

AG/E/MM

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From: Belman <belman@skyinet.net>  
To: Axumite.Gebre-Egziabher@unchs.org  
Subject: Report of the Philippine Accomplishments-Habitat II

May 6, 2000

Dear Ms. Axumite Gebre-Egziabher,

*We are sending herewith the report of the Philippine accomplishments relative to Habitat II. However, this report is not intended for dissemination to the public.*

*We would highly appreciate if you can give a copy of this report to our Philippine Ambassador to Kenya.*

Thank you.

Very truly yours,

Zacarias A. Abanes-HUDCC

Note: Please see attachment.

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## INTRODUCTION

Consistent with the President's "Erap Para sa Mahirap" program, poverty alleviation became the focal point of all our development efforts. We confronted poverty from the perspective of the poor, and measured the effectiveness of our policies and programs in terms of our success in making the poor more self-reliant, responsible and active participants in nation-building.

Toward this end, we strengthened the provision of basic services to the poor. We declared mass housing as a centerpiece program of the government and created a Presidential Commission on Mass Housing which is headed by the President himself. We ensured that our Housing Program is market-oriented, demand-driven, spearheaded by the private sector, centralized, deregulated and sustainable.

We improved basic education through reforms in the basic educational curricula aimed at making it more responsive to local and global standards; and the implementation of measures to meet critical requirements in basic education such as teachers, classrooms and textbooks. We made education pro-poor by reducing the acquisition cost of textbooks for poor students, and encouraging drop-outs and out-of-school adults to complete their basic education.

We expanded quality health services to address the needs of the poor and the marginalized. In line with this, we implemented mass-based health and nutrition programs in economically depressed and far-flung areas, while at the same time sustaining programs to improve the general health condition of our people nationwide.

We promoted gender equality through increased funding support for gender-responsive programs and greater opportunities for women in government service.

We also strengthened pillars of our development such as the environment, the urban economy, the bureaucracy and the international community.

We faced our environmental problems with a firm resolve to protect and conserve our natural resources within the context of sustainable development. We intensified the implementation of programs and projects to improve air quality and rehabilitate polluted water bodies. We also designated protected areas and regulated the exploration of mineral resources

We reinvigorated the urban economy by establishing an effective financial base that would ensure the active participation of the private sector and the implementation of policies that would generate income and employment.

We exerted efforts to make the bureaucracy more responsive to the needs of the public, especially the poor. This involved the streamlining of government structure and functions, eradication of graft and corruption, and promotion of local autonomy.

We sought the participation of the international community in global issues affecting the areas of urbanization, gender equality, the environment, and the bureaucracy.

## **CHAPTER 1: SHELTER**

When the Administration assumed the presidency, the housing sector was beset with multitude serious problems. In 1998, the housing backlog was estimated at 3.36 million households, of which 28 percent or 941,600 families could only afford socialized housing (units priced below P180,000).

The government's housing program had come to a standstill because funds had dried up. The National Home Mortgage Finance Corporation (NHMFC), an important institution in the housing sector, had been declared bankrupt. The Unified Home Lending Program (UHLP) had been discontinued as early as 1996. The Administration inherited a total of 100,000 unoccupied housing units — a consequence of the supply-driven housing policy of the past. Collection efficiency for government housing loans was very low, ranging from 30 to 45 percent.

Problems in the housing sector sprung mainly from unsound practices and processes within the housing sector itself. Red tape and rampant corruption resulted in more expensive house and lot packages. The cost of delay and inefficiency was passed on by developers to end-users. Housing projects were set up in areas where basic utilities and other necessary facilities were insufficient. Some projects had "ghost" beneficiaries. In many cases, take-outs were delayed.

Likewise, there were no standards, guidelines, nor mechanisms to ensure the production of high quality yet affordable housing units. Neither were there efforts to ensure that housing supply was in tune with housing demand. There was also no system for prioritization of beneficiaries for government-led housing programs and projects. The guaranty system was not properly utilized.

Confronted with all the problems, President Joseph Ejercito Estrada issued Executive Order No. 159 on 12 October 1999 declaring mass housing as a centerpiece program of the Administration and creating a Presidential Commission on Mass Housing (PCMH) which the President himself heads. The President also issued Executive Order 216 which strengthened the Housing and Urban Development Coordinating Council (HUDCC) so that it can effectively coordinate all efforts of various agencies and sectors undertaking mass housing projects nationwide.

In line with this, the President directed that the housing program should depart from unfavorable practices of the past. In particular, the program shall be guided by the following principles:

- The program shall be market-oriented. It shall provide an environment that is competitive and transparent.
- The program shall be demand driven instead of supply driven. Housing production shall be geared to preferences of end-users.
- The program shall be private sector led. Dependence on the budget of the national government shall be minimized.
- The program shall be centralized and deregulated.
- The program shall be made sustainable.

With this new policy direction in place, the PCMH has set a target of 350,000 homeless households nationwide to be provided with shelter each year. Shelter, in this case, is defined as either house and lot package, house only, or lot only. Any of these options will provide beneficiaries with security of tenure on the space that they occupy. The program is aiming for some P90 billion to be infused annually into the housing sector.

## 1. **Adequate and Affordable Housing/Tenurial Security**

1.1 Generated Sustainable Sources of Finance. The Commission made it its first task to mobilize funds needed to support the housing sector independent of the allocation expected from the General Appropriations Act.

- a. The Multi-Window Lending Scheme (MWLS) was put in place. The MWLS opened several lending windows (instead of only one window as in the case of the Unified Home Lending Program) from which beneficiaries can draw housing loans.

To operationalize the MWLS, a Memorandum of Agreement was signed among an initial set of funders, such as the Social Security System (SSS), Government Service and Insurance System (GSIS), Home Development Mutual Fund (HDMF), Development Bank of the Philippines (DBP), Land Bank of the Philippines (LBP), and Philippine National Bank (PNB) where the funders made available P40 billion for the program. The Chamber of Thrift Banks also committed an additional P21.5 billion for the program.

- b. Market specialization was pursued to match fund sources with beneficiaries. This is expected to facilitate more efficient fund sourcing and management. The SSS will serve trade unions, private sector employees, and overseas Filipino workers. The GSIS will handle the requirements of public school teachers and other low-salaried government employees. The DBP and LBP will focus on the needs of local government units and cooperatives. HDMF will support the housing needs of police and soldiers.
- c. Funds under the MWLS are provided guarantees by the government. The Home Guaranty Corporation (HGC) shall guaranty the outstanding principal balance of the guaranteed loan, plus interest thereon of 8.5 percent to 11 percent per annum depending on the amount of the loan. Interest earnings from loans covered by the HGC guaranty shall be tax free up to a maximum of 11 percent depending on the loan amount.

In view of this guaranty, government has asked developers for some form of warranty on their end, such as buy-back provision with a seasoning period of two years. Through this mechanism, government is assured of quality housing units, presence of qualified beneficiaries, and housing projects that are desirable and affordable. This set-up is contained in a circular issued by HDMF which was drafted in coordination with private sector organizations.

- d. In recognition of the critical role that the guaranty system plays in housing development, the PCMH pushed for the enactment of the New Home Guaranty Corporation Act (Republic Act 8763). This new law provides a fresh mandate for HGC to operate a stronger and improved credit guaranty system for housing.
- e. The PCMH also worked on the development of financial instruments that will generate housing funds and at the same time be desirable to the buyers of these instruments, such as banks and pension funds.

A total of P4 billion worth of Pag-IBIG bonds were floated to provide liquidity to developers so that they can participate in the mass housing program. The Commission is now moving towards the securitization of

the UHLP mortgages and the institutionalization of the secondary mortgage market.

1.2 Stimulated the Market for Housing. In line with the demand-driven approach, the PCMH initiated efforts to stimulate the market for housing.

- a. Concerned housing agencies embarked on a strong marketing campaign targeted at the police, soldiers, teachers, overseas Filipino workers (OFWs), members of trade unions and cooperatives, and low-salaried employees in the government and private sector. The focus given to these sectors is not only a result of the Estrada Administration's pro-poor bias but also a recognition of basic market realities. While the market for high-end residential units appear to have been saturated, there is still a lot of unmet demand at the low to middle end.

With only 6 percent of the 4.9 million HDMF members actually availing of HDMF housing loans, HDMF initiated a full-blown campaign to improve the level of housing loan availment of its members.

- b. The PCMH clarified the policy on informal settlers. Priority will be given to address the housing requirements of informal settlers living in danger zones and those who are occupying areas along the right-of-way (ROW) of major government infrastructure projects.

The cost to government of not solving ROW problems is greater than the subsidy required to provide the resettlement facilities.

As a complementary effort, a Task Force was created to go after professional squatters and squatting syndicates.

- c. To make housing units more affordable, we reduced interest rates for socialized housing loans from 16 percent to 9 percent and extended the amortization period from 25 years to 30 years. The graduated amortization scheme was also adopted for socialized housing loans. With this system, a beneficiary will pay P1,000 (first five years) for a P180,000 loan compared to a fixed rate of P1,500 for straight amortization.



1.3 Instituted Production Standards and Eliminated Bottlenecks. Government's intervention in the supply side centers on the utilization of the inventory of housing units and government lands and the establishment of standards for housing components, design, and cost.

- a. To address the immediate demand for housing, concerned housing agencies started to dispose of some 100,000 idle and unoccupied housing units.
- b. To further reduce the cost of housing packages, idle government lands were also made available for housing. The PCMH is conducting an inventory of these idle lands to facilitate their utilization.
- c. Government is setting standards for housing components and establishing cost and design standards for socialized, economic, and medium-rise housing.
- d. Accreditation of private developers interested in implementing socialized housing projects is also being pursued.

1.4 Managed Information, Bureaucratic Processes, and Their Linkages. The PCMH is assisting its private sector partners in navigating the bureaucracy in both the national and local levels.

- a. In an effort to reduce red tape and fast track housing projects, the PCMH is reviewing the process for the issuance of permits for housing projects, with the objective of setting time standards and reducing the documentary requirements for these permits. A Task Force consisting of representatives from concerned government agencies and the private sector has been created to work on this.
- b. The PCMH is closely coordinating with the Department of Agriculture and other concerned agencies to determine which lands are available for residential use, as well as to simplify the requirements needed to convert land to such use. In line with this, the President directed the local government units to ensure the completion of their respective land use plans before the end of the year.

- c. Presidential Housing Assistance One-Stop-Centers are being set up nationwide to assist developers and beneficiaries, provide information on the government's housing program, and facilitate issue resolution.
  - d. To take full advantage of the emergence of the new information technology culture, an internet-based system to match demand and supply for housing is being set up. This system, referred to as "housing net" is expected to be operational by June 2000.
  - e. The housing program has been decentralized by encouraging the participation of local government units. The PCMH is preparing various financing packages to address the requirements of local government housing. An LGU manual is also being prepared. This manual is expected to guide LGUs in formulating their housing programs.
- 1.5 Ensured Tenurial Security. To achieve the government's objective of providing houses to some 350,000 families per year, the housing sector pursued the implementation of various housing projects. In line with this, we pursued the provision of tenurial security for the homeless. To date, the shelter agencies have reported a total of 150,417 households provided with house and lot, house only, or lot only, representing 42.9% of the target for the year.

