

THE 2014 SONA TECHNICAL REPORT

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The Office of the President of the Philippines

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LIST OF ACRONYMS

A&D	Alienable and Disposable
ADB	Asian Development Bank
ADMATEL	Advanced Device and Materials Testing Laboratory
AFPM/CUP	AFP Modernization/Capability Upgrade Program
ALAGA KA Program	ALAmin at GAmitin
APIS	Annual Poverty Indicators Survey
ARBO	ARB Organization
ARG	Automated Rain Gauges
ASEM	Asia-Europe Meeting
BBL	Bangsamoro Basic Law
BD-FT	Board-Feet
BEEP	Bohol Emergency Employment Program
BHS	Barangay Health Station
BMC	Bicol Medical Center
BOC	Bureau of Customs
BPLS	Business Permits and Licensing System
BSP	Bangko Sentral ng Pilipinas
BTA	Bangsamoro Transition Authority
CAB	Comprehensive Agreement on the Bangsamoro
CARP	Comprehensive Agrarian Reform Program
CBLA	Cash for Building Livelihood Assets
CEP	Cadet Engineering Program
CFW	Cash-for-Work
CGC	Coast Guard Cutters
CHT	Community Health Team
CIRS	Crime Incident Recording System
CLOA	Certificate of Land Ownership Award
CPI	Corruption Perceptions Index
CPRO	Customs Policy Research Office
CRMC	Cotabato Regional and Medical Center
CRRP	Comprehensive Rehabilitation and Recovery Plan
CSAP	Core Shelter Assistance Program
CSF	Common Service Facility
CSO	Civil Society Organization
CVMC	Cagayan Valley Medical Center
DIWATA	Development of the Philippine Scientific Earth Observation Micro-Satellite
DJFMH	Dr. Jose Fabella Memorial Hospital
DREAM-LiDAR	Disaster Risk Exposure Assessment for Mitigation - Light Detection and Ranging
DRRM	Disaster Risk Reduction and Management
DTTB	Doctors to the Barrios
EC	Evacuation Center
ECCT	Expanded Conditional Cash Transfer
eTAILS	Electronic Transparency and Accountability Initiative for Lump Sum Funds
ESA	Emergency Shelter Assistance
EVRMC	Eastern Visayas Regional Medical Center
FAiTH	Foreign Aid Transparency Hub

FFP	Family Food Pack
FIES	Family Income and Expenditure Survey
FloodNET	Flood Information Network
FY	Fiscal Year
FWB	Farmworker-Beneficiary
GAARD	General Appropriations Act-as-Release-Document
GCG	Governance Commission for GOCCs
GEC	General Education Curriculum
GMMA	Greater Metro Manila Area
GOCC	Government-Owned and Controlled Corporation
GPBP	Grassroots Participatory Budgeting Process
GRDP	Gross Regional Domestic Product
HA	Hectares
HEI	Higher Education Institution
HFEP	Health Facilities Enhancement Program
HOMA	Home Materials Assistance
IAC	Inter-Agency Committee
IACAT	Inter-Agency Council Against Trafficking
IBPAP	Information Technology and Business Process Association of the Philippines
ICT	Information and Communications Technology
IDP	Internally Displaced Person
IED	Improvised Explosive Device
IES	Impact Evaluation Study
IG	Intelligence Group
IPR	Intellectual Property Rights
ISF	Informal Settler Family
IT	Information Technology
ITR	Income Tax Return
JFESC	Joaquin F. Enriquez Jr. Sports Complex
JHS	Junior High School
JICA	Japan International Cooperation Agency
KALAHI-CIDSS	Kapit-Bisig Laban sa Kahirapan-Comprehensive and Integrated Delivery of Social Services
LAD	Land Acquisition and Distribution
LAF	Legal Assistance Fund
LGU	Local Government Unit
LLCO	Labor Law Compliance Officer
LLEDP	Laguna Lakeshore Expressway-Dike Project
LM	Lineal Meter
LOI	Letter of Intent
LPRAP	Local Poverty Reduction Action Plan
LRRP	LGU Rehabilitation and Recovery Plan
LRT	Light Rail Transit
MERS-CoV	Middle East Respiratory Syndrome Corona Virus
MILF	Moro Islamic Liberation Front
MLD	Million Liters per Day
MMEX	Metro Manila Expressway
MNLF	Moro National Liberation Front
MW	Megawatts
MWOFRC	Migrant Workers and Overseas Filipinos Resource Center

NABCOR	National Agribusiness Corporation
NBI	National Bureau of Investigation
NCA	Notices of Cash Allotment
NCDDP	National Community-Driven Development Project
NDP	Nurse Deployment Project
NDRRMC	National Disaster Risk Reduction and Management Council
NFW	Naval Forces West
NFWCC	NFW Command Center
NGP	National Greening Program
NHIP	National Health Insurance Program
NHTS-PR	National Household Targeting System for Poverty Reduction
NOAH	Nationwide Operational Assessment of Hazards
NOC	Notice of Coverage
NPA	New People's Army
NPC	National Power Corporation-Small Power Utilities Group
NSCB	National Statistical Coordination Board
NUP	Non-Uniformed Personnel
OFW	Overseas Filipino Worker
OMB	Office of the Ombudsman
ORAM	Office of Revenue Agency Modernization
PBB	Performance-Based Bonus
PBI	Performance-Based Incentives
PBR	Philippine Business Registry
PDAF	Priority Development Assistance Fund
PDNA	Post-Disaster Needs Assessment
PES	Performance Evaluation System
PESO	Public Employment Service Office
PhilHealth	Philippine Health Insurance Corporation
PIB	Performance Informed Budgeting
POC	Point of Care
POW	Program of Work
PQF	Philippine Qualifications Framework
PSG	Policies, Standards, and Guidelines
PSPB	Personnel Selection and Promotion Board
QA	Quality Assurance
RATES	Run After Tax Evaders
RATS	Run After the Smugglers
RAY	Reconstruction Assistance on Yolanda
RHMPP	Rural Health Midwives Placement Program
RHU	Rural Health Unit
RIPS	Revenue Integrity Protection Services
RN Heals	Registered Nurses for Health Enhancement and Local Service Project
RS4LG	Regulatory Simplification for Local Governments
S&P	Standard & Poor's
SALINTUBIG	Sagana at Ligtas na Tubig sa Lahat
SARO	Special Allotments Release Order
SEA-K	Self-Employment Assistance-Kaunlaran
SEIT	Self-Employed Individual Taxpayer
SEnA	Single-Entry Approach
SEP	Self-Employed Professional

SEP	Sitio Electrification Program
SETUP	Small Enterprise Technology Upgrading Program
SGH	Seal of Good Housekeeping
SGLG	Seal of Good Local Governance
SGP-PA	Student's Grants-in-Aid Program for Poverty Alleviation
SHS	Senior High School
SP	Sub-Project
SPES	Special Program for the Employment of Students
SSF	Shared Services Facility
SSS	Social Security System
STEER-Bohol	Skills-Training and Emergency Employment towards Recovery in Bohol
SUC	State Universities and Colleges
SY	School Year
TACE	Teacher's Assessment and Competency Exam
TADECO	Tarlac Development Corporation
TIN	Tax Identification Number
TIP	Trafficking In Persons
TRC	Technology Resource Center
TPLEX	Tarlac-Pangasinan-La Union Expressway
TSeKaP	Tamang Serbisyo para sa Kalusugan ng Pamilya
TVET	Technical Vocational Education and Training
TWSP	Training for Work Scholarship Program
UNCLOS	United Nations Convention on the Law of the Sea
WASH	Water, Sanitation, and Hygiene
WB	World Bank
WEF	World Economic Forum
WLMS	Water Level Monitoring Stations
YORInfoCenter	Yolanda Rehabilitation Scientific Information Center
Z3R	Zamboanga City Roadmap to Recovery and Reconstruction

I. Institutionalized Good Governance to Achieve Results

Governance reforms, anchored on public accountability, transparency, and citizen participation, are transforming and reforming institutions resulting in improved efficiencies, more responsive projects and better informed citizenry, the curbing of tax leakages and corruption, and prevention of the misuse and abuse of public funds.

A. Strengthened and Sustained Good Governance Reforms

1. Institutionalized Public Accountability

The government's reforms to institutionalize good governance has led to the country's improvement in the Transparency International's Corruption Perceptions Index (CPI) ranking, moving 40 notches higher to 94th place in 2013 from 134th place in 2010.

a. **Reformed the Budget Process.** The Administration made the budgeting process simple, transparent, and participative.

- *Performance Informed Budgeting (PIB).* Compared to previous years where the National Budget presented only the peso value of government services, projects, and programs, the funding allocations under the PIB in the Fiscal Year (FY) 2014 National Budget are presented alongside information on government agencies' targets and performance commitments. For instance, the P206.6-billion budget of the DPWH for FY 2014 targets to achieve the construction of 794 km of national roads, and the construction and maintenance of 631 flood control structures and drainage systems nationwide, among others.
- *Grassroots Participatory Budgeting Process (GPBP).* Some 1,226 cities and municipalities (75.0 percent) out of 1,634 cities and municipalities engaged Civil Society Organizations (CSOs) and communities in the preparation of their local poverty reduction action plans (LPRAPs), from which 19,507 poverty reduction projects were selected for funding under the 2014 National Budget. As of end-May 2014, a total of P20.05 billion has been released to implement these projects, more than double the P8.3 billion worth of projects selected from the LPRAPs of 595 cities and municipalities (or 36.4 percent of 1,634 cities and municipalities) for funding in the 2013 National Budget.

An example of a GPBP project is the establishment of a potable water supply system in Barangay Anahawan in Calauag, Quezon where, for almost 60 years, local residents, usually mothers, had to walk or travel using carabao-drawn carts to fetch potable water from a spring 3 km away. The local CSO, *Kababaihan, Kabalikat, Kapitbisig para sa Kaunlaran* or 4K, participated in crafting the LPRAP for the construction

of a potable water supply system worth P1.2 million. Around 450 local residents of Anahawan now enjoy potable water through the 15 communal faucets strategically installed in the barangay.

- *General Appropriations Act-as-Release-Document (GAARD)*. Starting 2014, the process of releasing allotments was streamlined through the adoption of the GAARD policy. The budget was made available to agencies at the beginning of the fiscal year, 01 January 2014, without the need for DBM to issue budget release documents, such as the Special Allotment Release Order (SARO) and Notice of Cash Allocation (NCA), enabling agencies to implement their programs earlier.
 - *Budget ng Bayan*. Launched in 2012, the website (www.budgetngebayan.com) gives the public access to easy-to-understand information on the budget and reports on project implementation. In addition, all national government agencies and executive offices, as well as 94.4 percent (1,619 Local Government Units or LGUs) of the 1,715 provinces, cities, and municipalities¹ now post the same information in their respective websites and in conspicuous places, pursuant to the Transparency Seal initiative and Full Disclosure Policy, respectively.
- b. ***Accounted for the Priority Development Assistance Fund (PDAF)***.² To safeguard public funds, the government strictly monitored the utilization of PDAF.
- Beginning 2011, a menu of projects was prescribed to the legislators, limiting projects for PDAF funding. Legislators were also required to submit a list of recipients and their written endorsement prior to the release of funds. From 2011 to 2013, the releases for projects funded by the PDAF are submitted and evaluated through the electronic Transparency and Accountability Initiative for Lump Sum Funds (eTAILS) and are made available to the public through the DBM website.³
 - Upon the discovery of the PDAF's misuse, the President, on 23 August 2013, suspended the release of the remaining 2013 PDAF. The PDAF was also removed from the proposed 2014 National Budget. Moreover, the President directed the DOJ to ensure that those involved are held accountable.

¹ Total number of provinces, cities, and municipalities in the Philippines as of February 2014

² The PDAF is a lump-sum fund intended for the development programs and projects of legislators.

³ The reporting of the PDAF in the eTAILS for FY 2013 was suspended in August 2013, when the President issued a moratorium on the release of the fund.

The Office of the Ombudsman (OMB), based on DOJ-NBI investigation, and validated by OMB's own investigation, has filed before the Sandiganbayan cases against those involved and these cases are currently on-going.

- c. **Reformed GOCCs.** Continued reliance on government subsidy amidst report of excesses and financial mismanagement in the past made the creation of an oversight body for the GOCC sector a priority of the Aquino Administration. The Governance Commission for GOCCs (GCG) was thus created under RA 10149 or the GOCC Governance Act of 2011 to serve as an oversight and policy-making body for GOCCs to ensure their financial viability and responsiveness to the needs of the public.

Measures adopted by the Commission in pursuit of its mandate have yielded positive results. From 2002 to 2010, total dividends and other remittances remitted by GOCCs amounted to only P81.54 billion (averaging P9.06 billion/year for 9 years). The total dividends and other remittances remitted from 2011 to June 2014 alone has reached P95.90 billion (averaging P27.40 billion/year for 3.5 years).

Ongoing efforts of GCG include the following:

- *Evaluation, Rationalization, and Reorganization.* In 2013, 11 GOCCs that were either losing money or have redundant functions with other agencies were abolished. For instance, the National Agribusiness Corporation (NABCOR), which functioned as a conduit for the release of PDAF to NGOs allegedly linked to the PDAF scam, operated at a cumulative net loss from P0.98 billion at the end of 2007 to P1.70 billion in 2011. There is also the Cottage Industry Technology Center, which was created to promote the cottage industry among community-based enterprises but whose functions overlap with those of the private sector and some government agencies such as TESDA, DOST, and the Technology Resource Center. There are 18 more that are recommended for abolition while four GOCCs that have potential to generate significant revenues through sale are recommended for privatization.
- *Adoption of Performance Evaluation System (PES).*⁴ To rationalize the grant of incentives and tie these to performance, the GCG started implementing in 2013 the PES, which uses the Performance Scorecards⁵ agreed with GOCCs as basis for the grant of the

⁴ The PES was pursued through annual Performance Agreement Negotiations between the GCG and the Governing Boards and Management of GOCCs, establishing thereby the PES through Performance Scorecards, as provided for by Section 5(f) of RA 10149.

⁵ Performance scorecards show the GOCCs' accomplishment of their targets, as confirmed by the GCG.

Performance-Based Incentives (PBI) to Appointive Directors and Performance-Based Bonus (PBB) to officers and employees.⁶

All operational GOCCs now have performance scorecards that measure their financial viability and the quality of their service delivery, among others.

- d. **Social Security System Pension Reform.** The SSS pension system was also reformed to address the problem on unfunded liability and to respond to the clamor for higher benefits. In January 2014, the SSS started the increase in contribution rate from 10.4 percent to 11 percent and in monthly credit from P15,000 to P16,000. These, together with the five-percent across-the-board pension increase, which the SSS is also set to implement, are expected to lower the SSS' unfunded liabilities by P141 billion and increase its fund life from 2039 to 2042.
- e. **Reformed Revenue Collection Agencies.** Reforms in the revenue collection agencies have resulted in an improved tax effort⁷ from 12.1 percent in 2010 to 13.3 percent in 2013 or a P40 billion average annual increase⁸ in tax collections for the said period. This was achieved without imposing new taxes, except reforms in the Sin Tax.
 - *Reforming the Bureau of Customs (BOC).* After the President's call for change in the BOC, several measures were undertaken, including personnel movements and the appointment of new officials and staff, a new Commissioner,⁹ and new six Deputy Commissioners.¹⁰

Also, new offices under the DOF were created, i.e., the Office of Revenue Agency Modernization (ORAM)¹¹ and the Customs Policy Research Office (CPRO),¹² which are tasked to review current systems in revenue-generating agencies to increase collections and modernize operations.

⁶ The PBI and PBB are granted to GOCC Appointive Directors and GOCC officers and employees, respectively.

⁷ Tax effort is total tax revenues as a percentage of Gross Domestic Product.

⁸ Tax Revenues increased by an average of P138.5 billion from 2010 to 2013. The P40 billion average annual increase mentioned here represents only the increase in tax revenue as a result of the reforms in revenue collection systems. This is computed by multiplying the average increase in tax effort from 2010 to 2013 (0.4 percent) by the average GDP in current prices from 2010 to 2013 (P10.21 trillion).

⁹ A new BOC Commissioner (Comm. John P. Sevilla) was also appointed on 05 December 2014 in light of the resignation of then BOC Commissioner Rozzano Rufino Biazon.

¹⁰ On 02 October 2013, the President announced the appointment of the following five new Deputy Commissioners for the BOC: Atty. Agaton Uvero, former General Jessie Delloso (Ret.), Ms. Myrna Chua, Mr. Primo B. Aguas, and Ms. Maria Edita Tan. On 25 November 2013, Mr. Ariel F. Nepomuceno was appointed Deputy Commissioner for Enforcement Group. On 07 July 2014, CESB Deputy Executive Director Arturo Lachica was detailed as Officer-in-Charge of the BOC Internal Administration Group, replacing then Deputy Commissioner Myrna Chua.

¹¹ Created through EO No. 139, s. 2013. ORAM is composed of 24 personnel hired in DOF and detailed into critical management positions in BOC. As part of the reform team, 16 personnel were also detailed from other government agencies such as PDIC, NEDA, DTI, PEZA, LBP, DBP, AFP, DOF, and DBM.

¹² Created through EO 140, s. 2013. Of the 65 Customs officials detailed to the CPRO, only 45 are currently reporting. Eight have already retired, while 12 have already resigned.

The DOF issued a call-to-mother-units order, directing BOC personnel to return to their permanent plantilla positions. The order was in response to the observation that 60.0 percent of the 3,600 BOC employees were performing functions in units other than their mother units, with security guards functioning as collecting officers, and warehousemen as examiners, among others.

Moreover, personnel from the Intelligence Group (IG) were rotated to offices in the BOC and the DOF to ensure that the IG personnel have a better appreciation of the mandates of these offices to make IG more responsive to and supportive of the reforms in the agency. The IG gathers intelligence information on customs and related economic activities, and conducts inquiry, investigation, and law enforcement on cases involving violations of customs and tariff laws and regulations.

Post-entry audit functions of the BOC, such as compliance assessment of imported goods, were transferred to the DOF Fiscal Intelligence Unit to provide for check and balance.

An immediate result of these efforts was the increase in cash collections to P117 billion in January to April 2014, a 22 percent improvement from the collections in the same period in 2013. The BOC's cash collection as of April 2014 is the highest since 2006, wherein the Bureau recorded high revenues as a result of the EVAT Law taking into effect that year.

To increase transparency and accountability, the BOC released never-before-published data, such as reports on import entries, to allow the public to better monitor proper duties and taxes that must be paid per product per entry. It revamped the Customs website (www.customs.gov.ph), launched the *Customs ng Bayan* website (www.dof.gov.ph/customsngbayan), and released the Customs dashboard in the Open Data website (data.gov.ph/infographics/commodity-import) to provide the public with useful Customs data, such as imports, trade activity reports, and advisories.

- *Increasing Tax Collection.* The DOF and BIR also introduced reforms to improve tax collection from self-employed individual taxpayers (SEITs). Of the estimated 1.8 million self-employed professionals registered with BIR in 2011, only 402,934 (22.4 percent) filed their income tax returns. A large number of these SEITs, including doctors, lawyers, accountants, and media professionals, paid under P60,000 in income tax in the period 2010-2012.

In 2012, only 451 (53.7 percent) of the 840 lawyers¹³ registered with the BIR in the Makati City Revenue Region¹⁴ filed their respective BIR Forms 1701 or Income Tax Returns (ITRs) for Self-Employed Individuals. Likewise, 36.9 percent of doctors¹⁵ registered in Cebu and Davao declared income taxes less than P27,360, the equivalent income tax withheld from the salary of a public school teacher earning around P18,000 a month.

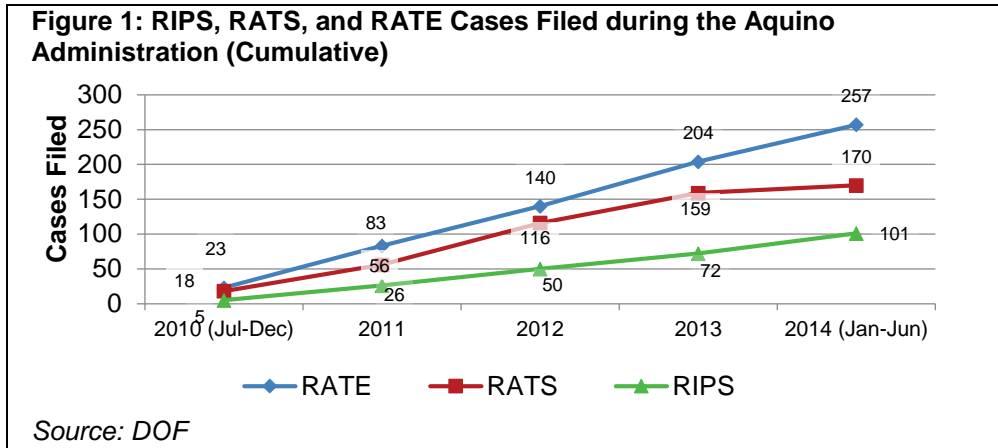
The BIR prioritized the audit of the tax returns of self-employed professionals and sole proprietorships with annual income tax of less than P200,000. Furthermore, through the Tax Watch, the Administration mounted campaigns to promote transparency and advocate for the correct declaration and payment of taxes through television commercials and newspaper advertisements.

