165	11,413	5,534	48.49%
352	Burgos, 14	2	20,422	20,422	4,124	1,822	44.18%
343	Cabagan, 26	1	41,536	41,531	7,250	3,149	43.43%
90	Divilacan, 12	2	3,413	3,407	633	136	21.48%
38	Palanan, 17	2	15,317	15,317	2,837	363	12.80%
198	San Agustin, 23	2	19,927	19,801	4,035	1,374	34.05%
327	San Isidro, 13	2	18,603	18,602	3,910	1,671	42.74%
364	San Mariano, 36	2	41,309	41,224	7,801	3,510	44.99%
99	San Pablo, 17	2	19,090	19,090	3,466	784	22.62%
407	Santa Maria, 20	2	20,115	20,109	3,280	1,578	48.11%
Nueva Vizcaya			69,367	69,347	13,535	4,951	36.58%
185	Ambaguio, 8	2	9,750	9,746	1,837	603	32.83%
187	Kasibu, 30	2	28,239	28,235	5,200	1,719	33.06%
325	Quezon, 12	1	15,986	15,986	3,358	1,434	42.70%
256	Villaverde, 9	2	15,392	15,380	3,140	1,195	38.06%
REGION III			244,244	243,663	50,280	20,103	39.98%
Aurora			71,291	71,220	14,558	5,776	39.68%
52	Dilasag, 11	2	14,676	14,673	3,011	451	14.98%
313	Dipaculao, 25	2	23,064	23,013	4,796	2,016	42.04%
421	Maria Aurora, 40	2	33,551	33,534	6,751	3,309	49.01%
Bataan			21,273	21,273	4,204	1,730	41.15%
296	Morong, 5	2	21,273	21,273	4,204	1,730	41.15%
Bulacan			13,636	13,575	2,808	1,173	41.77%
306	Doña Remedios Trinidad, 8	2	13,636	13,575	2,808	1,173	41.77%
Nueva Ecija			93,233	92,854	19,010	7,487	39.38%
383	Carranglan, 17	2	31,720	31,716	6,603	3,041	46.05%
422	Pantabangan, 14	2	23,868	23,509	4,808	2,366	49.21%
134	Zaragoza, 19	2	37,645	37,629	7,599	2,080	27.37%
Tarlac			11,703	11,703	2,462	1,087	44.16%
351	San Clemente, 12	2	11,703	11,703	2,462	1,087	44.16%
Zambales			33,108	33,038	7,238	2,850	39.38%
273	Castillejos, 14	1	33,108	33,038	7,238	2,850	39.38%
REGION IV-A			491,120	490,611	96,739	36,363	37.59%
Batangas			17,028	17,028	3,269	1,167	35.70%
220	Tingloy, 15	2	17,028	17,028	3,269	1,167	35.70%
Laguna			29,765	29,722	6,128	2,139	34.91%
209	Victoria, 9	1	29,765	29,722	6,128	2,139	34.91%
Quezon			444,327	443,861	87,342	33,057	37.85%
105	Buenavista, 37	2	22,840	22,839	4,391	1,034	23.55%
109	Burdeos, 14	2	19,635	19,632	3,770	916	24.30%
365	Catanauan, 46	2	57,736	57,704	11,283	5,083	45.05%
395	General Luna, 27	2	21,068	21,062	4,160	1,963	47.19%
335	General Nakar, 19	2	23,678	23,648	4,568	1,967	43.06%

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Rank	Municipality/ Number of Barangay	1-Urban 2-Rural	Total Population	Household Population	No. of Household	No. of Household with Access to Water	% of Household with Access to Water
166	Jomalig, 5	2	5,817	5,817	1,032	322	31.20%
379	Lopez, 95	2	78,694	78,556	15,570	7,139	45.85%
266	Macalelon, 30	2	22,935	22,935	4,454	1,740	39.07%
216	Mulanay, 28	2	45,903	45,890	8,630	3,056	35.41%
356	Padre Burgos, 22	2	18,962	18,857	4,043	1,799	44.50%
67	Panukulan, 12	2	11,311	11,307	2,164	369	17.05%
31	Patnanungan, 6	2	11,034	11,034	2,161	247	11.43%
369	Pitogo, 39	2	20,558	20,523	4,086	1,853	45.35%
5	Quezon, 24	2	14,594	14,592	2,958	34	1.15%
400	San Francisco (Aurora), 16	2	48,310	48,223	9,618	4,604	47.87%
87	Unisan, 36	2	21,252	21,242	4,454	931	20.90%
Region IV-B			226,167	224,838	44,438	20,292	45.66%
<i>Occidental Mindoro</i>			<i>112,784</i>	<i>111,497</i>	<i>22,530</i>	<i>10,545</i>	<i>46.80%</i>
403	Abra De Ilog, 9	2	22,212	22,204	4,590	2,200	47.93%
415	Sablayan, 22	2	63,685	62,435	12,533	6,082	48.53%
309	Santa Cruz, 11	2	26,887	26,858	5,407	2,263	41.85%
<i>Oriental Mindoro</i>			<i>52,847</i>	<i>52,841</i>	<i>9,983</i>	<i>4,615</i>	<i>46.23%</i>
389	Mansalay, 17	1	39,041	39,041	7,316	3,416	46.69%
363	San Teodoro, 8	2	13,806	13,800	2,667	1,199	44.96%
<i>Romblon</i>			<i>60,536</i>	<i>60,500</i>	<i>11,925</i>	<i>5,132</i>	<i>43.04%</i>
308	Banton, 17	2	6,769	6,765	1,489	623	41.84%
353	Cajidiocan, 14	2	19,369	19,360	3,911	1,736	44.39%
423	Magdiwang, 9	2	12,032	12,019	2,422	1,198	49.46%
259	San Jose, 5	2	8,226	8,226	1,467	561	38.24%
261	Santa Fe, 11	2	14,140	14,130	2,636	1,014	38.47%
Region V			870,753	869,996	167,374	50,791	30.35%
<i>Camarines Norte</i>			<i>110,018</i>	<i>109,901</i>	<i>21,039</i>	<i>8,467</i>	<i>40.24%</i>
268	Basud, 29	2	33,885	33,783	6,508	2,548	39.15%
151	Capalonga, 22	2	26,577	26,570	5,031	1,483	29.48%
382	San Lorenzo Ruiz (Imelda), 12	2	11,678	11,678	2,220	1,021	45.99%
393	Santa Elena, 19	2	37,878	37,870	7,280	3,415	46.91%
<i>Camarines Sur</i>			<i>97,026</i>	<i>96,995</i>	<i>17,264</i>	<i>6,312</i>	<i>36.56%</i>
54	Gainza, 8	2	8,412	8,412	1,529	233	15.24%
194	Garchitorena, 23	2	23,021	23,021	3,873	1,304	33.67%
397	Milaor, 20	2	22,635	22,635	4,013	1,895	47.22%
427	Sagñay, 19	2	26,619	26,605	4,899	2,429	49.58%
55	Siruma, 22	2	16,339	16,322	2,950	451	15.29%
<i>Masbate</i>			<i>663,709</i>	<i>663,100</i>	<i>129,071</i>	<i>36,012</i>	<i>27.90%</i>
181	Aroroy, 41	1	58,751	58,721	10,736	3,489	32.50%
284	Baleno, 24	2	19,897	19,886	3,612	1,443	39.95%
11	Balud, 32	2	30,068	30,062	5,547	175	3.15%
344	Batuan, 14	2	12,038	12,037	2,529	1,099	43.46%
118	Cataingan, 36	2	46,593	46,568	9,310	2,374	25.50%
18	Cawayan, 37	2	52,256	52,254	10,304	596	5.78%
321	Claveria, 22	2	38,398	38,392	7,730	3,282	42.46%