## 2. **Enhanced Access to Basic Services/Transport and Mobility**

We made it a policy that basic services and facilities are provided in all our resettlement projects pursuant to R.A. 7279 (Urban Development and Housing Act of 1992). These include potable water, power and electricity and adequate power distribution system, sewerage facilities and an efficient and adequate solid waste disposal system, access to primary roads and transportation facilities and other basic services, such as health, education, communications, security, recreation, and relief welfare. In addition, we also ensured that resettlement areas is located near areas where employment opportunities are accessible.

## CHAPTER 2: SOCIAL DEVELOPMENT

Our social development efforts were directed towards strengthening the areas of education and learning, health and safety, social inclusion and poverty alleviation, and gender equality.

### 3. **Education and Learning**

Despite limited government resources and the enforcement of stringent control measures in government spending, we undertook measures to meet crucial requirements in basic education, such as classrooms, teachers and textbooks. We implemented reforms in the basic educational curricula to make it responsive to local and global changes and bring it closer to international standards. For this purpose, we created the Presidential Commission on Educational Reforms to define the comprehensive program of reform in the areas of curricula, teaching methods, language policy and school calendar, textbooks, materials, laboratories and other educational facilities.

From SY 1997-98 to SY 1998-99, the participation rate (number of enrolled students over the total population of children at ages 6-12 at the elementary level and ages 13-16 at the secondary level) improved from 95.09 percent to 95.73 percent in the elementary level and from 64.04 percent to 65.22 percent in the secondary level. Similarly, the cohort survival rate increased slightly from 68.56 percent to 69.79 percent in the elementary level and by 71.36 percent to 71.25 percent in the secondary level.

3.1 Adopted Innovative Schemes to Enhance Access to Basic Education. We institutionalized measures designed to meet the increasing requirements for teachers, textbooks and classrooms/facilities. We also ensured the participation of the private sector and local government units in the provision of these requirements.

- a. Reduced Classroom Shortage. In addition to the regular Schoolbuilding Program, we embarked on various partnership programs with multi-lateral funding agencies and private sector organizations to augment existing classroom and education facilities. These include the Education Facilities Improvement Program with the Japanese International Cooperation Agency (JICA); Little Red School House with Coca-Cola

Foundation; and other schoolbuilding initiatives implemented with the Federation of Filipino Chinese Chamber of Commerce and Industry, Inc. (FFCCII) and Filipino-Chinese Businessmen's Club (FCBC). We piloted the Third Elementary Education Project (TEEP) with focus on the 26 poorest provinces in the country. From July 1998 to November 1999, these efforts resulted in the construction of 7,003 public and elementary and secondary classrooms nationwide, thereby reducing the classroom shortage by 24 percent.

We also instituted other measures to address the increasing demand for classrooms such as increasing the class size, utilizing multiple classes/sessions, using idle spaces in other public buildings, and establishing make-shift classrooms.

- b. Reduced Cost and Acquired More Books for Poor Students. We reduced by 40 percent the acquisition cost of textbooks by instituting a reform package which ensured a cost-effective textbook procurement system nationwide. We also mobilized all local government units to tap the existing School Board Funds for textbook requirements. We issued a moratorium on the procurement of non-textbook (e.g. encyclopedia, dictionary and other educational magazines) supplementary and instructional materials to raise additional funds for the acquisition of basic textbooks.

Through these measures, we improved the student-textbook ratio for academic subjects from 1:6 to 1:4 in the elementary level and from 1:8 to 1:4 in the secondary level, between SY 1997-1998 and SY 1998-1999.

- c. Addressed the Problem of Teacher Shortage. We addressed the teacher shortage problem through the redeployment of teachers in areas with greater need and re-distribution of teaching loads to special teachers, principals and other school heads. We continued the implementation of the Multi-Grade Program in Philippine Education, which involves the conduct of classes at varied grade levels under one teacher. With these efforts, we have effectively maintained our teacher-pupil ratio at 1:35 even without hiring additional teachers.

- d. Improved Pre-School Education for Disadvantaged Children. We started to implement the Early Childhood Development Plan (ECDP), a six-year national plan (1998-2003) which aims to provide pre-schoolers with comprehensive services, such as health and nutrition and psycho-social services. Given the observation that children start to drop out of school between Grades 1 and 2, we enhanced the staying power of Grade 1 entrants by introducing the Early Childhood Experiences (ECE) Program during the first eight weeks of Grade 1 and implemented the School Feeding Program and School Milk Project to solve the malnutrition problem among Grade 1 students.
- e. Encouraged Drop-Outs and Students-at-Risk to Return to School and Complete Basic Education. We sustained the implementation of existing programs, such as the Drop-Out Intervention Program, *Balik-Paaralan* for the Out-of-School Adults Program and Effective and Affordable Secondary Education Program to improve access of school drop-outs and students-at-risk to basic education. These programs aim to enhance the practical and technical skills of students who have dropped out of school.

- 3.2 Instituted Measures to Improve the Quality and Relevance of Basic Education. We developed localized and learner-centered interventions to improve teaching of basic education curriculum and formulated the Framework on the Localization or Indigenization of the Curriculum. We sought to address the children's learning difficulties associated with the use of language through the adoption of a national bridging program between the vernacular and Filipino language, and later in English. We piloted the program in selected Grade 1 classes nationwide, particularly in the 5<sup>th</sup> and 6<sup>th</sup> class municipalities. For these classes, the language spoken is in the vernacular, e.g. Tagalog, Ilocano or Cebuano.

To ensure the successful implementation and management of these programs, we conducted teachers' training, provided the necessary equipment, and enhanced the local capacity for the development of instructional materials to aid the teaching of English, Science and Mathematics subjects. We also enhanced the management competencies of our master teachers and superintendents through training.

We instituted the Non-formal Education Accreditation and Equivalency Curriculum Framework to Improve the Functional Literacy in the Country particularly the Fundamentals of Reading, Writing and Computing. The program aims to measure the basic literacy skills of out-of-school youths and the social and technical skills that they acquired from non-traditional methods such as work experience.

- 3.3 Increased Funds for Scholarships in Higher Education. We provided more funds for the implementation of new scholarship programs to allow poor but deserving students more access to quality higher education. These include the Faculty Scholarship Program for the Disadvantaged, Deprived and Underserved Islands of Luzon; Educational Reform Assistance Package (ERAP) for Mindanaoan Muslims; Special Study Grant Program for Congressional Districts Nationwide; Study Grant Program for the Moro National Liberation Front Officers and the Educational Reform Assistance for the Poor (ERAP) Scholarship for the provinces of Albay and Nueva Ecija, among others. To date, some 49,101 indigent but deserving students have availed of these programs.

- 3.4 Revitalized Higher Educational Curricula and Institutional Programs. We revitalized the higher educational curricula and institutional programs to improve the quality of education offered at the tertiary level. We also revised policies and standards at the undergraduate and graduate education levels in nine clusters of discipline. These are in the areas of Science and Mathematics; Business and Management; Engineering and Architecture; Humanities, Social Sciences and Communication; Agriculture; Nursing and Medicine; Information Technology; Teaching and Maritime Education.

To ensure inclusion of the Philippines in the International Maritime Organization's "White List", we upgraded our facilities and trained teachers of maritime institutions based on the requirements provided for in the Standards for Training, Certification and Watchkeeping of 1995 (STCW '95). To date, 42 maritime institutions have substantially complied with the requirements. We also initiated institutional linkages with other countries such as Canada and Norway to enhance our Maritime and Science Educational Curricula.

We continued the identification of Centers of Excellence (COEs) and Centers of Development (CODs) to demonstrate the highest level of standards along the areas of instruction, research and extension in specific fields of learning such as Medicine, Science, Agriculture, Education, among others. As an incentive, we provided financial assistance for scholarships, faculty development, library and laboratory upgrading, research and extension and instructional materials.

#### 4. **Health and Safety**

Consistent with our goal to eradicate the existing inequity in the access to health services in the country, we expanded the access to quality health services among Filipinos, particularly the poor and the marginalized. In line with this, we vigorously pursued the implementation of various mass-based health and nutrition programs and advocated for preventive health targeting the most vulnerable sectors of the society, such as children, women, elderly, marginalized and high risk groups and communities in economically depressed and far-flung areas. We also formulated the National Objectives for Health which will serve as a guide to the entire health sector for health promotion, and disease prevention and control.

These efforts have resulted in the improvement of the health status of our people as shown by the country's overall health indicators. Our average life expectancy increased from 69.9 years in 1998 to 70.3 in 1999. We were also able to reduce our infant mortality rate from 44.28 per 1,000 live births in 1998 to 42.73 per 1,000 live births in 1999. Likewise, our maternal mortality rate decreased from 162.2 per 100,000 live births in 1998 to 156.35 per 100,000 live births in 1999.

##### 4.1 Sustained Programs to Promote Public Health. We continued to implement various programs to improve the general health condition of our people.

- a. Launched the *Sustansya Para sa Masa* Program. We launched the *Sustansya Para sa Masa* (SPSM) Program, a comprehensive nutrition program, which aims to fight hunger and malnutrition among the poor through food fortification and micro-nutrient supplementation. To date, 12 regions have already been covered by the SPSM Program.

- b. Pursued Advocacy/Awareness Campaign Against Heart Disease. Through the *Muling Buksan ang Puso* Program, we directed our efforts towards the promotion of a healthier lifestyle to Filipinos by conducting blood pressure screening, diet counseling, and training on cardiopulmonary resuscitation (CPR).

Meanwhile, we advocated the benefits of exercise and eating foods rich in fiber, such as cereals, vegetables, root crops and fruits through the *Iwas-Sakit Todo-Todo sa Prutas at Gulay* Program.

- c. Enhanced Health Services for Pre-schoolers Through the Garantisadong Pambata Program. Through the *Garantisadong Pambata* Program, we provided vitamin A capsules and iron tablets/drops to some 1,118,564 children below 5 years of age, and deworming tablets to some 73,346 pre-schoolers. We also provided routine immunizations to preschoolers, such as tuberculosis vaccine or BCG (14,241); diphtheria, pertusis, tetanus or DPT (25,210); oral polio vaccine or OPV (63,742); measles vaccine (20,051); and hepa B (527). Likewise, we provided kiddie toothbrushes to some 14,769, children.

- d. Adopted Program to Control Tuberculosis. We adopted the "Directly Observed Treatment on Short Course Chemotherapy" (DOTS) or *Tutok Gamutan*, a comprehensive strategy endorsed by the World Health Organization (WHO) which is currently being used by primary health institutions around the world to improve treatment compliance of tuberculosis patients.