- *Filing of Cases.* Cases against tax evaders, smugglers, and erring government employees were also filed:
 - Revenue Integrity Protection Services (RIPS). The total number of cases filed against erring government officials, including BOC collectors, increased from only five cases in 2010 to 101 by June 2014. During the current Administration, a total of 108 personalities have been charged at the OMB (76) and at the Civil Service Commission (27), while five personalities were referred to the concerned agency for formal filing of charge.
 - Run After the Smugglers (RATS). From only 18 cases in 2010, a total of 170 cases by June 2014 have been filed against smugglers, with total tax dues amounting to P26 billion.
 - Run After Tax Evaders (RATE). From 23 in 2010, total tax evasion cases filed have increased to 257 by June 2014, with total tax dues of P51.72 billion.

¹³ Taxpayers registered with PSIC Code 7411 (Legal activities).

¹⁴ Covers Revenue District Offices (RDOs) 44 (Taguig-Pateros), 47 (East Makati), 48 (West Makati), 49 (North Makati), 50 (South Makati), 51 (Pasay City), 52 (Parañaque), 53A (Las Piñas City), and 53B (Muntinlupa City).

¹⁵ Taxpayers registered PSIC Code 8512 (Private medical, dental, and other health activities).



Through the *Pera ng Bayan* website (www.perangbayan.com), citizens are empowered to report and track updates on cases of tax evaders, smugglers, and erring revenue personnel of the DOF. Since its launch in 2010, the website has received 2,629 citizen reports, 82 of which had been resolved and closed, 1,975 were forwarded to the concerned agencies for appropriate action, while the remaining 572 were archived for lack of substantial information.

2. Improved Doing Business and Public Sector Service Delivery

The Administration also pursued reforms in business processes and public service delivery by cutting and streamlining government processes and making these more transparent.

a. Streamlined Business Processes

- *Philippine Business Registry (PBR)*. Launched in January 2012, the web-based system serves as a one-stop shop for entrepreneurs who need to transact with several agencies (e.g., DTI, BIR, Pag-IBIG Fund, PhilHealth, SSS) to be able to start a business.

With the PBR, physical visits to these agencies to file applications, which took around four to five days to process, became unnecessary; business application through the PBR kiosks or tellers now only takes 30 minutes. From January to May 2014, 35,564 businesses registered through the PBR, or 97 percent higher than the 18,081 registered in the same period in 2013.

- *Business Permits and Licensing System (BPLS)*. LGUs continue to streamline their respective BPLS by adopting minimum service standards for new business applications and renewals such as simplifying multiple forms to only one single form with at most five

approving signatories, shortening the more than 10 steps in the application process to a maximum of just five, and improving the one to three months processing time of business applications to only one to three days. From only 421 cities and municipalities (25.8 percent) in 2011, 1,202 (73.6 percent) of the total 1,634 cities and municipalities nationwide have streamlined their respective BPLS as of end-May 2014.

- *Regulatory Simplification for Local Governments (RS4LG) Project.* To complement the streamlining of the BPLS and to further enhance LGUs' capacity to improve the business climate at the local level, the DILG, in partnership with the World Bank-International Finance Corporation, launched the RS4LG in June 2013. Aside from improvements in standards for new business applications, the project also standardizes the cost or fees and processes for completing required government inspections (e.g., fire code and sanitary inspections) across involved LGUs. As of June 2014, 52.1 percent or 50 out of the targeted 96 first class cities and municipalities nationwide for 2014¹⁶ have officially been enrolled in the RS4LG. Of this, 27 have completed the simplification of their business permitting processes.

One of the cities where RS4LG was successfully implemented is Tuguegarao City. After implementation, the processing time for business applications was reduced from an average of 45 days to one day and the steps from 30 to two. The city's business tax and permit fees collection also increased by 16 percent from P78 million in 2012 to P90.5 million in 2013. Atty. Isidro Martin F. Reyes of the Business Processing and Licensing Office of Tuguegarao City said that new businesses registered in the city in the period January to May 2014 numbered 527, close to surpassing the 611 new businesses registered in the whole year of 2013.

A business owner in Tuguegarao, Ms. Sherra R. Abrenica, owner of Aqua Era Purified, attested that it only took her 30 minutes to acquire a business permit.

- b. ***Automated LTO Frontline Services.*** The government is automating LTO frontline processes (i.e., driver's licensing and vehicle registration) through the use of information and communications technology (ICT). The project also involves the creation of a database management system and the interconnection of LTO offices nationwide. The government targets to fully deploy the system by the third quarter of 2015.

¹⁶ The target for January to June 2014 is 48; the remaining 48 is targeted to be covered until December 2014.

- c. **Expanded the Seal of Good Housekeeping (SGH) for Better Local Governance.** In January 2014, the government expanded the SGH and renamed it the Seal of Good Local Governance (SGLG) to recognize not only the LGUs' good financial housekeeping¹⁷ but also their business-friendly practices, disaster preparedness, and effective peace and order policies. Similar to the SGH, SGLG-qualified LGUs shall be entitled to the Performance Challenge Fund,¹⁸ which provides funds to qualified LGUs to support local development projects.
- d. **Reinforced Reforms in Public Works.** The DPWH continued implementing the 5Rs (right projects, right cost, right quality, right people, and right-on-time project implementation) approach in the identification and procurement of projects, and streamlined the bidding process. Through the 5Rs, the DPWH reduced the number of requirements for bidders from 20 to five documents, removed the requirement to submit a Letter of Intent (LOI), and piloted the electronic bidding (e-bidding) system in its Central Office.¹⁹ These reforms enabled the DPWH to save P27.79 billion from July 2010 to May 2014, which is now being used to fund additional roads, bridges, and flood control and disaster-related rehabilitation projects.²⁰

As part of its Good Governance and Anti-Corruption Program, the DPWH implemented the Cadet Engineering Program (CEP) in 2013. The DPWH selected, based on their academic background and performance in a series of interviews and examinations, 40 engineers from a pool of 197 applicants nationwide to undergo a 26-week program,²¹ covering: technical knowledge, strategic thinking, leadership, public service, and values and professional ethics. The first batch of the CEP trainees graduated in December 2013, and was deployed to different DPWH technical offices to do infrastructure planning, design, construction, maintenance, research, and ensuring quality and safety.

Improved DPWH operations and closer monitoring of projects have resulted in the completion of several projects ahead of schedule. Out of the 65,806 infrastructure projects undertaken from 2010 to June 2014, 55,392 projects have been completed. Of these, 12,641 projects were completed ahead of schedule.²²

¹⁷ Includes compliance with the Full Disclosure Policy and without adverse COA findings

¹⁸ Performance Challenge Fund allocation for LGUs are as follows: P7 million for provinces, P3 million for cities, and P1 million for municipalities.

¹⁹ The e-Bidding system will reduce the face-to-face interaction of DPWH personnel with prospective bidders thus reducing opportunities for collusion. The DPWH aims to fully implement the system in all its offices by 2016.

²⁰ Some projects funded from DPWH's savings are the Bayanihan sa Iligan Village Project, Iligan City (P94.56 million), Clearing/Improvement/Upgrading of sections along Iligan-Bukidnon Road (P86.36 million), and Indahag Relocation (Phase 2) in Cagayan de Oro City (P76.37 million).

²¹ This includes six weeks of foundation courses conducted by the First Pacific Leadership Academy (formerly the Meralco Management and Leadership Development Center Foundation Inc.) and 20 weeks of on-the-job training.

²² These projects include those that were started during the previous administration. Some of the projects completed ahead of schedule are the Plaridel Bypass Road and C3 Araneta Avenue-Quezon Avenue Interchange.

3. Pursued a Just and Lasting Peace

The Aquino Administration's good governance platform served as the foundation from which trust and confidence in the peace process with the Moro Islamic Liberation Front (MILF) was built, culminating in the signing of the Comprehensive Agreement on the Bangsamoro (CAB).

- a. **Signing of the CAB.** After 17 years of negotiations, the government and the MILF signed a peace agreement on 27 March 2014. Called the CAB, the Agreement consolidates and affirms the understanding and commitment between the government of the Philippines and the MILF, and contains important provisions on:
- Delineation of powers between the Central Government and the Bangsamoro Government;
 - Revenue generation and wealth-sharing, which provide for the principles and mechanisms that will be part of the system of fiscal administration in the Bangsamoro;
 - The establishment of the institutions for the operationalization of the transition process; and
 - The normalization process, where MILF members transition to a peaceful civilian life, which includes putting their weapons beyond use. It also involves the redress of unresolved legitimate grievances and the rehabilitation of conflict-affected areas.

The Bangsamoro Basic Law (BBL) shall establish the new Bangsamoro political entity and shall enforce the agreements reached in the CAB. The draft bill is currently being finalized, for submission to and enactment by Congress into law, and ratification through a plebiscite. The plebiscite shall determine the geographic scope of the region.

The ARMM²³ is deemed abolished and will cease to exist upon the ratification of the BBL. The Bangsamoro Transition Authority (BTA) will be created and shall function as the interim ministerial government that shall prepare for the transition of the region to the Bangsamoro government. The BTA will be replaced by the regularly elected Bangsamoro government after the May 2016 national and local elections.

- b. **Promotion of Good Governance in ARMM.** Parallel to the pursuit of peace, the Aquino Administration continues to promote good governance in the ARMM.

Usually characterized by violence, the 2013 elections were relatively peaceful, with election-related incidents down to six, compared to the 33 incidents and 15 incidents during the 2010 and 2007 elections, respectively.

²³ The LGUs and tenured local government officials of ARMM will stay in place.

Furthermore, out of 5,785 precincts in ARMM, failure of elections was declared in only one precinct, in Maguing, Lanao del Sur,²⁴ a marked improvement over previous years.²⁵

Peace and stability, coupled with good governance reforms has translated to the following:

- Registered an all-time high of P2.52 billion in investments, mostly in the energy sector, for the first semester of 2014, compared to 2013's P1.46 billion, 2012's P569 million, 2011's P1.66 billion, and 2010's P91 million.
- Posted a 1.2 percent growth in Gross Regional Domestic Product (GRDP) in 2012 from a 0.3 percent contraction in 2011.
- Collection of P1.25 billion in taxes in 2013, higher than the P1.24 billion target collection for 2013, and greater than the P845.99 million collection in 2012, P737.67 million collection in 2011, and P764.74 million in 2010.

The ARMM government pursued the following, also as part of its efforts to promote good governance:

- Ensured compliance of all regional line agencies with the Transparency Seal requirements and the posting of the citizen's charters.
- Aligned the Regional Assembly Public Works Act²⁶ in 2012 with the Government Procurement Reform Act (RA 9184), which calls for publishing bid invitations online as well as in newspapers of national circulation, among others. New policies such as "no more lump sum appropriation" and "no more re-gravelling of road projects" were also implemented.
- Professionalized the process of selection and promotion of employees in the ARMM bureaucracy through the ARMM Personnel Selection and Promotion Boards (PSPBs).²⁷ As of 30 June 2014, the ARMM Regional PSPB filled up more than 400 out of the 600 target positions, while the DepEd PSPB filled up more than 1,000 out of the 1,654 target teaching positions.
- Hired licensed teachers and validated their licenses with the Professional Regulation Commission. This is an offshoot of a 2012

²⁴ The Board of Election Inspectors did not proceed to the polling center due to shots discharged from firearms of unidentified armed men. As such, no election took place.

²⁵ Failures of elections were declared in the six municipalities in Lanao del Sur and a barangay in Sumisip, Basilan in 2010; and thirteen municipalities in Lanao del Sur, four municipalities in Maguindanao, and some barangays in Sumisip and Al Barka, Basilan in 2007.

²⁶ The Act was carried on to succeeding Regional Assembly Public Works Act. According to Article VI, Section 20 of The Organic Act for the ARMM (RA 9054), "The annual budget of the Regional Government shall be enacted by Regional Assembly. Funds for infrastructure in the autonomous region allocated by the central government or national government shall be appropriated through a Regional Assembly Public Works Act. Unless approved by the Regional Assembly, no public works funds allocated by the central government or national government for the Regional Government or allocated by the Regional Government from its own revenues may be disbursed, distributed, realigned, or used in any manner."

²⁷ PSPBs require applicants to undergo pre-screening, examination (computer-based, written, and/or hands on skills assessment), and panel interview.

cross-validation of the ARMM payroll, which revealed that more than 5,000 elementary school teachers were not licensed professionals.

- Continued delisting of ghost students from DepEd's Basic Education Information System. For the SY 2013-2014, there were 21,374 ghost students delisted after due validation, enabling the ARMM to re-channel resources and address the needs of actual students.
- Cleansed and updated personnel records, which made possible the settlement of the P2.724 billion unpaid remittances to GSIS since 1997 of around 25,000 teachers.²⁸ The payment of debts to GSIS ensures that teachers in ARMM can avail of the benefits due to them.

B. Inspired Investor Confidence

Good governance reforms and the resilience of the economy have put the spotlight on the Philippines as a viable investment destination. The country achieved investment grade status, recorded higher levels of approved investments, improved its competitiveness rankings, and hosted meetings attended by high-level personalities representing top corporations, global organizations, and governments.

1. Investment Grade Ratings and Enhanced Investments

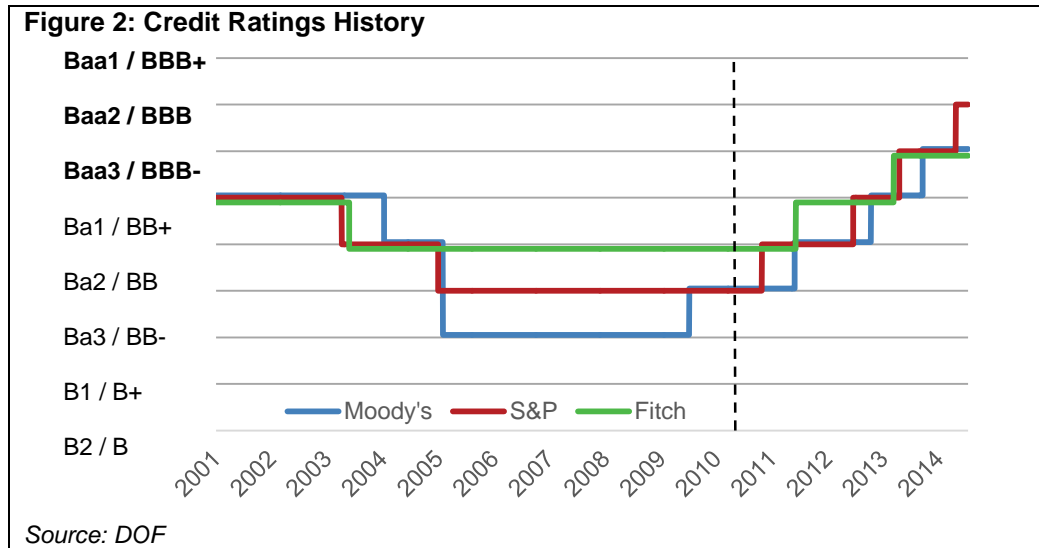
- a. ***Gained Investment Grade Rating.*** After reversing nearly a decade of credit rating decline, the country achieved investment grade ratings from all three major credit rating agencies,²⁹ for the first time in Philippine history, in 2013. This allows the government and the private sector to borrow at cheaper rates, lowering debt service and generating savings that can be channeled to investments by the government and the private sector.

On 08 May 2014, the Philippines received another credit rating upgrade from Standard & Poor's (S&P),³⁰ which affirmed the continued improvement of the macroeconomic environment and increased attractiveness of the country as an investment destination. This prompted JP Morgan to note that the Philippines has been the most upgraded sovereign credit in the region in recent years. S&P also expressed optimism that gains in fiscal management and the enhanced investment environment will be sustained even after this Administration. The Philippines is one of four ASEAN Member States (along with Singapore, Malaysia, and Thailand) rated investment grade by all three major credit rating agencies.

²⁸ This figure represents both retired (2,000) and currently working teachers (23,000).

²⁹ Fitch Ratings (27 March 2013), Standard & Poor's (02 May 2013), and Moody's Investor Service (03 October 2013).

³⁰ The upgrade from BBB-, considered as the lowest investment grade rating of market participants, to BBB signifies that the country has adequate capacity to meet financial commitments, but is susceptible to adverse economic conditions.



b. **Enhanced Investments.** There has been a significant increase in investment activity under this Administration. As of June 2014, 41.9 percent of PEZA-approved investments since 1995 came in during this Administration; the same with 27.9 percent of BOI-approved investments from 1992. On a monthly basis, an average of P23.47 billion of PEZA-approved investments and P30.77 billion of BOI-approved investments came in during this Administration.

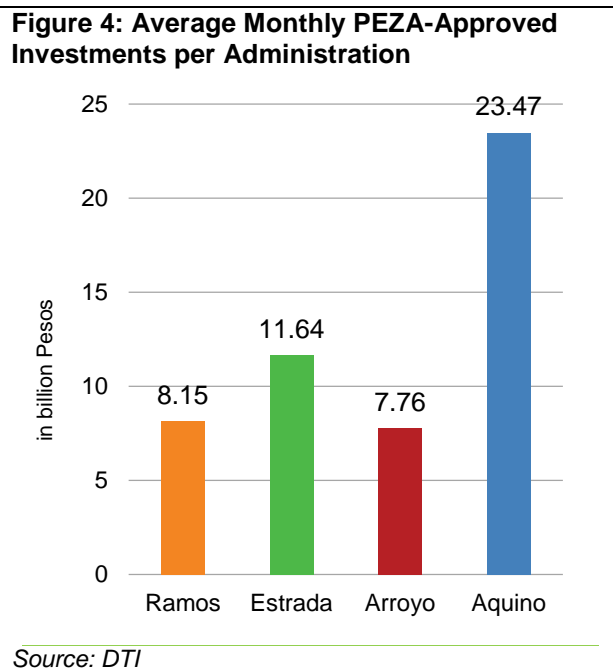
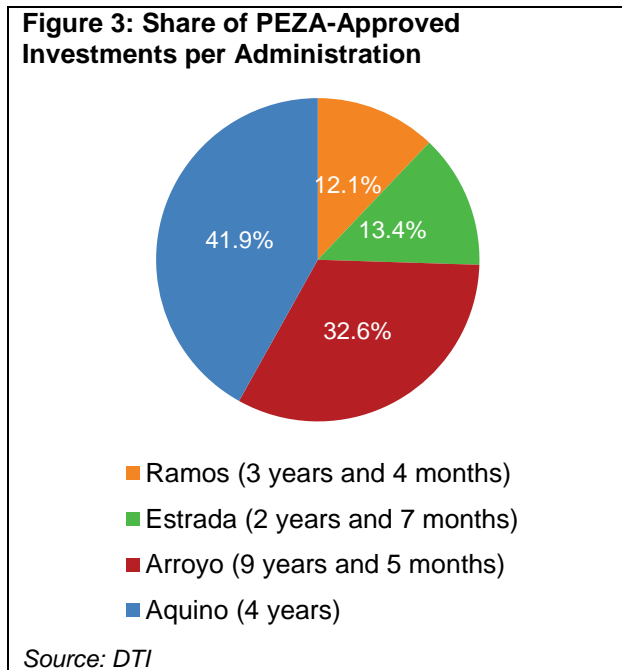
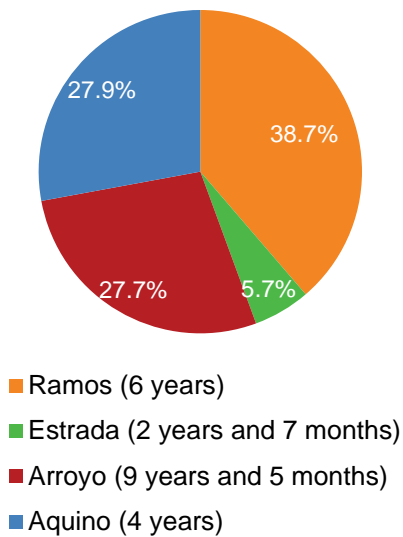
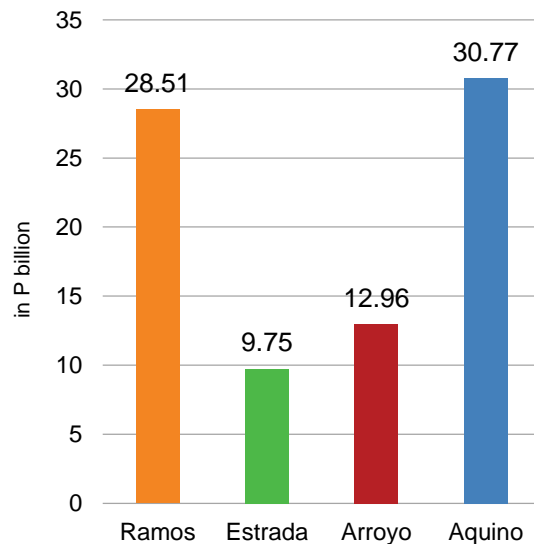


Figure 5: Share of BOI-Approved Investments per Administration



Source: DTI

Figure 6: Average Monthly BOI-Approved Investments per Administration



Source: DTI

c. **Achieved Improvements in Competitiveness Rankings.** The country improved by 26 places from 85th in 2010–2011 to 59th in 2013–2014 in the World Economic Forum’s (WEF) Global Competitiveness Report; by 36 places from 144th in 2010 to 108th in 2014 in the Ease of Doing Business Report; and by 20 places from 109th in 2010 to 89th in 2014 in The Heritage Foundation’s Index of Economic Freedom. These ranking agencies noted that the Administration’s fight against corruption, the high degree of resilience of the Philippine economy, and the efforts to pursue legislative reforms enhanced the investment environment.