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146	Dimasalang, 20	2	21,550	21,550	4,367	1,254	28.72%
96	Esperanza, 20	2	16,209	16,205	3,389	761	22.46%
83	Mandaon, 26	2	31,572	31,556	6,119	1,239	20.25%
252	Masbate (Capital), 30	2	71,441	71,189	13,400	5,077	37.89%
142	Milagros, 27	2	44,575	44,488	8,304	2,345	28.24%
258	Mobo, 29	2	28,233	28,218	5,199	1,981	38.10%
158	Monreal, 11	2	19,832	19,828	3,791	1,157	30.52%
225	Palanas, 24	2	24,666	24,652	5,141	1,840	35.79%
204	Pio V. Corpuz (Limbuhan), 18	2	21,519	21,519	4,769	1,633	34.24%
84	Placer, 35	2	44,418	44,292	9,035	1,841	20.38%
163	San Pascual, 22	2	37,868	37,863	7,353	2,282	31.03%
115	Uson, 35	2	43,825	43,820	8,436	2,144	25.41%
Region VI			2,655,083	2,652,894	515,438	188,168	36.51%
Aklan			165,643	165,014	31,659	10,666	33.69%
328	Altavas, 14	2	22,496	22,495	4,410	1,887	42.79%
141	Balete, 10	2	23,616	23,607	4,548	1,275	28.03%
264	Batan, 20	2	27,889	27,885	5,874	2,278	38.78%
86	Libacao, 24	2	25,983	25,983	4,632	954	20.60%
57	Madalag, 25	2	17,441	17,437	3,067	474	15.45%
221	Malay, 17	2	24,519	23,933	4,747	1,696	35.73%
405	Malinao, 23	2	23,699	23,674	4,381	2,102	47.98%
Capiz			466,090	465,984	91,687	30,463	33.22%
58	Cuartero, 22	2	24,286	24,280	4,681	739	15.79%
179	Dao, 20	2	30,623	30,623	5,921	1,921	32.44%
336	Dumalag, 19	2	25,920	25,917	5,375	2,326	43.27%
251	Dumarao, 33	2	40,303	40,301	7,993	3,013	37.70%
39	Jamindan, 30	2	33,966	33,966	6,850	880	12.85%
211	Ma-ayon, 32	2	32,700	32,700	6,395	2,243	35.07%
350	Mambusao, 26	2	36,793	36,793	7,421	3,275	44.13%
385	Panay, 42	2	40,599	40,518	7,660	3,544	46.27%
255	Pilar, 24	2	38,903	38,903	7,747	2,948	38.05%
418	Pontevedra, 26	2	40,103	40,103	7,673	3,734	48.66%
131	President Roxas, 22	2	27,531	27,531	5,119	1,373	26.82%
106	Sapi-an, 10	2	22,912	22,905	4,557	1,074	23.57%
121	Sigma, 21	2	27,366	27,359	5,541	1,425	25.72%
97	Tapaz, 58	2	44,085	44,085	8,754	1,968	22.48%
Iloilo			607,564	607,317	115,295	45,951	39.86%
410	Anilao, 21	2	22,170	22,166	4,248	2,055	48.38%
93	Balasan, 23	2	25,474	25,460	5,109	1,133	22.18%
275	Banate, 18	2	27,263	27,248	5,279	2,087	39.53%
390	Barotac Viejo, 26	2	36,314	36,262	6,979	3,261	46.73%
394	Batad, 24	2	17,009	17,006	3,254	1,528	46.96%
103	Bingawan, 14	2	11,866	11,862	2,388	552	23.12%
180	Calinog, 59	2	48,454	48,426	9,273	3,012	32.48%
235	Carles, 33	2	53,404	53,399	9,814	3,608	36.76%

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286	City Of Passi, 51	2	69,601	69,563	12,893	5,163	40.04%
324	Dueñas	2	30,882	30,873	5,850	2,497	42.68%
260	Estancia, 25	1	35,842	35,829	7,046	2,705	38.39%
228	Igaras, 46	2	27,878	27,874	5,559	1,999	35.96%
432	Janiuay, 60	2	54,166	54,145	10,322	5,139	49.79%
278	Lambunao, 73	2	61,084	61,077	11,159	4,433	39.73%
417	Leganes, 18	2	23,475	23,473	4,533	2,202	48.58%
199	Maasin, 50	2	30,828	30,822	5,395	1,843	34.16%
317	San Rafael, 9	2	12,847	12,839	2,450	1,035	42.24%
370	Tubungan, 48	2	19,007	18,993	3,744	1,699	45.38%
Negros Occidental			914,381	913,856	178,087	71,874	40.36%
262	Calatrava, 40	2	74,623	74,586	15,151	5,851	38.62%
326	Candoni, 9	2	19,987	19,982	3,710	1,585	42.72%
127	Cauayan, 25	2	88,610	88,604	16,704	4,401	26.35%
245	City Of Kabankalan, 32	2	149,769	149,605	27,851	10,364	37.21%
304	Escalante, 21	2	79,098	79,087	16,160	6,727	41.63%
399	Hinigaran, 24	2	74,997	74,961	14,342	6,862	47.85%
157	Ilog, 15	2	46,525	46,469	9,141	2,775	30.36%
431	Isabela, 30	2	48,719	48,698	9,469	4,707	49.71%
322	La Castellana, 13	2	59,102	59,083	11,771	5,014	42.60%
303	Moises Padilla (Magallon), 15	1	34,658	34,635	6,376	2,649	41.55%
137	Salvador Benedicto, 7	2	17,259	17,259	3,456	954	27.60%
411	San Carlos City, 18	2	118,259	118,145	23,941	11,590	48.41%
274	Sipalay, 17	2	62,063	62,040	11,955	4,710	39.40%
378	Toboso, 9	2	40,712	40,702	8,060	3,685	45.72%
Guimaras			70,988	70,950	13,695	5,420	39.58%
355	Nueva Valencia, 20	2	30,716	30,716	6,043	2,688	44.48%
132	San Lorenzo, 12	2	20,168	20,156	3,809	1,024	26.88%
354	Sibunag, 14	2	20,104	20,078	3,843	1,708	44.44%
Palawan			430,417	429,773	85,015	23,794	27.99%
16	Agutaya, 10	2	10,422	10,413	2,040	110	5.39%
61	Araceli, 13	2	10,894	10,870	2,050	337	16.44%
30	Balabac, 20	2	25,257	25,231	4,723	527	11.16%
212	Bataraza, 22	2	41,458	41,414	8,658	3,042	35.14%
329	Brooke's Point, 18	2	48,928	48,900	9,634	4,123	42.80%
297	Busuanga, 15	2	16,287	16,287	3,047	1,254	41.16%
34	Cagayancillo, 12	2	6,348	6,339	947	115	12.14%
412	Culion, 11	2	14,302	14,229	3,082	1,493	48.44%
64	Cuyo, 17	2	18,257	18,253	3,609	603	16.71%
26	Dumaran, 16	2	16,616	16,610	3,133	329	10.50%
101	El Nido (Bacuit), 18	2	27,029	27,029	5,191	1,195	23.02%
37	Kalayaan, 1	2	223	120	24	3	12.50%
169	Linapacan, 10	2	9,198	9,178	1,721	540	31.38%
9	Magsaysay, 11	2	10,885	10,883	2,269	61	2.69%
148	Quezon, 14	1	41,669	41,669	8,453	2,446	28.94%

