

**WORKING GROUP ON MILLENNIUM DEVELOPMENT GOALS (MDGs) AND SOCIAL PROGRESS: REPORT FOR
2007
EXECUTIVE SUMMARY**

I. Background

- **The country made progress on reaching the MDGs, but more needs to be done.**
 - Progress made in nutrition, gender equality, reducing child mortality, combating HIV/AIDS, malaria and other diseases, and access to safe drinking water and sanitary toilet facilities.
 - Needs to work harder at reducing poverty and hunger; universal access to education; maternal mortality; and improving access to reproductive health services.
- **Wide disparities/Uneven progress among regions in attaining MDG targets, noted.**
 - Most of the lagging regions and provinces are in Mindanao and frontrunners are in Luzon.
 - Progressive application of appropriate human capital investments in Mindanao is critical to facilitate more inclusive growth.
- **Poverty incidence has increased. The gap between the rich and poor has widened.**
 - The richest 10% of families (1.74 million) earned 36% of the total 2006 family income of just over PhP3 trillion (\$74 billion).
 - Poverty incidence increased to 26.9% for families in 2006 from 24.4% in 2003.
- **Overcoming financial and decentralization constraints is vital to achieving the 2015 targets.**
 - Adequate financing and capacity-building for fourth- to sixth-class municipalities, which have limited capability to formulate, finance and implement MDG programs and projects.
 - An estimated PhP777.9 billion (or 0.76% of the country's GDP) is needed to meet targets on poverty reduction, health, basic education, and water and sanitation for the period 2007-2015.
 - The proposed **Debt-for-MDG** conversion scheme, which involves "swapping" foreign debt or equity investments for MDG programs and projects, is one of the options being explored by government.
- **Long-running armed-conflict in Mindanao has affected the country's overall performance in development and should be resolved.**
 - Eleven out of the 20 poorest provinces are in Mindanao, with poverty worsening in conflict-affected areas of CARAGA, Central Mindanao and ARMM.
 - Prices of food and basic commodities are high because political instability discourages farmers from planting crops and raising livestock, resulting in importation of commodities from neighboring provinces.
 - Government and development partners should prioritize geographical targeting and ensure sustainability of development programs. These must be viewed in the context of peace and development and should be pursued in line with principles of good governance and anti-corruption.
- **Global warming and climate change threaten to derail gains achieved in the MDGs.**
 - Declining production over the years due to global warming has increased the price of rice from \$180/metric ton in 2001 to \$400 in 2008.
 - Natural disasters in the country such as typhoons, land slides and dry spells affected 890,768 families and resulted in PhP4.2B worth of damages for property in 2007 alone.
- **Inclusive growth facilitates attainment of MDGs least likely to be achieved.**
 - The principle of "inclusive growth" emphasizes that, to the maximum extent possible, the economic opportunities created by growth are available to all, particularly the poor, and that growth is consistent with and supportive of MDG achievement. ("UNDP's Medium-term Strategic Plan" and "Defining and Measuring Inclusive Growth - Application to the Philippines", ADB, 2007)
- **The Working Group emphasizes three key messages:**
 - Economic growth is insufficient without investing in the social sectors. Social growth is not an "add-on" but a pre-condition for inclusive growth;
 - Peace is necessary for development and human security; and
 - Increased resources are important but so is the targeting of interventions - such that they address the MDGs least likely to be achieved, the most vulnerable communities (e.g. indigenous peoples) and the areas/ provinces wherein disparities are most pronounced.

II. Stocktaking of the 2007 PDF based on the WG's Key Result Areas (KRAs)

A. *Enhanced financing and effective governance to implement gender-responsive and rights-based reforms in basic education, health and social protection*

- **Prioritization of MDGs in the DBM policy guidelines and procedures** in the preparation of national and local budget proposals.
- **Alternative Budget for MDG-related expenditures.**
 - Social Watch Philippines, with support from the UN, led the formulation and advocacy for an “alternative budget” that aims to increase expenditures for health, education, agriculture and environment, and reduction of debt interest payments by PhP17 billion.
 - **Concrete achievements:** PhP5B budget raised to construct more than 17,000 classrooms; and the PhP2B funding for food supplements such as coco pandesal, milk and vegetable-based noodles for the DepEd's feeding program.
 - Political endorsement received for the Debt for Equity proposal to finance MDGs.
- **More active engagement with the WG on Decentralization and LGUs.**
 - A Joint Meeting with the WG on Decentralization and LGUs was held to discuss the localization of MDGs, accounting treatment of social sector expenditures at the LGU level and provide briefing on the social indicators included in the Local Government Performance Monitoring System (LGPMS).