- Aside from these, the country was removed after 15 years from the US Special 301 Watch List³¹ in 2014 following the passage of the Data Piracy Act (RA 10173) in 2012 and the Amendments and Updates on the Intellectual Property Code of the Philippines (RA 10372) in 2013. The removal from the Watch List reaffirms the Philippines’ good standing in IP protection and enforcement which is expected to increase the country’s competitiveness and encourage foreign investments and innovations, especially from the US.³²
- The President signed RA 10641 “An Act Allowing the Full Entry of Foreign Banks in the Philippines, Amending For The Purpose Republic

³¹ Countries in the Watch List exhibit problems with respect to Intellectual Property Rights (IPR) protection, enforcement, or market access for persons relying on IPR.

³² The Philippines’ good standing can be seen in the 2013 International Property Rights Index where the PH ranked 2nd in the Asia and Oceania Region and 25th in patent protection, among 131 countries. The annual index is conducted by the Washington, DC-based Property Rights Alliance to compare the protection of physical and intellectual property rights across countries.

Act No. 7721” (An Act Liberalizing the Entry and Scope of Operations of Foreign Banks in the Philippines) on 15 July 2014 to further liberalize the entry of foreign banks, promote greater competition by infusing the market with new financial products and services, and help prepare the country for greater economic integration under an ASEAN Economic Community. To ensure that banking resources are dominantly in the hands of domestic banks, RA 10641 requires that at least 60 percent of resources are held by banks that are majority owned by Filipinos.

- d. **Hosted International Meetings.** As a testament to the growing confidence in the Philippines, the country hosted the WEF on East Asia from 21 to 23 May 2014, gathering more than 670 participants from 43 countries. Other subsequent opportunities that will raise the country’s profile include the hosting of the Asia-Pacific Economic Cooperation Meetings in 2015.

2. Resilient Philippine Economy

The economy continues to track a higher growth trajectory that is supported by fiscal and monetary stability and trade diversification.

- a. **Sustained Economic Growth.** The Philippine economy surpassed expectations in 2013, growing by 7.2 percent, higher than the 6.5 percent to 7.0 percent government target. Growth was at 5.7 percent in the first quarter of 2014 due to the lingering effects of the natural disasters that hit the country during the last quarter of 2013. These disasters affected agricultural production and the tourism and insurance industries. Despite these, the Philippine economy was still among the fastest growing major Asian economies³³ during the period.

Table 1: Quarterly GDP Growth Rate

Year	Q1	Q2	Q3	Q4	Average
2010	8.4	8.9	7.3	6.1	7.6
2011	4.6	3.2	3.1	3.8	3.7
2012	6.4	6.3	7.3	7.2	6.8
2013	7.7	7.9	7.0	6.3	7.2
2014	5.7				

Figures may not add up due to rounding.

Source: PSA

- b. **Sustained Fiscal and Monetary Stability.** In 2013, the deficit narrowed to P164.06 billion or 1.4 percent of GDP, below the 2.0 percent program and lower by almost half of the P314.46 billion deficit in 2010. At the same time, national government debt was well managed with its share to GDP recorded at 49.2 percent in 2013, down from 52.4 percent in 2010. In the first five months of 2014, the national government recorded a surplus of P8.51 billion as a result of the 12.2 percent growth in revenue collections.

³³ The Philippines trailed China (7.4 percent) and Malaysia (6.2 percent).

Table 2: National Government Cash Operations Report

(In P billion)	Jan-May					
	2010	2011	2012	2013	2013	2014
Surplus/(Deficit)	(314)	(198)	(243)	(164)	(43)	9
Revenues	1,208	1,360	1,535	1,716	708	795
Tax Revenues	1,094	1,202	1,361	1,536	633	702
Expenditures	1,522	1,558	1,778	1,880	751	787

Source: DOF

The Philippine financial system continues to have sufficient resources to weather market volatilities. The country's gross international reserves, which serve as buffer against external shocks and risks, increased by 65.8 percent from US\$48.70 billion in June 2010 to US\$80.73 billion in June 2014. The country's reserves as of end-June 2014 were enough to cover 11 months of imports of goods and payment of services, higher than the 8.9 months it could cover in June 2010.

At the same time, prudent banking measures supported sustainable loan expansion. The total loan portfolio of universal and commercial banks increased to P4.43 trillion in May 2014 from P2.68 trillion in June 2010. Meanwhile, universal and commercial banks' gross non-performing loans ratio declined, easing to 2.2 percent as of end-May 2014 from 2.8 percent as of end-May 2013.

Table 3: Total Loan Portfolio and Gross Non-Performing Loans Ratio as of end-June

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 ^a
Total Loan Portfolio (in P billion)	1,779	1,898	1,891	2,004	2,345	2,518	2,680	3,030	3,355	3,761	4,428
Non-Performing Loan Ratio (%)	13.8	9.2	7.2	5.2	4.0	3.4	3.2	2.5	2.1	2.7	2.2

Note: Annual levels are as of end of June except for 2014, which is only as of end May.

^a As of end-May

Source: BSP

Under this Administration, the government infused P40 billion of capital into the BSP, completing the P50 billion requirement mandated by The New Central Bank Act (RA 7653). The additional capital supports the BSP efforts to ensure macroeconomic stability, manage inflation pressures, and facilitate bank lending, importantly in a period of challenging conditions following the global economic and financial crisis.

- c. **Diversified Trade and Trading Partners.** The government is promoting the diversification of export products and markets to sustain the growth of exports. For example, with the subdued demand for electronics as a result of the global economic slowdown, the government facilitated the

diversification to non-electronic manufacturers and agro-based and mineral export products, reducing the share of electronics to total exports from 70.3 percent in 2000 to 42.2 percent in 2013. The country also sought new markets and as a result, from 29.3 percent of exports going to the US in 2000, Japan now accounts for the top share (21.2 percent) of total exports followed by the US (14.7 percent) and China (12.4 percent).

These efforts supported the 8.8 percent growth in exports from US\$52.1 billion in 2012 to US\$56.7 billion in 2013. For the first five months of 2014, exports grew by 5.8 percent to US\$24.4 billion from US\$23.0 billion during the same period in 2013.

II. Investing in People

The government continues to ensure that the fruits of economic growth are able to benefit all sectors of society, particularly the poor, in line with its goal of inclusive growth. Towards this end, the government is investing in human capital and infrastructure to bridge the gap between the people and economic opportunities. Moreover, the government is focusing its interventions on economic sectors that have the most impact on employment generation.

A. Targeting Economic Vulnerability

1. Empowering the Poor towards Self-Reliance

From 2011 to 2014, the government has been increasing its allocation for social services, in the form of poverty reduction, health, and education programs.

Table 4: Social Services Budget Allocation

Year	Budget (in P billion)		
	Social Services	National	% Share
2010	415.84	1,472.98	28.23
2011	544.86	1,580.02	34.48
2012	592.16	1,828.98	32.38
2013	699.44	2,005.90	34.87
2014	841.80	2,265.00	37.17

Source: DBM

The country's economic growth, complemented by the government's investments in social development programs, helped reduce the number of poor Filipinos by 2.48 million in the first semester of 2013 compared to the first semester of 2012³⁴, as shown by the following major findings of the 2013 First Semester Annual Poverty Indicators Survey (APIS):

³⁴ Preliminary estimates by NEDA

Table 5: APIS 2013 First Semester Major Findings

Poverty Indicators	S1 2012	S1 2013	Improvements
Poverty incidence among Filipinos/ population	27.9%	24.9%	3.0 percentage point decrease or 2.48 million Filipinos graduating out of poverty
Poverty incidence among families	22.3%	19.1%	3.2 percentage points decrease
Poverty threshold among families (per month)	P7,821	P8,022	P201 increase 2.57 percent increase
Average income of poor families (per month) ^a	P6,295	P6,653	P358 increase 5.69 percent increase
Average gap of the income of a poor family of five to the poverty threshold (per month)*	P2,292	P2,198	P94 decrease 4.10 percent decrease
Share of gap to threshold (income gap)	29.2%	27.4%	1.9 percentage point decrease

^a Special computation made by the PSA Technical Staff using the a) 2012 First Semester Family Income and Expenditure Survey (FIES) and the b) 2013 APIS, which is not part of the Official Poverty Statistics regularly released by PSA

Source: PSA

While the poverty threshold (i.e., the minimum amount that a family/individual needs to spend to meet basic food and non-food requirements) increased by P201 (2.57 percent) in the first semester of 2013 due to increase in prices of goods and services, the average income of poor families increased faster by P358 (5.69 percent), bringing poor families closer to the poverty threshold.

- a. ***Pantawid Pamilyang Pilipino Program.*** *Pantawid Pamilya* is the government's primary human development and social safety net program, providing conditional cash grants to poor households. These households, identified through the National Household Targeting System for Poverty Reduction (NHTS-PR), must comply with health and education conditionalities (i.e., children and pregnant mothers must avail of health check-ups; children must attend kindergarten, elementary, and high school; and parents must attend Family Development Sessions). Through these, *Pantawid Pamilya*, whose budget has been increasing since 2011, aims to help the poor break away from intergenerational poverty.

Table 6: Pantawid Pamilya Annual Budget Allocation and Accomplishments

Year	Budget Allocation (GAA) (in P billion)	Budget Increase ^a (%)	Target households	Registered households	Accomplishments ^b (%)
2010 (July)	10.00	100 ^c	1,015,000	786,523	77.5
2011	21.19	112	2,339,241	2,345,639	100.3
2012	39.44	86	3,106,979	3,121,530	100.5
2013	44.26	12	3,809,769	3,935,394	103.3
2014	62.61	41	4,461,732	4,115,275 (as of 16 July 2014)	92.2

^a Compared to previous year

^b A 20 to 30 percent allowance is applied between the target and potential households to cover the anticipated loss in the registration of households, which may occur due to change in residence, absence of eligible members, and waiver of slots. Said allowance resulted in over accomplishments. An additional budget of P655.46 million was requested from DBM on 16 December 2013 to augment the budgetary requirements for Implementation and Operating Cost of the program. The request was approved and released on 27 December 2013, which was sourced from the 2013 GAA.

^c The 2009 budget for *Pantawid Pamilya* was P5 billion.

Source: DSWD

From 786,523 registered household beneficiaries in July 2010, the program to date has served more than 4.1 million poor household and family³⁵ beneficiaries nationwide with a P62.61 billion budget for 2014.

As committed by the President in his 2013 State of the Nation Address, the government started implementing the Expanded Conditional Cash Transfer (ECCT) in June 2014 to benefit 15- to 18-year-old *Pantawid Pamilya* children who were previously not covered due to the program's age cap of 14 years old. With a P12.3 billion budget in 2014,³⁶ the ECCT will allow 3.88 million high school children aged 12- to 18-years old³⁷ to go through and complete high school and have better and higher-paying employment. This is based on a study conducted by the World Bank (WB), Asian Development Bank (ADB), and the Philippine Institute for Development Studies, which revealed that a person who has finished high school has a 40 percent higher average wage than someone who has only reached some years of elementary education. As of June 2014, the government has registered 1.57 million children under the ECCT.³⁸

³⁵ The inclusion of the term "families" is meant to capture the homeless and street families under the Modified CCT, which was implemented in 2012.

³⁶ Equivalent to 20 percent of the total P62.61 billion *Pantawid Pamilya* budget in 2014

³⁷ Of the 3.88 million children, 2.2 million are 15- to 18-year olds and 1.7 million are 12- to 14-year olds. Cash grant for high school education is P500 per child, which is P200 higher than the cash grant for elementary education. Budget requirement for the payment of differential education grant of P200 of the 1.7 million high school children aged 12 to 14 years old, who are registered under the regular *Pantawid Pamilya*, is covered by the ECCT budget for 2014. On top of the 3.88 million children are more than 400,000 3- to 11-year old children who belong to Set 1 (households registered in 2008 currently covered by the regular *Pantawid Pamilya* who will be out of the program by the end of 2014). ECCT will ensure that they continue their education until they graduate from high school, making them additional beneficiaries for 2014.

³⁸ Of these, 709,000 are 15 to 18 years old and 863,000 are 12 to 14 years old. *Pantawid Pamilya* households are still limited to a maximum of three children-beneficiaries per household. The household beneficiaries select who among the children will be covered.

To further the chances of improving the lives of the *Pantawid Pamilya* household beneficiaries, CHED, DSWD, and DOLE are implementing the Students' Grants-in-Aid Program for Poverty Alleviation (SGP-PA) to allow qualified college-aged children from *Pantawid Pamilya* households to enroll and finish college in identified leading State Universities and Colleges (SUCs).³⁹ The initial 4,041 SGP-PA beneficiaries are the first in their families to be given the opportunity to earn a college degree and are provided grants for their schooling needs⁴⁰ starting SY 2012–2013 until they graduate in SY 2015–2016.

The findings of the second wave of Impact Evaluation of the program⁴¹ suggest that *Pantawid Pamilya* children's and mothers' health,⁴² children's education, and households' spending priority, are better compared to their non-*Pantawid Pamilya* counterparts.

Table 7: Initial Findings of the 2nd Wave of Impact Evaluation^a of *Pantawid Pamilya*

Indicator	<i>Pantawid Pamilya</i> Households (%)	Non- <i>Pantawid Pamilya</i> Households (%)	Difference (percentage points)
Mothers' Health			
Mothers availing of at least one prenatal check-up	97.9	92.8	5.1
Mothers examined by skilled health professionals during prenatal visits	92.1	84.8	7.3
Facility-based deliveries	63.9	53.8	10.1
Mothers availing postnatal check-up within 72 hours after birth (as prescribed by the DOH)	34.9	29.0	5.9
Mothers availing postnatal check-ups with a skilled health professional	76.3	58.7	17.6
Mothers availing postnatal check-ups within a health facility	71.9	50.7	21.2
Children's Health			
Children under the age of 6 given vitamin A supplementation	81.3	72.6	8.7
Children who experienced six months of exclusive breastfeeding	57.8	49.6	8.2
Children aged 2-5 visiting health centers bi-monthly to undergo regular weight monitoring	46.4	26.0	20.4
Children visiting public health centers during episodes of fever or cough	55.1	43.4	11.7
Children aged 6 to 14 who received deworming pills at least once a year	77.6	70.2	7.4

³⁹ For the first batch of SGP-PA beneficiaries, 35 leading SUCs nationwide participated in the program (i.e., 21 in Luzon, 5 in Visayas, and 9 in Mindanao).

⁴⁰ Each beneficiary is entitled to a maximum of P60,000 grant per academic year (P30,000 per semester), which intends to cover costs for tuition and other school fees, academic and extracurricular expenses, and the purchase of textbooks, among others.

⁴¹ Conducted in 2013 by Dr. Aniceto C. Orbeta, Jr. and funded by the WB.

⁴² The DOH Women and Men's Health Development Division and Children's Health Development Division acknowledge the health-related findings of the 2nd Wave IE of *Pantawid Pamilya*.

Indicator	Pantawid Pamilya Households (%)	Non-Pantawid Pamilya Households (%)	Difference (percentage points)
Children's Education			
Children 12 to 15 y/o ^b			
> enrolled in school	95.7	89.9	5.8
> proportion of days attended school	98.3	97.3	1.0
> dropout rate	6.7	15.0	8.3
Spending for Basic Needs			
Average per capita food spending (per year)	P15,640	P14,397	P1,243
Average spending per school-aged child (per year)	P142.34	P63.39	P78.95

Findings on full immunization of children, children visiting public health centers during episodes of diarrhea, and severely wasted children were not included as they were found to have no significant impact.

^a The Impact Evaluation covered a nationally representative sample of 5,041 households in 30 municipalities distributed at 10 municipalities per island group and in 26 provinces. Household surveys were conducted between October and December 2013.

^b The enrollment, attendance, and dropout rates of 12-15 year old children are noteworthy as this age group marks the onset of child labor. Thus, the findings prove that the program has effectively targeted the said age group.

Source: DSWD

- b. **Kapit-Bisig Laban sa Kahirapan-Comprehensive and Integrated Delivery of Social Services (KALAHI-CIDSS) Project.** KALAHI-CIDSS⁴³ adopts the community-driven development (CDD) approach to reduce poverty in the 48 poorest provinces nationwide⁴⁴ by developing the communities' capability to design, implement, and manage local projects, and by strengthening their participation in local governance.

As of 15 July 2014, 4,569 sub-projects (SP) have been completed (81.63 percent) out of the targeted 5,597 projects from July 2010 to end-2014, benefiting more than 1.17 million households. The SPs include community water systems, school buildings, barangay health stations, access roads, drainage, and pre- and post-harvest facilities.

The 2013 Impact Evaluation of the KALAHI-CIDSS indicated that the project led to a 12 percent increase in per capita household consumption of KALAHI-CIDSS communities because of road and bridge projects that allowed faster and cheaper transportation costs for goods and people, easier mobility to and provision of livelihood and employment opportunities. KALAHI-CIDSS also has a positive effect in the community members' perception of barangay assemblies, which were formerly seen as

⁴³ The first phase of KALAHI-CIDSS was implemented from 2003 to 2010, funded through loan assistance from the WB worth US\$100 million, national government funds worth US\$31 million, and local government augmentation worth US\$51 million. In 2010, the WB and the United States' Millennium Challenge Corporation provided financial support for the implementation of KALAHI-CIDSS sub-projects in the amount of US\$59 million loan assistance and US\$120 million grant, respectively. In addition, the Australian Agency for International Development (AusAID) provided US\$10 million grant for the project in 2012 while the national government augmented the project funds with US\$26 million.

⁴⁴ Though there are provinces in the ARMM with high poverty incidences, the region was excluded as beneficiary as the ARMM government already implements the ARMM Social Fund Project.

venues for reporting but are now viewed as mechanisms to promote participation, transparency, and accountability. There is also a positive effect on the citizens' willingness to contribute to local development.⁴⁵

Given these significant gains, KALAH-CIDSS was expanded on a national scale through the National Community-Driven Development Project (NCDDP).

- c. **National Community-Driven Development Project.** The NCDDP will be implemented from June 2014 to 2019 with a budget of P43.86 billion.⁴⁶ It aims to benefit poor communities in 847 4th to 6th class municipalities, geographically isolated and disadvantaged 1st to 3rd class municipalities, and Yolanda-affected municipalities. The NCDDP design also includes improvements and innovations in KALAH-CIDSS, embedding the CDD approach in local government planning, ensuring the active participation of the marginalized and vulnerable groups, integrating conflict sensitivity in trainings of area coordination teams, providing incentives to encourage mainstreaming disaster resiliency into SPs, and adopting the DILG's Seal of Good Housekeeping as a criterion for eligibility.
- d. **Community-Based Employment Program.** The program provides short-term jobs to skilled, semi-skilled, and low-skilled workers⁴⁷ through infrastructure (e.g., construction of farm-to-market roads) and non-infrastructure projects (e.g., tree-planting and livelihood projects) implemented by government agencies nationwide. Targeted beneficiaries are those in the countryside with seasonal jobs or whose primary source of livelihood is disrupted during a calamity. Since the start of its implementation in 2011 to May 2014, the program has generated a total of 5.69 million jobs.⁴⁸

2. Investing in Expanded Access to Health Care

Social safety net programs are complemented with investments in the Universal Health Care (*Kalusugang Pangkalahatan*).

⁴⁵ It was a mixed-method Impact Evaluation designed to evaluate general impacts on poverty reduction, social capital, empowerment, and governance. Data were collected in 2003, 2006, and 2010 in both KALAH-CIDSS municipalities and comparable non-KALAH-CIDSS municipalities.

⁴⁶ The project funding was sourced from the P19.45 billion (US\$479 million) WB loan assistance, P15.11 billion (US\$372.1 million) ADB loan assistance, and P9.30 billion national government funding. The local government is required to shoulder 30.0 percent of the cost of SPs from their local development fund, either in cash or in-kind (e.g., LGU counterpart staff dedicated for the implementation of GPBP and NCDDP, social preparation, training activities/workshops and coordination meetings, office space, and other logistical requirements for DSWD staff assigned in the area).

⁴⁷ Laborers and unskilled workers are those involved mostly in simple and routine tasks, while other occupation groups include professionals, service workers, farmers, forestry workers and fishermen, and craft and related trades workers, among others.

⁴⁸ Jobs generated do not correspond to the number of persons employed as a beneficiary may be employed in more than one job.

- a. **Financial Risk Protection through the Expansion of the National Health Insurance Program (NHIP) Benefit Delivery⁴⁹ and Coverage.** As of April 2014, 82.0 percent (79.81 million) of the country's 97.7 million estimated population has been covered⁵⁰ under the NHIP (PhilHealth).⁵¹ This is an increase from the 67.0 percent coverage rate in 2013 or 65.44 million of the country's population.

The government has also expanded the number of sponsored families under the PhilHealth's Sponsored Program. From the 5.2 million principal families (composed of 21.7 million principal members and their dependents) covered in 2013, or those who were identified as the poorest of the poor through the NHTS-PR, coverage has been expanded to 14.7 million families (composed of 45.2 million principal members and their dependents) in 2014 to include those belonging to the next poorest segment of the population and those previously covered by the LGUs.⁵²

Table 8: Budget for the Premium Contributions of National Government-Sponsored Members

Year	Allocation ^a (in P billion)	Number of Families (in millions)	Number of Principal Members and Dependents (in millions)
2012 ^b	12.03	4.9	20.4
2013	12.61	5.2	21.7
2014	35.29	14.7	45.2

^a Fund source: GAA

^b Full premium subsidy for sponsored members started in 2012.

Source: PHIC

To trace and serve the poor who are not yet covered by PhilHealth, the Point of Care (POC) Enrollment Program is being implemented, where hospitals pay for a qualified indigent patient's one year PhilHealth membership premium upon admission⁵³ in order to immediately cover

⁴⁹ Benefit delivery ratio is the cumulative likelihood that any Filipino is: a) eligible to benefits and services; b) aware of entitlements and able to access and avail of health services from accredited providers; and c) fully reimbursed by PhilHealth as total health care expenditures are concerned.