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88	Rizal (Marcos), 11	2	31,745	31,697	6,916	1,447	20.92%
136	Roxas, 31	2	47,242	47,221	9,435	2,602	27.58%
214	Taytay, 31	2	53,657	53,430	10,083	3,567	35.38%
Region VI			1,388,050	1,387,269	268,089	93,873	35.02%
Bohol			490,617	490,214	89,816	26,612	29.63%
186	Balilihan, 31	2	16,837	16,829	3,101	1,025	33.05%
46	Bien Unido, 15	1	22,176	22,176	3,984	551	13.83%
241	Buenavista, 35	2	25,960	25,954	4,550	1,683	36.99%
201	Carmen, 29	2	40,713	40,601	7,442	2,547	34.22%
60	Catigbian, 22	2	21,461	21,445	4,094	660	16.12%
123	Dagohoy, 15	2	16,845	16,845	3,095	803	25.95%
129	Danao, 17	2	17,265	17,265	2,958	783	26.47%
219	Inabanga, 50	2	40,714	40,681	7,922	2,822	35.62%
114	Jetafe, 24	2	26,826	26,823	4,694	1,182	25.18%
372	Loon, 67	2	45,215	45,171	7,915	3,593	45.39%
377	Pilar, 21	2	25,095	25,087	4,490	2,051	45.68%
28	Pres. Carlos P. Garcia (Pitogo), 23	1	20,744	20,742	4,062	432	10.64%
145	San Miguel, 18	2	20,828	20,816	3,738	1,073	28.71%
257	Sevilla, 13	1	10,281	10,272	1,840	701	38.10%
50	Talibon, 25	2	54,147	54,077	9,712	1,410	14.52%
23	Trinidad, 20	2	25,683	25,679	4,707	365	7.75%
331	Ubay, 44	2	59,827	59,751	11,512	4,931	42.83%
Cebu			328,585	328,373	64,823	24,675	38.07%
384	Aloguinsan, 15	2	24,180	24,176	4,821	2,229	46.24%
100	Bantayan, 25	2	68,125	67,977	13,213	2,995	22.67%
406	Daanbantayan, 20	1	69,336	69,307	13,472	6,468	48.01%
36	Madridejos, 14	1	29,020	29,011	5,275	651	12.34%
419	Medellin, 19	2	43,113	43,109	8,520	4,147	48.67%
409	San Remigio, 27	2	44,028	44,028	9,253	4,463	48.23%
168	Santa Fe, 10	1	22,956	22,938	4,444	1,393	31.35%
285	Tabogon, 25	2	27,827	27,827	5,825	2,329	39.98%
Negros Oriental			568,848	568,682	113,450	42,586	37.54%
392	Ayungon, 24	2	40,744	40,740	7,989	3,747	46.90%
140	Bayawan (Tulong), 28	2	101,391	101,349	19,967	5,583	27.96%
430	Bindoy (Payabon), 22	2	34,773	34,769	6,682	3,317	49.64%
426	Canlaon City, 12	2	46,548	46,537	9,302	4,612	49.58%
189	Guihulngan, 33	2	84,607	84,573	17,733	5,887	33.20%
119	Jimalalud, 28	2	26,756	26,750	5,144	1,317	25.60%
236	La Libertad, 29	2	35,122	35,109	7,024	2,593	36.92%
310	Mabinay, 32	2	67,001	66,983	13,357	5,593	41.87%
368	Santa Catalina, 22	2	67,197	67,196	13,125	5,936	45.23%
107	Tayasan, 28	2	30,795	30,772	6,374	1,507	23.64%
238	Vallehermoso, 15	2	33,914	33,904	6,753	2,494	36.93%

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Region VIII			527,512	527,036	103,808	39,592	38.14%
Leyte			237,761	237,679	49,141	19,750	40.19%
391	Bato, 32	2	32,974	32,965	6,329	2,961	46.78%
302	Calubian, 53	2	28,421	28,397	6,450	2,675	41.47%
424	Jaro, 46	2	37,437	37,425	7,606	3,765	49.50%
375	Leyte, 30	2	35,241	35,241	6,889	3,133	45.48%
315	Mayorga, 16	2	12,650	12,646	2,616	1,103	42.16%
32	San Isidro, 19	2	29,410	29,388	6,611	761	11.51%
402	San Miguel, 21	2	15,153	15,148	3,017	1,446	47.93%
429	Santa Fe, 20	2	15,042	15,042	2,899	1,439	49.64%
234	Tabango, 13	2	31,433	31,427	6,724	2,467	36.69%
Nothern Samar			215,519	215,160	40,582	14,242	35.09%
126	Biri, 8	1	8,700	8,700	1,661	437	26.31%
165	Catarman (Capital), 55	2	67,671	67,527	12,437	3,875	31.16%
237	Gamay, 26	2	21,314	21,267	4,434	1,637	36.92%
281	Laoang, 56	2	54,523	54,374	10,032	4,003	39.90%
197	Las Navas, 53	2	29,346	29,346	5,641	1,907	33.81%
205	Lope De Vega, 21	2	11,754	11,747	2,114	728	34.44%
289	Rosario, 11	2	8,647	8,647	1,534	617	40.22%
253	San Jose, 16	2	13,564	13,552	2,729	1,038	38.04%
Western Samar			74,232	74,197	14,085	5,600	39.76%
192	Matuguinao, 20	2	5,361	5,340	875	293	33.49%
133	San Sebastian, 14	2	6,779	6,775	1,263	342	27.08%
387	Santa Rita, 38	2	30,118	30,108	5,797	2,693	46.46%
249	Tagapul-an, 14	2	8,370	8,370	1,677	631	37.63%
233	Villareal, 38	2	23,604	23,604	4,473	1,641	36.69%
Region IX			848,055	847,448	162,169	56,164	34.63%
Zamboanga Del Norte			444,034	443,820	84,935	26,870	31.64%
250	Bacungan (Leon T. Postigo), 18	2	19,550	19,550	3,802	1,431	37.64%
98	Baliguian, 17	2	15,631	15,623	2,771	623	22.48%
80	Godod, 17	2	15,139	15,139	2,877	570	19.81%
102	Gutalac, 33	2	28,215	28,194	5,366	1,237	23.05%
183	Jose Dalman (Ponot), 18	2	23,322	23,322	4,212	1,377	32.69%
125	Kalawit, 14	2	21,372	21,372	4,077	1,064	26.10%
196	Katipunan, 30	2	37,448	37,441	7,576	2,555	33.72%
47	La Libertad, 13	2	7,419	7,413	1,617	224	13.85%
248	Manukan, 22	2	31,855	31,839	6,010	2,256	37.54%
147	Mutia, 16	2	9,806	9,805	1,889	546	28.90%
320	Piñan (New Piñan), 22	2	17,950	17,945	3,614	1,533	42.42%
226	Pres. Manuel A. Roxas, 31	2	33,659	33,659	6,423	2,299	35.79%
333	Salug, 23	2	28,914	28,894	5,838	2,504	42.89%
156	Sergio Osmeña Sr., 39	2	27,500	27,497	5,373	1,624	30.23%
45	Siayan, 22	2	33,074	32,997	6,086	831	13.65%
346	Sibuco, 28	2	24,411	24,411	4,374	1,913	43.74%
182	Siocon, 26	2	32,699	32,690	5,942	1,939	32.63%

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222	Sirawai, 34	2	16,534	16,497	3,207	1,147	35.77%
160	Tampilisan, 20	2	19,536	19,532	3,881	1,197	30.84%
Zamboanga Sibuguey			256,654	256,319	48,719	18,595	38.17%
130	Alicia, 27	2	29,954	29,887	5,663	1,508	26.63%
425	Kabasalan, 29	2	37,619	37,488	7,216	3,575	49.54%
77	Mabuhay, 18	2	25,199	25,152	3,964	730	18.42%
337	Malangas, 25	2	29,770	29,770	5,762	2,494	43.28%
200	Payao, 29	2	27,036	27,036	5,381	1,840	34.19%
435	Roseller Lim, 26	2	34,152	34,129	6,478	3,234	49.92%
229	Titay, 29	2	39,730	39,713	7,802	2,811	36.03%
246	Tungawan, 25	2	33,194	33,144	6,453	2,403	37.24%
Zamboanga Del Sur			147,367	147,309	28,515	10,699	37.52%
380	Dumalinao, 30	2	26,030	26,028	5,119	2,349	45.89%
254	Lapuyan, 26	1	24,366	24,356	4,637	1,764	38.04%
367	Midsalip, 33	2	28,909	28,883	5,479	2,473	45.14%
207	Pitogo, 15	2	21,064	21,064	4,235	1,469	34.69%
277	San Miguel, 18	2	15,269	15,269	3,043	1,207	39.66%
82	Sominot (Don Mariano Marcos), 18	2	14,815	14,814	2,913	589	20.22%
135	Tigbao, 18	2	16,914	16,895	3,089	848	27.45%
REGION X			610,553	610,216	117,076	41,250	35.23%
Bukidnon			266,251	266,225	50,695	16,992	33.52%
171	Baungon, 16	2	26,695	26,687	5,141	1,635	31.80%
202	Damulog, 17	2	20,332	20,314	4,073	1,394	34.23%
174	Dangcagan, 14	2	18,857	18,857	3,555	1,145	32.21%
230	Don Carlos, 29	2	55,495	55,495	10,713	3,861	36.04%
116	Kadingilan, 17	2	25,858	25,858	5,050	1,287	25.49%
280	Kibawe, 23	2	32,955	32,955	6,413	2,555	39.84%
242	Kitaotao, 35	2	37,733	37,733	7,408	2,745	37.05%
144	Talakag, 29	2	48,326	48,326	8,342	2,370	28.41%
Lanao Del Norte			213,563	213,325	39,411	14,785	37.51%
381	Baloi, 21	2	38,534	38,472	6,804	3,127	45.96%
360	Kolambugan, 26	1	24,180	24,165	4,823	2,158	44.74%
232	Magsaysay, 24	2	11,218	11,218	2,170	793	36.54%
215	Matungao, 12	2	9,266	9,266	1,656	586	35.39%
76	Munai, 26	2	15,972	15,972	3,033	552	18.20%
89	Nunungan, 25	2	12,205	12,205	2,470	525	21.26%
299	Pantar, 21		12,826	12,826	2,149	887	41.28%
330	Poona Piagapo, 26	2	16,092	16,092	2,715	1,162	42.80%
311	Salvador, 25	2	17,055	16,951	3,403	1,428	41.96%
298	Sultan Naga Dimaporo, 37	2	41,865	41,830	7,811	3,221	41.24%
65	Tagoloan, 7	2	8,233	8,211	1,482	251	16.94%
27	Tangcal, 18	2	6,117	6,117	895	95	10.61%
Misamis Occidental			89,630	89,569	19,127	6,667	34.86%
206	Baliangao, 15	1	14,552	14,548	3,255	1,119	34.38%
386	Calamba, 19	2	17,594	17,562	3,665	1,698	46.33%

