

**PROGRESS AGAINST 2007 PDF 2007 BREAK-OUT SESSION  
ACTION PLANS**

ISSUE	ACTIONS RECOMMENDED	STATUS
<i>Break-Out Session on Sustaining Fiscal Progress</i>		
Strengthening tax effort	<ul style="list-style-type: none"> <li>▪ Identify quantitative monitorable targets under ongoing tax reform program at BIR/BOC so progress can be assessed.</li>   <li>▪ Successfully prosecute selected high profile cases under RATE and RATS</li>   <li>▪ Identify legislative measures if tax administration measures insufficient</li> </ul>	<ul style="list-style-type: none"> <li>▪ In late 2007 and early 2008, some progress was made in cleaning up the tax registration database. Data matching with SEC revealed about 11,000 corporations that were not registered with BIR. Furthermore 130,000 inactive taxpayers were generated from the system. Both unregistered and inactive taxpayers are currently being validated in the field by BIR. Currently, efforts are being focused on improving the registration system and expanding the tax base.</li>   <li>▪ RATE cases filed rose to 89 in March 2008 from 44 in 2005. The Tax Amnesty Law and a new BIR order transferring RATE investigation activities from the National Office to the Regional Offices slowed down progress in the RATE in 2007 but the filing of cases will resume as the Law is no longer in effect. Court hearings now ongoing in many of these cases.</li>   <li>▪ RATS cases filed rose from 11 in 2005 to 60 in February 2008 involving 265 respondents. Many of these now in court.</li>   <li>▪ Congress is now discussing three measures:               <ol style="list-style-type: none"> <li>1) Rationalization of fiscal incentives;</li> <li>2) Income tax reforms; and</li> <li>3) Excise tax reforms</li> </ol> </li> </ul>
Increasing high quality spending	<ul style="list-style-type: none"> <li>▪ Build on successes of MTEF and OPIF: roll-out to other government agencies</li> </ul>	<ul style="list-style-type: none"> <li>▪ The DBM has updated the forward estimates of the existing programs and projects by agency and used a new Paper on Budget Strategy (PBS) to advise the Development Budget Coordination Committee (DBCC) and the cabinet regarding policy and expenditure priorities for the 2008 budget.</li>   <li>▪ The Government has “cascaded” the OPIF beyond the initial set of 20 departments and has now developed OPIFs for their attached bureaus and agencies and Other Executive Offices under the Office of the President.</li>   <li>▪ On the adoption of e-NGAs to enhance uniformity in the application of government accounting rules and facilitate the consolidation of financial reports,</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Widen implementation of rationalization program: (i) prioritize evaluation and approval of submitted plans; (ii) assist agencies yet to submit plans; (iii) mitigate impact; (iv) muster additional political will for program implementation</li> <li>▪ File bill on new compensation system in Congress in July 2007</li> <li>▪ Improve and harmonize GOP and development partners' procurement guidelines.</li> </ul>	<p>about 309 government entities (162 NGAs, 131 LGUs and 16 GOCCs) have completed the installation of the System as of 31 January 2008, with the assistance of the Team deployed by the Commission on Audit (COA).</p> <ul style="list-style-type: none"> <li>▪ As of February 2008, 19 departments, 27 OEOs and 36 GOCCs have submitted their rationalization plans to the DBM. Out of the submitted rationalization plans, 2 departments, 4 attached offices and 8 GOCCs have been approved by DBM.</li> <li>▪ The Compensation Reform bill was refiled by Lacson in the Senate in June 2007. DBM is in the process of finding a sponsor in the House of Reps.</li> </ul> <p>But while waiting for the Bill, the President issued EO 611 ( Authorizing Compensation Adjustments to Gov't Personnel, March 14, 2007) to provide for a 10% increase in basic monthly salaries, effective July 2007. Another 10% by July 2008 was incorporated in the 08 budget. The EO also implemented adjustments in the subsistence allowance and hazard pay of the military and other uniformed personnel.</p> <ul style="list-style-type: none"> <li>▪ Procurement harmonization terms of reference to be discussed in the PDF.</li> <li>▪ The effectiveness of the public procurement system is monitored and measured in the agency and LGU levels through the Agency Procurement Compliance Performance Indicators (APCPI). A total of 10 key procurement laden agencies were subjected to the APCPI. The overall results were used as baseline indicators for country-wide performance in procurement operational effectiveness as recorded in the 2007 Country Procurement Assessment Report (CPAR)</li> </ul>