⁵⁰ Coverage refers to the entitlement of enlisted/registered members and dependents to PhilHealth benefits as a result of regular payment of contributions; enrollment refers to enlistment/registration of individuals as PhilHealth members or dependents. PHIC shifted its accomplishments reporting from enrollment rate to coverage rate in order to reflect the actual number of Filipinos who can avail of PhilHealth benefits.

⁵¹ The decrease in the absolute figure on coverage rate from 80.62 million in the first quarter of 2014 to 79.81 million as of April 2014 was because of the non-renewal of LGU-Sponsored program members due to budget constraints of the LGUs (i.e., suspension of PDAF previously used as source of premium for LGU-Sponsored families). Meanwhile, according to PHIC, the population figure being used for April 2014 is being maintained at 97.7 million instead of 98 million.

⁵² Apart from families identified through the NHTS-PR and families who were previously sponsored by LGUs, sponsored members also include children of these families who are 21 years old and above. Premium contributions of the sponsored members are shouldered by the national government. Premium contribution amounts to P2,400/member/year.

⁵³ In order for the patient to be enrolled under the Sponsored Program of the hospital and be eligible to avail of the PhilHealth benefits, he/she must be assessed and certified as poor by the hospital's Medical Social Welfare Assistance Officer using the means testing protocols (used by DSWD), which is a statistical model that estimates the income of families using variables, such as family composition, education of family members, family conditions,

his/her hospitalization expenses. Pilot-tested in 2013 in eight government hospitals,⁵⁴ the POC is now being implemented in 52 DOH-retained hospitals and 81 LGU-managed hospitals. As of April 2014, PhilHealth has paid more than P214 million for the hospitalization of 41,071 indigents who were identified, enrolled, and covered in these hospitals.

In terms of benefits payments, as of April 2014, PhilHealth has paid P22.97 billion for 1.87 million claims (or an average of P13,758 per claim), up by 31 percent from only P17.54 billion for 1.67 million claims (or an average of P9,390 per claim) as of the same period in 2013.

- b. ***Providing the Poor Greater Access to Healthcare Services.*** To increase awareness and utilization of the government's primary care services, the ALAGA KA Program (stands for ALAmin at GAmitin) was launched in March 2014. ALAGA KA Roadshows are currently being held nationwide and will run for the next two years, to bring closer to Filipinos, especially indigent families, services such as DOH-subsidized health programs,⁵⁵ PhilHealth membership services,⁵⁶ and PhilHealth outpatient benefits, such as the *Tamang Serbisyo para sa Kalusugan ng Pamilya* (TSeKaP) also known as the Primary Care Benefit 1.⁵⁷

TSeKaP provides covered poor families knowledge on healthy lifestyle and services, such as screening for cancers and risks for diseases (e.g., hypertension and diabetes) and treatment for the most common disorders (e.g., diarrhea, cough, UTI, and asthma). In 2013, 50 percent (or 2.6 million families) of the 5.2 million principal families enrolled under PhilHealth's Sponsored Program have enlisted⁵⁸ with their primary care providers. With the expansion in coverage to 14.7 million indigent families in 2014, annual enlistment of these families is being fast-tracked, with over 2.1 million families already enlisted with their primary care providers in as early as April 2014.

Aside from primary care benefits, PhilHealth implemented the 23 Case Rates Package in 2011, covering the 23 most common medical and surgical conditions (e.g., dengue, pneumonia, asthma, typhoid fever, radiotherapy, caesarean section, and cataract operation). Unlike the fee-for-service

and access to basic services. PHIC regularly turns over the list of those enlisted through the POC to DSWD for the latter's review for possible inclusion in the NHTS-PR list.

⁵⁴ These hospitals, which were piloted since April 2013, are the Rizal Medical Center, Dr. Jose Fabella Memorial Hospital, Quirino Memorial Medical Center, East Avenue Medical Center, Las Piñas General Hospital, Jose Reyes Memorial Medical Center, Eastern Visayas Medical Center, and Tarlac Provincial Hospital.

⁵⁵ These include immunization, maternal and child health services, micronutrient supplements, family planning information and services, access to selected medicines, screening for non-communicable diseases, and lectures on healthy lifestyle and smoking cessation.

⁵⁶ These include updating of member's data record and validation of new sponsored members enrolled through POC.

⁵⁷ These include TSeKaP, maternal and neonatal care packages, treatment packages for tuberculosis and animal bite, and zero payment upon admission to government hospitals.

⁵⁸ Enlistment refers to the act of signing up by a primary care benefit (PCB)-entitled member with a primary care provider for a period of one year.

payment scheme, wherein fees for drugs, supplies, and doctors differ depending on the patient's case or hospital where the patient was admitted, the case rates system offers a fixed rate for each treated case.⁵⁹

To expand the 23 Case Rates Package, the All Case Rates,⁶⁰ which covers a total of 4,662 medical conditions (323) and procedures (4,339),⁶¹ is now being implemented in all PhilHealth-accredited healthcare facilities.⁶² Through this, members and dependents will instantly and accurately know how much will be shouldered by PhilHealth, maximizing patient's benefits and reducing out-of-pocket expenses, as well as minimizing patient's anxiety related to misinformation. The case rates system will also help discourage healthcare providers from charging excessive fees.

To ensure that no additional expenses are required from the sponsored members and dependents confined in government health facilities, over and above the fixed rates for different cases already shouldered for them by PhilHealth, the No Balance Billing Policy was adopted in 2011.

- c. ***Deployed Health Professionals to Communities.*** In addition to the above efforts, health professionals are being deployed nationwide, especially to far-flung areas (e.g., priority/focus municipalities identified by the NAPC, CCT areas identified by the DSWD, or an area with a health facility) to provide communities with preventive and promotive healthcare⁶³ services:

⁵⁹ For example, cases of appendicitis would be reimbursed at the same rate in all hospitals.

⁶⁰ All Case Rates was launched in October 2013.

⁶¹ e.g., diabetes and hydrocephalus

⁶² Including all hospitals licensed to operate by the DOH, provided that they will comply with the rules of PhilHealth.

⁶³ Considered the most cost-effective form of health care, primary preventive and promotive health care refers to measures that help avoid the occurrence of diseases, illnesses, and other health care problems. Meanwhile, secondary preventive health care refers to measures that identify or diagnose and treat those who have developed risk factors or preclinical diseases.

Table 9: Annual Accomplishments on the Number of Health Professionals Deployed

	2010	2011	2012	2013	2014	Total
Doctors^a	48 ^b	72	115	89	- ^c	324
Registered Nurses^d	n/a	20,801	10,000	21,929	11,202	63,932
Rural Health Midwives^e	191	1,117	2,391	2,738	2,700	9,137
Community Health Teams^f (cumulative)	n/a	n/a	33,157 teams (165,785 members)	48,519 teams (222,128 members)	44,735 teams (212,388 members)	44,735 teams (212,388 members)

^a Under the Doctors to the Barrios (DTTB) Program, a two-year deployment program. Annual accomplishments refer only to the newly-deployed DTTBs and do not include the existing DTTBs for the year.

^b In addition to 19 existing DTTBs in 2010

^c There are 215 existing DTTBs deployed as of 2014 composed of: a) 115 DTTBs who started in 2012 (Batch 30), b) 89 DTTBs who started in 2013 (Batch 31), and c) 11 DTTBs who started in 2011 (Batch 29) and have been extended. Additional 104 DTTBs will be deployed in November 2014.

^d Under the a) Registered Nurses for Health Enhancement and Local Service (RN Heals) Project [52,730 RNs deployed from 2011 to 2013], b) Nurse Deployment Project (10,989 RNs deployed in 2014), and the Post-Yolanda Recovery in Eastern Visayas (213 RNs deployed also in 2014).

^e Under the Rural Health Midwives Placement Program (RHMP)

^f Community Health Teams (CHTs) are spearheaded by a midwife or nurse that provides assistance to poor households, particularly *Pantawid Pamilya* beneficiaries.

Source: DOH

- d. **Improved Access to Quality Public Health Facilities.** Through the Health Facilities Enhancement Program (HFEP), the government is upgrading and rehabilitating public health facilities to provide wider access to quality health care, particularly for PhilHealth-covered beneficiaries living in areas far from town centers (e.g., CCT areas and/or NAPC Poorest of the Poor Municipalities and Cities).⁶⁴

HFEP has received increasing funding from 2010 to 2014, with a total of P46.39 billion allocated for 8,453 HFEP-funded projects.⁶⁵ These projects are being implemented in 6,911 health facilities—761 LGU hospitals and 70 DOH hospitals, 3,395 rural health units (RHUs), and 2,685 barangay health stations (BHSs)—in 80 provinces, 1,491 municipalities, and 3,432 barangays.

⁶⁴ There are 19,846 public health facilities nationwide composed of 70 DOH hospitals; 664 LGU hospitals; 3,074 RHUs; and 16,038 BHSs.

⁶⁵ P13.54 billion has been appropriated for HFEP in 2014, an increase from the P4.07 billion appropriation for the program in 2010.

Table 10: Number of HFEP-Funded Projects and Health Facilities that Benefited (2010–2014)^a

Year	Hospital	RHU	BHS	Total
2010	172	106	267	545
2011	308	973	546	1,827
2012	380	296	81	757
2013	307	1,635	541	2,483
2014	448	1,028	1,365	2,841
Total (number of funded projects)	1,615	4,038	2,800	8,453 (2010-2014)
Total (number of health facilities that benefited)	831	3,395	2,685	6,911 (2010-2014)

^a The 8,453 HFEP-funded projects were implemented in 6,911 health facilities. Some of the facilities received more than one project (e.g., hospitals have multiple phases implemented in every fiscal year).

Source: DOH

The government is also pursuing the modernization of the following hospitals:

- *Philippine Orthopedic Center (POC)*. Envisioned to be the “Center for Bone and Joint Diseases, Trauma, and Rehabilitation Medicines,” modernization of the POC will involve the construction of a 700-bed capacity super-specialty orthopedic hospital. It will be implemented through a public-private sector partnership scheme, with a total funding of P5.69 billion. To be located within the National Kidney and Transplant Institute compound in Quezon City, its construction phase⁶⁶ commenced last May 2014 and is expected to be completed in March 2017.
- *Dr. Jose Fabella Memorial Hospital (DJFMH)*. This P2.0-billion project funded under the HFEP will involve the construction of a nine-story hospital with emergency facilities, delivery room, and intensive care unit complex, among others. The modernization project will increase the bed capacity of the DJFMH from 477 beds to 800 beds and upgrade health facilities to improve maternal health outcomes in the country. The project is targeted to start in October 2014 and to be completed by September 2016.
- *Cagayan Valley Medical Center (CVMC)*. Modernization of CVMC will expand its bed capacity from 300 beds to 600 beds that will involve the construction of a five-story hospital building and acquisition of hospital equipment, among others. This P281.63 million modernization project, which is funded under the 2012 PPP Strategic Support Fund, commenced its construction in June 2014 and is expected to improve accessibility of quality hospital care, especially for the indigent patients

⁶⁶ Actual land survey stage and requested for NKTl approval of the fencing proposal.

in the Cagayan Valley Region. The project is expected to be completed in December 2016.

- *Bicol Medical Center (BMC)*. Expansion and modernization of BMC will increase its bed capacity from 500 beds to 800 beds and will involve the construction of an eight-story building and acquisition of new hospital equipment. Through this P924.2 million project,⁶⁷ BMC is expected to provide state-of-the-art diagnostic and surgical facilities in the Bicol Region. Phase 1 of its construction commenced in June 2014 and is expected to be completed in December 2016.⁶⁸
- *Eastern Visayas Regional Medical Center (EVRMC)*. Modernization of EVRMC will involve its relocation still within Tacloban City and expansion of its bed capacity from 325 beds to 500 beds. To be funded through the 2015 HFEP and 2013 Calamity Fund, with the assistance from the Japanese International Cooperation Agency and Bloomberg Foundation, this P1.8 billion⁶⁹ project is an integral part of the government's efforts to rehabilitate the Eastern Visayas Region, which was severely affected by Typhoon Yolanda in 2013. The project is targeted to start in August 2014 and completed by July 2016.
- *Cotabato Regional and Medical Center (CRMC)*. This P695.9 million project will involve the construction of new structures to increase CRMC's bed capacity of 400 beds to 600 beds and improve access to quality health services in Region XII and the ARMM. Phase 1 of the project, which is funded under the 2012 PPP Strategic Support Fund,⁷⁰ started in June 2014 and is targeted to be completed by December 2016.⁷¹

3. Enhancing Education and Training for a Skilled and Productive Workforce

In addition to social protection and healthcare services, the government is investing in coordinated education and training programs to produce a competent and productive workforce and improve peoples' access to economic opportunities.

⁶⁷ The project has two phases: a) Phase 1, which amounts to P403.4 million and funded under the 2012 PPP Strategic Support Fund; and b) Phase 2, which amounts to P520.8 million and funded under the HFEP, which is included in the proposed 2014 DOH Supplemental Budget.

⁶⁸ Phase 2 of the project is estimated to be completed in less than two years once funding is ensured.

⁶⁹ Breakdown of funding: a) 2015 HFEP: P700 million; b) 2013 Calamity Fund: P500 million; c) support from the JICA: P350 million; and d) donation from Bloomberg Foundation: P250 million.

⁷⁰ Phase 1 of CRMC, which is funded through the 2012 PPP Strategic Support Fund, amounts to P348.7 million. Phase 2, which amounts to P347.2million, will be funded under HFEP included in the proposed DOH 2014 Supplemental Budget.

⁷¹ Phase 2 of the project is estimated to be completed in less than two years once funding is ensured.

a. ***Curricular Improvements and Provision of Inputs in Basic Education.***

The K to 12 Basic Education Program was institutionalized through the Enhanced Basic Education Act of 2013 (RA 10533), a landmark legislation that finally placed the Philippine basic education curriculum at par with international standards by extending its cycle from 10 to 12 years.

DepEd's phased implementation of the program provides for the gradual introduction of the new curricula for one year of kindergarten, six years of elementary, four years of junior high school (JHS), and two years of senior high school (SHS). Implementation started with the introduction of universal Kindergarten in School Year (SY) 2011–2012 and the new Grades 1 and 7 curricula in SY 2012–2013, with the curricula for successive levels progressively introduced thereafter. The program will be fully implemented by SY 2017–2018 with the nationwide introduction of Grade 12.

The new curricula ensure that graduates are equipped with the basic skills necessary for employment, entrepreneurial endeavors, middle skills education, or higher education.

In support of the program, the government sought to address the identified 2010 backlogs in basic education inputs:

- *Textbooks and School Seats.* The 2010 backlog of 61.7 million textbooks and 2.5 million school seats were addressed in end-2012, along with the additional 700,000 textbook requirement for SY 2011–2012, thus attaining a 1:1 student-to-textbook and student-to-school seat ratio.
- *Classrooms.* The 66,800 classroom backlog of 2010 was eliminated with the construction of 66,813 classrooms as of end-2013 from various fund sources, including the GAA and local and foreign donations. This is more than triple the 17,305 classrooms constructed from 2005 to the early half of 2010.
- *Teachers.* The 2010 teacher backlog of 145,827 has been reduced with the hiring of 98,566 teachers as of 15 July 2014 (out of the 102,623 positions created for FY 2010–2013) and the 43,204 LGU-hired teachers and Kinder-volunteer teachers.
- *Water and Sanitation Facilities.* To address the 2010 backlog of 135,847 water and sanitation facilities, a total of 80,197 have been completed, 23,414 are ongoing construction, and 43,536 are ongoing procurement as of end-May 2014. The remaining facilities ongoing construction and procurement are targeted for completion by end-2014.

The government is committed to continue providing the needed basic education inputs resulting from incremental enrollment, regular wear and tear, and effects of natural disasters, as well as the requirements for SHS implementation starting SY 2016-2017.

Table 11: Continued Provision of Basic Education Inputs

Inputs	2014		2015 Targets ^a	2016 Targets ^b
	Targets	Accomplishments (as of July 2014)		
Classrooms^c	26,762 ^d	5,063 completed, 8,858 ongoing construction	31,728	21,875
Teachers	33,194 ^e	31,335 teaching positions created, 20,206 of which have been filled	39,066	32,323
Water and Sanitation Facilities	13,586	Ongoing validation of identified targets	13,586	13,813
Textbooks	42.6 million	Ongoing procurement	70.5 million	59.8 million
School Seats	1.4 million	Batch 1 list of schools for approval	1.3 million	0.8 million

^a Targets are based on the FY 2015 budget proposal submitted to DBM.

^b These are estimates based on DepEd's Medium Term Expenditure Plan, which is a framework that guides budgeting and planning. However, it is subject to change given actual needs or conditions, such as the projected 1.1 million students enrolling in Grade 11 by SY 2016–2017 that will reach an estimated 2 million Grades 11 and 12 enrollees by SY 2017–2018.

^c These include efforts to address needs based on incremental enrollment and the replacement of makeshift and damaged classrooms, and will be accomplished through the completion of classrooms funded under the GAA, among others.

^d The classroom target was revised to reflect the cost changes brought about by improved calamity-resilient designs. The revised target consists of 17,162 classrooms to address requirements due to incremental enrollment and 9,600 to frontload SHS requirements.

^e The allocation for FY2014 is part of DepEd's two-year plan to regularize LGU-hired and Kinder-volunteer teachers in the DepEd plantilla.

Source: *DepEd*

- b. **Enhancement of Qualifications through Skills Training.** The government provides Technical Vocational Education and Training (TVET) programs to contribute to the achievement of specific learning objectives for particular clienteles (e.g., industries), which can be availed by those with and without formal education. Training is implemented through three modes: institution-based (provided by public, including TESDA-administered schools and centers, and private providers); enterprise-based (within companies); and community-based.

From July 2010 to June 2014, TVET programs recorded a total of 6,281,328 graduates. TESDA's 2013 Impact Evaluation Study (IES) recorded a 65.3 percent employment rate of 2012 TVET graduates in various fields (e.g.,

electronics, tourism, and information and communications technology). The IES employs research and statistical methodology approved by the National Statistical Coordination Board (NSCB)-Philippine Statistical Authority.

TESDA further implements an assessment and certification⁷² system, which evaluates if TVET graduates and skilled workers have the necessary competence to perform tasks to the required standards in the workplace. Those certified earn a nationally-recognized qualification detailing their competencies, which contribute to bases for hiring, promotion, salary determination, and job security. From July 2010 to June 2014, a total of 3,781,737 individuals were assessed and 3,289,179 were certified.

To provide more Filipinos with opportunities for TVET, the government implements the Training for Work Scholarship Program (TWSP). This is an institution-based TVET program that provides training in various tech-voc fields (e.g., agri-fishery, tourism, construction/general infrastructure, IT-BPM, semiconductors and electronics, and automotive) to equip beneficiaries with skills to improve their qualifications for work. The government works closely with private sector partners (e.g., Information Technology and Business Process Association of the Philippines [IBPAP] and Semiconductor and Electronics Industries in the Philippines, Inc.) to identify the needed skills, direct trainings towards available jobs, craft training regulations, and facilitate the employment of graduates.

With a total budget of P5,085,282,000,⁷³ TWSP benefited a total of 632,105 graduates⁷⁴ from July 2010 to 30 June 2014, of which 376,618 were assessed and 315,154 were certified.⁷⁵ TESDA's 2013 IES shows that 68.5 percent of the TWSP graduates found employment within an average of six months, which is higher than the 28.5 percent employment rate of TESDA scholars from 2006 to 2008.

Specifically, high employment rates were recorded by the TESDA study for: tech-voc graduates⁷⁶ of utilities, covering power plant operation and maintenance, and line installation and maintenance (100 percent); tech-voc education and training, covering trainers methodology or courses for tech-voc instruction and assessment (90.0 percent); footwear and leather goods,

⁷² The assessment and certification system is a competency-based and open learning system, which means that even individuals who are not TVET graduates, but have acquired skills and competencies from the workplace or other learning venues, can apply.

⁷³ Composed of P700 million in 2010; P1.8 billion in 2011; P1.2 billion in 2012; P700 million in 2013; and P685,282,000 in 2014 (part of the P1.404 billion total budget for the year).

⁷⁴ This includes 223,615 graduates who benefited from the additional P1.6 billion fund from DAP (P1.1 billion released in 2011 and P500 million released in 2012), 146,731 (65.6 percent) of which have been employed.

⁷⁵ The assessment covers only the qualifications or courses with assessment tools. Accomplishment is only partial as some regions have yet to submit the updated number of graduates.

⁷⁶ This includes graduates not only of TESDA's scholarship programs (e.g., TWSP), but also of paid trainings conducted through TESDA centers or accredited institutions. The sectoral breakdown of the employment rate of TWSP graduates is not available due to the limitations in the questionnaires used.

covering footwear-making (81.5 percent); wholesale and retail trading, covering customer services (80.8 percent); and garments, covering dressmaking, tailoring, and fashion design (78.8 percent).

- c. ***Institutional Reforms in Higher Education.*** To improve the quality, employability, and global competitiveness of higher education graduates, the higher education curricula are being re-engineered and aligned with the K to 12 Basic Education Program, the competency requirements of industry, and international standards. This includes the revision of the General Education Curriculum (GEC), which shall be standardized to only 36 units⁷⁷ after moving remedial courses, such as language and mathematics, to Grades 11 and 12. It focuses on core courses including Readings in Philippine History, Purposive Communication, and Ethics, and seeks to hone the learners' intellectual capacities (e.g., critical, analytical, and creative thinking), on top of developing the theoretical knowledge and technical skills acquired in specialized learning (i.e., based on a specific discipline).