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12	Concepcion, 18	2	6,900	6,900	1,487	49	3.30%
334	Don Victoriano Chiongbian, 11	2	9,319	9,319	1,815	779	42.92%
376	Panaon, 16	2	7,441	7,421	1,645	751	45.65%
176	Sapang Dalaga, 28	2	17,794	17,789	3,774	1,220	32.33%
155	Sinacaban, 17	2	16,030	16,030	3,486	1,051	30.15%
Misamis Oriental			41,109	41,097	7,843	2,806	35.78%
223	Claveria, 24	2	41,109	41,097	7,843	2,806	35.78%
Region XI			554,655	553,898	112,746	42,856	38.01%
Compostela Valley			178,505	178,242	38,712	15,306	39.54%
122	Laak (San Vicente), 40	2	59,450	59,450	11,904	3,084	25.91%
357	Monkayo, 21	2	85,830	85,569	20,238	9,015	44.54%
420	Montevista, 20	2	33,225	33,223	6,570	3,207	48.81%
Davao Del Norte			89,788	89,379	18,360	6,083	33.13%
167	Braulio E. Dujali, 5	2	18,050	17,666	3,397	1,063	31.29%
218	Carmen, 20	2	55,144	55,144	11,073	3,939	35.57%
139	Talaingod, 3	2	16,594	16,569	3,890	1,081	27.79%
Davao Del Sur			150,216	150,206	29,688	12,137	40.88%
240	Don Marcelino, 15	2	33,403	33,403	6,544	2,420	36.98%
227	Jose Abad Santos (Trinidad), 26	2	57,147	57,145	11,259	4,030	35.79%
433	Kiblawan, 30	2	41,275	41,267	8,339	4,152	49.79%
338	Sarangani, 12	2	18,391	18,391	3,546	1,535	43.29%
Davao Oriental			136,146	136,071	25,986	9,330	35.90%
414	Baganga, 18	1	43,122	43,082	8,221	3,989	48.52%
265	Caraga, 17	2	33,481	33,472	6,171	2,401	38.91%
49	Manay, 17	2	36,697	36,697	7,136	997	13.97%
345	Tarragona, 10	2	22,846	22,820	4,458	1,943	43.58%
Region XII			975,087	974,670	191,568	72,613	37.90%
North Cotabato			414,823	414,658	80,307	28,876	35.96%
111	Alamada, 17	2	44,303	44,303	8,412	2,093	24.88%
149	Aleosan, 19	2	26,164	26,164	4,950	1,443	29.15%
428	Antipas, 13	2	19,810	19,810	3,826	1,898	49.61%
150	Arakan, 28	2	34,588	34,495	6,605	1,926	29.16%
124	Banisan, 20	1	35,539	35,539	6,501	1,688	25.97%
396	Magpet, 32	2	38,973	38,973	7,465	3,523	47.19%
404	Midsayap, 57	2	105,760	105,695	21,349	10,241	47.97%
161	Pikit, 42	2	68,455	68,455	13,081	4,036	30.85%
113	President Roxas, 26	2	41,231	41,224	8,118	2,028	24.98%
Sarangani			230,159	230,067	46,122	18,863	40.90%
312	Glan, 31	2	83,051	83,040	16,990	7,130	41.97%
314	Malapatan, 12	2	53,876	53,868	10,208	4,296	42.08%
270	Malungon, 31	2	93,232	93,159	18,924	7,437	39.30%
South Cotabato			87,153	87,111	17,912	6,985	39.00%
78	Lake Sebu, 19	2	54,142	54,107	11,158	3,615	32.40%
434	Tampakan, 13	2	33,011	33,004	6,754	3,370	49.90%

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Sultan Kudarat			242,952	242,834	47,227	17,889	37.88%
270	Bagumbayan, 19	2	53,444	53,444	10,368	4,188	40.39%
319	Kalamansig, 15	2	44,645	44,638	8,640	3,664	42.41%
332	Lebak, 27	2	70,899	70,816	13,856	5,940	42.87%
177	Palimbang, 39	2	43,742	43,737	8,191	2,651	32.36%
104	Sen. Ninoy Aquino, 20	2	30,222	30,199	6,172	1,446	23.43%
Region XIII			455,587	454,964	84,363	30,883	36.61%
Agusan Del Norte			21,530	21,516	3,811	1,650	43.30%
339	Las Nieves, 19	2	21,530	21,516	3,811	1,650	43.30%
Agusan Del Sur			335,877	335,295	62,072	21,834	35.18%
341	Bunawan, 10	2	26,704	26,704	5,045	2,190	43.41%
22	La Paz, 15	1	20,880	20,877	3,754	287	7.65%
243	Loreto, 17	2	31,365	31,350	5,572	2,065	37.06%
347	Prosperidad (Capital), 32	2	70,815	70,555	13,064	5,716	43.75%
307	San Luis, 25	2	25,901	25,881	4,743	1,982	41.79%
283	Santa Josefa, 11	2	22,730	22,723	4,333	1,731	39.95%
290	Sibagat, 24	2	28,685	28,654	5,289	2,129	40.25%
159	Talacogon, 16	2	30,879	30,748	5,462	1,671	30.59%
152	Trento, 16	2	41,696	41,673	7,850	2,328	29.66%
112	Veruela, 20	2	36,222	36,130	6,960	1,735	24.93%
Surigao Del Norte			19,508	19,500	3,846	1,563	40.64%
293	Dapa, 29	2	19,508	19,500	3,846	1,563	40.64%
Surigao Del Sur			78,672	78,653	14,634	5,836	39.88%
210	Borobo, 21	2	34,558	34,558	6,482	2,271	35.04%
295	Lanuza, 13	2	10,057	10,042	1,942	796	40.99%
358	Tagbina, 25	2	34,057	34,053	6,210	2,769	44.59%
ARMM			2,120,583	2,119,588	351,230	84,258	23.99%
Basilan			170,033	169,984	30,751	11,543	37.54%
193	Lantawan, 35	2	27,487	27,458	5,205	1,744	33.51%
190	Sumisip, 41	2	51,712	51,701	8,698	2,899	33.33%
323	Tipo-tipo, 39	2	48,284	48,284	8,786	3,750	42.68%
267	Tuburan, 30	2	42,550	42,541	8,062	3,150	39.07%
Lanao Del Sur			472,601	472,538	68,960	14,609	21.18%
172	Bacolod-kalawi (Bacolod Grande), 26	2	17,761	17,761	2,465	785	31.85%
68	Balabagan, 27	1	24,558	24,558	3,821	656	17.17%
184	Bayang, 49	2	21,020	21,020	2,789	913	32.74%
62	Binidayan, 26	2	18,081	18,081	2,645	439	16.60%
288	Bumbaran, 17	2	6,589	6,550	1,133	454	40.07%
29	Butig, 16	2	16,283	16,283	2,454	273	11.12%
19	Calanogas, 17	2	9,989	9,989	1,481	99	6.68%
63	Ditsaan-ramain, 34	1	19,157	19,157	2,682	448	16.70%
195	Ganassi, 32	1	18,947	18,928	3,038	1,023	33.67%
128	Kapai, 20	2	16,564	16,564	2,270	600	26.43%
94	Kapatagan, 15	2	7,804	7,804	1,407	313	22.25%
40	Lumba-bayabao (Maguiling), 38	2	23,521	23,521	3,632	469	12.91%