Intensify governance reform	<ul style="list-style-type: none"> <li>▪ Communicate progress made in recent months on prosecution, prevention, and education, and identify goals for 2007.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Held two Road Shows, one in Manila and the other in Davao where reporting to the public was done on OMB's accomplishment and their different corruption prevention projects. Launched the Teaching Exemplars modules that highlight integrity in all aspects of national life and intend to instill in the students, honesty, integrity, professionalism and simple living.</li> <li>▪ Published Integrity Newsletter where results of anticorruption drive were highlighted and corruption education programs were featured.</li> <li>▪ Conduct of Regular radio program as a form of reporting and direct interaction with the public.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Monitor recommendations of the Integrity Development Reviews</li> </ul>	<ul style="list-style-type: none"> <li>▪ DRs completed in 11 agencies in 2007 and in order to sustain the reforms initiated , Integrity Development Committees (IDCs) were established in BIR, BOC, DPWH, DepEd and LTO. The creation of the IDCs helped in the monitoring of the recommendations and progress in the action plan. Action plans were already adopted in DOH, DPWH and DepEd in order to concretely monitor the progress of reforms brought by IDR. OMB is holding monthly meetings with IDCs for regular reporting and updates</li> </ul>
Developing the capital market	<ul style="list-style-type: none"> <li>▪ Undertake study of options for revenue-neutral reforms for harmonized taxation of financial transactions</li> <li>▪ Secure legislative passage of the credit bureau bill; Obtain legislative approval for amendments to the BSP charter to further strengthen the banking system</li> <li>▪ Further strengthen debt management, e.g. recent peso bond exchanges by BTr</li> <li>▪ Harmonize regulation of banking and non-banking sectors</li> </ul>	<ul style="list-style-type: none"> <li>▪ Study done. Proposed bills being readied and interested sponsors met by CMDC officers.</li> <li>▪ Bills in both Senate and House filed and certified for immediate enactment by the President. Senate Bill approved on 3<sup>rd</sup> reading.</li> <li>▪ Creation of Debt and Risk Management Office in DOF included in the DOF rationalization plan; BTr actively engaged in bond exchanges and prepayment of debts with high interest rates</li> <li>▪ Study done on single regulator vs. multiple regulators and proposes gradual movement to a single regulator. Coordination between financial sector regulators (BSP, OIC and SEC) established through creation of a committee and periodic meetings thereof.</li> </ul>
<b><i>Break-Out Session on Nurturing Regional and Local Growth</i></b>		
Competitiveness and profitability of agriculture	<ul style="list-style-type: none"> <li>- Rationalize public expenditures and investments in the agriculture sector.</li> </ul>	<ul style="list-style-type: none"> <li>- The oversight agencies and the Department of Agriculture (DA) re-confirmed their commitment to the implementation of the World Bank (WB)-funded National Program Support for the Diversified Farm Income and Market Development Project (NPS-DFIMDP) which seeks to promote the competitiveness of the sector by facilitating the transition of the DA into a service-oriented agency through the realignment of its programs and budgets towards market-oriented interventions and building capacities thereon.</li> <li>- The Department of Budget and Management (DBM), with Philippines-Australia Partnership for Governance Reforms (PEGR) assistance, is currently refining Department Major Final Output (MFOs); for instance, the latest DA MFOs have been reduced from 10 to only 3 : MFO 1- Support Services; MFO</li> </ul>

		<p>2 – Regulations; MFO 3 – Plans and Policies</p> <ul style="list-style-type: none"> <li>- The DBM is expected to initiate the change in the nomenclature of the (DA’s) General Appropriations Act (GAA) along functional lines by 2009</li> <li>- The oversight agencies continue to engage the WB in identifying, evaluating and designing strategic options for implementing the recommendations of the 2006 AgPER, which would include a transition program for adversely-affected (vulnerable) farmers and stakeholder-specific communication/advocacy plans</li> <li>- The WG organized a workshop to share information and exchange experiences on adopting Results-based Management (RBM) among the Rural Development Agencies (DA, DAR, DENR) and the oversight agencies (NEDA, DBM) in November 2007. In recognition of the importance of adopting a results-based framework in the rural sector, a proposal is currently being developed by the RD agencies and NEDA to systematically introduce RBM in the rural sector</li> </ul> <ul style="list-style-type: none"> <li>▪ Continued implementation of various development partner programs, including the WB’s Mindanao Rural Development Program Phase 2 (MRDP 2) which seeks to institutionalize a decentralized system for agriculture and fisheries services delivery, and other similar interventions.</li> </ul>