CHED is also undertaking the enhancement of quality assurance in higher education⁷⁸ through the revision of the existing 94 program policies, standards, and guidelines (PSGs) to focus on the intended competencies that students must acquire or develop. This is also being undertaken to ensure comparability of the country's higher education programs for the ASEAN Qualifications Reference Framework. From March 2013 to March 2014, 90 program PSG drafts have been completed in fields such as engineering, information technology, and health and related programs. CHED targets to complete all 94 drafts and their corresponding public hearings by end-2014 to facilitate the issuance of the revised PSGs and the conduct of orientation workshops and training until 2016.

To further ensure the quality of higher education programs, CHED adopted a two-pronged strategy of ordering the closure/phase-out of substandard or non-compliant programs and providing development support to deserving higher education institutions (HEIs) and programs.⁷⁹ This has resulted in the closure/phase-out of 676 non-compliant or deficient programs, including 16 in maritime and 118 in nursing, and the provision of assistance to 295 Centers of Excellence and Centers of Development in 103 public and

⁷⁷ The current GEC consists of 63 units for Humanities, Social Science, and Communication Majors, and 51 units for non-Humanities, Social Science, and Communication Majors. Implementation of the new GEC will begin in 2016 for select Higher Education Institutions (HEIs) accepting basic education graduates from K to 12-compliant schools, and in 2018 for the remaining majority of HEIs as a result of the full implementation of K to 12.

⁷⁸ As provided by CHED Memorandum Order No. 46, s. 2012, entitled "Policy Standard to Enhance Quality Assurance (QA) in Philippine Higher Education through an Outcomes-based and Typology-based QA"

⁷⁹ CHED orders the closure/phase-out of substandard or non-compliant programs in both public and private HEIs when they fail to follow the program's minimum PSGs and have shown poor performance in national licensure examinations. On the other hand, CHED deems HEIs and programs as deserving of development support when they go over and above the minimum PSGs.

private HEIs since 2010. This includes P150.68 million worth of assistance for facilities improvement and faculty development, among others.

Reforms are also being institutionalized specifically in SUCs through the SUC Roadmap, which include efforts to rationalize SUC program offerings. This has resulted in an increase in the passing rate of SUC graduates in licensure examinations across all disciplines from 32.40 percent in 2010 to 42.27 percent in 2013.

4. Employment Facilitation

The government, through the Public Employment Service Offices (PESOs), provides frontline employment facilitation services at the local level, such as career guidance, timely labor market information, and job matching and referral. Maintained largely by LGUs, NGOs, community-based organizations, and SUCs, PESOs are linked to DOLE Regional Offices for coordination and technical supervision and to the DOLE Central Office as part of the national employment service network. Out of the 5.768 million applicants referred for placement, a total of 4.615 million (80.01 percent) were employed from July 2010 to March 2014. The following table shows the breakdown of jobs placed from 2009 to June 2014:

Table 12: Jobs Placement through PESOs (in millions except placement rates)

Indicator	2009 (Baseline)	Aquino Administration					
		2 nd Sem 2010	2011	2012	2013	2 nd Sem 2014	Total Jul 2010- Jun 2014
No. of qualified job applicants	1.199	0.690	1.561	1.516	1.668	0.710	6.145
a. Referred for job placement	0.959	0.652	1.462	1.424	1.561	0.669	5.768
b. Referred for training/ employability enhancement	0.240	0.038	0.100	0.091	0.107	0.041	0.377
Job applicants placed	0.722	0.484	1.113	1.152	1.306	0.560	4.615
Placement rate	75.29%	74.23%	76.13%	80.90%	83.66%	83.71%	80.01%

Notes:

1. Placement rate is computed using job applicants placed over applicants referred for job placement x 100.

2. Figures may not add up to totals due to rounding.

Source: DOLE

5. Protection of Workers' Rights and Welfare

The government facilitates labor-management disputes to ensure that employed Filipinos work in an environment that is most favorable to their productivity, safety, and well-being, both within and outside the country.

- a. **Settlement of Labor Disputes through Single-Entry Approach (SEnA).** Implemented since 2010 and institutionalized in 2013 with the passage of RA 10396,⁸⁰ SEnA facilitates the settlement of labor disputes (e.g., intra- and inter-union issues, monetary claims, closures, retrenchments, occupational safety and health standards issues, etc.) between workers and employers within 30 days to prevent these from escalating.

From October 2010 to April 2014, DOLE processed a total of 79,024 requests for assistance, settling 63,525 (80.39 percent) in an average of 17 days, an improvement from the previous litigation process that took an average of one year. The SEnA has provided 93,170 workers with P2.8 billion in monetary benefits.

It has further helped maintain the number of strikes at a single-digit level every year since 2010. Of the 115 Notices of Strike and Lockout⁸¹ received by DOLE in 2013, only one actual strike incident was recorded, the lowest in DOLE's history. As of July, no work stoppage has been recorded in 2014.

In 2013, the DOLE SEnA Team received the Presidential *Lingkod Bayan* Award, which is given to individuals or groups whose ideas or performance contributed significantly to public interest, security, and patrimony.

- b. **Promotion of the Rights and Welfare of Overseas Filipino Workers (OFWs).** The welfare and protection of Filipinos working abroad remains a government priority with policies, programs, and services covering pre-employment, on-site employment, and return migration and reintegration highly recognized by the international migration community. Efforts for the protection of migrant workers' rights include:

- *Upholding the UN Convention on Rights of Migrants and their Families.*⁸² In its May 2014 Report on the Five-Year Review of PH Compliance with the UN Convention on Migrant Workers, the UN Committee on Migrant Workers affirmed the Philippines' role as a model in migration management with commitment to protect migrant workers' rights. This is demonstrated by a strong legal, social, and institutional framework, broad domestic and foreign policy agenda, and leading role in advancing migrant workers' rights at the international, regional, and bilateral levels.

⁸⁰ An Act Strengthening Conciliation-Mediation as a Voluntary Mode of Dispute Settlement for all Labor Cases, Amending for this Purpose Article 228 of Presidential Decree No. 442, as Amended, Otherwise Known as the "Labor Code of the Philippines."

⁸¹ A lockout is the temporary refusal of an employer to furnish work as a result of an industrial or labor dispute.

⁸² Ratified by the Philippines on 05 July 1995

- *Ensuring the Security of OFWs.* Pursuant to the passage of RA 10022⁸³ in 2010, the government facilitates the deployment of Filipino workers only to countries with protective laws for migrant workers, are signatories to international conventions on the protection of migrant workers, or with bilateral labor agreements with the Philippines. The DOLE, through the POEA Governing Board, and together with DFA, declared 192 out of 205 receiving countries as having sufficient laws or multilateral instruments that guarantee protection of migrant workers' rights.

To further ensure the security of OFWs, the government, through DFA, adopted an alert level system that reviews political and security situations in high-risk countries and provides the appropriate course of action depending on the situation (e.g., deployment ban for alert level 3 and mandatory repatriation for alert level 4). At present, the DOLE, through the POEA, has imposed deployment bans in 16 countries/territories on account of Alert Levels raised by the DFA.⁸⁴ Meanwhile, deployment of returning workers for Lebanon was allowed per positive certification by the DFA in 2013. Deployment ban for new hires, however, is maintained pending negotiation of a standard employment contract for domestic workers.

- *Bilateral Agreements (BLAs) for the Improvement of Domestic Work under the ILO Convention on Domestic Work.*⁸⁵ Complementary to the passage of RA 10022, the forging of BLAs were intensified. In the first four years of this Administration (from 2010 to 2014), a total of 13 BLAs⁸⁶ were forged by the Philippines (e.g., agreements with Saudi Arabia and Jordan on domestic workers), surpassing the eight BLAs forged in the last four years of the previous Administration.⁸⁷
- *Gender-balanced and Values-Oriented Assistance from Overseas Labor Officers.* In consideration of the plight and vulnerability of distressed female OFWs, particularly in the Middle East, the government deployed overseas labor officers who were trained to discern the needs and feelings of distressed workers, especially females. From 2010 to June 2014, the DOLE deployed labor attachés and assistant labor

⁸³ An Act Amending RA 8042, Otherwise Known as the Migrant Workers and Overseas Filipinos Act of 1995, As Amended, Further Improving the Standard of Protection and Promotion of the Welfare of Migrant Workers, their Families and Overseas Filipinos in Distress, and for Other Purposes

⁸⁴ The 16 countries/territories are: Syria, Libya, Gaza Strip, Iraq [except Kurdistan], South Sudan, and Afghanistan with total deployment bans due to Alert Levels 3 and 4; Yemen, Ukraine, Kurdistan, Liberia, Guinea, Sierra Leone, Kenya, Israel, West Bank and Venezuela with deployment bans on new hires due to Alert Level 2.

⁸⁵ Ratified in September 2012

⁸⁶ Annual breakdown of the 13 BLAs forged: a) 2010: 2 (Jordan and Manitoba, Canada); b) 2011: 2 (Korea and Taiwan); c) 2012: 3 (British Columbia, Canada; Kuwait; and Jordan); d) 2013: 4 (Papua New Guinea; Saskatchewan, Canada; Kingdom Saudi of Arabia; and Germany); and e) 2014: 2 (Korea and Lebanon)

⁸⁷ Thirteen BLAs were signed for the period 2000–2009. These BLAs are still valid.

attachés, increasing the female officers deployed so that female OFWs will be more comfortable in voicing their concerns.⁸⁸

These officials are assisted by Administrative Staff who handle both the administrative work at the Posts as well as the delivery of frontline services for OFWs. From 2010 to 2013, an average of 34 administrative staff from DOLE are deployed, this constitutes an average of 21 females and 12 males.

Meanwhile, OWWA has assigned the following number of Welfare Officers, Administrative Staff, and local hires to the posts: 107 for 2010; 99 for 2012; 117 for 2013; and 73 as of June 2014. Female officers who were trained to handle OFW cases and requests for welfare assistance comprise a large number of these personnel as a conscious effort toward gender sensitivity.

- *Provision of Holistic Services to OFWs.* Migrant Workers and Overseas Filipinos Resource Centers (MWOFRCs)⁸⁹ serve as centers of care and service for overseas workers, providing services such as human resource development trainings and gender sensitive activities, counselling and legal services/conciliation, welfare assistance and information advisory, financial literacy, business counselling for their eventual return to the country, and reintegration in their family and community.

Through the Administration's efforts to transform MWOFRCs into centers of care and excellence, a total of 55,539 OFWs have been assisted at these MWOFRCs from 2010 to May 2014. The government is committed to improving the facilities in these centers and intends to enhance their services through technical vocational skills training and skills assessment and certification.⁹⁰

⁸⁸ Annual breakdown of the total number of labor attachés and assistant labor attachés deployed: i) 2010: 48 (33 males/ 15 females); ii) 2011: 43 (27 males/16 females); iii) 2012: 41 (25 males/16 females); iv) 2013: 42 (20 males/ 22 females); and v) as of June 2014: 38 (16 males/ 20 females).

⁸⁹ These are located in Asia (Hongkong, Taipei, Singapore, Malaysia, Brunei, and Korea), Middle East (Riyadh, Alkhobar, and Jeddah in KSA; Abu Dhabi and Dubai in UAE; Bahrain; Kuwait; Lebanon; Tripoli, Libya; Doha, Qatar; Oman; and Jordan) and Europe (Greece)

⁹⁰ Total number of OFWs assisted from 2010 to May 2014: 9,160 (2010); 15,784 (2011); 11,508 (2012); 11,945 (2013); and 7,142 (as of May 2014).

- *Assistance to Overseas Filipinos in Distress.* The DFA implements various programs to protect the rights of OFWs:

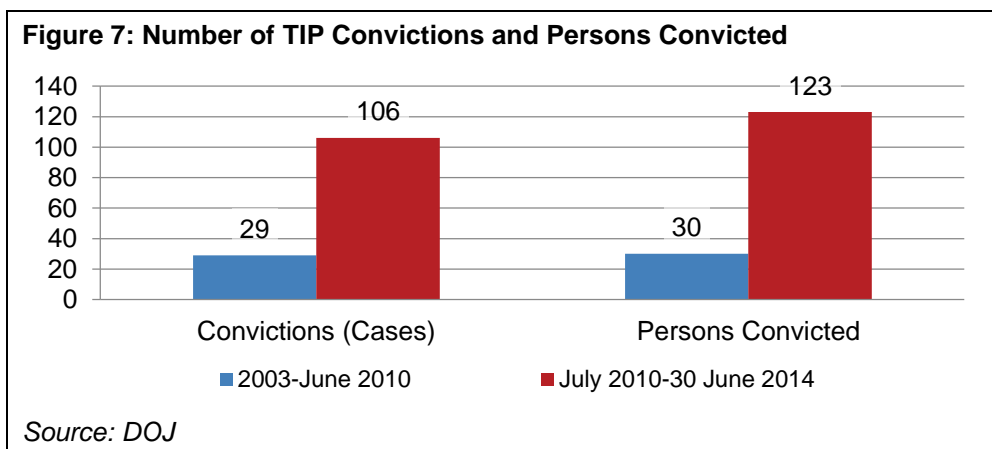
Table 13: Programs for OFWs

Program	Description	Status (from January 2013 to June 2014)
Assistance to Nationals (ATN) Fund	Provision for expenses in rendering assistance to OFWs in distress. The assistance provided includes emergency repatriation, provision of basic necessities, medical expenses, immigration fees (penalties for overstaying), attendance at court hearings, payment for translation services/ medico-legal/ authentication fees/ visa extension, and financial assistance, among others.	Assisted 21,229 OFWs and members of their families. This includes the repatriation of 10,380 Filipinos from Saudi Arabia, Syria, Egypt, Libya, Iraq, and South Sudan, among others.
Legal Assistance Fund (LAF)^a	Provision of legal services to migrant and overseas Filipinos facing criminal charges or labor-related cases. Includes legal and retainer's fees for private counsel, court fees, bail bonds, incidental litigation expenses, and out-of-pocket expenses, among others.	Provided legal assistance to 578 OFWs
Assistance to OFWs with Death Penalty cases	Monitoring of pending death penalty cases and extension of appropriate legal and consular assistance	Provided legal and consular assistance to 62 OFWs with death penalty cases and 29 with two-year reprieve penalty cases. Ten former death penalty convicts were spared from execution in 2013.
Assistance to OFWs with Drug Smuggling Cases	Extension of assistance to OFWs who fall victim to drug smuggling syndicates	<ul style="list-style-type: none"> • Monitored 807 drug smuggling cases involving OFWs worldwide • Provided assistance to victims, including: a) jail visitations; b) provision of basic personal needs (i.e., winter clothing, personal sanitary items, phone cards, etc.); and c) provision of return airfare and visa facilitation for immediate family members (especially for OFWs with death penalty cases)
Anti-Trafficking in Persons	Assistance to victims of trafficking in persons and endorsement of their cases to law enforcement agencies	Assisted 3,539 Filipino victims of human trafficking found abroad

^a For 2014, the total budget allocated for the LAF is P30 million. Savings from 2013 amounting to P20.56 million were added to the current year, bringing the total budget for 2014 to P50.56 million.

Source: DFA

- *Reintegration Program.* For returning OFWs, DOLE’s Reintegration Program provides assistance in finding employment or establishing their own livelihood. As of May 2014, the program has assisted 28,850 beneficiaries through local and overseas employment facilitation; 24,055 through values and legal counseling; 51,169 through entrepreneurial/financial trainings; and 14,431 through assistance in enterprise development. In addition, 945 benefited through the P2 billion OFW Reintegration Fund, from which returning OFWs may apply for loans (up to P200,000 for individual applicants and up to P2 million for groups) to start or expand viable business endeavors.
- *Anti-Trafficking Measures.* The government also intensified its efforts to fight trafficking in persons (TIP), through the Inter-Agency Council Against Trafficking (IACAT). From 01 July 2010 to 30 June 2014, the government secured 106 TIP convictions (cases), bringing the total convictions to 135 since the enactment of RA 9208 or the Anti-Trafficking in Persons Act in 2003.



For four consecutive years (2011–2014), the country remained in the Tier 2 ranking⁹¹ of the US Global Trafficking in Persons Report, an improvement from its previous placement in the Tier 2 Watch List⁹² in 2004, 2005, 2009, and 2010.

⁹¹ The US State Department classifies countries according to Tiers. Placed under *Tier 2* are countries whose governments do not fully comply with the Trafficking Victims Protection Act’s (TVPA) minimum standards, but are making significant efforts to bring themselves into compliance with those standards.

⁹² Countries placed under *Tier 2 Watch List* are those whose government do not fully comply with the TVPA minimum standards, but are making significant efforts to bring themselves into compliance with those standards and: a) The absolute number of victims of severe forms of trafficking is very significant or is significantly increasing; b) There is a failure to provide evidence of increasing efforts to combat severe forms of trafficking in persons from the previous year; or c) The determination that a country is making significant efforts to bring itself into compliance with minimum standards was based on commitments by the country to take additional future steps over the next year.

- *Ensuring the Well-being of OFWs during Global Outbreak of Diseases.* The government extends assistance to OFWs in ensuring their health and well-being, especially when there is a global outbreak of diseases.

In response to the Middle East Respiratory Syndrome Corona Virus (MERS-CoV)⁹³ threat, the Philippine embassies and concerned government agencies⁹⁴ have been working with Filipino communities in the Middle East to determine the status of suspected and confirmed cases among OFWs and provide assistance to patients and their families. This includes disseminating information on MERS-CoV prevention and control to OFWs and recruitment agencies⁹⁵ and advising OFWs to monitor their own health to regulate the entry to the country of suspected or confirmed patients.

When a confirmed patient⁹⁶ arrived in the Philippines from the UAE in April 2014, the government mobilized its resources and undertook an unprecedented extensive contact tracing of more than 400 co-passengers of the confirmed patient. As of date, the Philippines remains free from MERS-CoV.⁹⁷

Meanwhile, in anticipation of the potential threat of international spread of the Ebola Virus Disease,⁹⁸ concerned agencies are facilitating the government's preparedness and response, such as in the possible repatriation of OFWs.⁹⁹

To further establish preparedness and ensure efficient government response to assess, monitor, contain, control, and prevent the spread of any potential epidemic in the country, the President issued EO 168 on 26 May 2014 creating the Inter-Agency Task Force for the Management of Emerging Infectious Diseases in the Philippines.¹⁰⁰

⁹³ MERS-CoV is a viral respiratory illness caused by the corona virus.

⁹⁴ DFA, DOLE, POEA, OWWA, and DOH, among others

⁹⁵ e.g., emphasizing hygiene, appropriate isolation and containment measures, and instructing the recruitment agencies to coordinate with employers, specifically the hospitals in the Middle East, to bear the responsibility of having their Filipino workers tested for MERS-CoV

⁹⁶ A Filipino nurse working in Abu Dhabi, UAE was exposed to a fellow OFW who died of MERS-CoV and unknowingly exposed his co-passengers to possible MERS-CoV infection on the flight home in April 2014.

⁹⁷ As of 11 June 2014, there were 699 laboratory-confirmed cases of MERS-CoV reported globally with at least 209 deaths, making the fatality rate at 29.9 percent, while the balance of 70.1 percent recovered from the disease. Fatality rate refers to the total number of deaths over the total number of cases. In the MERS-CoV case, mortality rate is not used because doing so would have to consider ratio of deaths in a population in 1 year.

⁹⁸ Severe, infectious, and often fatal disease in humans and primates (monkeys, gorillas, and chimpanzees) caused by infection from the Ebola virus. It presents as an influenza-like illness characterized by fever, headache, sore throat, intense weakness, and joint and muscle pains, followed by vomiting, diarrhea, stomach pain, rash, impaired kidney and liver function. In some cases, red eyes, hiccups, and internal and external bleeding happen.

⁹⁹ According to WHO, the scale of the ongoing outbreak of EVD in West Africa is unprecedented, with 779 cases and 481 deaths reported in three affected West African countries (Guinea, Sierra Leone, and Liberia) as of 02 July 2014.

¹⁰⁰ Chaired by DOH, with DFA, DILG, DOJ, DOLE, DOT, and DOTC as members

- c. **Ensured Compliance with the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers.** The Administration worked towards the passage of RA 10635¹⁰¹ in March 2014 to strengthen and institutionalize the government's efforts to ensure compliance of Philippine maritime education, training and certification with international standards. This will ensure that the certificates obtained by Filipino seafarers remain valid and recognized abroad, protecting the livelihood of the 367,166 Filipino seafarers deployed abroad in 2013. Filipino seafarers account for 31 percent of the 1.19 million seafarers worldwide and remitted US\$5.22 billion in 2013.

6. Promoting Growth Across Sectors for More Employment Opportunities

In 2013, 92.9 percent of the labor force was employed, an improvement from the 92.6 percent in 2010. In April 2014, the employment rate was at 93.0 percent, better than the 92.4 percent in April 2013. This translates to additional employment of 1.654 million individuals in April 2014 as compared to that of April 2013.

Table 14: Employment Status

Indicator (in thousands except rates)	2010	2011	2012	2013	April 2013 ^a	April 2014 ^a
Labor Force	38,893	40,006	40,426	41,022	40,056	41,589
Employed	36,035	37,192	37,600	38,118	37,011	38,665
Underemployed	6,762	7,163	7,514	7,371	7,096	7,030
Unemployed	2,859	2,814	2,826	2,905	3,046	2,924
Employment Rate	92.6	93.0	93.0	92.9	92.4	93.0
Underemployment Rate	18.8	19.3	20.0	19.3	19.2	18.2
Unemployment Rate	7.4	7.0	7.0	7.1	7.6	7.0

^a Estimates exclude the province of Leyte.
Numbers may not add up due to rounding.