Sector-specific achievements

EDUCATION

- **Department of Education's (DepEd) Basic Education Sector Reform Agenda (BESRA).**
 - Provides a framework that integrates successful project initiatives into a system-wide reform. More progress was made in school-based management (SBM) and competency-based teacher standards (CBTS) than in other KRT areas of BESRA.
 - Progress made in multi-year budgeting, demand-side financing, and initiating frontloading of financing for critical resources in FY 2008-2010.
- **DepEd's Sector Monitoring and Evaluation Framework, introduced.**
 - Establishment of the Financial Management Information System (FMIS), Management Resource Information System (MRIS) and Human Resource Information System (HRIS) to complement the Basic Education Information System (BEIS).

HEALTH

- **Building on achievements of the Health Sector Reform Agenda (HSRA),** the Department of Health (DOH) adopted the **FOURmula One for Health (F1)** as the implementing framework for reform.
 - Continued progress in the implementation and preparation of Province-wide Investment Plans for Health (PIPH) in 16 and 21 roll-out sites, respectively.
- **Formulation of the DOH Medium-Term Expenditure Plan (MTEP)** with the support of a strong lobby group of NGO partners contributed to increased investment for health in the national government.
- **Refining indicators of the Monitoring and Evaluation for Equity and Effectiveness (ME3) systems.** Broader work is being undertaken to improve financing and increase efficiency in the health sector through IT systems and health data standards.
- **Striving for more effective social health insurance.** A comprehensive review of benefits is being undertaken by PhilHealth, while continuously strengthening and making more efficient claims processing.

SOCIAL PROTECTION

- **Social Welfare MTEP is being prepared by DSWD** as part of the World Bank-funded National Sector Support for Social Welfare and Development Reform Project (NSS-SWDRP).
- **Ahon Pamilyang Pilipino (APP) Conditional Cash Transfer program was piloted in 2007 and will be implemented at a larger scale in 2008.**
 - APP ties its conditionalities to the MDGs (i.e., health, education, and gender equality) and links DSWD's reform agenda with the BESRA and F1.
 - Signed Memorandum of Agreement with the LGUs concretizes their commitment to finance the program's supply side through provision of health centers, construction of classrooms and distribution of textbooks.
 - Responds to MDG 3 (Promoting Gender Equality) by providing Parent Effectiveness Seminars (PES) and organizing women support groups in municipalities to discuss natural family

planning, domestic violence and VAW related issues. Women are also designated as primary holders of the APP Cash Card and are responsible for ensuring proper use of funds.

B. Population management to achieve population growth rate target of 1.9% by 2010 and reduction of maternal mortality (in compliance with MDG 5)

- **Subsidizing 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.
- **Capacitating LGUs to implement the CSR Strategy and reproductive health commodity security** by developing guidelines on the expanded Administrative Order on CSR and finalizing the guidelines on the utilization of allocation for Artificial Family Planning in the 2007 General Appropriations Act.
- **Implementing the Responsible Parenthood Act at the regional and local levels** (by DOH and POPCOM).
- **Adopting the Women Health and Safe Motherhood Framework of health facility delivery** by health professionals, which endeavors to decrease maternal mortality by more than half and increase access to modern family planning methods, such as vasectomy, IUDs and injectables, among others.
- **Integrating reproductive health concerns in basic education sector in elementary, secondary and alternative learning system (ALS).** DepEd already prepared the revised curriculum for elementary and secondary schools but there is current resistance in the printing and use of these materials.