The above program targets to identify 70 percent of TB cases in the country and expects to cure 85 percent of these by year 2004.

- e. Launched the Philippine Measles Elimination Campaign. We launched the Philippine Measles Elimination Campaign and issued Proclamation No. 4 declaring the period 16 September to 14 October 1998 as the "*Ligtas Tigdas* Month" to generate greater awareness on the prevention of the disease.



- f. Enhanced Information Dissemination on the Prevention of Waterborne Diseases. We intensified our awareness program on waterborne diseases and their prevention particularly during the rainy season. We closely monitored incidences of dengue fever in coordination with hospitals and local government units. We launched the *Asin, Asiete, Alkohol – Kontra Kiti Kiti (AAA-KKK) Sa Dengue* Program in October 1998 which enjoined community support in eliminating the breeding areas of dengue-carrying mosquitoes.

We launched the *Linis Bayan* Program to increase awareness on proper sanitation to prevent floods and outbreak of diseases during the rainy season.

We also investigated and controlled the outbreak of various diseases, such as diarrhea, typhoid, cholera, malaria, viral exanthems, and food and red tide poisoning.

- g. Implemented the Center of Wellness and Mother-Baby Friendly Initiative Program. We continued to promote the health of babies through vigorous campaigns to promote breast-feeding. Since 1998, we were able to ward and accredit some 153 government and private hospitals nationwide as Mother-Baby Friendly Institutions.
- h. Provided Potable Water Supply. Upon the initiative of the First Lady, potable water projects were implemented in more than 10 barangays, both in rural and urban areas, benefitting 18,200 poor families who have no direct access to clean tap water.

4.2 Improved the Delivery of Health Care Services. We provided efficient and responsible delivery and widened the reach of basic health services particularly in far flung areas in the country.

- a. Formulated the Health Sector Reform Agenda. We formulated the Health Sector Reform Agenda (HSRA) and prepared a 5-year (2000-2004) Public Investment Plan for health sector reforms in the following areas: government hospitals, public health, local health system, health financing, and regulatory agencies. The HSRA aims to improve the health status of the people

through wider and more effective coverage of national and local public health programs; increase access to health services especially by the poor; and reduce financial burden on individual families.

- b. Implemented the National Health Insurance Program (NHIP). We instituted mechanisms to facilitate and enhance the implementation of the NHIP. These include the upgrading of the management information system and recruitment of additional personnel for the Philippine Health Insurance Corporation (PHIC) to fast-track the processing of claims.

We also developed a system to efficiently process backlog claims and increase the benefit package of GSIS and SSS members by 50 percent and of indigents by 73 percent. The new system shall also provide for additional benefit packages to members, such as Tuberculosis, and Maternal and Child Health packages.

- c. Developed New Pharmaceuticals from Local Medicinal Plants. We developed pharmaceuticals from local medicinal plants, such as *lagundi* tablets (*Ascof*) for the treatment of cough and asthma, and *sambong* tablets (*Re-Leaf*), a remedy for kidney stone dissolution and an effective diuretic for those with *edema*. *Ascof* and *Re-Leaf* are cheaper by 79 percent and 40-92 percent than their counterparts in the market, respectively. To date, we are conducting researches to develop drugs from other medicinal plants for the treatment of diseases, which include among others, tuberculosis, hyperuricemia, malaria and dengue.
- d. Formulated Strategies to Make Pharmaceuticals Affordable. We formulated strategies to make pharmaceutical products affordable in the market which include, among others, the implementation of the Generics Law; conduct of monthly survey on prices of essential drugs; research on drug price changes along the value chain; establishment of drug price advisories; and creation of the Pharmaceutical Affairs Consultative Committee which will recommend proposals on pharmaceutical reforms.

We also improved the capacity of the existing vaccine production plant by constructing a new one to ensure the continuous supply of high quality and affordable vaccines in the country. Through this project, we expect to attain self-sufficiency in vaccine production, accelerate local biotechnology development, and establish an internationally recognized vaccine production plant in the country.

We likewise instituted the *Gamot Presyong DOH* Program which established three pilot DOH Hospital Pharmacies in Jose Reyes Memorial Medical Center, Western Visayas Medical Center and Davao Regional Hospital. These pharmacies serve as pharmaceutical retail outlets intended to compete with outlets within the vicinity of said hospitals in order to force the latter to lower the costs of medicines.

- e. Formulated Guidelines for the *Lingap Para sa Mahirap* Program for Health. We formulated guidelines for the management of the *Lingap Para sa Mahirap* Program which is expected to address the minimum basic needs (MBN) of the poorest of the poor in every province and city nationwide. The program package includes the provision of health insurance to 100 poorest of the poor families in every province and city; medical assistance fund to government hospitals; *Sustansya Para sa Masa* grant for community based nutrition projects; and the conduct of the *Garantisadong Pambata* Program.
- f. Pursued the Philippine Plan of Action for Nutrition. Through the Philippine Plan of Action for Nutrition (PPAN), we provided vitamin A, iron, and iodine supplements to some 9.9 million pre-schoolers, 1.4 million schoolchildren, and 3.4 million lactating women. We also conducted supplementary feeding to some 759,800 pre-schoolers and schoolchildren and 87,500 pregnant women. Likewise, some 200,700 mothers were given nutrition classes under the program.
- g. Implemented the Doctors to the Barrios Program. We continued to implement the Doctors to the Barrios Program by deploying 104 doctors to municipalities not reached by health workers.

- h. Provided Emergency Medical Services During Disasters. Through the STOP D.E.A.T.H. (Disaster, Epidemics, Accidents, and Trauma for Health) and the Regional Disaster Teams, we immediately responded to various crisis, such as typhoons, flashfloods, armed conflicts, sea mishaps, earthquakes, as well as the medical needs of our people during the annual celebration of New Year's Eve.
  - 1. Intensified the Conduct of Medical Missions to Far-Flung Areas and Launched the Mobile Clinic program. We intensified the conduct of medical missions in remote areas under the auspices of the First Lady. To date, the First Lady, in coordination with the Department of Health, has conducted 15 medical missions to 20 barangays in Tawi-tawi, Occidental Mindoro, Metro Manila, Quezon, Bulacan, Rizal, and Pangasinan, among others, which benefited 90,000 indigent patients.
  - j. Launched the Erap Dialysis Center for the Poor Program. In July 1999, we launched the Erap Dialysis Center for the Poor Program which is being undertaken by the Malacanang Clinic. The program, which provides free dialysis exclusively to indigent patients, has already benefited about 500 patients. The selection/processing beneficiaries is being done in coordination with DSWD.
- 4.3 Instituted Mechanisms to Upgrade Health Facilities. We pursued various measures to provide effective and efficient health services to our people by upgrading existing health facilities and constructing new ones.
- a. Approved the Construction of New Health Facilities. We approved the construction of new health facilities such as the *Ospital ng Muntinlupa* and the Biologicals Production Service (BPS) Vaccine Production Plant in Metro Manila to address the increasing needs of our people for medical services and affordable vaccines, respectively.
  - b. Upgraded Existing Health Facilities. We upgraded various provincial and district hospitals nationwide and institutionalized a referral network to revitalize the local hospital system.

We also instituted the development of revenue enhancement schemes to allow regional and medical centers to attain financial viability and fiscal autonomy.

- c. Launched the *Sentrong Sigla* Program. We launched the *Sentrong Sigla* Program, a major initiative to promote quality health care at all levels of the health care system. The program aims to provide monetary awards to provincial hospitals, district hospitals and health centers with outstanding facilities based on indicators set by the Department of Health (DOH). Under the program, some 30 health facilities (20 health centers, 5 district hospitals, and 5 provincial hospitals) rendering quality health services were awarded P1.0 million each.

4.4 Advocated Measures to Promote Physical Fitness Through Mass-based Sports. We continued the implementation of various grassroots and mass-based sports programs in the country to promote good health among our children. These efforts have also fostered values such as discipline, hard work, humility and teamwork among our youth and children.

- a. Implemented the *Palaro Para sa Batang Lansangan* Program. We implemented the *Palaro Para sa Batang Lansangan* Program which provides equal access in sports to the economically-deprived and socially-displaced sector of the youth aged 7 to 17. This program looks into the welfare of streetchildren in Metro Manila and aims to reach out to some 20,000 streetchildren in the next two years.
- b. Conducted the *Batang Pinoy* Program. We conducted the *Batang Pinoy* Program, a comprehensive competition for boys and girls aged 12 and below, from inter-city to the national level featuring 14 sports events. The program serves as breeding ground among youth with potentials for sports specialization.
- c. Launched the *Palaro ng Bayan* Program. To supplement the *Batang Pinoy* Program, we launched the *Palaro ng Bayan* Program, a comprehensive competition for boys and girls aged 13 to 18. The program completes the progressive development of the youth in sports.

- d. Facilitated the Conduct of the 1999 Summer Training Camp. With the theme "*Bata... Panahon Na!*", we facilitated the conduct of the 1999 Summer Training Camp exposing some 221 youth in swimming, athletics and volleyball.

5. **Social Inclusion/Poverty Alleviation.**

Consistent with the campaign promise of the Estrada Administration, we vowed to make poverty eradication the focal point of all our development programs. We confronted the issue of poverty from the perspective of the poor, without encouraging dependence and extending doleouts or unnecessary subsidies.

- 5.1 Pursued a Poverty Eradication Program. We pursued a Poverty Eradication Program and not merely a Poverty Alleviation Program. Our goal is to reduce poverty incidence by 12 percentage points so that by year 2004, the poverty level should have gone down to 20 percent from its current level of 32 percent. Our approach is to address the minimum basic needs of a Filipino family such as survival, security and enabling services through food security; modernization of the agricultural and fisheries sectors within the context of sustainable development; provision of low cost mass housing; and protection of the poor against crime and violence.
- 5.2 Organized the National Anti-Poverty Commission. We implemented the "Social Reform and Poverty Alleviation Act" (Republic Act 8425) in July last year to set in place the comprehensive structure and mechanisms in formulating poverty-related policies and programs. As a result thereof, we now have a fully organized National Anti-Poverty Commission (NAPC) with complete representation from the government and the non-government sectors, to provide the necessary focus, direction, multi-dimensional perspective and synergy to our poverty eradication efforts.
- 5.3 Implemented the Lingap Para sa Mahirap Program. We launched the *Lingap Para sa Mahirap* Program, which involves the identification of the 100 poorest families in each province and city who shall be beneficiaries of integrated and comprehensive services of the government. Under the program, government seeks to integrate into the economic mainstream 2 million poor families by providing them with viable microenterprise activities in their respective localities. For this purpose, we have allocated a *Lingap Para sa Mahirap*

Program Fund of P2.5 billion which shall provide support to identified priority areas such as socialized housing, livelihood development, rural waterworks, medical assistance, and act as price support for rice and corn.