Source: PSA

To sustain the growth of the labor force, the government is promoting the development of agriculture, manufacturing, IT-BPM, construction, MSMEs, and tourism which contribute to employment generation.

- a. **Agriculture.** Farmers and fisherfolk made up around a third of the labor force but recorded the highest incidences of poverty (38.3 percent for farmers and 39.2 percent for fisherfolk) among basic sectors in 2012. To help farmers increase their income, the government increased the allocation for agriculture by 39.3 percent from P69.44 billion in 2010 to P96.70 billion in 2014.

¹⁰¹ An Act Establishing MARINA as the Single Maritime Administration Responsible for the Implementation and Enforcement of the 1978 International Convention on Standards of Training, Certification and Watchkeeping for Seafarers

Table 15: Agriculture, Fishery, and Forestry Contribution to GDP and Employment

	2010	2011	2012	2013
Growth (%)	-0.2	2.6	2.8	1.1
Share to GDP (%)	11.6	11.5	11.1	10.4
Employment (in millions)	11.96	12.27	12.09	11.84
Share to Total Employment (%)	33.2	33.0	32.1	31.0

Source: PSA

Investments in irrigation and mechanization, among others, particularly for rice, resulted in increased output and higher incomes for farmers. Average *palay* production increased by 16.2 percent from 14.83 million metric tons (MT) from 2001 to 2009 to 17.23 million MT from 2010 to 2013. Despite the damage brought by typhoons, *palay* production from 2011 to 2013 managed to reach at least 92 percent of the annual targets. A record high *palay* production of 18.44 million MT was also registered in 2013. Furthermore, net profit per hectare (ha) increased by 38.4 percent from P15,830 per ha in 2010 to P21,910 per ha in 2013.

Table 16: Annual *Palay* Target and Actual Production

Year	Target (in million MT)	Actual Production (in million MT)	Percentage Accomplishment
2011	16.96	16.68	98.3
2012	18.46	18.03	97.7
2013	20.04	18.44	92.0

Source: DA

- *Irrigation.* The government constructed irrigation facilities covering 139,059 ha of new service areas from 2011 to end-May 2014.¹⁰² This increased the total area provided with irrigation facilities to 1.69 million ha or 56.0 percent of the 3.02 million ha total potential irrigable land in the country. The government also restored irrigation water supply to 97,930 ha of non-operational areas and rehabilitated systems covering 488,413 ha, thus, improving the efficiency and preventing deterioration of existing irrigation systems.

To further improve *palay* production, the government is undertaking six major irrigation projects that will service major rice producing provinces. Conceptualized in the 1960s, the government is now pursuing the P11.21-billion Jalaur River Multi-Purpose Project II, which is expected to provide year-round irrigation for 31,480 ha, benefiting more than 20,000 farmers in two cities and 23 municipalities of Iloilo.¹⁰³ Annual rice production in the coverage area is expected to double from 141,945 MT to 287,958 MT while annual sugarcane production is likely to increase

¹⁰² Accomplishments of projects under program years 2011–2013

¹⁰³ Iloilo City, Passi City, Alimodian, Anilao, Badiangan, Barotac Nuevo, Cabatuan, Calinog, Dingle, Dueñas, Dumangas, Janiway, Lambunao, Leganes, Leon, New Lucena, Oton, Pavia, Sta. Barbara, San Enrique, San Miguel, Tigbauan, Pototan, Zarraga, and Mina.

by 33.6 percent from 112,250 MT to 150,000 MT. The construction of the project is targeted to be completed by May 2016.

- *Machineries and Equipment.* About 16 percent of total rice production is lost due to inefficiencies in post-harvest operations. To help reduce post-harvest losses and increase farmers' income, the government provided 4,628 production machineries (e.g., combine harvesters, tractors, shredders) to 4,100 farmers' associations, 11,362 post-production machineries (e.g., mechanical dryers, combine harvesters, reapers and threshers) to 9,700 farmers' associations, and 105 rice mills to 135 farmers' associations to modernize agricultural processes from 2011 to May 2014. The use of mechanical dryers reduces losses from about 5.9 percent when using sun drying to only about 2.0 percent; the use of modern combine rice harvesters reduces losses from 4.4 percent when operating through traditional manual reaping, piling and threshing to only around 2.5 percent; and the use of multi-pass rice mills increases milled rice production by 5.0 to 8.0 percent.
- *Agriculture Extension Services.* To enhance the competitiveness and capacities of the agriculture sector, the DA's Agricultural Training Institute (ATI) has conducted 2,767 trainings (e.g., on organic agriculture, vermiculture, farming systems, fish processing) attended by more than 100,000 extension workers, farmers, fisherfolk, and rural-based organizations, indigenous peoples, and rebel returnees, among others, nationwide from 2013 to June 2014.

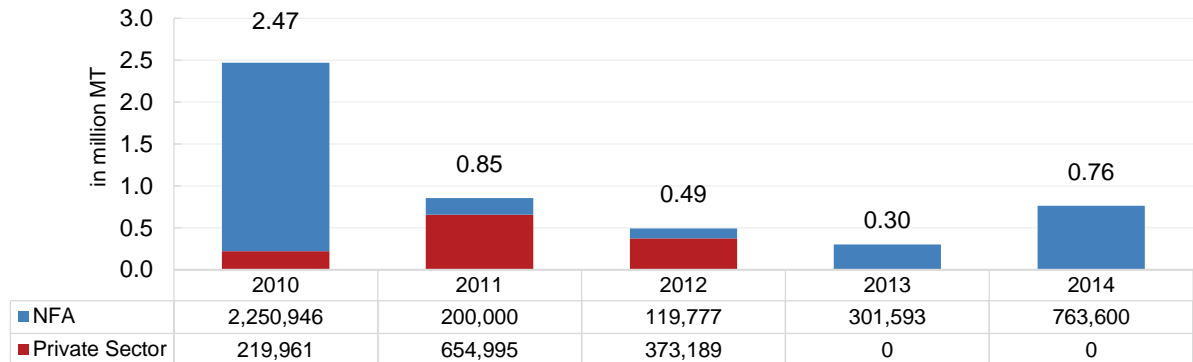
The ATI also provides education support for the youth to attract them into the agriculture and fisheries profession, particularly the children of smallholder farmers and fisherfolk. From 2013 to June 2014, 444 individuals graduated from the Youth in Agriculture and Fisheries Program, which provides scholarships to children of smallholder farmers and fisherfolk taking agriculture-related courses.

The record gains in *palay* production led to lower levels of NFA rice importation from 2.25 million MT in 2010 to 0.12 million MT in 2012. However, in November 2013, the importation of 500,000 MT (under CY 2014 Program) was approved to boost domestic rice buffer stock depleted by damages brought by the recent typhoons and the relief operations in areas affected by Typhoon Yolanda. The delivery of the 500,000 MT was completed on 21 March 2014.

To fulfill the rice buffer stock requirement for the first half of 2014, the government approved the importation of another 800,000 MT for 2014. As of 22 July 2014, 360,750 MT have been delivered. The delivery of the remaining volume will be completed by end-September 2014. On 22 July 2014, the NFA Council approved the immediate importation of another

500,000 MT¹⁰⁴ through open bidding. NFA was also given standby authority to import an additional 500,000 MT, in anticipation of the impact of calamities on harvest and prices, by end-August 2014.

Figure 8: Rice Importation (2010–2014)



Note: Figures do not include volume imported under the Minimum Access Volume commitment of the country under the World Trade Organization. The 2.25 million MT NFA imports in 2010 include 51,300 MT contracted in 2010 but arrived in 2011 and 67,550 MT contracted for 2010 but arrived in December 2009.

2013 NFA imports include actual arrivals of 97,150 MT of rice under the 500,000 MT additional importation, which was undertaken to boost domestic rice buffer stock depleted by damages brought by the recent typhoons and the relief operations in areas affected by Typhoon Yolanda.

Source: OPAFSAM

To help address the alleged hoarding of rice, the NFA and CIDG conducted inspection of warehouses starting July 2014. As of 24 July 2014, the team has inspected at most a hundred establishments, mostly grains warehouses located at the National Capital Region and Regions I, III, and VII. Due to this initiative, cases of Profiteering under the Price Act and hoarding and illegal possession of NFA rice have been filed against apprehended individuals.

- *Sustained Agrarian Reform.* The government pursued its commitment to fast-track and complete land distribution under the Comprehensive Agrarian Reform Program (CARP). Of the 14.19 million ha total alienable and disposable (A&D)¹⁰⁵ lands, a total of 7.87 million ha are covered by CARP, of which 5.37 million ha are under DAR and 2.5 million ha are under DENR. The remaining 6.32 million ha of A&D lands are urban areas, school sites, residential, commercial, industrial, among others, and thus cannot be covered under CARP.

¹⁰⁴ Target arrival period is September 2014.

¹⁰⁵ Defined by DENR AO 66, s. 1990 (Prescribing Guidelines in the Inventory of Alienable and Disposable Lands) as those lands of the public domain which have been subject of the present system of land classification and declared as not needed for forest purposes

Out of the 7.87 million ha covered by CARP, the government has distributed 4.18 million ha from 1972 to June 2010. This Administration was left with a balance that is more problematic and tedious to acquire since almost two-thirds (62 percent) of lands distributed by previous administrations were government-owned lands and lands voluntarily transferred by private owners to appropriate beneficiaries. From July 2010 to June 2014, the DAR distributed 466,164¹⁰⁶ ha, while the DENR¹⁰⁷ distributed 351,886 ha.

As of 30 June 2014, the total CARP balance is 835,288 ha. Out of which, the DAR has a balance of 716,520 ha. From this balance would still be deducted landowners' retention area¹⁰⁸ and non-CARPable lands such as those that are above 18 percent slope and are undeveloped, creeks, barangay roads, among others. Meanwhile, the DENR will complete the distribution of the remaining 118,768 ha balance by 2015.

Table 17: CARP Targets (July 2014–2016)

Year	For DAR Distribution (ha)	For DENR Distribution (ha)	Total (ha)
July–December 2014	132,411	73,911	206,322
2015	198,631	44,857	243,488
2016	385,478	-	385,478
Total	716,520	118,768	835,288

Sources: DAR and DENR

The government will continue acquiring and distributing landholdings voluntarily offered by landowners for sale, or those that have been issued Notices of Coverage (NOCs) and those with Petitions for Coverage even after June 2014 on the basis of Section 30 of RA 9700 or the CARP Extension with Reforms.

From January to 30 June 2014, the DAR has issued and served NOCs for 27,756 landholdings (227,382 ha).¹⁰⁹ A balance of 3,898 landholdings (35,021 ha) out of a total of more than 60,000 landholdings subject to compulsory acquisition were not issued NOCs.¹¹⁰ For the

¹⁰⁶ From July 2010 to June 2014, the DAR completed the documentation and processing of 40,564 landholdings (518,229 ha). Of this area was segregated the non-CARPable portions (roads, creeks, easement, portions which have 18 percent slope and are undeveloped, etc.) and the landowner retention area leaving 466,164 ha which were registered with the Register of Deeds and were distributed to agrarian reform beneficiaries.

¹⁰⁷ The DENR mandate of distributing (i.e. Issuing free patent titles) agricultural lands to qualified farmer under CA141 was accelerated under the CARP law.

¹⁰⁸ Each landowner is allowed 5 ha each.

¹⁰⁹ Of this total, 23,023 landholdings (181,010 ha) are landholdings recorded in the DAR database while the remaining 4,733 landholdings (46,372 ha) were previously not in the database but were identified/reported by various agrarian reform stakeholders.

¹¹⁰ In order for a landholding to be issued a Notice of Coverage, the DAR must be able to identify its registered landowner through any of the following documents, the copy of which must be with the DAR: land title, tax declaration, certificate of missing title from the Register of Deeds, or public documents such as notarized deed of

NOCs of these landholdings not issued by 30 June 2014 due to, among others, problems with land records and the absence of ownership documents in the DAR, the President has certified as urgent the NOC Extension Bill, which proposes to extend the issuance of NOCs, receipt of voluntary offers to sell, and initiations of petitions of coverage beyond 30 June 2014.

The government is committed to address land title issues that impede the distribution of the remaining LAD balance through the completion of the Cadastral Survey Program¹¹¹, and computerization of land records which will accelerate the issuance of titles or patents to bona fide claimants, and facilitate settlement of land ownership cases. From 1913 to 2009, only 46 percent of the country's cities and municipalities has been surveyed due to lack of funding. The Aquino Administration has allocated the largest budget (P5.56 billion) for the program from 2010 to 2015. As of June 2014, the DENR has completed the cadastral survey of 978 (or 64.51 percent) out of 1,516 cities and municipalities (except ARMM)¹¹² and the forestland boundary delineation¹¹³ of 79 out of 81 provinces, covering around 85,000 km. The DENR targets to finish the cadastral survey of the remaining 538 municipalities/cities by 2015 and the forestland boundary delineation by end-2014.

The government is likewise committed to complete the distribution of lands in Hacienda Luisita and other large landholdings. As of 23 June 2014, 5,982 (96.3 percent) farmworker-beneficiaries (FWBs) out of the 6,212 FWBs in Hacienda Luisita included in the final Masterlist have received their Certificate of Land Ownership Awards (CLOA) and have been installed¹¹⁴ in their respective lands, 59 FWBs have yet to be installed, while the remaining 171 FWBs have yet to claim their respective allocation certificates, and sign or swear to their corresponding Applications to Purchase and Farmer's Undertaking, a requirement before a CLOA can be generated. The installed FWBs can now freely use their awarded lands for agricultural purposes¹¹⁵ and

sale, etc. The main reason for the non-issuance of NOCs before 30 June 2014, for the most part, is that DAR's field offices do not possess a copy of any of these documents.

¹¹¹ The Cadastral Survey Program under the DENR, which started in 1913, delineates the boundaries of *barangays*, cities, municipalities, and provinces.

¹¹² Since ARMM is autonomous, it has a separate budget under the GAA. Hence, the DENR could not provide fund to the areas under ARMM until a MOA between DENR and ARMM was forged in July 2012. The DENR-ARMM plans to include and finish the cadastral survey of 118 ARMM cities and municipalities, and forestland boundary delineation of 2 ARMM provinces by 2016.

¹¹³ The forestland boundary delineation involves the establishment of boundaries between permanent forest and A&D lands to ensure protection of the forests.

¹¹⁴ While there is no official definition of the term "installation", it may accurately be described, under pertinent DAR guidelines (principally, DAR A.O. No. 7, Series of 2011) as the act of placing a beneficiary in his awarded land so that he or she may take constructive and physical possession (and control) thereof.

¹¹⁵ The awarded lands cannot be converted to uses other than agricultural within five (5) years and cannot be sold within 10 years from the time of awarding.

enjoy support services from the government to maximize the productivity of their lands.

As in many other distributed lands, the government assisted the FWBs in Hacienda Luisita to form ARB Organizations (ARBOs) in order for it to strategically and effectively channel support service programs and resources, and help the farmers in making their transition into owner-cultivators. ARBOs also make it easier for the FWBs to access credit since financial institutions are more inclined to provide loans and financial support to organizations than to individuals. The government has aided the registration of 10 ARBOs in the Hacienda with the Securities and Exchange Commission. Said ARBOs have a total membership of 1,196 FWBs as of July 2014.

The government has conducted water and crop suitability testing in the Hacienda, the results of which were the basis in advising FWBs on the best crop that could be planted, and in determining the support services interventions being offered to them. The distributed lands in Hacienda Luisita were included in the DAR's Agrarian Reform Communities Connectivity and Economic Support Services (ARCESS) Program so that, in the near future, ARBOs in the area can be provided with Common Service Facilities (CSFs)¹¹⁶, agri-extension services, and business development services to the ARBOs. The government has also conducted small scale interventions such as trainings in rice production and vegetable production to all *barangays* in the Hacienda. Various trainings on organization strengthening and capacity development were also conducted by the DAR and other concerned agencies. The DA, in particular, has conducted an orientation to around 2,000 farmers on topics relating to high value crops development, which could help augment their income, and on the different programs of the DA's ATI that the farmers can avail. Livelihood projects, assistance and activities for the youth, rural improvement clubs, and organic agriculture were also discussed during said orientation. At the end of the day, however, the FWBs will decide which crop is best for the portion of lands awarded to them.

Also, certain farmer groups have filed a Petition for Coverage, and NOCs have been issued covering particular portions of Hacienda Luisita that have remained under the ownership of the Tarlac Development Corporation (TADECO). These portions are not part of the Supreme Court's (SC) 24 April 2012 decision on the Hacienda.¹¹⁷ TADECO has filed a Protest against the coverage, which is currently being resolved

¹¹⁶ CSFs are farm equipment provided to ARBOs which their members can use for farming purposes and as their business asset. As of July 2014, machineries are still in the process of procurement.

¹¹⁷ This portion of the Hacienda is not included in the decision considering that the SC has also resolved issues pertaining to the major portion of the Hacienda, the ownership of which has been passed to the Hacienda Luisita, Inc. pursuant to the Stock Distribution Option.

by the DAR. In the meantime, pursuant to the rules and policies governing land acquisition and distribution in general, the DAR is continuing its land acquisition process pending the decision on the Protest. Whether or not the DAR can continue with the cancellation of TADECO's title will depend on said decision. Considering that the remaining portion is not part of the SC's decision, the present general rules will govern the determination of the qualifications of beneficiaries rather than the rules provided by the SC exclusively for Hacienda Luisita.

- b. **Manufacturing.** The growth of the manufacturing sector accelerated from 5.4 percent in 2012 to 10.3 percent in 2013, driven by an increase in demand for chemical and chemical products; radio, television, and communication equipment and apparatus; food manufactures; and furniture and fixtures. Its contribution to GDP increased from 22.2 percent in 2010 to 22.7 percent in 2013. The industry employed 3.16 million individuals in 2013, up from 3.11 million in 2012 and 3.03 million in 2010.

Table 18: Manufacturing's Contribution to GDP and Employment

	2010	2011	2012	2013
Growth (%)	11.2	4.7	5.4	10.3
Share to GDP (%)	22.2	22.4	22.1	22.7
Employment (in millions)	3.03	3.08	3.11	3.16
Share to Total Employment (%)	8.4	8.3	8.3	8.3

Source: PSA

To sustain this growth, the government is implementing the Manufacturing Resurgence Program, which focuses on strategies to close supply/value chain gaps, expand the domestic market base, develop human resources, and improve access to technology and innovation, among others. In December 2012, the government established the Advanced Device and Materials Testing Laboratory (ADMATEL), which houses advanced equipment for failure analysis and materials characterization that were previously only available abroad. From January 2013 to 30 June 2014, the laboratory serviced 62 companies and academic institutions, generating P5.5 million in income and reducing the need to avail of testing services outside the country.

- c. **IT-BPM.** The Philippines is a competitive IT-BPM destination. In the 2014 Tholons Top 100 Outsourcing Destinations Report,¹¹⁸ Manila (NCR) moved ahead of Mumbai, India, claiming the second top spot behind Bangalore, India. Aside from Manila (NCR), six other cities in the Philippines are part of the top 100. The industry continued to grow as revenues reached US\$15.5 billion in 2013, up from US\$8.9 billion in 2010 and employed 900,000 individuals in 2013, up from 525,000 in 2010. The industry targets

¹¹⁸ The Tholons Top 100 Outsourcing Destinations Report is acknowledged by industry stakeholders as the *de facto* ranking of outsourcing cities around the world.

to generate revenues of US\$25.0 billion and directly employ 1.3 million individuals by 2016.

Table 19: IT-BPM Revenues and Employment

	Actual			Estimate	Target		
	2010	2011	2012	2013 ^a	2014	2015	2016
Revenues (in US\$ billion)	8.9	11.0	13.2	15.5	18.0	21.0	25.0
Direct Employment (in thousands)	525	640	777	900	1,040	1,200	1,300

^a These are initial estimates provided by IBPAP while they are consolidating all reports from partner associations to come up with official 2013 data.

Sources: DTI and IBPAP

The government supports the growth of the IT-BPM by providing skills training through the TWSP, in partnership with the IBPAP. The TESDA-IBPAP partnership implemented in 2011-2012 produced 65,048 graduates, of which 45,961 were employed, recording an employment rate of 70.7 percent. This is higher than the 68.5 percent average employment rate of 2012 TWSP graduates.

- d. **Construction.** The construction industry employed 2.37 million (6.2 percent) of the 38.12 million individuals employed in 2013, an increase from the 2.02 million employed in 2010. To sustain the construction industry's growth, the government increased its allocation for infrastructure development and encouraged private construction spending, which resulted in industry growth of 9.6 percent in 2013.

Table 20: Construction's Contribution to GDP and Employment

	2010	2011	2012	2013
Growth (%)	14.3	-9.6	18.2	9.6
Share to GDP (%)	5.7	5.0	5.5	5.6
Employment (millions)	2.02	2.09	2.23	2.37
Share to Total Employed (%)	5.6	5.6	5.9	6.2

Source: PSA

- e. **MSME.** MSMEs account for 99.6 percent of total establishments in the Philippines. To support the development of MSMEs, the government monitors lending of private and public banks to MSMEs and provided credit through non-bank institutions. The government also implemented programs to provide MSMEs access to technology and equipment.
- *Compliance with Magna Carta for MSMEs.* The Magna Carta for MSMEs¹¹⁹ requires private and public banks to set aside at least eight percent of their total loan portfolio for micro and small enterprises and two percent of their total loan portfolio for medium enterprises.¹²⁰ As of

¹¹⁹ RA 6977 as amended by RA 8289 and 9501

¹²⁰ Banks can comply with RA 9501 through the following: a) actual extension of loans to eligible MSMEs; b) actual subscription of preferred shares of shares of stock of the SB Corporation; c) wholesale lending to Participating

end-March 2014, the BSP reported that a total of P385.56 billion was set aside in compliance with the law, 7.4 percent higher than the P358.89 billion required by the law and 30.8 percent higher than the P294.82 billion allocated as of end-June 2010. Of the P385.56 billion, P383.79 billion (99.5 percent) was lent directly to MSMEs.