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24	Lumbatan, 30	2	17,445	17,445	2,200	195	8.86%
117	Lumbayanague, 22	1	12,835	12,835	2,008	512	25.50%
164	Madalum, 37	2	18,405	18,405	2,804	873	31.13%
6	Maguing, 32	2	18,095	18,095	2,734	41	1.50%
175	Malabang, 37	2	33,177	33,172	4,883	1,575	32.25%
15	Marogong, 24	2	16,165	16,165	2,209	110	4.98%
71	Masiu, 35	2	24,105	24,105	3,466	610	17.60%
72	Pagayawan (Tatarikan), 18	2	9,757	9,757	1,311	233	17.77%
388	Piagapo, 37	2	23903	23903	3487	1625	46.60%
188	Poona Bayabao (Gata), 25	2	17,390	17,390	2,452	813	33.16%
91	Pualas, 23	2	7,887	7,887	1,436	309	21.52%
33	Sultan Dumalondong, 7	2	11,105	11,105	1,326	154	11.61%
120	Sultan Gumander, 19	1	12,230	12,230	1,720	441	25.64%
78	Tamparan, 44	2	19,975	19,975	2,879	559	19.42%
10	Taraka, 43	2	18,832	18,832	2,548	79	3.10%
1	Tubaran, 21	2	11021	11021	1680	8	0.48%
Maguindanao			717097	716512	127715	35637	27.90%
73	Barira, 11	2	18,296	18,296	3,326	594	17.86%
69	Buldon, 15	2	26,903	26,902	4,802	832	17.33%
292	Datu Odin Sinsuat (Dinaig), 34	2	71569	71373	13270	5366	40.44%
340	Datu Paglas, 34	2	20014	20006	3673	1594	43.40%
42	Datu Piang, 34	2	67,303	67,251	10,793	1,411	13.07%
244	Gen. S. K. Pendatun, 18	2	28374	28360	4591	1702	37.07%
75	Kabuntalan (Tumbao), 28	2	23,137	23,137	4,223	767	18.16%
143	Mamasapano, 18	2	20,059	20,051	2,964	838	28.27%
17	Matanog, 8	2	19,006	19,006	3,125	180	5.76%
66	Pagagawan, 11	2	27,010	27,010	5,466	931	17.03%
79	Pagalungan, 12	2	25,908	25,908	4,715	934	19.81%
170	Parang, 22	2	60,935	60,922	11,402	3,626	31.80%
44	Shariff Aguak (Maganoy) (Capital), 25	2	49,531	49,529	8,073	1,092	13.53%
25	South Upi, 11	2	28,186	28,186	5,533	547	9.89%
408	Sultan Kudarat (Nuling), 52	2	94861	94571	16996	8191	48.19%
247	Sultan Sa Barongis (Lambayong), 23	2	34709	34709	6426	2401	37.36%
282	Talayan, 29	2	33129	33129	5573	2226	39.94%
41	Talitay, 13	2	17,026	17,026	2,789	363	13.02%
85	Upi, 35	2	51,141	51,140	9,975	2,042	20.47%
Sulu			438535	438488	69459	13977	20.12%
53	Kalingalan Caluang, 9	2	22,688	22,688	4,162	530	12.73%
14	Lugus, 17	2	18,839	18,839	2,907	128	4.40%
56	Luuk, 20	2	38,819	38,819	6,231	960	15.41%
81	Maimbung, 27	2	24,982	24,982	3,920	785	20.03%
95	Old Panamao, 31	2	35,906	35,906	5,663	1,265	22.34%
59	Pandami, 16	2	19,964	19,964	3,392	538	15.86%
279	Panglima Estino (New Panamao), 12	2	21443	21443	3577	1425	39.84%
3	Pangutaran, 16	2	26,211	26,211	4,643	44	0.95%

ANNEX A: List of 432 Waterless municipalities final

Rank	Municipality/ Number of Barangay	1-Urban 2-Rural	Total Population	Household Population	No. of Household	No. of Household with Access to Water	% of Household with Access to Water
173	Parang, 40	2	54,994	54,994	8,176	2,618	32.02%
74	Pata, 14	2	11,791	11,791	2,048	367	17.92%
15	Siasi, 50	2	59,069	59,022	8,094	2,440	30.15%
92	Talipao, 52	2	73,015	73,015	11,938	2,636	22.08%
20	Tapul, 15	2	14,881	14,881	2,117	149	7.04%
13	Tongkil, 14	2	15,933	15,933	2,591	92	3.55%
Tawi-tawi			322,317	322,066	54,345	8,492	15.63%
359	Bongao, 35	2	58,174	57,935	10,146	4,534	44.69%
48	Languyan, 20	2	42,040	42,040	7,771	1,079	13.88%
51	Mapun (Cagayan De Tawi-Tawi), 15	2	22,011	21,999	3,492	513	14.69%
43	Panglima Sugala (Balimbing) (Capital), 17	2	33,315	33,315	5,406	717	13.26%
21	Sapa-sapa, 23	2	26,242	26,242	4,322	322	7.45%
8	Simunul, 15	1	31,962	31,962	4,910	107	2.18%
35	Sitangkai, 25	2	52,772	52,772	8,969	1,102	12.29%
7	South Ubian, 31	1	27,301	27,301	4,748	73	1.54%
4	Tandubas, 20	2	24,900	24,900	3,935	39	0.99%
2	Turtle Islands, 2	2	3,600	3,600	646	6	0.93%

ANNEX B: Facts and Figures on Water Supply and Sanitation in the Philippines – Percent of Families with Access to Safe Drinking Water (1999)

Provinces (Ranked)	Percentage
1. Batanes	100.0
2. Aurora	100.0
3. Pampanga	99.9
4. Quirino	99.4
5. Oriental Mindoro	99.1
6. Siquijor	98.8
7. Nueva Ecija	98.8
8. Tarlac	98.7
9. Camiguin	97.9
10. Mountain Province	97.8
11. Laguna	97.4
12. Bulacan	96.9
13. Surigao del Norte	96.8
14. Zambales	95.2
15. Bataan	95.2
16. Cavite	94.6
17. Catanduanes	94.4
18. Pangasinan	94.3
19. Batangas	94.2
20. Ilocos Sur	93.8
21. Biliran	93.7
22. Isabela	92.6
23. Benguet	93.2
24. Ilocos Norte	92.5
25. Misamis Oriental	92.3
26. Abra	91.7
27. Eastern Samar	91.6
28. Sultan Kudarat	91.0
29. Ifugao	90.9
30. South Cotabato	90.6
31. Southern Leyte	89.5
32. Camarines Sur	89.3
33. Occidental Mindoro	88.7
34. Albay	87.8
35. Lanao del Norte	86.9
36. Kalinga	86.7
37. Agusan del Norte	85.7
38. Davao del Sur	85.2
39. Antique	83.4

Provinces (Ranked)	Percentage
40. Marinduque	83.0
41. Nueva Vizcaya	83.0
42. Northern Samar	82.4
43. Davao Oriental	81.8
44. Romblon	81.1
45. Surigao del Sur	79.4
46. Leyte	79.3
47. North Cotabato	78.5
48. Aklan	77.1
49. Cebu	76.1
50. Misamis Occidental	75.8
51. Sarangani	74.2
52. Rizal	73.9
53. Sorsogon	73.7
54. Davao	73.5
55. Cagayan	73.5
56. Palawan	73.1
57. Western Samar	72.9
58. La Union	71.1
59. Iloilo	70.9
60. Zamboanga del Sur	70.6
61. Zamboanga del Norte	69.8
62. Agusan del Sur	69.4
63. Bohol	67.8
64. Negros Occidental	67.3
65. Quezon	67.2
66. Bukidnon	61.6
67. Guimaras	61.3
68. Camarines Norte	58.7
69. Negros Oriental	58.7
70. Basilan	55.9
71. Maguindanao	50.4
72. Capiz	50.1
73. Apayao	43.0
74. Masbate	39.2
75. Sulu	29.9
76. Lanao del Sur	29.2
77. Tawi-Tawi	11.4