Amidst the Asian economic crisis, we continued to strengthen the delivery of basic services to the poor and ensured that funds for these basic services are sustained. We channeled our human resource development efforts toward retooling and building the capability of the displaced/affected sectors, encouraging self-reliance and enhancing the coping mechanisms of the most vulnerable among us.

## 6. **Gender Equality**

We continued to promote gender equality especially in government-initiated/funded programs.

### 6.1 Increased Funding Support for Gender-Responsive Programs.

We increased institutional allocation for gender-related activities. Under the 1999 General Appropriations Act (GAA), we allocated a total of P3.42 billion of the total government budget for Gender and Development (GAD)-related activities, indicating a 27 percent increase compared to the 1998 allocation of P2.69 billion. We infused some P3 billion for the special loan window for women entrepreneurs to enhance their economic opportunities. Through the People's Finance and Credit Corporation, we also provided financial assistance to 3,000 poor women for home-based livelihood projects.

### 6.2 Ensured Women Representation in 3<sup>rd</sup> Level Positions in Government.

The Civil Service Commission issued Memorandum Circular No. 8 (s. 1999) which tasked government agencies and offices to maintain a pool of qualified women and men nominees for every third-level government position and ensure their nominations to said positions.

## **CHAPTER 3: ENVIRONMENTAL MANAGEMENT**

The Philippine environment has long been faced with the problems of the rapid depletion of our natural resources, massive deforestation in all regions of the country, a mounting solid waste problem in Metro Manila and other urban areas, deteriorating air and water conditions, destruction of our coastal and marine ecosystems, and rampant illegal mining activities.

To address these problems, we immediately declared the government's commitment to protect and conserve the environment within the context of sustainable development. We undertook measures to improve air quality and rehabilitate our water systems. We protected the environment, underscored the conservation of our natural resources, strengthened solid waste management, promoted community involvement in environmental programs, intensified land management programs, and enhanced research and development.

### **7. Protected the Environment**

We intensified the implementation of programs and projects to address air and water pollution and the depletion of our forest resources, and implemented solid waste management projects. We streamlined the requirements of the Philippine EIA System to better assess the effects of a project or any undertaking on the environment and provide for appropriate preventive, mitigating or enhancement measures. In line with this, we adopted a checklist instead of the Initial Environmental Examination (the document required of proponents which describes the environmental impact of their proposed projects) in the issuance of Environmental Compliance Certificates (ECCs). We have already issued 3,547 ECCs to Environmentally Critical Projects.

7.1 Improved Air Quality. We undertook measures to counteract the worsening air pollution in Metro Manila and other urban areas.

- a. Signed the Clean Air Act. We proved our resolve to improve air quality when we signed the Clean Air Act (Republic Act 8749) into law on 23 June 1999. This aims to improve the living conditions of our people by



providing them with clean and healthy surroundings and reducing the incidence of respiratory diseases.

The Clean Air Act provides for the banning of the use of incinerators that emit toxic fumes, phase-out of the lead content of gasoline and other fuels by year 2000, and preparation of the National Air Quality Status Report and the Air Quality Improvement Framework and Action Plan.

- b. Implemented the Industrial Air Emissions Project. We implemented the Industrial Air Emissions Project to promote reduction of emissions in Metro Manila and other urban areas in the country. The project involved the installation of 35 air quality monitoring stations in all regions and monitoring of 253 air quality sampling stations nationwide.
- c. Constituted the Presidential Air Quality Commission and the Task Force on Air Quality. We constituted the Presidential Air Quality Commission on 21 August 1998 by virtue of Executive Order 16 to ensure the systematic and effective management of air quality in Metro Manila. To assist the Commission in carrying out its mandate, we constituted the Task Force on Air Quality on 30 October 1998. The Task Force is authorized to inspect the emissions of industrial establishments and motor vehicles, and to apprehend violators of air quality laws and regulations.
- d. Launched the Air Quality Police. We launched the Air Quality Police on 1 June 1999 to mark the observance of the Philippine Environment Month. It is deployed in major roads and highways all over the country to apprehend smoke belchers.

- 7.2 Monitored and Rehabilitated Polluted Water Bodies. We identified and implemented measures to arrest the deterioration of our water bodies and continued the monitoring of the quality of 111 water bodies, 487 water quality sampling stations and major river systems in the country.

We continued the rehabilitation of the Pasig River through the constitution of the Pasig River Rehabilitation Commission (PRRC) by virtue of Executive Order 54, s. 1998. The PRRC

seeks to restore the River to its historically pristine condition conducive to transport, recreation and tourism.

Through the combined efforts of the government and the private sector, we succeeded in limiting floating garbage in the Pasig River, reducing its offensive odor, removing sunken vessels, developing 14 linear parks along the riverbanks, and reducing biological oxygen demand (BOD), an indicator of water quality, from 350 metric tons (MT) per day in 1993 to 227 MT per day in 1998. The government's goal for the Pasig River is to restore it to Class C standard with BOD at 200 metric tons per day and dissolved oxygen (DO) level at 5 milligrams per liter. At this level, water quality is capable of sustaining aquatic life and is suitable for secondary contact sports (e.g., boating) and for industrial processing (after treatment).

Through the National Housing Authority, we relocated several families squatting along the Pasig River in Manila and Makati to the relocation sites in C-5 and Rodriguez, Rizal.

Through the Laguna Lake Development Authority (LLDA), we continued the rehabilitation of the Laguna de Bay. We promoted self-empowerment and self-accreditation activities through the following: a) deputation of 166 small fisherfolks as fish wardens under the *Bantay Lawa* Program; b) accreditation of two Fishery and Aquatic Resources Management Councils (FARMCs) which assist in anti-illegal fishing activities; and c) monitoring and demolition of illegal aqua-structures.

We strictly enforced environmental laws and regulations through the issuance of 611 Notices of Violation, 100 immediately implementable Ex-Parte Orders, and 28 Cease and Desist Orders to erring firms within the Laguna de Bay Region.

We sustained the *Sagip-Ilog* Program as a model in multi-sectoral river basin approach to clean-up and rehabilitate biologically dead and polluted rivers draining into the Bay. We also expanded the coverage of the Environmental User Fee (EUF) System from 368 firms in 1998 to 421 in September 1999. The expansion resulted in a reduction of the BOD load by 2.766 MT or 13.26 percent of the Bay's pre-EUF load. In this regard, we maintained the Bay's water quality at Class C.

We finalized and published the Philippine Inventory of Chemicals and Chemical Substances from a list of 28,000 to 38,000 chemicals to ensure strict compliance with Republic Act 6969 (An Act To Control Toxic Substances, And Hazardous And Nuclear Wastes, Providing Penalties For Violation Thereof, And For Other Purposes). We also enforced the Chemical Control Orders for Cyanide and Mercury through public notices to require full registration of all importers, manufacturers, distributors, users and handlers of said chemicals.

We installed the Hazardous Waste Tracking Database in all DENR regional offices to ensure efficient identification of hazardous waste generators. The number of registered hazardous waste generators has now increased from 200 to 744.

- 7.3 Protected Our Forests and Watersheds. To protect our forests and watersheds, we confiscated 16,878 cubic meters of illegally cut logs and 288 units of various conveyances. We penalized forest violators by filing 296 cases (with 18 convictions) against them. We also pursued the rehabilitation of our forests through the increase of plantations nationwide covering 71,554 hectares.

We aim to develop plantation corridors to restore wood sustainability. This is envisioned to step up forest protection and the establishment of protected areas. In this regard, we issued DENR Department Administrative Order No. 99-13 entitled, "Declaring Certain Portions of the Public Forest Lands in Region XIII as the CARAGA Forest Plantation Corridor." We have already identified and surveyed a total of 700,000 hectares suitable for forest plantation in the CARAGA region. This is in addition to the 200,000 hectares of land previously identified in the region as viable tree farms.

We are currently implementing socially-oriented programs aimed at making upland communities self-reliant. Through the Community-Based Forest Management Program (CBFMP), we have issued 326 CBFM Agreements (CBFMAs). We also organized 343 *Bantay Gubat* groups and mobilized 287 Multi-Sectoral Protection Committees.

To boost reforestation and forest protection efforts, we institutionalized the adoption of the watershed and ecosystems planning framework. To date, we have identified

at least 154 watershed areas for inclusion under the said framework, and produced 110 maps of the respective watershed areas.

- 7.4 Implemented Solid Waste Management Projects. We constituted the Greater Metropolitan Manila Solid Waste Management Committee (GMMSWMC) by virtue of Executive Order 146, s. 1999 to serve as the overall coordinating body for the formulation and implementation of a Solid Waste Management Plan for Metro Manila and the adjoining provinces such as Zambales, Bataan, Bulacan, Laguna, Cavite, Rizal, Pampanga and Batangas. The GMMSWMC is undertaking efforts to fulfill its commitments under the Memorandum of Agreement with San Mateo, Rizal (e.g. construction of an alternative landfill site before December 31, 2000, turnover of the sanitary landfill facility to the Local Government of San Mateo, among others).

We assessed 210 landfill sites and 270 projects on waste segregation to effect a rational plan for environmentally acceptable disposal of domestic solid waste. We initiated composting and recycling projects in schools and barangays nationwide. To strengthen partnership with LGUs, we executed 21 Memoranda of Agreement to adopt the concept of Ecological Waste Management.

We pursued the implementation of the Solid Waste Ecological Enhancement Program (SWEET). We also established four Materials Recovery Facilities nationwide, implemented five community-based projects and five Demonstration Sub-Projects with capability building component with LGUs.

## 8. **Conserved Our Natural Resources**

In view of our conservation efforts for a sustainable environment, we strengthened biodiversity conservation, proclaimed protected areas, regulated exploration of mineral resources, promoted marine and coastal resources conservation, intensified land management programs and enhanced research and development.

- 8.1 Implemented Measures to Conserve our Biodiversity. We established the ASEAN Regional Center for Biodiversity Conservation (ARCBC) in Los Baños, Laguna in May 1999 as the focal point for networking and institutional linkaging among ASEAN member-countries. We have completed the

initial plan of action, logical framework plan and the global five-year plan for the ARCBC.

In recognition of the importance of wetlands (e.g., open coasts, flood plains, freshwater marshes, swamp forests) to the protection of global biodiversity, we declared February 2 of every year as National Wetlands Day by virtue of Presidential Proclamation 74, s. 1999. We also continued the implementation of the National Wetland Action Plan where 45 identified wetland areas critical to biodiversity are undergoing assessment and evaluation.

Cognizant that wildlife is a vital component of the ecosystem, we implemented various conservation projects for endangered species. In cooperation with the Coastal Resources Management Project, we initiated the marine turtle satellite tracking in Baguan Island to effectively monitor their behavior, distribution and migration patterns. We also formulated the guidelines for the pilot rearing of saltwater crocodile in the Philippines (DENR Administrative Order No. 98-64).