- *Non-Bank Institutions.* The People's Credit and Finance Corporation lent P5.20 billion to 356,126 micro-enterprises in 2013. The amount was 83.2 percent higher than the P2.84 billion lent to 253,120 micro-enterprises in 2010. The P5.20 billion helped generate 132,360 direct jobs in 2013, almost 60 percent higher compared to the 83,069 direct jobs generated in 2010.

Table 21: Financing Provided by the People's Credit and Finance Corporation

	2010	2011	2012	2013
Amount Lent (P billion)	2.84	4.82	3.59	5.20
Jobs Generated	83,069	142,017	104,306	132,360

Source: DTI

- *Shared Services Facility.* To improve the quality of products and services offered by MSMEs, the government provided MSMEs access to better technology through the SSF project launched in 2012. In 2013, 475 SSFs amounting to P165.20 million were set up (e.g., laser cutting machine and 3D printer in Bohol; abaca, bamboo, and cheese processing machines in Negros Oriental; and tools and equipment for the fabrication of beehives in La Union), benefiting around 10,000 MSMEs. As of 17 July 2014, a total of 677 SSFs have already been set up around the country.
- *Small Enterprise Technology Upgrading Program (SETUP).* SETUP boosts MSME productivity and competitiveness through the provision of technology, product standards and testing, packaging and labelling, and linkaging and networking. From 2010 to June 2014, the program assisted 9,971 MSMEs, which in turn generated P9.08 billion in gross sales and employed 75,605 persons.

In addition, the President signed the "Go Negosyo Act of 2013" or RA 10644, which mandates the MSME Development Council, through the DTI and appropriate financing institutions, to provide start-up funds for MSMEs. The Act also provides for the establishment of Negosyo Centers, which shall be responsible for promoting ease of doing business and facilitating access to services for MSMEs such as trainings, and advice on business

Financial Institutions (PFIS) for on-lending to MSMEs; d) purchase/discount of MSMEs receivables; e) loans granted to export, import, and domestic traders subject to compliance with RA 9501; or f) subscription/purchase of liability instruments as may be offered by the SB Corporation.

conceptualization and feasibility, financing, and capability building, among others.

- f. **Tourism.** The government launched its tourism campaign in 2012, targeting to reach the 10 million international tourist arrivals mark in 2016. In 2013, despite natural and man-made disasters in the last half of the year,¹²¹ international tourist arrivals reached 4.68 million, 9.6 percent higher than the 4.27 million arrivals posted in 2012. Average tourist spending per visit also increased from US\$672.28¹²² in 2010 to US\$966.71¹²³ in 2013. Based on preliminary estimates, the tourism industry employed 4.6 million individuals in 2013, up from 3.7 million individuals employed in 2010.

B. Promoting Economic and Physical Mobility

The government is investing in infrastructure to support investments in human capital and employment generating sectors. Increased revenue collections and prudent fiscal management allowed the government to more than double infrastructure funding from P200.3 billion in 2011 to P404.3 billion in 2014. The government also leveraged on renewed investor confidence, partnering with the private sector to award seven solicited¹²⁴ PPP projects worth P62.6 billion from December 2011 to June 2014, more than the six solicited PPP projects awarded during the past three Administrations.¹²⁵

Aside from serving as a means to harness private sector investments in infrastructure, the PPP scheme also generates additional revenues for the government in the form of premium payments. For instance, the NAIA Expressway Project-Phase II and the Mactan-Cebu International Airport Passenger Terminal Building generated P11.0 billion and P14.4 billion, respectively, from upfront payments to the government by the winning contractors.¹²⁶

1. Investing in Transport Infrastructure for Greater Mobility

- a. **Roads.** The government is paving existing roads, establishing a high-standard highway network, pursuing other major road projects outside Metro Manila, and linking conflict-afflicted areas, agricultural lands, and tourism destinations to main road networks.

¹²¹ Factors such as the Bohol Earthquake and Typhoon Yolanda may have caused the slowdown of arrivals in 2013. Arrivals from November to December 2013 grew only by 2.4 percent compared to the 8.6 percent in the same period in 2012.

¹²² Average length of stay (8.01 nights) x average daily expenditure (US\$83.93)

¹²³ Average length of stay (9.56 nights) x average daily expenditure (US\$101.12)

¹²⁴ As provided by RA 7718 and its IRR, Solicited Projects refer to projects identified by an Agency or LGU as part of the list of priority projects. Unsolicited Proposals refer to project proposals submitted by the private sector, not in response to a formal solicitation or request issued by an Agency/LGU and not part of the list of priority projects as identified by Agency or LGU. The government can also enter into joint venture agreements.

¹²⁵ The figures refer to PPP projects undertaken using the solicited mode of the BOT Law or RA 7718.

¹²⁶ Other PPP projects with premiums to the government include the Daang Hari-SLEX Link Road (P518.48 million) and Automated Fare Collection System (P1.09 billion)

- From 2010 to May 2014, a total of 3,416 km (47.1 percent of 7,256 km target for 2016) of the National Road Network were paved.

Table 22: Paving of the National Road Network

Road Classification	Actual Accomplishment (km)		2010–2016 ^a	
	January 2010-May 2014	Target (km)	Accomp. (%)	
Arterial Roads	1,249	1,888	66.2%	
Secondary Roads	2,167	5,368	40.4%	
Total	3,416	7,256	47.1%	

^a The original target is to pave all unpaved sections of the national arterial road network by 2014. However, some road sections which became national roads through legislation prior to 2010 were not validated by DPWH and did not meet the technical and functional requirements of a national road. Thus, the target was moved to 2016 to prioritize other road sections based on traffic count and importance to the road network.

Source: DPWH

- In addition, 8,768 km of roads have been constructed and improved (includes paving of newly converted national roads) from July 2010 to May 2014.

Table 23: National Roads Accomplishment

Particulars	Length (km)
Paving of newly converted national roads from 2011 to present	690
Rehabilitation of paved sections	3,681
Preventive maintenance	3,007
Widening	1,025
New construction	365
Total	8,768

Source: DPWH

- The government is also pursuing the establishment of a high-standard highway network within the 200-km radius of Metro Manila. Envisioned more than three decades ago, the government has commenced construction of the extensions and connectors of the North Luzon Expressway, South Luzon Expressway, and Metro Manila Expressway.

Table 24: High-Standard Highways

Component	Milestones/Targets
P31.32-billion C6 Expressway Phase 1/Southeast Metro Manila Expressway ^a	Targeted to be completed in December 2018
P26.59-billion Metro Manila Skyway Stage 3	Originally targeted to be completed in April 2017; proponent committed to accelerate the project's completion to June 2016.
P18.13 billion Tarlac-Pangasinan-La Union Expressway	Opened Section 1 (Tarlac City, Tarlac to Rosales, Pangasinan) to traffic in April 2014; Project proponent committed to complete the project in 2015.
P13.08-billion SLEX extension from Sto. Tomas, Batangas to Lucena, Quezon	Section 1 (Sto. Tomas, Batangas to Makban, Laguna) is targeted to be completed in March 2016; the entire project is targeted to be completed in December 2019.

^a The entire C6 project is envisioned to extend from FTI in Parañaque City to San Jose Del Monte City in Bulacan.

Sources: DPWH and DOTC

- The government is also undertaking several road projects in Luzon and Visayas, such as the P1.54-billion Laoag City Bypass Link Road that will provide access to major transport hubs in Ilocos Norte and the P1.94-billion Iloilo Circumferential Road that will decongest traffic in Iloilo City's major thoroughfares and reduce travel time between the municipality of Leganes and Iloilo City from 45 minutes to 15 minutes.

In Mindanao, the government is pursuing, among others, the construction of the Basilan Circumferential Road, which started construction in 2000 but was long-delayed due to peace and order problems, among others.¹²⁷ The P1.57-billion improvement of the 50.6-km section¹²⁸ of the Basilan Circumferential Road will reduce travel time around Basilan (through the entire stretch of the circumferential road) from three hours and 45 minutes to two hours, benefiting around 450,000 residents. The project was implemented with the help of LGUs and the military, and is targeted for completion in the first half of 2015.

- The government constructed and rehabilitated a total of 1,335.56 km of farm-to-market roads from 2011 to May 2014 or 53.2 percent of 2,510.78 km target from 2011 to 2013. These roads connected 2,533 barangays to main road networks nationwide.
- Under the Tourism Convergence Program, the government invested a total of P36.98 billion from 2011 to 2014 to develop 202 key tourism

¹²⁷ The delays in the implementation were attributed mostly to the pull-out of AFP personnel securing the area for combat operations from August to December 2012, March to April 2013, August to October 2013, and April 2014.

¹²⁸ This includes the construction of a 26.9-lm bridge. The total length of the whole stretch of the Basilan Circumferential Road is 133 km.

infrastructure identified by the DPWH and DOT. As of end-2013, 30 road projects leading to tourism sites have been completed while 169 are ongoing. Of the total project length of 2,072.5 km, 718.1 km, or 34.6 percent have been completed. These include the rehabilitation and upgrading of the Bahile-Macarascas-Sabang Road and the Salvacion-Sabang Stretch-Tapul-Bahile Road, which improve access to the Underground River in Puerto Princesa, Palawan, a UNESCO World Heritage Site and one of the New Seven Wonders of Nature.

- b. **Bridges.** The government is making temporary bridges permanent and constructing bridges that connect agrarian reform beneficiaries to the road network. From July 2010 to May 2014, 10,858 lineal meters (lm) (78.5 percent of the 13,839 lm target until 2016) of temporary bridges along national roads were made permanent. Out of the total national bridge length of 355,643 lm as of 2013, the DPWH constructed, rehabilitated, and widened a total of 33,583 lm (9.44 percent) of bridges from July 2010 to May 2014.
- e. **Airports.** Following the implementation of the Pocket Open Skies Policy in 2011 that liberalized the entry of foreign airlines in the Philippines, the government is now undertaking the completion of three new major airports (i.e., New Bohol, Bicol International, and Laguindingan in Misamis Oriental), major upgrading and rehabilitation of 11 airports (e.g., Surigao, Busuanga, and Calbayog), and minor upgrading/rehabilitation of 43 airports (e.g., Zamboanga City, General Santos, and Iloilo) to boost the country's competitiveness and support the growing tourism industry.

To rehabilitate and improve NAIA, the Philippines' primary gateway, the government is working to fully operationalize NAIA Terminal 3 by 31 July 2014; and complete the rehabilitation of NAIA Terminal 1 by the first quarter of 2015.

At the same time, the government is upgrading equipment in seven provincial airports (i.e., Butuan, Cotabato, Dumaguete, Tuguegarao, Dipolog, Roxas, and Ozamis Airports) to allow take-off and landing operations at night, which will help decongest passenger traffic in NAIA as airlines can spread their trips to these airports at night.

The government is also reforming Philippine civil aviation to ensure safety. The negative findings on Philippine civil aviation, which have beset the country since 2008, have been resolved. This prompted the International Civil Aviation Organization to deem its significant safety concerns on Philippine civil aviation resolved in March 2013; the European Union to lift its ban on the Philippine Airlines and Cebu Pacific in July 2013 and April 2014, respectively; and the United States Federal Aviation Administration to upgrade Philippine civil aviation from Category II to Category I (i.e.,

compliant with safety standards) on 09 April 2014.¹²⁹ The Philippine Airlines and Cebu Pacific are now expanding their operations to more destinations in Asia, Europe, and the United States. PAL resumed flights to London in November 2013 and is considering, among others, flights to New York, USA. Likewise, Cebu Pacific recently began new services to Dubai, will start flights to Kuwait in September 2014 and is considering flights to Hawaii, USA.

- d. **Ports.** The government is working on the development of 18 ports, which will improve access to tourist destinations in Iloilo, Occidental Mindoro, Camarines Sur, Aklan, and Northern Samar, among others. Of the 18 ports, two have been completed; 10 are ongoing; and six are for implementation.
- e. **Public Transportation.** The government, with the support of the Japan International Cooperation Agency (JICA), developed the “Transport Roadmap for Metro Manila and Its Surrounding Areas” to address the worsening traffic congestion, lessen traffic accidents, and minimize noise and air pollution in highly urbanized areas through investments in public transportation and traffic management systems.
 - To expand the capacity and improve the service delivery of railway systems, the government is pursuing the extension of existing lines, construction of a new line, purchase of additional trains, a common station, and an automated fare collection system.

Table 25: Major Public Transport Projects

Project	Description
MRT Line 7 (P67.76 billion)	Construction of a rail transit system from MRT-3 North Avenue station in EDSA to San Jose Del Monte, Bulacan
LRT Line 1 South Extension (P63.55 billion)	Extension of the LRT Line 1 from Baclaran, Pasay to Bacoor, Cavite and purchase of additional rolling stocks
LRT Line 2 East Extension Project (P9.50 billion)	Extension of the LRT Line 2 from the Santolan Station in Pasig to Masinag, Antipolo
MRT Line 3 Capacity Expansion Project (P3.80 billion)	Purchase of additional trains for the MRT Line 3
Automated Fare Collection System (P1.72 billion)	Contactless and integrated automatic fare collection system in LRT Lines 1 and 2 and MRT 3 to replace the existing magnetic stripe collection technology
LRT Line 1 North Extension: Common Station (P1.40 billion)	Construction of a common station connecting LRT Line 1, MRT Line 3, and MRT Line 7

Source: DOTC

¹²⁹ Category I is given to countries compliant with the United States Federal Aviation Administration safety regulations while Category II is given to those which are not compliant. Category II countries cannot expand flights to the United States.

- To improve vehicular mobility, the MMDA launched the P2.49-billion New Traffic Signalization System Project on 26 November 2012, which involves the: a) installation of an upgraded information technology (IT)-based Traffic Control System for Metro Manila's 421 signalized intersections; b) signalization of 200 intersections; and c) installation of 25 CCTV cameras. This multi-year project (2012–2017) will be implemented in four phases and is targeted to be completed by 2017. As of June 2014, Phase I is 96 percent complete¹³⁰ with the target 93 intersections operational using the new system while 25 CCTVS have been installed.¹³¹

As an alternate mode of transport to ease traffic congestion while various projects are ongoing construction, the government initially opened the Pasig River Ferry Service System on 28 April 2014. It is currently operating in six stations namely, Plaza Mexico, Escolta, PUP Sta. Mesa, and Sta. Ana in Manila; Guadalupe in Makati; and Pinagbuhatan in Pasig.

The DOTC will also undertake the P10.60-billion Cebu Bus Rapid Transit System involving 176 buses that will run exclusively along a 23-km corridor from Bulacao to Talamban in Cebu City. The target construction period is from the second quarter of 2016 to the fourth quarter of 2018.

2. Sustaining Wider and Long-Term Access to Energy and Water Supply

- a. **Securing energy supply.** Under an energy strategy of self-sufficiency, affordability, and stability pursued by promoting private sector investments, a total of 1,799.52 megawatts (MW)¹³² of dependable capacities from new and re-commissioned power plants were added from July 2010 to June 2014, bringing the total dependable capacity to 15,456 MW as of June 2014. The June 2014 capacity is sufficient to meet the country's highest projected demand level of 11,943 MW in 2014.

However, due to the threat of El Niño, increasing forced outages of aging power plants, and the projected increase in demand for power, the DOE estimates that Luzon may have capacity deficiency of between 400 to 1,000 MW from March to May 2015, resulting in rotating brownouts. Mindanao may experience longer brownouts in 2015 if no new power plants come in.

¹³⁰ The remaining four percent is pending the installation of the strategic loops and trenches affected by various road projects no later than July 2014.

¹³¹ Phase II, which will cover 171 intersections, is undergoing bidding and is targeted to be completed by 2015. Phase III, which will cover 157 intersections, will be implemented from 2015 to 2016. Phase IV, which will cover 200 intersections, will be implemented from 2015 to 2017.

¹³² This is also equal to total installed capacity of 2,041 MW.

To address the need for additional capacity during the critical period in Luzon in 2015, the government will invoke Section 71 of RA 9136, or the “Electric Power Industry Reform Act of 2001.” Section 71 states that “Upon determination by the President of the Philippines of an imminent shortage of the supply of electricity, Congress may authorize, through a joint resolution, the establishment of additional generating capacity under such terms and conditions as it may approve.”

Upon issuance of the joint resolution,¹³³ the government would contract a private proponent to construct capacities equivalent to 500 to 600 MW power plants and operate and maintain the same for a period of five years. The power plant is targeted for operation by March 2015. After the five-year contract period, it will be retained by the government as an energy security asset. To assure the private sector that the government will not intervene in the power generation business, the additional capacity will only be run when the grid is in Yellow Alert¹³⁴ upon the determination of the System Operator¹³⁵ or upon the instruction of the DOE. The additional capacity will also be traded and will be a price taker in the Wholesale Electricity Spot Market.

For the long-term, the government has been encouraging private sector investments in new generating capacities. Among the plants that are expected to be completed and commissioned from the second half of 2014 until 2015 are the 300-MW Coal-Fired South Luzon Power Generation Corporation Power in Batangas; the 135-MW Unit 1 of the Concepcion Coal-Fired Power Plant in Iloilo; the 300-MW Coal-Fired Therma South Energy Power Plant in Davao Del Sur, and the 200-MW Southern Mindanao Coal-Fired Power Plant in Sarangani.

Aside from securing power supply, the government also targets to energize 32,441 on-grid *sitios* by the end of the Administration through the accelerated Sitio Electrification Program. From October 2011 up to 30 June 2014, 16,467 *sitios* (50.8 percent) were energized. In addition, the government targets to energize a total of 32,550 households by 2017 under the Household Electrification Program in Off-Grid Areas Using Renewable Energy. A total of 10,817 households were energized from 2011 to the first semester of 2014. Each beneficiary was provided a 30 watt-peak solar photovoltaic system, which can be used for light, radio, and cellular phone charging.

¹³³ The DOE requested comments from the Joint Congressional Power Commission, the DOJ, and the Chief Presidential Legal Counsel for the proposed joint resolution.

¹³⁴ A Yellow Alert is raised when the reserve capacity falls below the capacity of the largest synchronized generating unit in a grid. In Luzon, the largest generating unit is Unit 1 of the Sual Power Plant in Pangasinan, which has a dependable capacity of 647 MW.

¹³⁵ Presently, the System Operator is the National Grid Corporation of the Philippines.

- b. **Securing water supply.** Based on MWSS projections, the current water supply of 4,132 million liters per day (MLD) for Metro Manila, Rizal, and portions of Cavite is adequate for the current demand of 3,470 MLD. However, if no new major sources of water are developed in addition to the Angat Dam, which accounts for 97 percent of the MWSS' water supply, the 2021 projected demand of 4,136 MLD will exceed the supply by 4 MLD. To achieve water security, the government is pursuing the Water Security Legacy Program, which includes the P18.72-billion New National Centennial Water Source-Kaliwa Dam Project that will increase the MWSS supply by 600 MLD.

The other infrastructure projects under the Water Security Legacy Program include the following: Angat Water Utilization and Aqueduct Improvement Project-Phase II that helped optimize raw water conveyance; Bulacan Bulk Water Supply Project that aims to provide clean and affordable treated water for Bulacan; and Angat Water Transmission Improvement Project, which will improve the reliability, integrity and security of the Angat raw water transmission system, and ensure the safety of Angat Multipurpose Dam from disasters and calamities.

Outside Metro Manila, the government also implemented 588 water projects under the *Sagana at Ligtas na Tubig sa Lahat* (SALINTUBIG) Program, the ARMM-Transition Investment Support Program (TISP), and the Grassroots Participatory Budgeting Process.¹³⁶ Through these projects, 33,488 households or 167,440 individuals¹³⁷ from 421 cities/municipalities¹³⁸ now enjoy an improved steady supply of potable water.¹³⁹

The government is also assisting local water districts by increasing their capacity to provide households access to piped water systems. The government will undertake¹⁴⁰ the US\$60 million Water District Development Sector Project under an Asian Development Bank loan package, which will finance the connection to piped water systems of 292,000 households outside of Metro Manila.

C. Ensured a Safe and Peaceful Nation

To safeguard the achievements in our country's growth and development, the government continued to invest in enabling the police and the military to ensure the safety of communities, and to protect and uphold the country's territorial integrity through the promotion of the rule of law.

¹³⁶ Through this process, local residents take part in identifying and proposing water projects for funding of relevant national government agencies.

¹³⁷ The number of beneficiaries is based on the actual project cost of the 588 water supply projects.

¹³⁸ Figures as of end-June 2014

¹³⁹ Water projects under the three programs may overlap in some cities and municipalities since some water projects are identified and proposed based on needs by local civil society organizations/communities.

¹⁴⁰ The NEDA Board approved the project, subject to conditions, on 29 May 2014.

1. Ensured Safer Communities

In 2013, the PNP adopted the Crime Incident Recording System (CIRS), a standard procedure in recording crime incident. The system treated the gaps and dysfunctions that were noted in the PNP's previous crime incident recording system, as revealed in the findings of a validation conducted by the PNP among all Police Regional Offices nationwide.

