

Good morning. I am pleased to report on the key actions agreed upon by the participants in the breakout session of the Working Group on MDGs and Social Progress with regard to creating opportunities for more inclusive growth. Since achieving inclusive growth and meeting the MDGs are not possible without enhancing LGU participation and supporting social progress in conflict-affected areas of Mindanao, issues from these sectors were discussed as overall crosscutting themes for our session.

We have arrived at the following key actions after careful deliberation.

**A. On enhanced financing for basic education, primary/public health and social protection**

We view our positive economic performance in the past year as an opportunity to strive for real increase in financing for social programs towards international benchmarks of 40% share in the national budget, particularly 6% share of GDP in education, 5% for health and 7.8% for social services. At present, the share of social programs comes up to only 30% of the national budget and 2.4% of the GDP. But aside from real increase in financing, we believe that the government should continue to strive for **predictable and sustained medium-term budgeting**, as well as **timely and transparent budget allocations and releases**. Transparency, for one, can be achieved by allowing multi-stakeholder participation in all stages of the budget process. This was shown by the Social Watch Philippines' participation in Congress for the *Alternative Budget Initiative*, which lobbied for increased allocations in health and education for 2008.

Further, we recognize that **strong public-private sector partnership is key to effectively finance and implement MDG-responsive programs.** Sustainability of government initiatives requires the support of civil society. Of course, we like to put equal emphasis on the necessity of **developing and properly implementing a national poverty targeting system that addresses structural and geographical disparities.**

**B. On improved governance and harmonization/coordination across all sectors and levels of government**

In this connection, we support the clear delineation of **national and local government's roles and responsibilities for direction setting, policy formulation and service delivery, as well as impact assessment.** We also commit to improving **strategic frameworks already being undertaken by government, such as the BESRA, FOURmula One, and NSS-SWDRP, which capacitates LGUs to take on the devolved functions of government agencies, particularly DOH and DSWD.** Oversight agencies have a critical role to play in supporting the progress of these reforms.

We regard **harmonization of planning, targeting and monitoring systems as crucial to improving governance and aid distribution** in synergizing our efforts towards poverty reduction. We also acknowledge that the localization of the MDGs is vital to meeting our national targets on improving human development. As such, we see the value of **tracking LGU performance and providing incentives for high performers, especially in poor regions.** Impact evaluation should also be undertaken to assess the efficacy of pro-poor programs already in place at the national and local levels.

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

The Group supports a **comprehensive social protection strategy**, which is being developed by DSWD in consultation with its development and government partners as part of its reform agenda. Under this reform agenda, implementation of programs like the *Ahon Pamilyang Pilipino Conditional Cash Transfer Program*, which tie its outcomes to the MDGs are encouraged since it helps LGUs direct financing for the MDGs by providing for the supply side, such as the establishment of health centers, distribution of textbooks and repair of schools.

Cognizant that gains achieved in the MDGs are affected by natural and man-made disasters, the Philippines has also adopted the UN Cluster Approach on disaster risk management. Moreover, it has committed significant portions of its budget to reforestation and conservation efforts for 2008. In support of this, the Working Group has agreed to **review the existing disaster risk management strategies in place in order to identify the shortfalls in its implementation**. Better disaster risk management strategies will help protect the poor and vulnerable from economic shocks brought about by disasters.

Aside from disaster risk management, we also view the implementation of **effective demand-side interventions for education and health** such as the conditional cash transfer program as vital components of social protection.

### **D. On increased efforts to address the MDGs least likely to be achieved**

The Group views the slow decrease in maternal mortality rate as a call for **more effective population management and promotion of informed choice for family planning**. As we all know, the failure to curb high population growth rates

exacerbates poverty and impedes our achievement of the MDGs. To address this, we appeal for the **frontloading of resources for critical inputs in social programs, such as dissemination of information and educational materials, as well as supplies on family planning and reproductive health.** We must also sustain gains achieved in the MDGs by providing **financing for school buildings and teachers for education, and skilled maternal and children health care delivery by doctors, nurses and midwives.** Because success in the MDGs cannot be achieved without addressing the issue of gender equality, we are also **advocating for more consistent implementation of the Harmonized Gender and Development Guidelines** to mainstream gender issues in all our programs.

#### **E. On harmonized development programming in Mindanao**

All of the preceding four issues already identified by the Working Group on MDGs and Social Progress relate to the poverty situation in Mindanao. With **11** out of **20** poorest provinces located in this region, poverty in Mindanao has adversely affected our national poverty incidence rate. The long-running armed conflict, in particular, has derailed progress in areas like ARMM, CARAGA and Central Mindanao.

Given this scenario, the Group hopes to **facilitate sustainable rural development and affirm the peace process in the region by creating and implementing a comprehensive and strategic anti-poverty program for conflict-affected areas.** These shall be implemented based on principles of good governance and anti-corruption. We also agreed to work together towards a common strategic framework for action, monitoring and evaluation, and share knowledge on strategies and approaches that work best in the conflict setting.

Ladies and gentlemen, given the rich discussion and substantial inputs from our session, this Working Group will thresh out its strategies, look at milestones and indicators, as well as establish linkages with groups such as the Working Groups on Decentralization and LGUs, Sustainable Rural Development and Mindanao.

We emphasize that investment in people and social sectors are the keys to a broad-based and equitable distribution of economic gains. It is not an add-on to our activities promoting economic growth. Human development and well-being are the reasons to our activities promoting economic growth. I thank my co-convenor and co-moderator, Ms. Nileema Noble and Secretary Jesli Lapus, and the other participants for their strong advocacy of inclusive growth and invite all of you to join us in this worthy cause.

Thank you.