We continued field surveys for possible sightings and nest locations of the endangered Philippine Eagle. We declared a portion of Mt. Tumulin in Bukidnon as a protected area following the sightings of two Philippine Eagles nesting in its forests. To foster awareness and protection of the endangered specie, we declared June 4 to 10 of every year as Philippine Eagle Week by virtue of Presidential Proclamation 79, s. 1999. We inaugurated the Philippine Eagle Week Celebration on 4 June 1999 with the following themes: "Eagles Rely on Action and Protection" and "*Agila: Simbolo ng Kalikasan Ating Pangalagaan.*"

Under the Tamaraw Conservation Program, we successfully recorded the live birth of a male tamaraw calf on 24 June 1999. We continued the implementation of wildlife conservation programs for other endangered species such as the *pawikan*, *dugong* and Philippine raptors.

To regulate wildlife collection and trade, we issued a total of 1,882 Convention on International Trade of Endangered Species (CITES) permits and wildlife conservation for the export of wildlife species to be utilized for commercial and scientific research purposes. This generated an income of P8,743,810.

We confiscated 3,385 illegally shipped/traded wildlife species. In the National Capital Region alone, 2,083 wildlife species and by-products were seized including those confiscated by the monitoring teams stationed at the Ninoy Aquino International Airport.

- 8.2 Proclaimed Protected Areas. We proclaimed 10 protected areas nationwide under the National Integrated Protected Areas System (NIPAS) Act of 1992 (Republic Act 7586). These areas are the El Nido Managed Resource Reserve, Buug Natural Biotic Area, Siocon Resource Reserve, Aliguay Island Protected Landscape/Seascape, Talibon Group of Islands, Dumanquillas Protected Landscape/Seascape, Pasonanca Natural Park, Mimbilisan Protected Landscape, Taft Forest Wildlife and Turtle Islands Wildlife Sanctuary. The total number of protected areas since the enactment of the NIPAS Act has reached 37.

To ensure efficient management of the protected areas, we conducted Resources Basic Inventory or profiling of protected areas, prepared 53 initial protected area plans, strengthened 138 Protected Area Management Boards, surveyed and registered occupants for 29 protected areas, established 74 Integrated Protected Area Fund (IPAF), and identified 162 additional sites which are in various stages of the NIPAS process.

- 8.3 Regulated Exploration of Mineral Resources. We adopted sustainable and pro-poor mining by integrating an Environmental Protection and Enhancement Program (EPEP) in every mining operation to address mine site rehabilitation, revegetation and reforestation, slope stabilization, watershed development, water conservation, flora and fauna regeneration, and socio-economic development of host communities. In line with this, we established the Contingent Liability Rehabilitation Fund (CLRF) as an environmental-financial guarantee mechanism. The CLRF was enforced through the signing of Memoranda of Agreement with 36 mining companies which committed a total of P155 million replenishable fund intended for the progressive and sustainable mine rehabilitation, compensation for damages caused by mining, and multi-sectoral monitoring of mining activities.

For Mining Tenement approval (or the land awarded to an applicant for the conduct of mining activities), we processed a total of 41 Mineral Production Sharing Agreements (MPSAs) and approved 10 MPSAs. An MPSA is an agreement wherein the government grants the contractor the exclusive right to conduct mining operation within the contract area and share in the production whether in kind or in value as owner of the mines therein.

We processed and endorsed for approval one Financial Technical Assistance Agreement or a contract involving financial or technical assistance for large-scale exploration, development and utilization of mineral resources. We also issued four Exploration Permits and one Special Mines Permit to provide mining rights acquisition.

On geologic survey and mineral explorations, we conducted semi-detailed surveys covering an area of 70,652 hectares and detailed surveys covering 5,545 hectares. We also surveyed 8,740 hectares for groundwater resources. Under the RP-Japan Mineral Exploration Program, we surveyed 50,000 hectares as potential deposits of precious and base metal resources covering the areas of Paracale and Pangniban in Camarines Norte and a small area in Tagkawayan, Quezon.

To avoid accidents such as the collapse of Cherry Hills in Antipolo City, we conducted a geological hazard assessment covering 5,081 hectares for subdivision and housing projects.

- 8.4 Promoted the Conservation of Our Marine and Coastal Resources. Through the Coastal Environment Program, we provided a total of 123 alternative livelihood projects nationwide, primarily to cushion the environmental impact of unsustainable exploitation of coastal resources, and rehabilitated more than 89 hectares of degraded mangrove areas to enhance the habitat of wildlife species. We also mobilized a total of 55 *Bantay Dagat* to closely monitor coastal activities.

We launched the "I Love the Ocean" Movement and recruited 20,000 member-volunteers. The Movement seeks to develop awareness of the problems affecting our marine resources and encourage concerted action for their protection. To instill environmental consciousness in our people, we launched the traveling exhibit called "Our Seas, Our Life". Provincial exhibits were also held in Dumaguete City, General Santos City and

Cagayan de Oro City. We spearheaded the conduct of the 12<sup>th</sup> International Coastal Clean-Up Program in coordination with the International Marine Life Alliance and other institutions and agencies. As a result, we were able to clean 415.2 kilometers of beach coastline and collect 89,901 kilograms of trash nationwide with the help of 23,899 volunteers. We also participated in the inspection of oil spill caused by the sinking of the Princess of the Orient.

- 8.5 Intensified Land Management Programs. We constituted the Inter-Agency Committee on Land Administration and Management Program (LAMP) by virtue of Executive Order 129, s. 1999. The LAMP shall revolutionize the land valuation system in the country as well as set cohesive and coherent land policies and legislations that will ease pressures from the high and competing demands for limited resources. We also constituted the Task Force on Anti-Fake Titling to reinforce the Oplan Anti-Fake Titles Project and to combat the proliferation of spurious and fake titles.

To settle boundary disputes and institute the basis for determining the Internal Revenue Allotments of LGUs, we established 957 kilometers of political boundaries which facilitated area certification for 633 municipalities.

We constituted the Task Force on Foreshore Areas, Marshy Lands and Other Lands Bordering Bodies of Water by virtue of DENR Special Order No. 99-58 to prevent further exploitation and illegal reclamation of foreshore areas for private use. To date, we have inventoried 4,999 hectares of foreshore lands.

- 8.6 Enhanced Research and Development in Sustainable Development. We adopted the telemetry system to monitor hydrological and climatological conditions in critical areas like wind patterns, rainfall and cloud condition. This system provides a more accurate and fast access to field information through wire radio or telephone.

The Charcoal Technology was designed to reduce pressure on the cutting of wood from natural forest, provide additional source of income and livelihood to upland farmers, enhance recovery of forest wastes and provide cheap source of fuel for domestic and industrial uses. Three projects were pilot tested in Community-Based Forest Management sites in Sta. Catalina, Atimonan, Quezon; Nazuni, Dingle, Iloilo; and



Diffun, Quirino. Some 240 studies were undertaken and 80 technology packages were produced.

Through the National Mapping and Resource Information Authority (NAMRIA), we accelerated the development of a comprehensive databank on base maps and charts through the completion of 12 new compilation sheets of topographic maps covering Rizal, Real, Quezon and Bacolod City. In addition, we conducted a land classification survey over Palawan, Quezon, Capiz and Bulacan covering 28,833 hectares.

- 8.7 Enhanced Measures on Disaster Mitigation. We implemented new programs and projects on disaster mitigation and preparedness to reduce damages during the occurrence of natural calamities. We continued the implementation of the *Brigada Kontra Baha*, a multi-sectoral flood mitigation initiative which promotes the declogging of waterways, drainage systems and tributaries, and conduct of massive information campaign on proper waste disposal to minimize flooding during typhoon and monsoon season. To sustain this endeavor, we operationalized the *Linis Bayan* Program, a nationwide clean-up program which aims to control the flooding and the outbreak of water-borne diseases.

To promote awareness, emergency preparedness and crisis management, we continued our intensive information campaign program called *Kahandaan ng Masa: Kontra Sakuna*. We also implemented a deputization program called *Tanggol* Patrols wherein an accredited deputy will act as conduit of the Office of Civil Defense in the implementation of disaster preparedness, prevention and mitigation programs.

We formulated the La Nina War Plan to counter the detrimental effects of the La Nina phenomenon. The plan includes the provision of hazard and risk maps for flood/lahar occurrence, identification of threatened communities and assessment of their vulnerability, and provision of strategic interventions such as prepositioning of search and rescue equipment.

We organized the Civil Defense Strike Force: Quick Response Teams which provide immediate response and speedy delivery of relief services to calamity-affected areas. As an aftermath of the Cherry Hills Subdivision Tragedy, we assisted some

183,149 families and released some P24.076 million in financial assistance. We also formed a Task Force to investigate the landslide that caused the tragedy and recommended to the Office of the Ombudsman the filing of appropriate charges against officials and individuals who have culpability over the tragedy.

From July 1998 to November 1999, we assisted some 4.894 million individuals and 991,668 families who were victims of calamities and released some P6.99 billion for food, clothing, temporary shelter and financial assistance to victims of natural and man-made calamities which include Typhoons Gading, Iliang, Loleng, Ising, Petang, M/V Princess of the Orient Tragedy, Asian Spirit and Jaka Air Mishap, dengue cases, fire incidents. The First Lady likewise initiated the conduct of 15 relief operations that benefited some 40,500 families in over 25 poor barangays in the rural and urban areas.

We also implemented the Encouraging Renewed Assistance from the Private Sector for the Unsettled Victims of Mt. Pinatubo Until Year 2000 or ERAPS 2000 project to generate funds from the private sector to complete the housing requirements of some 7,732 unsettled victims of Mt. Pinatubo Eruption. To date, we have generated some P11 million in financial support for the program.

## **CHAPTER 4: THE URBAN ECONOMY**

### **9. The Urban Economy, Employment and Income**

In 1990, the urban population reached 29 million. This represents about 49 percent of the total population of the country. The projected urban population by the year 2000 is expected to reach 36 million, well over 50 percent of the total population. The urban population growth rate of 5.1 percent is almost double the growth rate of the total population.

In terms of gross domestic product, industry and services, which are predominantly produced in urban areas, accounted for around 75 percent of the total domestic output in 1996-1999. The national Capital Region (NCR), together with its two adjacent regions which have high urbanization levels, namely Central and Southern Luzon and to some extent Central Visayas, have relatively higher shares of total outputs in these sectors.

Average annual household income in the country was P83,161 (\$2,079) in 1994, rising to P123,168 (\$3,079) in 1997. Urban household incomes were higher than rural household incomes by about 53 percent in 1994. This discrepancy further went up to about 59 percent in 1997. Although urban households have larger expenditures, they have much more savings than rural households.