C. Development and effective implementation of social protection and risk reduction and mitigation strategies

SOCIAL PROTECTION

- **Adopting a “Social Protection” definition** within the context of Philippine issues (NEDA SDC Resolution No. 1 S. 2007)
- **Developing a comprehensive national and social protection strategy through the NSS-SWDRP**– focusing on Four Reform Areas: (a) Leadership in social protection; (b) Faster and better service delivery; (c) Smarter financing; and (d) Improved systems for service delivery.
- **Implementing a model targeting system for the poor through APP.**
 - This targeting system has already been piloted in two cities (Caloocan and Pasay City) and two provinces (Agusan del Sur and Misamis Occidental).
 - A strategy for scaling up the APP model has already been made from 6,000 pilot households in 2007 to as many as 300,000 households in 2008.
- **Adopting the UN Cluster Approach by the National Disaster Coordinating Council (NDCC)** to enhance the system and infrastructure for disaster preparedness, risk reduction, and response.
- **Implementing a National Disaster Preparedness Plan and provincial plans** in concerned disaster-prone provinces.
- **Inclusion of promoting measures to improve monitoring of MDG-related statistics in the Social Protection Work Program for 2008,** in recognition of the related goals of social protection the MDGs.

HEALTH

- **Improving access to low-cost good quality medicines** through advocating for better prescribing practices, promoting use of generic drugs, facilitating better procurement, monitoring of drug quality and regulation of drug prices, and strengthening of the BFAD (by DOH).
 - A Php100 scheme was launched, which aims to improve access to low-priced good quality medicines in treatment packages and rationalize use of medicines.

EDUCATION

- **WFP’s Food for Education program** in ARMM and adjacent areas uses food support as an incentive to promote school attendance and reduce dropouts in conflict-affected areas. It has increased enrollment 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 and 45,000 pregnant and lactating women** through a **Mother and Child Nutrition (MCN)** program. By providing nutritious food through health clinics, WFP has seen a 35% increase in attendance at assisted clinics and has noted a reduction in malnutrition.

OTHER GAINS

- **The Accelerated Hunger Mitigation Program (AHMP)** is spearheaded by the Anti-hunger Task Force, which is composed of 14 government agencies, and led by the DOH and the National Nutrition Council. It addresses both the demand and supply aspects of hunger and poverty.

- There is a continuing effort to **raise public awareness on the threats of HIV/AIDS and Avian Influenza** by establishing appropriate information campaigns, preparedness programs/plans, and strengthening surveillance systems and laboratories.

D. Pending Issue: Implementation of the Milk Code

Partial victory has been achieved with regards to implementing the Milk Code. This is because the Supreme Court's decision not to reaffirm the Milk Code's Implementing Rules and Regulations, nullified three important provisions: *Section 4(f)*, which bans promotion, sponsorship and advertisement of breast milk substitutes; *Section 11* which expands the provision of *Section 4(f)* to ban promotion and advertisement of breast milk substitutes for children 2 years old and beyond; and *Section 46* which declares that administrative sanctions will be given to those violating the Milk Code's IRRs. DOH will continue to strengthen its regulatory system, including the activation of relevant Technical Working Groups.

III. Cross-cutting Key Challenges

The following are identified clustered issues, which are crucial to create more opportunities for inclusive growth. Issues confronting Mindanao and local governments are incorporated in these cross-cutting concerns.

A. Enhanced financing for basic education, primary/public health and social protection

- Given the better fiscal environment, there is a need to ensure that adequate resources are made available for basic education, primary/ public health and social protection.
- Of equal importance are the planning of national and local government expenditures; efficient, equitable and transparent release/ utilization of the budget allocation to target the MDGs least likely to be achieved and areas where inequalities/ disparities are evident; and monitoring/ tracking of results from expenditures.
- Resource mobilization for the social sector is key - not only in terms of increased social budget, but also the elements of revenue programs that are very much related to and supportive of increased social investments, such as the utilization of the VAT reform, and improving private sector participation. Other policy-related reforms are also needed to provide an enabling environment for social interventions.
- The necessity of multi-year funding (e.g. through the inclusion in the Medium-term Expenditure Frameworks) should be emphasized.
- The Philippine Human Development Report 2005 shows that measures of deprivation - such as disparities in access to reliable water supply, electricity and especially education - predict well the occurrence of armed conflicts.
- Poverty in its worst form is found in Mindanao, which lags behind in achieving its MDG targets. Addressing the poverty situation in Mindanao is crucial to restore peace in the region. Thus, provision of basic social services and other assistance should be viewed in the context of peace and development that will have an impact on the peace process. In order to achieve inclusive growth, the government and development partners need to prioritize its geographical targeting, with a view to enhance financing for social programs in health, education and social protection in Mindanao, where most of the country's poor reside.
- There is a need to encourage LGU financing for the MDGs. One way of doing this is by enhancing private-public sector partnership (PPP) to increase financing for MDG-responsive programs. Given the delay in distribution of government IRA, resource mobilization through PPP will help LGUs move forward with implementing their programs while waiting for government to augment its funds.