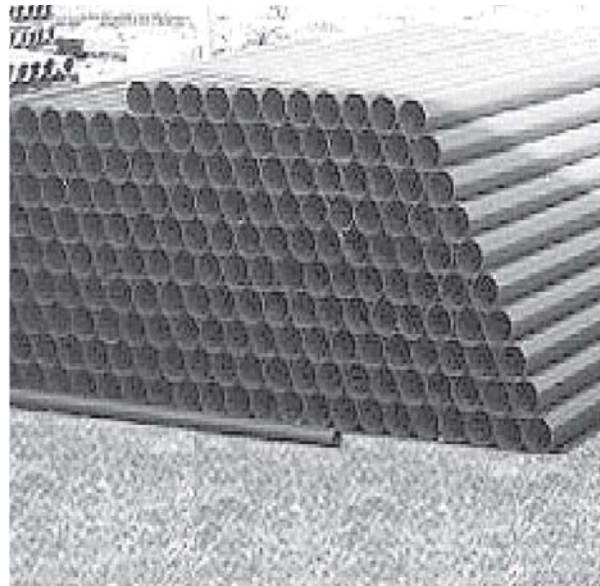
Source: World Bank Water and Sanitation Program: Water Supply and Sanitation Performance Enhancement Project – <http://www.wsep.org>

ANNEX C: Piping installations of Local Water Utilities Administration's water supply expansion program in Metro Manila



Source: Local Water Utilities Administration

ANNEX D: LWUA's engineering and pre-construction activities on water supply expansion program



Source: Local Water Utilities Administration

ANNEX E: Equipment – Generator Set



Source: Local Water Utilities Administration

ANNEX F: A newly constructed pump house



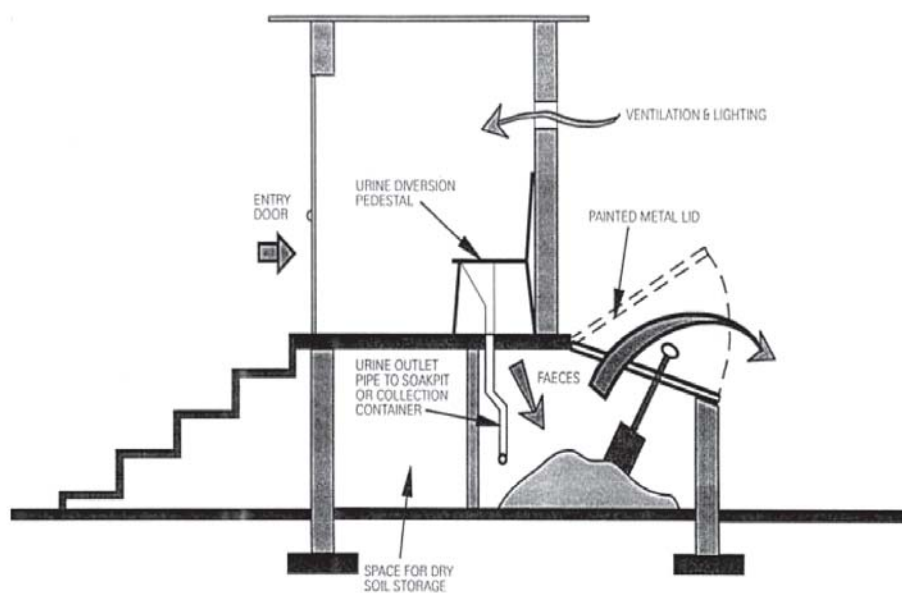
Source: Local Water Utilities Administration

ANNEX G: Test line of water pump



Source: Local Water Utilities Administration

ANNEX H: Urine Diversion Toilet



It segregates the dry and wet human wastes. It helps reduce wastewater management costs and aids in the protection of water bodies.

Source: *The Ecological Sanitation*. Powerpoint presentation of Leo De Castro. Center for Advanced Philippine Studies. June 2005. Website: www.caps.ph

ANNEX I: Ecosan Toilet in Guilin, China



This communal toilet is popularly known as the “squat toilet” wherein you need to squat whenever you want to pee or excrete wastes. This feature does not need water for flushing, instead it uses lime or “apog”.

Source: The Ecological Sanitation. Powerpoint presentation of Leo De Castro. Center for Advanced Philippine Studies. June 2005.
Website: www.caps.ph

ANNEX J: Ecosan Toilet in Durban, South Africa



This unique type of toilet system segregates the urine from the human wastes. The elevated portion traps the urine from flowing directly to the water closet.

Source: The Ecological Sanitation. Powerpoint presentation of Leo De Castro. Center for Advanced Philippine Studies. June 2005.
Website: www.caps.ph

ANNEX K-1: Ecosan Toilet in San Fernando, La Union



This toilet features a separate water closet (toilet bowl) for urine and human wastes and a separate urinal for male users. This “de-buhos” type aids in water conservation.

Source: The Ecological Sanitation. Powerpoint presentation of Leo De Castro. Center for Advanced Philippine Studies. June 2005.
Website: www.caps.ph

ANNEX K-2: Ecosan Toilet in San Fernando, La Union



Another EcoSan toilet in San Fernando features a separate water closet for urine and human wastes. A PVC elbow pipe connected to the urinal can be used as a fertilizing aid.

Source: The Ecological Sanitation. Powerpoint presentation of Leo De Castro. Center for Advanced Philippine Studies. June 2005. Website: www.caps.ph

ANNEX K-3: Ecosan Toilet in San Fernando, La Union



This “bahay kubo” inspired EcoSan toilet in San Fernando, La Union uses a PVC pipe attached to the water closet and flows directly to the soil as a fertilizer.

Source: The Ecological Sanitation. Powerpoint presentation of Leo De Castro. Center for Advanced Philippine Studies. June 2005. Website: www.caps.ph

ANNEX K-4: Ecosan Toilet in San Fernando, La Union



NPK or ammonium nitrate, from human urine, is a very effective fertilizer which makes green leafy vegetables and fruits grow master.

*Source: The Ecological Sanitation. Powerpoint presentation of Leo De Castro. Center for Advanced Philippine Studies. June 2005.
Website: www.caps.ph*

ANNEX L: Sulu's Water Supply Requirement, 2005 - 2015

Municipality		Phase I (2005-2010) Requirement					Phase II (2010-2015) Requirement		
		Level III		Level II		Level I	Level III	Level II	Level I
		Mode of Project	# of connection	Mode of Project	# of faucets	# of wells	# of connection	# of faucets	# of wells
1	Indanan	N & E	134	New	163	163	502	60	49
2	Jolo	E	1,688	New	-	-	2,541	-	-
3	Kalingalan Caluang	N & E	745	New	606	14	467	26	-
4	Luuk	N	627	New	100	43	666	52	13
5	Maimbung	N	392	New	24	56	205	12	31
6	Panamao	N	537	New	21	74	442	62	26
7	Panglima Tahil	None	-	New	48	-	31	31	-
8	Panglima Estino	N	441	New	1,642	17	337	7	12
9	Pangutaran	None	-	New	166	24	-	124	9
10	Pandami	None	-	New	62	52	-	33	27
11	Parang	N	-	New	153	148	447	48	60
12	Pata	None	-	New	84	9	-	53	5
13	Patikul	N & E	280	New	102	55	313	38	33
14	Siasi	N & E	1,136	New	101	159	391	93	67
15	Talipao	N	663	New	158	168	605	55	99
TOTAL			6,643		3,430	982	6,947	694	431

N- New

E- Enhancement

Source: DILG-JICA December 2003. Comprehensive Basic Study of the Autonomous Region in Muslim Mindanao in the Republic of the Philippines, Final Report: Water Supply and Sanitation Sector of the Province of Sulu.