Employment rate in the country averaged 90.7 percent from 1996 to 1999. Generally, the employment rate is lower in urban areas (average of 88 percent from 1996 to 1999) than in rural areas with Metro Manila having the lowest rate at about 85 percent. The next lowest rate of 89.4 percent is recorded in Central Luzon, the second highest urbanized region. Despite the high employment rate in rural areas, underemployment accounts for about 25.2 percent of the employed, who are mostly engaged in agriculture. In contrast, the underemployment rate in urban areas is only about 18 percent on the average, from 1996 to 1999.

Employment in the informal sector was estimated to have accounted for about 50.6 percent of all employed persons in 1998. In urban areas, the informal sector accounts for 36 percent of total employment in urban areas and 63.1 percent in rural areas in 1998. Studies also indicate that many of those in the urban informal sector were migrants from rural areas. Other than agriculture, the

wholesale and retail trade had the biggest share, accounting for 70 percent of the total employment, followed by the transport sector consisting of jeepney, taxi, tricycle and pedicab operators and drivers at 38.2 percent.

Poverty incidence declined from 35.5 percent in 1994 to 31.8 percent in 1997. The total number of poor families declined by more than 20,000 from 4.5 million in 1994. This indicates that the performance of urban areas in terms of combating poverty may be more effective compared to that of rural areas, as seen in the faster rate of decline of poverty incidence in the urban areas. The proportion of poor families in rural areas increased from 66.4 percent in 1994 to 73.2 percent in 1997. Furthermore, the reduction of poverty incidence of families was faster in urban areas than in rural areas.

We have also undertaken specific activities and programs to fulfill our commitments to HABITAT II and improve the urban economy, employment and income in the country.

9.1 Established an Effective Financial Base for Urban Development. We entered into various cooperative undertakings with the private sector, and approved and implemented policy measures to develop an effective and sustainable financial base for urban development. Toward this end, we pursued the following:

- a. Forged Agreements with the Private Sector. We forged various agreements with private sector groups on the Tourism Financing Program together with the Department of Tourism (DOT), Development Bank of the Philippines (DBP) and the Bankers Association of the Philippines (BAP); outsourcing of the National Home Mortgage and Finance Corporation's collection activities; and the various programs of the National Housing Authority (NHA);
- b. Approved and Implemented Policies. We approved and implemented policies such as Republic Act 8762 ("An Act Amending the Charters of the Home Insurance Guaranty Corporation") which increased HIGC's capitalization from P2.5 billion to P50 billion; and Republic Act 7279 ("Urban Development and Housing Act" or UDHA).

9.2 Provided Opportunities for Productive Employment and Private Investment. We implemented measures to promote employment opportunities, especially for workers displaced by the Asian financial crisis.

- a. Implemented Programs to Promote Productive Employment. We implemented programs that provided opportunities for productive employment such as Partnership for Quality and Productivity Program; replication of the Work Improvement in Small Enterprises (WISE) Project for all regions; Productivity Improvement for Export Enterprises; institutionalization of Regional Tripartite Councils (RTC) and Industry-Based Tripartite Councils (ITCs) to strengthen the Labor Dispute Settlement System; and conduct of Policy Studies and Surveys in Relation to GATT.
- b. Initiated Policies to Promote Private Investment. We initiated policy measures that provide opportunities for private investment such as Republic Act 8748 ("An Act Amending Republic Act 7916, otherwise known as the Special Economic Zone Act"; the undertaking of both outbound investment sales mission and inbound investment mission; the adoption of the Medium Term Philippine Development Plan for Housing; and the implementation of the Invest-Tourism Drive with various stakeholders.
- c. Enhanced Workers' Productivity. We enhanced workers' productivity through the conduct of various skills training programs such as the Industry Exposure Program for Engineering Students; Unlad Buhay (Para sa Kaunlaran); Dual Training System (DTS); Tulong, Alalay sa Taong May Kapansanan (TULAY 2000), a program for Persons with Disabilities (PWDs); Special Program for Employment of Students and Out-of-School Youth (SPESOS); Retraining of Displaced Industrial Workers in Export-Oriented Small and Medium Scale Enterprises; and Skills Upgrading of Industrial Workers.
- d. Strengthened Programs which Provide Employment Information and Assistance. We strengthened programs which provide employment information and assistance such as the Public Employment Service Offices (PESOs);

Special Credit Assistance for Displaced Overseas Workers; Livelihood and Self-Employment Bazaars; Workers Hiring for Infrastructure Projects (WHIP); Systematization of Labor Market Information and Counseling Networks; Expansion of Overseas Workers' Development Centers to cover the Employment Facilitation Services of Returning Overseas Workers; and conduct of Job Fairs nationwide.

9.3 Provided Small Businessmen, Micro-entrepreneurs and Cooperatives More Opportunities for Entrepreneurial Activities.

We accorded our small businessmen, micro-entrepreneurs and cooperatives more business opportunities through the following:

- a. Passed the Magna Carta for Small Enterprises. We amended Republic Act 6977 through the passage of Republic Act 8289 or the Magna Carta for Small Enterprises.
- b. Formulated and Implemented Government Programs. We formulated and implemented the Home Insurance Guaranty Corporation's Cooperative Housing Program, and the Entrepreneurial Development for Rural Tourism (EDRT) and the Tourism Developing Rural Industries and Village Enterprise or "DRIVE" Project.
- c. Implemented the CEDP. We Implemented the Countryside Entrepreneurship Development Program (CEDP), which as of 1999, has trained 111 trainers and produced 1,865 graduates who can now conduct entrepreneurship courses using an experiential approach developed by the German government.
- d. Implemented the EDP and EAS. We implemented the Enterprise Development Program (EDP) Entrepreneurial Advisory Services (EAS) which, as of 1999, has already completed 9 profiles of priority industry sectors.
- e. Established the ACTETSME. We establishment of the Asia Pacific Economic Cooperation (APEC) Center for Technology Exchange and Training for SMEs (ACTETSME).
- f. Implemented the "Tulong sa Tao" Program. We issued Executive Order 158 creating the "Tulong sa Tao

Program (TST), a financing project of the government. We also implemented the Second Non-Government Organization-Micro Credit Project (NGO-MCP II), the third phase of TST which was able to release a total of P1,159,065,003.00 or US\$43.8M from February 1992 to December 1996. A total of 1,579 NGOs availed of loans under the project. Similarly, 111,103 micro-entrepreneurs were benefited, which exceeded the target of 60,000 beneficiaries by 85 percent. Employment generation reached 183,571, which is equivalent to one employment generated for every P6,314.00 loan ( this exceeds the appraisal target of 170,000 to 180,000 employment generation). Loan availment by NGOs ranged from P50,000 to P2M per NGO per loan.

- 9.4 Strengthened Urban Economies. We strengthened urban economies nationwide through the establishment of the Economic Mobilization Group (EMG), adoption of ISO 9000 standards; and the conduct of the Annual Industry Conference.

## **CHAPTER 5: GOVERNANCE**

### **10. Information and Communication**

We continued to enhance information and communication systems in the government bureaucracy by harnessing information technology (IT) to further our goals of better governance, peace and order and development. We began implementing the National Crime Information System (NCIS), a project that seeks to interconnect the different law enforcement agencies. We enhanced measures to detect graft and corruption, which includes the establishment of inter-agency electronic information network that will promote transparency in government transactions and provide a venue for complaints.

We laid down the groundwork for database interconnection between the Department of Foreign Affairs (DFA) and the Department of Labor and Employment (DOLE) to enhance the government's ability to safeguard the interests of overseas Filipino workers (OFWs).

The country's drive towards becoming Asia's IT hub took another step forward as the Department of Science and Technology (DOST) launched the Virtual Center for Technology Innovation (VCTI). This will enable the country's microelectronics sector to shift from contract semiconductor production to original product design. The VCTI will interconnect the government, private, academic and research sectors to strengthen the research and development capability of the microelectronics sector.

### **11. Government**

At the onset of this Administration, we committed to make the bureaucracy a more responsive service to the public, especially to the poor. We streamlined the bureaucracy and rationalized the government structure, including functions and operations which are geared towards the eradication of graft and corruption. We continued to pursue measures to increase compensation and other benefits to government personnel in our bid to attract the best and the brightest in the bureaucracy. We also strengthened our LGUs by devolving more responsibilities and resources, thus making them partners in nation-building.



11.1 Ensured Efficiency and Effectiveness in the Bureaucracy. To prepare the bureaucracy to meet the challenges in the area of governance, we accelerated our efforts at re-engineering the government and ensuring its responsiveness to the people's needs.

- a. Institutionalized More Effective Anti-Graft and Corruption Measures. The first order of business in reforming the bureaucracy for better governance was restoring the people's trust and confidence in government. Towards this end, we adopted measures not only to prevent, but also to aggressively prosecute cases of graft and corruption. We began by sternly reminding Cabinet members and other government officials that abuse of power and influence peddling, especially by the President's relatives and friends, will not be tolerated. On 27 August 1999, a Presidential Memorandum was issued reiterating this Administration's stance against graft and corrupt practices. In particular, government officials were warned not to base their decisions and actions on the alleged influence of those claiming closeness to the President. To show our resolve, we issued an Executive Order forming the Ad-hoc Independent Citizens' Committee to determine the culpability of officials of the previous Administration relative to the alleged misuse of funds for the Philippine Centennial Expo project. We also banned, through Executive Order 141, the unauthorized use of Presidential seal on pins, stickers and other paraphernalia to curtail opportunistic tendencies.
- b. Institutionalized Command Responsibility. To ensure a more effective, sustained, and successful campaign against erring government personnel, we institutionalized the doctrine of "*command responsibility*" in all government offices. Under this doctrine, all heads of executive departments, bureaus, instrumentalities, offices and agencies of the Government shall be held administratively liable for any incidence of graft and corruption in their respective offices under the circumstances specified in the Administrative Code of 1987 and in various Supreme Court rulings. Appropriate civil and criminal actions shall likewise be taken against public officers found

guilty of the foregoing as may be provided by existing laws, rules and regulations.

- c. Consolidated Inter-Agency Efforts Against Graft and Corruption. We coordinated the formation of the Inter-Agency Anti-Graft Coordinating Council (IAAGCC) composed of agencies engaged in the maintenance of integrity and efficiency in government. These agencies are the Commission on Audit (COA), Civil Service Commission (CSC), Office of the Ombudsman (OMB), Presidential Commission Against Graft and Corruption (PCAGC), Department of Justice (DOJ) and the National Bureau of Investigation (NBI). The Council's objective is to resolve potential areas of conflict and confusion arising from function and mandate overlaps, and to identify areas of cooperation, coordination, and assistance between and among themselves. Its main agenda is to formulate and develop concerted techniques and strategies in the prevention, detection, investigation and prosecution of graft cases.

We directed the Development Academy of the Philippines (DAP) to prepare a comprehensive national strategy to stop corruption. The DAP was further directed to coordinate with the IAAGCC in the preparation of the said strategy.