<p>Land administration and distribution</p>	<ul style="list-style-type: none"> <li>▪ Government to come up with a position to resolve CARP extension issue through Congress (in time for the opening of the 14<sup>th</sup> Congress)</li> </ul>	<p>The DAR commissioned and presented the results of a second CARP Impact Assessment Study to the DBCC</p> <ul style="list-style-type: none"> <li>- The DAR will commission a “downstream” study of CARP implementation which would assess/validate the actual accomplishments of the program in order to assist in the refinement of the post-2008 CARP targets/budget</li> <li>- In response to the oversight agencies’ and the DAR’s request for analytical support in the GOP’s decision regarding the nature and the design of the post-2008 CARP, the Bank</li> <li>&gt; presented the results of its study on the “CARP Institutional Assessment in a Post-2008 Transition Scenario” to the DBCC, DA and DAR on December 2007 and February 7, 2008; and</li> <li>&gt; is undertaking a study entitled, “Towards a Revised Land and Rural Development Agenda in the Philippines “ which will be presented to the GOP around May 2008.</li> </ul>
<p>Strengthening Local Governance</p>	<ul style="list-style-type: none"> <li>▪ Accelerate the implementation of LGU financing framework (to include LGU credit access</li> </ul>	<ul style="list-style-type: none"> <li>▪ Efforts to expand the range and relevance of financing instruments to LGUs launched in 2006 continued in 2007. DOF organized a conference on LGU Financing in December 2007 aimed at furthering the agenda. As a follow up to this, key</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Develop and implement a mechanism for providing performance-based incentives to LGUs (to be included in the 2008 budget)</li> <li>▪ Improve implementation, coordination and increase coverage of capacity building initiatives, especially for planning, budgeting, investment programming and project preparation</li> <li>▪ Push for the amendment of the Local Government Code, including IRA policy</li> </ul>	<p>steps have been taken to initiate dialogue regarding private sector role as depository institutions; efforts to allow LGUs access to sub national finance; and agreement on key principles of a performance based grants program have been reached. Other achievements included the issuance of an EO on Information Sharing between BIR and LGUs.</p> <ul style="list-style-type: none"> <li>▪ The Government launched a concerted effort to prepare LGU Newly Elected Officials for their three year terms. Coined the NEO program the program, supported by development partners included dissemination of a package of key legal and procedural requirements to all LGUs; peer to peer briefings and knowledge/information dissemination by members of the leagues; support for 27 alliance building workshops aimed at building intra-provincial prioritization, planning, budgeting and coordination. Dissemination of new guidelines and procedures developed under the JMC (jointly signed by oversight agencies during the 2006 PDF) was also initiated as an integral part of this program.</li> </ul>
<p>Peace and security as a cross-cutting issue (with focus on Mindanao)</p>	<ul style="list-style-type: none"> <li>▪ Affirm government commitment to the peace process</li> <li>▪ Set aside a national fund for conflict-prone areas</li> <li>▪ Increase LGU accountability for local peace-building measures</li> </ul>	<ul style="list-style-type: none"> <li>▪ An executive session with positive outcomes was held between GRP and MILF peace panels on Oct. 22, 2007 to resolve impasse. Security for field activities is supported through effective ceasefire mechanisms with support from different stakeholder groups and international partners.</li> <li>▪ OPAPP initiated preparatory work for creation of fund channeling mechanism with NEDA guidance. Also, initial discussions on the likely scope and institutional arrangements for MTF-RDP Phase II (after the peace treaty) have been held.</li> <li>▪ PMO Convergence on Peace and Development for Mindanao-based implementing units share lessons learned and good practices in peace and development</li> </ul>
<p><b><i>Break-Out Session on Achieving Broad-Based Growth</i></b></p>		
<p>Enhanced financing and effective governance to implement gender-responsive and rights-based reforms in basic education, health and social protection</p>	<ul style="list-style-type: none"> <li>▪ Increasing the share of budget and real expenditure for basic education, health and social protection and frontload investments over 3-5 years to eliminate shortages and critical inputs</li> </ul>	<p><b>Basic Education</b> Under the proposed FY 2008 budget, DepEd budget (including allocation for SBP) increased by P8.64 billion from 2007 level</p> <p>Continued collaboration with development partners as follows:</p> <ul style="list-style-type: none"> <li>• WB's US\$200million loan for the National</li> </ul>