B. Improved governance and harmonization/ coordination across all sectors

- Enhanced aid harmonization and effectiveness across all sectors and sub-sectors is needed to ensure improved targeting of programs for health and social protection, such that the right people benefit from the resources that are available.
- Improved coordination and alignment between the national and local government and between social sectors - in terms of policies and planning, transparency in budgeting and revenue mobilization - are important.
- The clarification/ distinction of the key of roles and responsibilities of national and local governments and the provision of capacity-building programs for local government units are key in ensuring local governments are able to implement programs and improve service delivery.
- Timely and harmonized/uniform data collection, monitoring and evaluation for poverty and MDG statistics, as well as disaggregation of information (by region, income group and gender) and

mechanisms for getting client feedback (i.e. children, community) are necessary to support government decision-making. Decision making should include broader “stakeholdership”, involving demand-side actors especially at the local level, and project implementation processes to increase accountability.

- Mobilizing public-private sector partnerships and increasing the social responsibility of the private sector is essential. Civil society organizations are also important partners of the government in the realization of the MDGs and efforts must be made to strengthen partnerships with them.
- A stronger linkage must be made between education and employment, and relevant policy reforms should be put in place. In terms of labor interventions, the following would be constructive: development and implementation of programs for workers in the informal economy, who comprise 50% of the labor force but do not receive any protection, such as social insurance coverage; providing support for contractual workers with no job security and retrenched workers in the formal economy; and reintegration programs for returning OFWs and their families.
- Improvements in governance combined with aid distribution in conflict-prone areas of Mindanao are crucial to achieving long-term peace and growth for the region. Aside from strengthening policy and operational reforms, there is also a need to ensure that an efficient and effective targeting system for poverty is in place to plug the leakage of pro-poor program benefits to the non-poor.

C. *Effective implementation of social protection and risk mitigation strategies*

- Enhanced targeting and continued implementation of pro-poor programs is necessary.
- Improved business continuity planning and risk mitigation strategies (including those taking into consideration the effects of climate change), as well as appropriate interventions for women, the elderly, disabled and other vulnerable groups should be put in place, specifically in the context of disaster/ relief interventions.
- It is necessary to promote socially responsible mining operations, specifically ensuring that mining will not be ecologically destructive and exacerbate the incidence of man-made disasters, and that it would also respect the rights of Indigenous Peoples.

D. *Increased efforts to address the MDGs least likely to be achieved*

- Increased efforts should be made to address the MDGs least likely to be achieved, specifically: increasing access to quality primary education; developing a more vigorous national response to stop and reverse the rise of HIV/AIDS cases; and improving the stay of students in school and increasing the “holding power” of schools, in order to address wide disparities in terms of gender and ethnicity.
- Reproductive health is a human rights and gender issue and should be tackled under the lens of the “MDGs least likely to be achieved”. It would be useful to revisit the population policy in the context of insufficient progress on MDG 5.
- While the country has high probability of achieving most MDGs at the national level, comparison across regions shows uneven progress and wide disparities. Most of the lagging regions and provinces are in Mindanao while the frontrunners were in Luzon. The rest of the country’s regions were lagging behind in most of the targets, with large pockets of poverty noted in these areas. For instance, in the area of hunger and malnutrition, trends in ARMM are moving in the wrong direction, with the situation worsening rather than improving.

E. *Advocacy*

- Strengthened advocacy efforts are needed to curbing the country’s high population growth rate. Rapid population growth is closely linked to persistent poverty as it reduces overall economic growth and prospects for poverty reduction. It strains the environment as competition for scarce resources and public good expands. Dealing with this problem will entail reassessment of the current programs and projects on reproductive health (RH), particularly family planning and adolescent RH, strengthening the national government’s role in population management and the full implementation of the CSR to anticipate shortage of FP commodities with the phase-out of contraceptive donations.

F. *Low-hanging Fruits/ Quick Wins (?)*

The Working Group agrees to focus efforts on the above issues in 2008, subject to further discussions in the breakout session on “Creating Opportunities for More Inclusive Growth”.