- d. Intensified Anti-Graft and Corruption Measures. We remained vigilant and aggressively sought to pare down fraudulent and anomalous practices. At the PCAGC, a total of 135 cases involving Presidential appointees was docketed during the incumbency of the Estrada Administration. The graft and corruption cases filed with the PCAGC involved respondents with the equivalent rank of Assistant Regional Director and above in national government agencies, local government units, GOCCs and state universities and colleges.

For its part, the Presidential Commission on Good Government (PCGG) continued its efforts to recover the ill-gotten wealth of the Marcoses and their cronies. The PCGG has recovered P453.243 million in cash from July 1998 to November 1999. It also obtained favorable actions on petitions filed in 1998 and 1999 before the Swiss authorities under the International Mutual

Assistance on Criminal Matters of Marcos cronies. The PCGG under the Estrada Administration was able to remit a total of P1.175 billion to the CARP Agrarian Reform Fund for CARP implementation.

The Department of Education, Culture and Sports (DECS) reorganized the pre-qualification, bids and awards committee to avoid irregularities and overhauled its bidding procedures for books, which reduced textbook prices by 40 percent. The reduction in cost meant more books for poor students.

- e. Imposed Appropriate Penalties. In the National Police Commission (Napolcom), actions were stepped up on cases filed against erring policemen. Out of the 183 complaints against erring PNP members filed with the Napolcom, 139 cases were already acted upon. The Philippine National Police further reported that 438 policemen were dismissed, 65 demoted, 689 suspended, 382 had their pay forfeited, 145 reprimanded, and 169 dropped from the rolls for charges of misconduct. Likewise, of the 2,407 cases filed with the People's Law Enforcement Board, 207 cases have been resolved.

The Department of Finance (DOF), through the Bureau of Internal Revenue (BIR) and Customs (BOC), was able to uncover the anomalies at the One-Stop Shop for Tax Credits and Duty Drawback Center. To date, P10 billion worth of transactions have been examined, of which P4.5 billion have been found to involve fraudulent claims. The DOF has already dismissed and filed cases against the persons involved, including the Center's Undersecretary and Executive Director. New streamlined procedures for the administration of fiscal incentives have been instituted to avoid recurrence of these anomalies.

- f. Pursued Transparency in Government Bidding Procedures. We subjected all government contracts worth P50 million and above to a thorough review by the Office of the President to ensure that these documents comply with the applicable rules, and are advantageous to the government. Since January 1999, a total of 174 contracts, worth an estimated P187.524 billion, had been reviewed.

To make the procurement of supplies more transparent and expeditious and to save on government resources, a computerized "electronic bid board system" (EBBS) that will speed up bidding, prevent irregularities in the procurement processes, and cut down bidding costs shall be installed in the bureaucracy within the year.

g. Improved Public and Government Inter-Office Transactions. Besides the eradication of graft and corruption, we sought to make bureaucracy more client-friendly, leaner, simpler and at the same time, more able to respond to the needs of the people.

i. Reformed/Re-directed Government Structure, Functions and Operations. At the Presidential level, we directed the formulation of a comprehensive and integrated institutional strengthening and streamlining program for the Executive Branch. The program will properly define the government's role in society as a provider of basic services and a partner of the private sector in development. Using this framework, a Presidential Committee on Effective Governance (PCEG) was constituted to refocus government efforts to basic governance functions and prioritize programs and projects through simplified and leaner structures.

The Economic Mobilization Group (EMG) mobilized the cooperation of various government agencies in its effort to cut red tape and costs of business applications, permits and clearances. Through the efforts of the EMG, the processing time for Alien Employment Permits was reduced from 1-3 months to 5-7 days and Working Visa from 6-8 months to 45 working days; interim documents for BIR-VAT registration are now being accepted; all documents needed are identified and a time frame for Land Conversion and Environmental Clearance Certificates (ECCs) was established. The EMG was also able to forge a Memorandum of Agreement (MOA) among government agencies involved in inter-island shipping that eliminated the issuance of entry/departure clearances by the Department of Agriculture (DA), extended the validity of motor

vehicle shipping clearances, and ensured the provision of Port Integrated Offices in all ports in the country.

The EMG also moved to simplify business-related procedures at the local level. Workshops, conducted with representatives from the leagues of local government officials, led to the identification of a model procedure for the issuance of business permits, building permits and real property assessment.

At the agency level, we have started re-focusing the functions of several departments to maximize their contributions to the nation's development, the emphasis of which is to enhance the government's ability to deliver basic services.

The Department of National Defense (DND) was given a new role, that of being a support agency for the country's social and economic development, in addition to being the guardian of the country's internal and external integrity. We continued initiatives to spread basic service delivery to a greater number of people through the local government units by re-tooling the Departments of Health (DOH) and Social Welfare and Development (DSWD) into becoming providers of technical assistance for these LGUs. Under these new arrangements, DOH and DSWD shall provide direction and capability-building efforts to enable LGUs to effectively fulfill the devolved functions. We also restructured the DA to enable it to better pursue its new mandate under Republic Act 8435, or the Agriculture and Fisheries Modernization Act. We also refocused the functions of the Department of Budget and Management in preparation for the shift in public expenditure management from cost-based to performance-based. The Bureau of Internal Revenue conducted retooling activities to improve the government's fiscal condition and transform the BIR into an efficient and effective revenue collecting agency.

We are also in the process of streamlining and reforming the government housing sector to improve policy and program coordination according to the requirements of the Administration's mass housing program. The program seeks to deliver 350,000 housing units every year until 2004.

- ii. Streamlined the Government Corporate Sector. With the new thrust of liberalization and deregulation, we vigorously pursued our efforts to withdraw the government corporate sector's unnecessary participation in business.

Towards this end, we endeavored a two-pronged approach. First, we fasttracked the privatization of big-ticket GOCCs and the disposition of acquired-assets. These included the Philippine Associated Smelting and Refining Corporation (PASAR), Philippine Fertilizer and Phosphate Corporation (PHILPHOS), Philippine National Construction Corporation (PNCC), Philippine National Bank (PNB), Petron, Food Terminal Inc. (FTI), Manila Gas Corporation, and North Davao Mining & Development Corporation. The proceeds from the sale shall be channeled to the President's priority programs. In addition, government-acquired real properties, which include a 120 hectare-property in Cavite owned by Moonwalk Development Corporation, are being developed as socialized housing sites. Likewise, the President has already certified as an urgent bill the Omnibus Energy Act privatizing the National Power Corp. (NPC) and eventually, opening the energy industry to the private sector.

Second, we ensured that the remaining GOCCs are more effective and efficient in performing their mandates. Thus, a comprehensive performance and financial audit of all GOCCs was initiated to reduce operational costs, increase revenues, and maximize the use of GOCCs' assets. The following corporations have already started implementing cost reduction and revenue generating measures pursuant to the audit's recommendations: Light Rail Transit Authority

(LRTA), Local Water Utilities Administration (LWUA), Metropolitan Waterworks and Sewerage System (MWSS), National Food Authority (NFA), National Development Company (NDC), National Electrification Administration (NEA), National Housing Authority (NHA), National Irrigation Administration (NIA), NPC, Philippine Economic Zone Authority (PEZA), Philippine National Oil Company (PNOC), Philippine National Railways (PNR), the Philippine Ports Authority (PPA), the Philippine Television Network (PTV-4) and Radio Philippines Network (RPN-9).

- iii. Rationalized Agency Operations and Decentralized/De-concentrated Frontline Services. We introduced innovations in bureaucratic procedures to deliberately favor the disadvantaged sectors of society. We adopted the 20/20 initiative, whereby at least 20% of the national budget and 20% of official development assistance (ODA) will be allocated to the delivery of social services. To encourage the inflow of investments, we created the investment one-stop center that would facilitate the entry of investors in the country. The Department of Environment and Natural Resources (DENR) instituted measures to fasttrack the processing and issuance of Industrial Forest Management Plans and ECCs. ECCs for projects that do not encounter complaints regarding their social acceptability are now released within 30-45 days. ECC processing used to last for a year.

We enhanced our records management through the adoption of the Land Records Management Information Systems (LRMIS). The LRMIS allows the integration of all land-related information and provides for a systematic records management system that minimizes land disputes arising from overlapping and/or double titling, and anomalous land transactions. To maintain the system, we enhanced our physical inventory which has now reached 3.6 million records. In addition, we are implementing the Unified Projection System to detect conflicts and overlaps in the issuance of

permits, tenorial instruments and other licenses and agreements within a certain area.

We also stepped up efforts to hasten the delivery of basic and frontline services through deconcentration and decentralization of government functions. We authorized the creation of housing assistance one stop (HAOS) centers in the various regions to expedite the processing of applications and the issuance of various clearances and permits pursuant to the government's centerpiece program. The DBM, in coordination with the DPWH, has come up with a decentralized fund release system to ensure timely implementation of infrastructure projects. At the DOJ, services and functions of the Board of Special Inquiry have been decentralized to provide the public with a more convenient manner of securing immigration services. Efforts such as these are being replicated across the bureaucracy.

- h. Tied Agency Budget to Performance Outcomes. We employed public expenditure reform as another strategy to induce better government performance. As a prelude to the Budget Execution and Accountability Tracking (BEAT) System, we shifted from a cost-based to a performance-based public expenditure management. This shift called for the formulation of a medium-term budget expenditure plan upon which agency performance will be based. Good performance ensures continued release of allocations.

To improve government's tight fiscal position, we disallowed the continued grant of amelioration pay. We also limited foreign travels of officials to the most essential to conserve dollar reserves and instructed government agencies to institute belt-tightening measures.

- i. Focused Government Performance on Outputs rather than Outcomes. For the Estrada Administration, the overall outcome or impact of government action matters more than the actions themselves. This paradigm shift has been initiated across the bureaucracy. With the issuance of Executive Order 95, s.1999, public



expenditure management is now performance-based rather than cost-based as part of our continuing efforts to institute budgeting and management reforms.

Pursuant to its newly defined mandate, the DBM is set to operationalize by year 2000 the "Performance Accountability System". The System shall institutionalize performance measurement in government operations aimed towards an effective performance monitoring mechanism. The development of effective and acceptable performance indicators will rationalize the accountability of public officers and employees over government resources, promote allocative and operating efficiency, and promote client-orientation.

11.2 Looked After Government's Human Resources. Cognizant of the significant role of civil servants in the improvement of government's performance and in the achievement of our national goals, we continued to motivate and develop our personnel for productivity.

- a. Increased Monetary/Non-Monetary Benefits. At the Presidential level, we have begun moves, such as the issuance of Administrative Order 100 dated 1 December 1999, to grant government workers a 10 percent across-the-board salary increase to take effect next year. The issuance prohibited government offices from hiring new personnel in order to generate the additional funds intended for the increase.