		<p>Program Support for Basic Education (NPSBE) for 2006-2011</p> <ul style="list-style-type: none"> <li>• AusAID’s A\$41 million grant for the proposed Support to Philippine Basic Education Reform (SPHERE) for 2007-2011 and A\$10 million as an incentive to implementing key elements of the reform agenda for 2008/2009</li> <li>• UNICEF-AusAID (P6.9 million) and Netherland (\$1.215 million) for construction and repair</li> <li>• AECI’s €968 million (Phase 1) and €2.6 million (Phase II) for construction &amp; training</li> </ul> <p>DepEd is closing the classroom gap &amp; teacher-pupil ratio</p> <p>Frontloading financing for critical resources has been started for the FY 2008-2010. However, this is purely GAA-sourced and the possible use of Special Education Fund (SEF) as a security, floatation of Patriot Bond and increase of IRA has yet to be explored.</p> <p>Strengthening established frameworks of public-private partnerships for attaining Education for All (EFA) goals done on a large scale basis through various combinations (e.g. Adopt-A-School Program, ODA, PTCA, Brigada Eskwela, Service contracting at preschools, secondary and ALS).</p> <p><b>Health</b>  Building on the Health Sector Reform Agenda (HSRA), DOH adopted the FOURmula One for Health (F1) as the implementing framework for reform in the health sector.</p> <p>The Department formally adopted the sector-wide approach as the means to manage F1 implementation.</p> <p>DOH continued progress in the implementation and preparation of Province-wide Investment Plans for Health (PIPH) in 16 and 21 roll-out sites, respectively.</p> <p>Formulation of the DOH Medium-Term Expenditure Plan (MTEP) and the presence of a strong lobby group of NGO partners working on appropriations to health continued to increased investment for health from the national government.</p> <p>Updated the Health Sector Expenditure Framework (HSEF) Review of recent studies:</p> <ul style="list-style-type: none"> <li>• Multi-year spending plan for the DOH (by Rosario Manasan and Janet Cuenca), and</li> <li>• Financing F1 investments and DOH budget</li> </ul>
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	<ul style="list-style-type: none"> <li>▪ Improving budget execution and resource allocation through development and implementation of multi-year performance-based financing (Medium-Term Expenditure Framework) for social sectors</li> </ul>	<p>reforms</p> <p><b>Crosscutting</b>  NEDA, in partnership with the UN, developed and launched the Philippines Mid-Term Progress Report on the MDGs for evidence-based advocacy and increased budget for social sectors</p> <p>UN supported research and policy studies on MDG financing were brought to the arena of public debate, policy reform and change. These significantly contributed to political endorsement of the Debt-for-Equity proposal to fund the MDG projects, including at the ASEAN Summit in January 2007, forming the basis for a region-wide effort to address the MDG financing gap.</p> <p>The Social Watch Philippines, with support from the UN, led the formulation and advocacy for an ‘alternative budget’ for MDG-related expenditures, the first time in 105 years of budgeting, contributed to increased expenditures for health, education, agriculture and environment, and reduction of debt interest payments by P17 billion.</p> <p>Prioritization of MDGs in the preparation of national and local budget proposals formed an important part of the policy guidelines and procedures issued by the DBM</p> <p><b>Basic Education</b>  Progress made in multi-year budgeting and demand-side financing. Policy on 2007-2010 budget strategy disseminated via DepEd Order 24, s. 2007.</p> <p>Support to undertake policy studies on:</p> <ul style="list-style-type: none"> <li>• Updating the expenditure framework/spending plan</li> <li>• Public-private partnership (PPP) with focus on service contracting and private management of public schools</li> </ul> <p>To address COA recommendations on past year’s audit and improve execution of DepEd budget to catalyze more effective use of all available resources for better education outcomes:</p> <ul style="list-style-type: none"> <li>• Greater effort to tighten performance management and accountability. Quality assurance at input, process and output is being promoted by DepEd</li> <li>• Conducted a budget execution workshop within DepEd</li> </ul> <p>Revision of the Organizational Performance Indicator Framework (OPIF) to reflect emerging priorities in DepEd which are not captured in the</p>
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	<ul style="list-style-type: none"> <li>▪ Improving financial protection from price increases for beneficiaries of subsidized services (i.e. health insurance)</li>   <li>▪ Developing strengthened partnership frameworks and capacities to increase LGU and local community participation in financing and/or providing basic education, health and social protection services.</li> </ul>	<p>Basic Education Sector Reform Agenda (BESRA)</p> <p><b>Health</b>  A system is being developed to track budget utilization and its contribution to attainment of health outcomes.</p> <p><b>Social Protection</b>  DSWD is preparing the Social Welfare MTEP as part of the World Bank-funded National Sector Support for Social Welfare and Development Reform Project (NSS-SWDRP)</p> <p><b>Health</b>  Comprehensive review of benefits being undertaken by PHIC, while continuously strengthening and making more efficient claims processing. Broader work is also being undertaken to improve financing and increase efficiency in the health sector through IT systems and health data standards.