ANNEX M: Sulu's Sanitation Requirement, 2005-2015

Municipality		Phase I (2005-2010) Requirement			Phase II (2010-2015) Requirement		
		No. of Household Toilet	No. of Public School Toilet	No. of Public Toilet	No. of Household Toilet	No. of Public School Toilet	No. of Public Toilet
1	Indanan	2,072	4	1	5,812	3	-
2	Jolo	1,418	9	2	8,155	3	2
3	Kalingalan Caluang	911	4	2	2,649	3	1
4	Luuk	1,362	1	1	3,965	2	2
5	Maimbung	1,024	1	2	2,495	2	2
6	Panamao	1,321	1	2	3,604	2	2
7	Panglima Tahlil	177	2	2	514	1	1
8	Panglima Estino	741	4	2	2,054	3	2
9	Pangutaran	1,016	3	2	2,955	2	1
10	Pandami	886	2	2	2,159	2	1
11	Parang	2,135	4	3	5,203	3	2
12	Pata	457	1	1	1,303	1	1
13	Patikul	1,337	5	2	3,780	2	1
14	Siasi	2,646	4	3	5,092	4	2
15	Talipao	1,785	4	3	4,360	3	2
TOTAL		19,288	49	30	54,100	36	22

Source: DILG-JICA December 2003. Comprehensive Basic Study of the Autonomous Region in Muslim Mindanao in the Republic of the Philippines, Final Report: Water Supply and Sanitation Sector of the Province of Sulu.

[Annexes]

ANNEX 1

Open Forum

On Reproductive Health and Policy on Population

A participant asked what exactly is the impact of PGMA's speech saying that she will reduce the funds for artificial family planning methods to natural. If so, is the budget for such item higher for 2006?

Asec. Villaverde answered that the item on reproductive health is actually on improving access to modern contraceptive methods under related expenses. The said services have been devolved to the LGUs thus, the expenditures are to be shouldered by them and not necessarily by the Department of Health (DOH) or the National Government.

Fenny Tatad of NCPAG pointed out a press release from the World Health Organization (WHO) through its international agency for research of cancer saying that all contraceptives are risky. Given that the goal is maternal health, she asked how contraceptives or family planning can provide health for mothers.

Asec. Villaverde explained that the policy of the Department of Health has not really changed since the time of Sec. Bengson and that the DOH is currently strengthening the mainstreaming of the national family planning methods, the budget for which is included in a separate plan item in the DOH budget. Moreover, the National Government will not procure contraceptives because these are basically world health services. However, according to Villaverde, in terms of building the capability of the local government, the DOH will continue the promotion of family planning and its methods.

On Population growth

Ms. Tatad solicited the thoughts of Cong. Acosta on the country's varying rate of population growth—i.e., some say it's 2.36 percent, NEDA says it's 1.9 percent, while others have it at 1.6 percent.

Cong. Acosta reported that the issue of the country's growth rate is a continuing discussion with NEDA's 1.9 percent for the MTPDP, while other projections such as the UN's is less at 1.6 percent, 1.8 percent. He opined that in terms of growth rate, the Philippines does not need projections. However, this is not to say that the growth rate is declining but rather, the projections are still upwards by 2.3 percent.

On debt for equity

A query on why debt for that equity not viable in financing the MDGs was directed to Prof. Briones.

Prof. Briones emphasized that we should not pin our hopes on the Debt for Equity to solve the problems of development and RP debt crisis because the scheme only exchanges one form of liability which is debt to another form of liability which is equity.

She explained that in the case of the Philippines, since we have already sold most of our viable government corporations, we do not have much to offer investors to swap for our debts. Even if the government is able to swap a corporation in exchange for 100 million pesos, it will not have that much impact in reducing our public debt which stands at a staggering six trillion pesos.

Moreover, Prof. Briones pointed out that we can offer investors to invest in our environment in exchange for equity. Now granting that they will like the offer, in 10 years the investors will get so many billion dollars from gold and food resources, at the expense of our environment.

Finally, Prof. Briones reiterated that to reduce the debt, it should be debt cancellation and not Debt for Equity because even if the latter works it will have no impact to the country's debt since it is just too huge.

On forging partnerships with pharmaceutical companies to lower drug costs

Nina Castro of national Statistical Coordination Board (NSCB) inquired how the DOH is addressing the high costs of medicines and whether it is part of the DOH plan under the MDG. She also sought clarification on an item called Healing the Wounds program, contained in the 2006 proposed budget, which is meant for the purchase of fire trucks.

Asec. Villaverde reported that the DOH addresses the said concern through PHARMA 50 program which seeks to reduce the cost of essential pharmaceuticals by 50 percent. One of the strategies to implement the program is pharma importation. There have also been efforts to strengthen the implementation of our Generics Act. Another strategy, in line with the program of the Philippine Institute for Traditional and Alternative Health Care is mainstreaming the use of herbal drugs. Then in terms of distribution, there is a push for the development and creation of *botika ng bayan* and *botika ng barangay*.

On addressing the needs of the urban poor

Mary Rosales of Ateneo de Manila University related that the urban poor in Metro Manila are many ways much worse in condition than some of those living in the rural areas. Given that by 2015, the poor will comprise 60 percent of the country's population and of that, 1/3 are at least urban poor living in informal settlements under some of the most miserable circumstances, she wanted to find out what concrete actions are being undertaken to address not just the educational needs of the poor in urban areas, but also housing, water sanitation and land tenure.

Ms. Marivic Raquiza answered that to further sensitize the indicators that it used, Social Watch Philippines is doing accuration more on territorials. In the Philippines mataas ang GNP, pero maraming places sa Pilipinas na their level of poverty and hunger is comparable to those living in high end. She agreed that there should have been more discussions to further understand all these and hoped that sooner, more data can be provided to further address the given situations.

On the leadership crisis in relation to development

Ela pointed out that the bottom line towards achieving the targets is the leadership since the directive would come from the

leadership in the adoption and implementation of the proposals such as the MDG. She expressed frustration over the apathy of most Filipinos on the said issue and asked what should be done?

Cong. Acosta, in turn gave an analogy on how crucial leadership is in development. He said that even if you have the latest software programs, it will not work if it is not compatible with the CPU or hardware. Citing President Arroyo's pronouncements at UN general assembly, he related that one can have all the software proposed, like the MDG, but if you do not get back to the hardware of ingenuity...of trust...of credibility...society will crash. He hopes and prays that more and more leaders in all sectors of society, will be able to really address these hardware issues by reflecting on what kind of government we want and what kind of society we want to shape and take actions towards achieving it.

Ms. Raquiza on her part said that now more than ever, is the time to make our voices heard. She pointed out to the need to get people's voices registered and why it's important for organized actions. Mass action is needed to be able to let government know that something's not right. Latly, she opines that things may be going from bad to worse but instead of anarchy, we have a way out...and that now is the time for organized mass actions.

Debt-for-equity in MDG projects: Taming the speaker's folly

Jessica Reyes-Cantos

Social Watch Philippines

4 March 2006

About six months ago, the Speaker of the House, Jose de Venecia, or JDV, as he is known among political and even NGO circles, proudly unveiled a debt-for-MDG swap which he reported as having gotten a resounding positive reception in the international community, such as the Paris Club, financial and political authorities in Western Europe, the Italian and German governments, and even the Asian Development Bank. Through the swap, he envisioned freeing some \$2.25 billion (or about in PhP117 billion) in debt service annually for MDG projects for the country by converting 50 percent of the debt owed by 100 highly indebted countries to equity investments.¹

Ironically, here at home, his proposal was met with a lot of skepticism from people who would otherwise be on opposite sides of the debt debate. The Freedom from Debt Coalition, economist Sixto K. Roxas and former National Treasurer and Social Watch Co-convenor Leonor Briones found themselves on the same side of the fence with former Department of Finance Undersecretary Romeo Bernardo, expressing grave concern over the Speaker's proposal. In fact, in a forum held on 8 November 2005 in one of the posh hotels in Ortigas, the Speaker faced a barrage of critics, dousing cold water on his usually fiery and passionate speeches.

Perhaps the international community was kinder or more diplomatic compared to locals who managed to be civil yet brutally frank with their comments thrown at the fourth highest elected official of the land. But before we decide which side is alright, let us see what the JDV proposal has to offer.

What's it all about?