We standardized our practice of paying the salaries and allowances of Philippine foreign service personnel at foreign currency rates. We made this adjustment to improve the living conditions of our foreign service personnel.

We also granted rice allowance to soldiers in combat in Mindanao to boost their morale and provide direct support to their families. Relative to this, the subsistence allowance of all PNP commissioned and non-commissioned officers was also increased. At DENR, moves were made to provide employees in the central and field offices with decent housing at affordable costs.

To maintain a crop of skilled and knowledgeable workers, we also continued to enhance human resource development programs through the conduct of seminars and trainings and continued education.

At the DOJ, qualified personnel were given the opportunity to avail of seminars and training available locally and abroad, and off-campus educational programs. The DBM sent 15 personnel to various foreign scholarship programs to broaden their technical knowledge and capabilities on fiscal and economic trends. PCGG hired GARCO Pacific Consultants to conduct an inventory of skills, job analysis and manning study designed to enhance the efficiency and productivity of the agency's officers and employees.

- b. Improved Performance Evaluation Systems. Public office is a public trust. Thus, we further improved our performance evaluation system to establish accountability of public officials.
  - i. Performance Commitment System (PCS). In line with the Administration's thrust to ensure an accountable, efficient, and productive bureaucracy, all department heads (including GOCCs) were directed to submit their Performance Commitments for 1999 as well as their accomplishments for the second semester of 1998.
  - ii. Career Executive Service Performance Evaluation System (CESPES). The Career Executive Service Board administered the CESPES or the performance rating to 3,215 incumbents of regular CES positions including CESOs and CES Eligibles in non-CES positions. An increase in the retrieval of rating forms was noted from 71 percent last year to 82 percent. To date, there are 1,775 CESOs and 279 CES Eligibles (CES positions), and 78 CESOs and 322 CES Eligibles (non-CES positions).
  - iii. Created the Presidential Initiative to Engage Career Executives' Services (PIECES). We created the PIECES as a safety net for Career Executive Service (CES) members displaced in the course of

the Administration's pursuit of its development agenda. The program provided placement assistance to CES members who enjoy security of tenure but cannot be assigned by their superiors to the position and/or functions through which they can provide contributions towards the attainment of their organization's mandate. The program facilitated the detail of CES members to other government agencies in need of their managerial capabilities.

- c. Reinforced Good Behavior and Quelled Improper Conduct. Placing a high premium on decorum, we undertook measures to ensure that our employees conduct themselves properly, in friendly, helpful, refined environment/offices.

The CSC continued to implement the "*Mamamayan Muna, Hindi Mamaya Na*" program to minimize, if not eliminate, discourtesy, arrogance and inefficiency among government workers. From December 1998 to May 1999, CSC, through the program, acted on 845 reports: 96 commendations, 256 requests for assistance and 493 complaints. Recognitions were also conferred on employees for prompt, courteous, efficient and honest service. As of September 1998, the program has recorded a total of 776 *Gantimpala* awardees. The Commission on Audit (COA) resolved 32 administrative cases involving 52 personnel where 18 respondents were exonerated and 34 were found guilty. Charges filed include dishonesty, violation of office rules and regulations, neglect of duty, misconduct, etc.

- 11.3 Promoted Local Autonomy. We continued to empower LGUs by devolving responsibilities, structures and resources and enabling them to become the government's partners in administering development at the local level.

- a. Devolved Basic Service Delivery Functions. We pilot-tested the capability of LGUs to supervise the operations of 110 fire stations in the National Capital Region. Relative to this, a plan for the full implementation of devolved fire services nationwide is being formulated. Likewise, a feasibility study is being conducted through the Bureau of Jail Management and Penology on the devolution of jail services to the local

government units. The DILG, pursuant to its mandate of promoting genuine local autonomy, took the lead in the formulation of the proposed bill on the return of the police to local government units. The bill has already been filed in Congress.

At the Department of Justice, services and functions of the Board of Special Inquiry have been decentralized making immigration services convenient for the transacting public.

- b. Enhanced LGU Capability for Governance. We made moves to upgrade LGU capability and enable them to effectively carry out the devolved functions of the national government.
  - i. Local Government Administration Program. The DILG, through the Local Government Academy, conducted training programs on Local Government Administration for the new local chief executives (LCEs) in the province of Abra.
  - ii. Development Legislation. We conducted lessons on development legislation for 70 vice governors and *Sangguniang Panlalawigan* members. The course introduced the developmental dimension of local legislation through the adoption of a balanced and holistic approach to local development. This approach links the social, economic, and political development agenda of the local executive branch with the necessary supportive local legislation.
  - iii. Local Financial Administration Enhancement Course. We developed and conducted the Local Financial Administration Enhancement Course to enhance the local finance management capability of Misamis Oriental officials.
  - iv. Project Development Assistance Centers. The NEDA initiated the establishment and continued operation of Project Development Assistance Centers to assist LGUs and other regional line agencies in project development and preparation.

- v. Barangay Administration Trainings. We tooled our barangays to address local concerns effectively and efficiently. The Barangay Administration Training Program was conducted to enhance the technical, fiscal and administrative capabilities of barangay officials for effective local governance. Barangays from Regions II, VI, IX, X, CAR and NCR benefited from this training.

## **CHAPTER 6: INTERNATIONAL COOPERATION**

In the 1996 Istanbul Conference, we sought the support and assistance of the international community, along the following areas:

1. Establishment of a comprehensive national urban data base system in response to the need for an accurate and continuing information on the country's urban areas;
2. Conduct of research and related activities on the development of a standard definition and measurement of urbanization and definition of acceptable and/or adequate housing and low-cost building and land development costs and standards;
3. Support to action programs, which promote and improve access of women to property and to decision-making positions in all levels;
4. Institutional capability building on urban management particularly the local urban governments;
5. Development of institutional capability to test the impact of typhoon, seismic, tsunamis or storm surges and other natural hazards on building materials, technologies, and infrastructure facilities;
6. Holding of local and international conferences/dialogues for information/experience sharing on development trends, specifically on alternative building materials and systems and small area infrastructures and utilities; and
7. Establishment of an effective monitoring system considering the multi-level factors in governance.

As of December 1999, we were able to avail of financial assistance in the amount of US \$4,206.20 M from the international community for the implementation of 183 projects that is aimed at the improvement of the quality of life of the Filipino families. The said amount represents 37.92 percent of the total funding commitments of US \$11,090.7 M.

1. Shelter/Basic Services/Transport and Mobility

Given the magnitude of the housing backlog and the need to address the requirements for basic services and mobility of the Filipino people, we received foreign assistance amounting to

US\$3,015.5 M or 38.66% of the total funding commitments of US \$7,800M. We utilized said funds for the implementation of 121 projects including the Rural Electrification Project, Coal-fired Thermal Project, Geothermal Project, Global Maritime and Safety and System Project, Telecom Development Project, Water, Sewerage and Sanitation Projects, Airports, Ports and Railways Development Projects, Development and Maintenance of Roads and Bridges Projects and the Domestic Shipping Modernization Project.

## 2. Environment

The deteriorating condition of the human environment/habitat especially in the highly urbanized cities and municipalities in the country and the degradation of natural resources in the country side have triggered the infusion of financial support from the foreign donors in the amount of US \$876.3M, representing 54.31% of the total funding commitments of US \$1,613.40M. We used these funds for the implementation of 30 environment-related projects that are geared towards the improvement of air quality, waste incineration, disaster mitigation, forestry development and integrated area development.

## 3. Social Development

We received foreign funding support totaling to US\$151.50M for the implementation of 7 education related projects and 11 health related projects that is aimed at improving the health condition of the socially disadvantaged sectors and the educational system in the country. The total funds availment accounts for 24.58 percent of the US \$616.30M commitment funds of the foreign donors.

## 4. Urban Economy and Employment

The worldwide attention generated by problems brought about by urbanization like poverty and increasing unemployment have generated financial assistance to the Philippine Government in the amount of US \$162.9 M or 15.35% of the committed funds of US\$1,061M. These funds are primarily used for the promotion of Small Scale Enterprises, Rural Microenterprise Finance Project, Second and Third Rural Finance and Local Government Unit Support Credit Program.

## **CHALLENGES**

In the next three years, it is expected that additional accomplishments shall be achieved in terms of measurable and concrete targets for the on-going programs/projects mentioned above. In addition, the following activities are also being targeted for implementation:

1. Sourcing of funds, both locally and internationally, to implement the other priority areas for international cooperation;
2. Enhancing the capability of the Local Government Units in land use planning and shelter strategy formulation and resource mobilization for the implementation of housing projects and delivery of basic services within their respective localities;
3. Rationalizing the development and improvement of public health facilities, equipment and services in the country, both local and national, especially directed toward the less-served and underdeveloped areas and ensuring the accessibility and affordability of health facilities and services to a greater number of the population, particularly the poor and depressed communities;
4. Systematizing all programs of state financial assistance to students on the basis of the trifocalization of the management of educational system and setting up a voucher system;
5. Undertaking, promoting and contracting the gathering of data, conduct of studies and the development and application of technology pertaining to land use planning and estate management;
6. Providing the overall framework for the rational allocation, disposition, sustainable utilization and management of land resources for a variety of ecological and economic uses, and to prevent premature conversion of agricultural lands into other uses;
7. Formulating an omnibus bill on housing that can integrate all housing reforms for better shelter delivery system; and
8. Establishing a comprehensive long-term national program that would empower older persons by giving them continued opportunities for employment, livelihood projects and access to formal and non-formal education and social services, such as health and education.



## Challenges

For the next three years, we are hoping that more shall be achieved in terms of measurable and concrete targets for the on-going programs/projects mentioned above. In addition to this, the following activities are also being targeted for implementation:

1. Sourcing of funds, both locally and internationally, to implement the other priority areas for international cooperation;
2. Enhancing the capability of the Local Government Units in land use planning and shelter strategy formulation and resource mobilization for the implementation of housing projects and delivery of basic services within their respective localities;
3. Rationalizing the development and improvement of public health facilities, equipment and services in the country, both local and national, especially directed toward the less-served and underdeveloped areas and ensuring the accessibility and affordability of health facilities and services to a greater number of the population, particularly the poor and depressed communities;
4. Systematizing all programs of state financial assistance to students on the basis of the trifocalization of the management of educational system and setting up a voucher system;
5. Undertaking, promoting and contracting the gathering of data, conduct of studies and the development and application of technology pertaining to land use planning and estate management;
6. Providing the overall framework for the rational allocation, disposition, sustainable utilization and management of land resources for a variety of ecological and economic uses, and to prevent premature conversion of agricultural lands into other uses;
7. Formulating an omnibus bill on housing that can integrate all housing reforms for better shelter delivery system; and
8. Establishing a comprehensive long-term national program that would empower older persons by giving them continued opportunities for employment, livelihood projects and access to formal and non-formal education and social services, such as health and education.