</p> <p><b>Basic Education</b>  Institutionalization of cost-sharing by LGUs of specific inputs and activities in basic education at localities considering the variations in LGU financial capacity being done through the school-based management (SBM) and School First Initiative (SFI).</p> <p>Conducted the Orientation cum training of regions and divisions on BESRA implementation, particularly SBM</p> <p>Refined SBM standards and validated SBM assessment tools</p> <p>Conducted nationwide assessment of SBM practice of public schools</p> <p>To pursue EFA recommendations for ‘financially capable’ LGUs to cover the MOOE and Capital Outlay of schools within their jurisdiction while the national government will finance hiring of teachers for all public schools (to ensure quality) and MOOE and CO of schools in poor municipalities</p> <p>Completed series of orientation of BESRA implementation and adjustment of regional and division action plans (which include SBM and Competency-Based Teachers Standard or CBTS roll-out) to enable schools to progress at their respective paces towards greater school-community governance of basic education delivery</p> <p>To introduce an equitable formula-based MOOE allocation for elementary and secondary schools effective SY 2009-2010</p>
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	<ul style="list-style-type: none"> <li>▪ Developing a common harmonized targeting, monitoring and evaluation tool for basic education, health and social protection.</li> </ul>	<p><b>Health</b>  On the implementation of Province-wide Investment Plan for Health (PIPH) in 16 sites:</p> <ul style="list-style-type: none"> <li>• Start up funds (GOP funds) provided for preparatory activities</li> <li>• Completed facility mapping and LGU Public Finance and Management Plans prepared in all sites</li> <li>• 16 Service Level Agreements signed</li> <li>• Project Operations Manual finalized</li> </ul> <p>Preparation of PIPH for the 21 roll-out sites with assistance from USAID (Health Gov and SHIELD Projects). Joint Assessment Committee (JAC) Review of the 21 PIPH will be conducted after submission of PIPH</p> <p><b>Social Protection</b>  NSS-SWDRP's Reform Areas 2 and 3 focus on strengthening partners/intermediaries to deliver social welfare services through capacity building, technical assistance and resource augmentation.</p> <p>Under Reform Area 4, undertake a review of:</p> <ul style="list-style-type: none"> <li>• Current training programs in relation to the Human Resource Development Program of DSWD, and</li> <li>• Possible institutional linkages and arrangements to operationalize the DSWD CORPLAN 2006-2015.</li> </ul> <p><b>Basic Education</b>  Introduction of Sector M&amp;E Framework, the National Learning Assessment System and lately, work has started to revisit Accreditation System</p> <p>With DepEd's thrust to improve governance and management, the ICT Unit in DepEd is currently reviewing the existing information system including the Human Resource Information System (HRIS) developed by the BEAM Project for possible upscaling. The Department is seriously considering the implementation of the long-time plan to establish the Financial Management Information System (FMIS), Management Resource Information System (MRIS) and HRIS to complement the Basic Education Information System (BEIS). Piloting and refinement of the HRIS in two regions (likely in NCR and Region III).</p> <p>Issuance of the final version of the NCBTS and the drafting of the regional CBTS with associated action plans for implementation, including initial self-performance appraisal by teachers, and the signing of</p>
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	<ul style="list-style-type: none"> <li>▪ Improving data collection and data management at the local levels.</li> </ul>	<p>an inter-agency resolution adopting the NCBTS as a unified framework for teacher development.</p> <p><b>Health</b> Data obtained on the status of implementation in the 16 provinces using the Community-Based Management Information System (CBMIS) and other tools applicable for the LGUs. Technical assistance being identified to undertake the actual survey.</p> <p><b>WG on MDGs in collaboration with WG on Decentralization</b> DILG and DSWD convened the joint PDF WG on Decentralization and WG on MDGs last 20 July to discuss the accounting treatment of social sector expenditures at the LGU level. Also on the agenda is the briefing on the social indicators included in the Local Government Performance Monitoring System (LGPMS). Suggestions emerging from the meeting are inter alia:</p> <ul style="list-style-type: none"> <li>• Revisit the input, output, outcome indicators of the LGPMS to harmonize performance system at the national level; ensure critical indicators (including the MDGs) are embedded in the system; and</li> <li>• DILG to sit down with each of the national agencies (DepEd, DOH and DSWD) to capture sector indicators in the LGPMS.</li> </ul> <p><b>Health</b> Development of Monitoring and Evaluation for Equity and Effectiveness (ME3) systems, including refinement of indicators (LGU/Donor Scorecard). A baseline survey in line with ME3 to be undertaken in the 16 sites.</p>