Swapping debt payments for projects that would finance the so-called Millennium Development Goals (MDGs for short) seems like a great idea. MDGs constitute a set of targets signed by UN-member states committing to address among others, the lack of education, gender inequality, maternal and child mortality, environmental degradation, inaccessibility of safe drinking water, HIV/AIDS and other diseases, and poverty. The target year is 2015—the major call being the reduction of poverty levels by half.

How much more Christian can you be when you plow 50 percent of the debt payments you collected, back into the debt-

stricken country to be used to build houses for the poor, school buildings, hospitals and irrigation, provide post-harvest facilities, set up water systems, finance reforestation projects, and the like?

A Noble but not a Novel Idea

The debt swap is not really a new idea. It dates as far back as two decades ago at the height of the global debt crisis. That was when creditors who leaned overzealously toward dictators and corrupt governments realized that they would rather collect at least half of the face value of their debt immediately than risk default and not collect anything at all from countries like Mexico, Brazil, Indonesia and the Philippines. These debts were exchanged for equity in privatized enterprises, with an interested foreign investor practically getting a discount for every dollar of debt he bought.

The scheme purportedly hits two birds with one stone: It retires a portion of a country's foreign debt while at the same time encourages foreign investors to come in. Some skeptics think though that a foreign investor would come in, anyway, even without the swap. But they used the scheme to get more pesos for their dollars—effectively devaluing our currency. But that's another story.

Then some civic-minded people thought of using the scheme to promote environmental conservation. A portion of the debt is sold, again at a discount, the proceeds of which, redeemed in its full peso value equivalent, was used for reforestation projects. Thus, the debt-for-nature swap was born.

Profiles of five debt-for-nature swaps²

Endowment means that debt swap proceeds are continually reinvested so that the principal is not used and only annual investment income is used for conservation projects.

Such noble intentions are indeed worth supporting and promoting. There has been some success in promoting debt-for-nature swaps back when the debt discounts were significant. This was the light bulb behind the Speaker's idea.

However, there is a whale of a difference between a debt-to-equity swap and a debt-for-nature swap. As James P. Resor, Director of the Conservation Enterprises, World Wildlife Fund-United States, wrote³:

¹ "Debt for Equity in MDG Projects," by Jose de Venecia, Speaker, House of Representatives, Congress of the Republic of the Philippines, Presented to the Boards and Senior Officials of the United Nations, the International Monetary Fund, The World Bank, the G-8 Nations, the Paris Club, all the Heads of state and of Government, and all Speakers of Parliaments of the World. September 2005.

² "Debt-for-nature swaps: a decade of experience and new directions for the future," by James P. Resor, Director, Conservation Enterprises, World Wildlife Fund – USA.

³ Op cit.

Year	Country	Cost (US\$)	Face value of debt (US\$)	Conservation funds generated (US\$)	Payout in years	Recipient
1987	Ecuador	354,000	1,000,000	1,000,000	8	Fundación Natura
1989	Ecuador	1,068,750	9,000,000	9,000,000	9	Fundación Natura
1989	Philippines	200,000	390,000	390,000	2	Haribon Foundation
1992	Philippines	5,000,000	9,846,607	8,815,946	Endowment*	Foundation for the Philippine Environment
1993	Philippines	12,970,000	19,000,000	17,100,000	Endowment*	Foundation for the Philippine Environment

A debt-for-equity swap is used to generate profits for the investor. A debt-for-nature swap does not seek profit, but rather [to] provide additional funds for conservation activities within a country. The debt-for-nature swap differs in that there is no transfer of ownership or repatriation of capital to a foreign investor. (edits mine)

JDV puts two and two together

With a lot of bravado, what Speaker JDV proposed with his debt-for-MDGs was actually a mix of a debt-for-equity (i.e. more profits for the investor) and a debt-for- “something noble” swap. The debt-for-equity angle came into play when he included among the menu of choices, debt for energy, ecotourism and other wealth-creating projects like mineral extraction and the like. This raised the inevitable question: What does he really want?

Former National Treasurer Leonor Briones pointedly said,⁴

Debt for Equity or Debt for MDG Swaps? xxx A Debt for Equity arrangement may not necessarily be for MDGs. It can be a swap for equity in a public or private enterprise which is remotely related to the MDGs. Some swaps can even be dangerous for specific MDG goals, if these threaten the environment, e.g. mining, forestry, etc. A sustainable environment is one of the MDG goals.

At the same time, a debt for MDG swap does not have to take the form of an equity swap. The Philippines has had experiences with debt-for- environment swaps and equity was not involved. The proceeds of the environment swaps directly went into a fund which financed projects designed to contribute to a sustainable environment. (emphasis hers)

She further dispels the idea that “financial resources” will be freed for development purposes, as others might be led to think that government need not shell out a lot of funds for debt service. “Government will still pay, the difference is that the money will either go to equities or to a fund specifically for an MDG Goal. Thus government will either generate more revenue or borrow to pay for the debt or debt service which will be converted. In any case, government must still pay.”⁵

Economist Sixto K. Roxas, on the other hand, raised alarm

against the proposal, pounding on the debt-for-equity side of the Speaker’s scheme. He pointed out that a debt-for-equity arrangement merely converts the creditor’s assets from one form to another and does not actually liquidate the liability. “For equity is as much a liability of the country,” he added. He further warned that the cost to the country is not reduced and may in fact be much increased if the profit and dividend rate and the potential capital gains accruing to the foreign investor are larger than the principal and interest of the converted debt. He further makes an analogy of the scheme, that of a father who pays his debts by selling the family house and other prime properties, effectively leaving his children with nothing.⁶

Not even a dent on the debt burden

Former Finance Undersecretary Romeo Bernardo sees the proposal as no magic wand. Given the nature of our creditors and using the Speaker’s scheme, he does not see a meaningful resolution to the debt burden. On the contrary, it might even compound it.

Institutions that might be receptive to the idea are official creditors—bilateral and multilateral. But, as he points out, debt service on bilateral loans are already low given their concessional nature. On the other hand, multilateral institutions are constrained from participating as they rely on capital market access for 90 percent of their lending. As such, chances of seeing them take the swap plunge can be quite nil. In fact, peddling the idea impliedly calling for debt relief might even be read as a call for debt default, sending a signal to the financial markets that the country is unable to honor its debts. Calls like this can even downgrade our credit rating. A one notch downgrade is expected to increase interest cost by Php550 million to Php690 million based on the country’s annual \$4–5 billion refinancing requirement. In short, it may even lead to an unintended payments crisis.⁷

Turning the radar toward commercial creditors, on the other hand, is wishful thinking. While 20 percent of our foreign debt is owed to commercial banks, they are in the business of lending money and not necessarily into equities. Government will have

⁴ “Preliminary Comments on Debt Conversions,” Prof. Leonor Magtolis Briones, Co-Convenor, Social Watch Philippines, 8 November 2005.

⁵ Op cit.

⁶ “Government Warned Against debt-to-equity scheme,” BusinessWorld, 10 November 2005.

⁷ “RP debt swaps: No magic wand,” BusinessWorld, 16–17 September 2005.

to engage in one-on-one negotiations with thousands of creditors to achieve the Speaker's 50 percent debt swap conversion goal.

What gives?

There is no substitute for generating our own savings by collecting taxes more efficiently, restructuring the tax system to make it more progressive, and, improving the level of governance to address poverty.

Debt-to-equity swaps are an entirely different matter altogether and should be removed from the menu of options.

Any illusion that debt swaps will significantly lessen our debt burden is sheer folly. No amount of bleeding heart schemes or pronouncements, saying that interest payments alone will eat up PhP340 billion, or one-third of the 2006 budget and constitutes 35 percent of revenues and translating all these figures

into actual numbers of farm to market roads, school buildings, irrigations and others that could have been built, have worked. The fact is, it is hard to reconcile noble goals with profitability goals.

Yet, we must not close ourselves to the idea of a real debt-for-MDGs swap, where kind-hearted people actually part with their hard-earned money to fund poverty reduction goals.

Perhaps a formula to get more people interested in debt-for-MDGs arrangements is when there is a condition of a huge risk of default as there was back in the 1980s.

Come to think of it, our seemingly unending political turmoil under the dispensation of President Gloria Macapagal Arroyo might just do the trick. After the coup rumors, Proclamation 1017 and some warnings against a critical press, maybe it's time for the Speaker to renew his call, but out with the "equity," please.

[Notes]



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