<p>Population management to achieve PGR target of 1.9% by 2010 and reduction of maternal mortality (in compliance with MDG #5)</p>	<ul style="list-style-type: none"> <li>▪ Capacitating the LGUs to implement the Contraceptive Self-Reliance Strategy and reproductive health commodity security especially for the poor</li> </ul>	<p><b>Health</b> The League of Municipalities of the Philippines, with support from UNFPA, provided subsidized family planning commodities to the 500 poorest municipalities as part of the safety nets provision for the poor within the Contraceptive Self-Reliance (CSR) Strategy.</p> <p>To capacitate the LGUs to implement the CSR Strategy and reproductive health commodity security, DOH has developed the guidelines on the expanded Administrative Order on CSR and finalized the guidelines on the utilization of allocation for Artificial Family Planning in the 2007 General Appropriations Act.</p> <p>The national government has implemented the Accelerated Hunger Mitigation Program (AHMP) to address the hunger and poverty problems. One of the</p>

	<ul style="list-style-type: none"> <li>▪ Educating the youth on reproductive health issues</li> </ul>	<p>major components of this program is the population management through the implementation of Responsible Parenthood Act at the regional and local levels by DOH and POPCOM.</p> <p>DOH also adopted the Women Health and Safe Motherhood Framework of health facility delivery by health professionals, which serves to decrease maternal mortality by more than half. Investments in health facilities that can provide delivery care and other services will also increase access to modern family planning methods, such as vasectomy, IUDs and injectables, among others.</p> <p><b>Basic Education</b> In partnership with AusAID, the UNFPA is working on the integration of RH concerns in basic education sector in elementary, secondary and alternative learning system (ALS), including providing support in developing relevant advocacy and teaching materials. DepEd has already prepared the revised curriculum for elementary and secondary schools but there is current resistance in the printing and use of these materials. UNFPA is doing advocacy in partnership with non-government organizations to influence policy making to strengthen inclusion of adolescent reproductive health topics in the school curricula.</p>
<p>Development and effective implementation of social protection and risk reduction and mitigation strategies</p>	<ul style="list-style-type: none"> <li>▪ Acting now against the growing HIV/AIDS epidemic and Avian Influenza by establishing appropriate information campaign, preparedness programs/plans and surveillance system</li> <li>▪ Improving targeting and reducing leakages in poverty programs</li> <li>▪ Developing a comprehensive national social protection strategy <ul style="list-style-type: none"> <li>▪ To create a Social Protection Strategy addressing the needs of the poor and vulnerable</li> </ul> </li> </ul>	<p><b>Health</b> Ongoing initiative to raise public awareness through large-scale campaigns using all avenues (schools, communities, workplaces, etc.)</p> <p>Intensifying prevention and control of HIV and AIDS and AI ongoing by strengthening surveillance systems and laboratories</p> <p>See below, critical element of 3.3</p> <p><b>Social Protection</b> NEDA-Social Development Committee (SDC) Resolution No. 1, s. 2007 on the definition of social protection was adopted in February 2007, which served as guidance for members of the Sub-group in implementing their own social protection programs and strategies.</p> <p>The DSWD, through its National Sector Support for Social Welfare and Development Reform Project (NSS-SWDRP) undertakes the leadership role in social protection, focusing primarily on providing social services and safety nets. Through the NSS-SWDRP, DSWD identified <b>Four Reform Areas</b>, which were formulated based on series of</p>

	<ul style="list-style-type: none"> <li>▪ To address the need for an accurate, legitimate, comprehensive and consolidated targeting system for the poor</li>   <li>▪ To facilitate the piloting of a Conditional Cash Transfer program to address the joint objective of poverty reduction and social protection</li> </ul>	<p>consultations with LGU representatives, government agencies and non-government organizations, to wit:</p> <p><b>1. Leadership in social protection</b> through developing and implementing a social protection framework, as well as targeting system for the poor;</p> <p><b>2. Faster and better service delivery</b> through using appropriate social protection models (i.e. Household-Based, Community-Based, Center-Based, and Disaster Management/Risk Mitigation models)</p> <p><b>3. Smarter financing</b> to secure more predictable funding for core DSWD functions, and rationalize resource augmentation</p> <p><b>4. Improve systems for service delivery</b> by improving Management Information System (MIS), Monitoring and Evaluation (M&amp;E), and organizing resource and expert pools.</p> <p>Under the NSS-SWDRP Project, 10 packages were clustered into two components: (i) Policy and Program Reform Agenda, and (ii) Institutional Development and Capacity Building.</p> <p>The targeting system used for selecting household beneficiaries of the Ahon Pamilyang Pinoy (APP) Conditional Cash Transfer Program (CCT) may be regarded as a model targeting system for the poor. A strategy for scaling up the APP/CCT model has already been created.</p> <p>The APP/CCT Program has already been piloted in two cities (Caloocan and Pasay City) and two provinces (Agusan del Sur and Misamis Occidental). It will be scaled up from 6,000 pilot households in 2007 to as many as 300,000 households in 2008.</p> <p>Memorandum of Agreement (MOA) signing for the APP/CCT was already done between DSWD and LGUs. An Inter-Agency Committee composed of DepEd and DOH was organized to ensure convergence. An Operations Manual was developed. Health and education conditionalities were finalized. Household surveys were completed. Land Bank Cash Cards were issued to 20,000 beneficiaries, as part of the roll-out in January 2008</p> <p>WFP’s Food for Education programme in ARMM and adjacent areas uses food support as an incentive to promote school attendance and reduce dropouts in conflict-affected areas. Over the past year, the programme, which is implemented in partnership with DSWD and local authorities, has increased enrolment by 40% and cut dropouts in assisted schools by providing monthly food support to more than 180,000 children in 800 schools. WFP is assisting over 38,000 children under two years of age</p>
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		<ul style="list-style-type: none"> <li>• Participated in providing inputs for the crafting of legislative measures that would enhance drug access</li> <li>• Established Community Village Drug Outlets (Botika ng Barangays estimated to be 10,000+)</li> <li>• Issued guidelines that limit the prescription of drugs to generic name only in public sector facilities</li> <li>• Issued guidelines that restrict the transactions of medical representatives to government hospitals</li> <li>• Strengthening of Bureau of Food and Drugs (BFAD) by making it organizationally robust and financially autonomous that would lead to corporatization</li> <li>• Setting up of the National Pharmaceutical Policy Service</li> </ul> <p>Launched PhP100 scheme which improves both access to low-priced medicines in treatment packages and rationalize use of medicines, e.g. PhP100 package of antibiotics or one-month hypertensive will improve quality of care, compliance and health.</p>
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***Break-Out Session on Enhancing Competitiveness***

<p>Reducing transactions costs and improving transactions flow</p>	<p>Improve the processes in starting, maintaining and closing a business</p>	<p>The Working Group on Growth and Investment Climate worked on the following:</p> <p><u>1. Consistency of Business Rules at the National and Local Levels</u></p> <p>On the policy side, a major breakthrough was achieved in 2007 with the signing of Republic Act 9485 on the Anti-Red Tape Law. In compliance with this, the National Competitiveness Council reported a reduction on business processing time in a number of LGUs, e.g. Muntinlupa, Marikina City, Ormoc City. The number of government agencies complying with the new law is reportedly increasing. To further push the policy towards full implementation, the DTI and the DILG intends to issue a joint memorandum circular that would identify benchmarks for business processing and organize assistance to LGUs for capacity building. The</p> <p>In order to ensure consistency of business rules at the national and local level, the IFC/WB funded “the Doing Business Philippines” project in cooperation with the Competitiveness Council and the Asian Institute of Management to examine closely business processes in 21 major cities in Metro Manila, the Visayas and Mindanao. Preliminary findings are presently being validated. The results will lead to the organization of a Sub-national level “Doing Business Conference during the 4<sup>th</sup> quarter of the year.</p>
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		<p>2. <u>Simplification of Procedures</u></p> <p>There are two major projects that the GIC, through the DTI, has been hand-holding in relation to the simplification of business processes: (a) the Philippine Business Registry project; and (b) the establishment of business support tools such as the One Stop Shops under the DILG, the National Economic Research and Business Assistance Center (NERBAC) and the Investors Issues and Concerns Handling Available Services.</p> <p>The PBR is a web-based registry for all business entities registered in the country. It will contain the profile of business entities to eliminate repetitive submission of basic data and documents across agencies. At its end-state, the PBR will be a portal which will facilitate a seamless transactional environment for business registration and licensing. To date, the PBR development is on-going with funding support provided by the e-Government Fund with the DTI database development being done through ADB support. The PBR is expected to be “switched on” by March 2008. During the year, the GIC through the DTI has been engaging the agencies to participate in the project. It is presently assessing the e-readiness of LGUs to participate in the system in line with the DTI’s efforts to fast-track its implementation.</p> <p>The government also reported accomplishments in relation to other support tools. For instance, DILG has set up One Stop Shops in 98 out of 132 cities (74%) and CCDs in 93 out of 132 cities. NERBACs have been set up by DTI in Cebu, Davao and Pampanga with other regions soon.</p>
	<p>Institutionalize a Regulatory Impact Assessment (RIA) on new government requirements</p>	<p>The ADB has conducted a study to determine the best manner of introducing and implementing the RIA as part of the regulatory process in the Philippines. The Study will examine the experience of two countries that have successfully adopted the RIA as part of the regulatory reform and propose ways by which the Philippines can implement the RIA. The government, through NEDA is reviewing the findings of the study.</p>
<p>Supporting a seamless infrastructure network</p>	<p>Fast-track projects through the resolution of technical and legal issues</p>	<p>The status of these five projects is found in Attachment 1.</p>
	<p>Implement clear competition policies</p>	<p>There is an increase in competition in the passenger air transport segment, hence the proliferation of budget air fare. This, however, also have an effect in decreasing the market for passenger transport in the domestic shipping leg – people are opting to travel by air than by sea. In connection with air transport,</p>

		<p>the President had again signed Executive Order No. 500-B (after withdrawing it) – allowing for limited open sky – limited to DMIA at Clark. Competition has not opened up in ports and domestic shipping. The operation of ports are still controlled by the PPA and two major players. RORO transport has improved the cost of shipping as to food items, but not as to transport of any other goods which is controlled by a domestic shipping line. In terms of Cement, production is limited to the three major international cement players and thus, competition is limited.</p>
	Maximize the economic and social impact of RORO Ports development	<p>The following actions have been undertaken:</p> <p>(1) operations of priority RORO routes have been identified by the Department of Transportation and Communication (DOTC) in coordination with DPWH.;</p> <p>(2) a feasibility study on the Development of the RORO Terminal System for Mobility Enhancement has been finalized in November 2007 as part of the effort to harmonize the design and standards of RORO ports and ships to promote a “seamless transport”; and</p> <p>(3) the Development Bank of the Philippines is set to acquire the NDC Maritime Leasing Corporation as one of the measures in providing financing for ship acquisition, building and repair.</p>
	Strengthen infrastructure planning and budgeting capabilities	<p>A draft Executive Order linking infrastructure planning, budgeting and funding processes has been prepared and submitted to the Office of the President for approval</p>
Ensuring energy cost efficiency and self-sufficiency	Induce competition and lower the power rates	<p>Some of the measures identified to be important include: (a) broadening the customer choice program of MERALCO; (2) Authorizing PEZA to directly set power rates in PEZA-administered ecozones; and (3) using IT in the metering system of MERALCO and other distribution companies. To date, the implementing rules and regulations authorizing the Philippine Export Zone Authority to set power rates have been signed.</p>

**Attachment 1 (see Break-Out Session on Competitiveness)**  
 Status of Ten Priority Infrastructure Projects  
 Presented in the 2007 PDF

<b>Projects</b>	<b>Status/Remarks</b>
1. Bicol Emergency Power Restoration Project	Project to be completed by December 2008.
2. Palawan South Road	Awaiting DBM budget strategy for presentation to the Investment Coordination Committee-Cabinet Committee (ICC-CC).
3. Paguil Bay Bridge	Repackaging of the project is being undertaken by PEGR of AUSAID, which involves the establishment of a business and review of the Feasibility Study.
4. Biñan-Sucacat 230 KV T/L Project	Project to be completed by December 2008
5. LRTA Line 1 North Extension Project	Submission of technical and financial bids for Packages A1, A2, and B are scheduled on 19 to 26 March 2008 and for Package C on 1 April 2008.
6. North Rail-South Rail Linkage Project, Phase II	Approved by the ICC-CC on December 13, 2006. Implementation of the project is dependent on the accomplishment of Phase I which is ongoing.
7. LRT Line 6 (Line 1 South Extension)	Finalization of TOR for the selection of consultant for the conduct of social preparations and related activities for the affected families. Special Allocation Release Order (SARO) amounting to PhP 1.5 billion for ROW was issued on 27 Dec 2007.
8. Agno River Integrated Irrigation Project	Awaiting confirmation of JBIC financing.
9. Tarlac-La Union Toll Expressway, Phase I	Notice of Award was signed on February 19, 2008.
10. Quirino Highway	Rehabilitation completed using local funds.