Table 26: National Crime Situation

	2010	2011	2012	2013	Jan-Jun 2014
Total Crime Volume ^a	319,441	241,988	217,812	1,033,833 ^b	603,085
Crime Solution Efficiency (CSE) Rate ^c	18.64%	28.87%	36.67%	27.71%	36.65%

^a Figures include all crimes recorded by the police precincts and exclude crimes reported to National Support Units (NSUs) to avoid duplication, since crimes are likely reported to police precincts first before being elevated to NSUs. The exclusion of NSUs in the computation of the Total Crime Volume and Crime Solution Efficiency only started around end-2012. However, 2010 and 2011 figures have also been adjusted for comparison purposes.

^b The figure for 2013 increased due to PNP's adoption of the Crime Incident Reporting System, which already included barangay blotters and crime incidents from records of other law enforcement agencies in determining the total crime volume.

^c CSE Rate is the percentage of solved cases out of the total number of crime incidents handled by law enforcement agencies for a given period of time. A case shall be considered solved when the following elements concur: a) the offender has been identified; b) there is sufficient evidence to charge him; c) the offender has been taken into custody; and d) the offender has been charged before the prosecutor's office or court of appropriate jurisdiction. A case shall also be considered solved when some elements beyond police control prevent the arrest of the offender, such as: a) when the victim refuses to prosecute after the offender is identified; or b) the offender dies or absconds.

Source: PNP

Traditionally, the PNP obtained its sources of data from the police blotter alone. In 2013, two parameters in determining crime volume were included, as follows: barangay blotters; and crime incidents¹⁴¹ taken from the records of other law enforcement agencies, such as PDEA, BFAR, DENR, DSWD, and BI.

The new system also provided the inclusion of traffic violations,¹⁴² cases settled, cases involving women and children and a clarification of other incidents that were not included in the past as crime incidents.

- a. **Enabling the Public Safety Corps.** The government has now achieved 1:1 police-to-pistol ratio¹⁴³ for the 147,966 police personnel of the PNP as of

¹⁴¹ The two added parameters combined represents 48 percent, which is almost one half of the overall total crime volume.

¹⁴² The guidelines on the recording of traffic violations under CIRS are still under review by the PNP but are targeted to be released by the 3rd quarter of 2014.

¹⁴³ Projected pistol requirement is 148,393 units (based on PNP personnel strength), while the number of units on-hand before procurement is 73,797.

June 2014, with the procurement of 74,879 units of Glock 17 9mm pistol in 2013. This closes the firepower requirement gap of the PNP.

- b. **Ensuring the Welfare of the Uniformed Personnel.** The government is currently drafting a bill that will reform the pension system of Uniformed Personnel (AFP, PNP, PCG, BFP, and BJMP) to address the sustainability of their retirement benefits and pension.

The government is also implementing the AFP/PNP Housing Program,¹⁴⁴ which has been expanded to include BFP, BJMP, and BuCor personnel, to provide low cost housing for the personnel of these agencies. Under the program's 30-year amortization schedule, personnel will only be paying P200 monthly for the first four years, up to P1,330 for the 30th year.

Table 27: Status of the AFP/PNP Housing Program as of 15 July 2014

Indicator	Phase 1	Phase 2
Budget	P5.1 billion	P8.5 billion
Timeline^a	May 2011–March 2012	March 2012–July 2014 ^b
Housing Units to be Built		
AFP	24,298	31,200
PNP	10,900	14,040
BFP	10,900	14,040
BJMP	1,498	1,560
BuCor	1,000	936
	–	624
No. of Sites and Locations	15 sites total, located throughout Luzon (Bulacan, Cavite, Laguna, and Rizal)	30 sites in 14 regions nationwide
Status	Completed	Completed 30,558 units (98%) as of 15 July 2014
Housing Units Awarded to Program Beneficiaries <i>(Responsibility of the AFP and PNP Housing Boards)</i>	All units turned over by NHA to the AFP and PNP Housing Boards as of 31 March 2013	Submission of the Final List of awardees to NHA ongoing

^a Duration of housing construction, regardless of the number of units, usually takes more than a year (e.g., 2 months for documentation, 2–3 months for land development, 10 months for construction) and depends on factors such as the type of housing units to be constructed and the location of the housing sites (e.g., Phase 1 covers locations in Bulacan, Cavite, Laguna, and Rizal, whereas Phase 2 is nationwide, which may affect the securing of permits and clearances and the procurement of construction materials).

^b The original completion schedule of August 2013 was moved to July 2014 to accommodate further finishing requirements and rectification works.

Source: NHA

¹⁴⁴ Established through the issuance of Administrative Order No. 9, s. 2011

c. **Efforts to Address Criminality.** The government's crime prevention efforts focus on increasing police visibility, intensified law enforcement operations, and police-community partnerships.

- *Fight Against Robbery.* On 30 March 2014, the so-called 'Martilyo Gang' robbed a jewelry counter at the SM Mall of Asia. During the incident, four police women—Police Officers 1 Juliet Macababab, Delia Langpawen, Mercelina Bantiyag, and Maricel Rueco—responded and exchanged fire with the suspects,¹⁴⁵ while ensuring the safety and security of civilians. One suspect was arrested while the more or less eight armed men escaped.

On 31 March 2014, the PNP filed criminal cases against the suspects¹⁴⁶ in the robbery incident and organized dedicated tracker teams and investigative units to focus on neutralizing various crime groups, including the 'Martilyo Gang.'

- *Effort to Address Criminality in NCR.* To minimize incidents similar to the brazen murders perpetrated against high-profile targets last June 2014, the DILG, through the PNP, launched *Operation Lambat*.

Launched in June 2014, *Operation Lambat* is a campaign against unregistered motorcycles and firearms, through the implementation of several measures, such as:¹⁴⁷

- *Checkpoints.* Increased the number of checkpoints from 38 to 114 teams daily, which resulted in the confiscation of 14 firearms and 153 vehicles.
- *Issuance of warrants of arrest.* Intensified the serving of warrants of arrests, which, from 587 warrant of arrests served, resulted in the arrest of 410 individuals.
- *Oplan Bulabog.* Surprise inspection of the PNP and barangay officials in the communities to check documents of motorcycles, which resulted in the confiscation of 663 motorcycles.
- *Oplan Katok.* Conduct of visits to identified holders of firearm licenses and checking if these are still valid. 28,714 houses were visited resulting in the renewal of 516 firearms.
- *Oplan Bakal/Sita.* Frisking of suspicious persons for weapons, in crime prone areas. This resulted in the confiscation of 15 firearms and 46 motorcycles.

¹⁴⁵ The four policewomen used Glock 17 9mm pistols, which were distributed in 2013 and closed the firepower requirement gap of the PNP.

¹⁴⁶ Cases of Robbery in Band, Frustrated Homicide, Attempted Homicide and Violation of RA 10591 or the Comprehensive Firearms and Ammunition Regulation Act were filed before the Pasay City Prosecutor's Office against the suspects in the robbery incident.

¹⁴⁷ Accomplishments cover the period of 6 June 2014 to 20 July 2014.

Overall, *Operation Lambat* resulted in the confiscation of 29 firearms and 862 vehicles, and serving of 587 warrants of arrest with 410 arrested individuals.

Prior to *Operation Lambat*, from January to June 2014, a weekly average of 31 cases of murder and homicide were recorded in NCR. After only five weeks of implementation of *Operation Lambat*, the cases went down to an average of 22 per week, equivalent to nine killings averted each week.

- *Campaign against Illegal Drugs.* In 2013, PDEA and other law enforcement agencies, conducted 11,474 anti-drug operations, which resulted in the arrest of 9,162 persons, confiscation of illegal drugs with total estimated value of P5.43 billion, and filing of 10,502 cases in court.
- *Anti-Cybercrime Operations.* The PNP conducted operations against cybercrime groups in the early part of 2014, arresting Filipino and foreign nationals involved in illegal online gambling, telephone fraud, and sextortion activities. One of the most prominent operations of the PNP, in cooperation with international counterparts, was the arrest of 51 members of a group engaged in international sextortion activities.
- *Campaign against Terror.* The PNP's campaign against terrorism resulted in the arrest of 22 individuals involved in terror activities in 2013 and a decrease in the number of reported terrorism incidents nationwide by over 50 percent compared to the last two years—from 24 and 22 reported incidents in 2011 and 2012, respectively to only 10 incidents in 2013. For the first half of 2014, the PNP arrested five alleged terrorists, including the arrest in Manila, after a seven-year manhunt, of a senior Philippine Islamic militant who was in the US Government's "most wanted" list.

d. ***Updates on June 2014 High-Profile Killings***

- *Case of Race Car Driver Ferdinand "Enzo" Pastor.* On 12 June 2014, Mr. Pastor was shot inside his vehicle by motorcycle-riding men in Quezon City. Mr. Pastor died from multiple gunshot wounds from a caliber 45 pistol. As of 27 July 2014, the PNP is still investigating the case.
- *Case of Hotel Chain Owner Richard King.* On 12 June 2014, Mr. King was shot dead inside a building in Davao City. On 23 June 2014, three suspects, allegedly the gunman and two lookouts, were arrested in relation to the killing, while a police officer alleged to be the master mind of the incident was tagged in the case. On 22 June 2014, murder charges were filed against the three arrested suspects and to the police official involved, which the PNP continues to pursue.

- *Case of Pangasinan Mayor Ernesto Balolong.* On 07 June 2014, Mayor Balolong was shot dead by two armed men in a supermarket in Urbiztondo, Pangasinan. Two other people were killed and four others were wounded in the incident. As of 02 July 2014, four of the five suspects in the murder were arrested and charged with murder and frustrated murder.
- e. **Efforts to Address Extra-Legal Killings.** In 2012, to ensure that cases of grave human rights violations are effectively investigated and successfully prosecuted, the Administration created a high-level Inter-Agency Committee (IAC), composed of the DOJ, DILG, DND, OPAPP, OPA, NBI, PNP, AFP, and PHRC, which is tasked to monitor, investigate, and prosecute cases of grave human rights violations. The IAC has introduced innovations in case resolution of extra-legal killings, such as the institution of a cooperative mechanism between prosecutors and law enforcers under a composite team approach. Prosecutors are encouraged to take a more pro-active role as early as the investigation stage by leading special investigation teams tasked to investigate (including the collection and preservation of evidence, documentation, and identification of suspects), prosecute, and monitor new, existing, and unsolved cases.

As of 23 June 2014, four judgments of conviction for cases of extra-legal killings and five judgments of conviction for cases of media killings, out of the total 199¹⁴⁸ and 54¹⁴⁹, respectively, of such recorded or validated cases,¹⁵⁰ were secured under the current Administration.

2. Upheld Internal Security

- a. **Modernized the Armed Forces.** Under the AFP Modernization/Capability Upgrade Program (AFPM/CUP), the government released a total of P41.38 billion and completed 39 projects from July 2010 to June 2014, which include the following: two US Coast Guard Cutters (CGC), namely the BRP Gregorio del Pilar¹⁵¹ and the BRP Ramon Alcaraz;¹⁵² BRP Tagbanua (the first locally-built landing craft utility); eight Sokol Combat Utility Helicopters; and three AgustaWestland (AW)-109 naval helicopters.

The DND is also expecting the delivery of 50,629 units of M4 Caliber 5.56mm Assault Rifles for the Philippine Army (PA) and the Philippine

¹⁴⁸ Of the 199 cases, 160 occurred from 2001 to 30 June 2010, while the remaining 39 occurred from 01 July 2010 to 23 June 2014.

¹⁴⁹ Of the 54 cases, 39 occurred from 2001 to 30 June 2010, while the remaining 15 occurred from 01 July 2010 to 23 June 2014.

¹⁵⁰ The numbers are fluid and may increase as new incidents occur or old cases are processed and deemed to fall within the ambit of Administrative Order No. 35 (Creating the Inter-agency Committee on Extra-Legal Killings, Enforced Disappearances, Torture and Other Grave Violations of the Right to Life, Liberty and Security of Persons).

¹⁵¹ The BRP del Pilar was commissioned by the Philippine Navy on 14 December 2011.

¹⁵² The BRP Alcaraz was commissioned by the Philippine Navy on 22 November 2013.

Marine Corps (PMC) in the second semester of 2014. The rifles were procured at a significantly lower price of P1.94 billion (P38,402.13/unit), compared to the approved budget of P3.19 billion (P63,000/unit). This generated around P1.25 billion in savings, of which P486.06 million was used to procure an additional 12,657 units of assault rifles from the same supplier, to be delivered also in the second semester of 2014, bringing the total number of procured rifles to 63,286. The remaining amount of P759.31 million will be used for succeeding rifle procurement.

Furthermore, the DND procured 21 units of refurbished UH-1 helicopters,¹⁵³ eight AW-109 attack helicopters,¹⁵⁴ two AW-109 naval helicopters,¹⁵⁵ two light lift aircraft,¹⁵⁶ and three medium lift aircraft.¹⁵⁷

Table 28: Fund Releases for the AFPM/CUP

Administration	Amount (in P billion)	Completed Projects
Aquino (2010-Present)	41.38	39
Arroyo (2001-2010)	26.22	45
Estrada (1998-2001)	5.53	0
Ramos (1995 ^a -1998)	0	0

^a The AFP Modernization Act (RA 7898) was enacted on 23 February 1995. However, Congress issued Joint Resolution No. 28 (JR 28) on 19 December 1996, which embodies the 15-year implementation period of the AFPM/CUP, along with the approval of the fund requirements to implement it.

Source: DND

In December 2012, the President signed RA 10349 (An Act Amending RA 7898, Establishing the Revised AFP Modernization Program and for Other Purposes) to extend the implementation of the AFPM/CUP for another 15 years. Under this extended program, 24 projects worth P85.29 billion shall be procured until 2017. Of said amount, P9.74 billion has been released for the partial payment of 12 FA-50 fighter aircrafts¹⁵⁸ (P4.94 billion) and the payment for eight Bell combat utility helicopters (P4.8 billion).¹⁵⁹ Other projects to be procured include two anti-submarine helicopters and three air defense surveillance radar systems.

Aside from the equipment to be procured under the AFPM/CUP, the Philippine Navy, on 24 May 2014, also completed the upgrading of the Naval Forces West (NFW) Command Center (NFWCC) which now has secure communications equipment, used to provide timely and relevant

¹⁵³ Four units arrived on 08 June 2014, while the remaining 17 units are expected to be delivered in the second semester of 2014.

¹⁵⁴ All units are expected to be delivered in the third quarter of 2015.

¹⁵⁵ All units are expected to be delivered in the first quarter of 2015.

¹⁵⁶ Units are expected to be delivered in the first and third quarter of 2015.

¹⁵⁷ Units are expected to be delivered in the first and third quarter of 2015.

¹⁵⁸ The first two units are expected to be delivered by yearend 2015, while the rest of the units are expected to be delivered until 2017.

¹⁵⁹ All units are estimated to be delivered by yearend 2015.

information for maritime situational awareness, common operating picture, and collaboration.

- b. **Normalizing CPP-NPA-NDF-affected Provinces.** The normalization process of CNN-affected provinces started in 2008, wherein the AFP, PNP, the Provincial Government, and other stakeholders (i.e., civil society organizations) declare a province as peaceful, manageable, and ready for development. During the process, the AFP ensures that the level of threat is within the competency of the PNP, which shall handle the primary role of internal security. The process culminates with the declaration of the province as cleared or insurgency-free by the AFP, PNP, and the Provincial Government.

Of the 75 CPP-NPA-NDF-affected provinces, 31 were placed under the normalization process during this Administration, while 14 were placed under normalization during the previous administration. Since 2008, ten provinces¹⁶⁰ have been declared cleared from CNN influence. Furthermore, in 2013, the PNP apprehended 56 NPA members, accepted the surrender of 16 others, and recovered 70 firearms. In 2014, high-profile NPA members arrested include the CPP-NPA Chairman and Secretary General.

- c. **Agusan Encounter.** On 30 July 2011, then Police Station Chief Inspector Charity Galvez led 29 police personnel in fighting more or less 250 armed rebels that attacked the Trento Municipal Police Station in Agusan del Sur. Inspector Galvez and her team repelled the rebels after an hour-long battle, which left one civilian dead and two police personnel wounded.

Inspector Galvez was promoted to Senior Inspector rank on 30 July 2011¹⁶¹ and was awarded the *Medalya ng Katapangan* by the President during the 110th Police Service Anniversary on 08 August 2011.

3. Protected Territorial Integrity through the Promotion of the Rule of Law

In its commitment to the principle of the rule of law, the Philippines resorted to international arbitration under the United Nations Convention on the Law of the Sea (UNCLOS) as a rules-based and durable means to peacefully settle disputes in the South China Sea and West Philippine Sea. Following the government's initiation of arbitral proceedings in January 2013, the Philippines submitted its Memorial¹⁶² to the Arbitral Tribunal, on 30 March 2014, presenting the merits of the case with respect to the issue. The Memorial contains the

¹⁶⁰ The provinces of Biliran, Guimaras, Siquijor, Marinduque, La Union, and Romblon were declared cleared during the previous administration, while the provinces of Camiguin, Southern Leyte, Batanes, and Pampanga were declared cleared during this Administration.

¹⁶¹ Pursuant to Section 33 (b) of RA 8551 (Authority: Special promotion upon instruction of President Benigno S. Aquino III dated 08 August 2011)

¹⁶² The "memorial" is the legal term for the presentation to a body (if it is to a court, the memorial is called a petition). In this case, it is the PH's presentation to the Arbitral Tribunal explaining the PH's case.

Philippines' analysis of applicable laws, specific relief sought in regard to each of its claims, documentary evidence, and maps that support its claims.¹⁶³

The Philippines also utilized diplomatic channels to protest unilateral actions in the region that escalate tension, such as the imposition of a fishing ban in some parts of the South China Sea and the reclamation activities in Mabini, Gaven, McKennan/Hughes, and Calderon Reefs.

With respect to our region's maritime disputes, our commitment is clear: to secure our country's territorial integrity and sovereignty within the framework of international law; to ensure that the rights of all for freedom of navigation and all other peaceful uses of the sea are respected; and to energize bilateral partnerships and regional institutions to enhance mutual and inclusive security in the maritime dimension.

The Philippines is joined by its long-time strategic partners, its ASEAN neighbors, and other countries in the call for a peaceful and rules-based approach in settling disputes.

And as a testament to their commitment to peaceful settlement of disputes and the rule of law, the Philippines and Indonesia, on 23 May 2014, signed the Agreement Concerning the Delimitation of the Exclusive Economic Zone Boundary based on related provisions in the UNCLOS, after 20 years of negotiations.

D. Building Resilient Communities

The Philippines is among the world's most vulnerable countries to disaster risks and hazards,¹⁶⁴ facing an annual average of 20 tropical cyclones alongside other extreme climatic and weather aberrations that have become the new normal.¹⁶⁵ In 2013 alone, the country was devastated by the Bohol Earthquake in October and the Typhoon Yolanda in November, when it was still recovering from Typhoon Pablo that struck in December 2012.

1. Build Back Better: Government Response to Disasters

The government's response to the "new normal" is anchored on the "Build Back Better, Faster, and Safer" principle, which focuses on long-term, sustainable efforts to reduce vulnerabilities and strengthen capacities to cope with future

¹⁶³ The Memorial also includes a demonstration that the Arbitral Tribunal has jurisdiction over all of the claims made by the PH in its Statement of Claim, and that every claim is meritorious. It also shows why the PH is entitled to the specific relief sought.

¹⁶⁴ The Philippines is the third most vulnerable among 173 countries in disaster risks and hazards per the 2012 World Risk Index, which measures communities' exposure to natural hazards and degree of vulnerability.

¹⁶⁵ Lasco and Delfino. "Institutional and Policy Landscapes of Disaster Risk Reduction and Climate Change Adaptation in Asia and the Pacific" (A Joint Project of the World Agroforestry Centre Philippines and the United Nations International Strategy for Disaster Reduction Secretariat Asia Pacific Regional Office. September 2010.)

hazards, essentially: a) building resilient infrastructures; b) exploring sustainable industries/SMEs and typhoon-resilient crops/cash crops; c) developing typhoon-resilient communities/resettlement sites; and d) strengthening social protection mechanisms in affected areas. A major cross cutting theme is the stimulation of the economy and poverty reduction.

a. **Typhoon Yolanda (Haiyan).** Yolanda affected about 1.47 million families within its 50 km radius (or the “Yolanda Corridor”) composed of 171 municipalities and cities, 14 provinces, and six regions (Regions IV-B, V, VI, VII, VIII and CARAGA).¹⁶⁶ It left 6,300 individuals dead, 28,689 injured, and 1,061 missing,¹⁶⁷ as well as 918,261 families displaced and 1,171,469 houses¹⁶⁸ partially or totally damaged.¹⁶⁹ The Yolanda Post Disaster Needs Assessment (PDNA) calculates the damages, losses, and needs requiring government funding at P89.6 billion, P42.8 billion, and P104.6 billion,¹⁷⁰ respectively. In response, the government undertook the following:

- *Immediate Relief and Response*

- Within the 14 days after the typhoon landfall, a total of 1,153,676 family food packs had been distributed in Region VIII. From November to the third week of December 2013, a total of 4,631,382 family food packs (FFP) with 3¹⁷¹/6¹⁷² kg rice, including canned goods, sachets of coffee, and noodles, were distributed to affected families in Regions IVB, V, VI, VII, VIII, and CARAGA. From 16 December 2013 to 21 June 2014, a total of 786,004 FFPs with 25kg¹⁷³ of rice were distributed to affected families in Tacloban City, Leyte, Eastern Samar, Western Samar, Biliran, and Southern Leyte in Region VIII. FFPs distribution is targeted to be undertaken until August 2014, subject to further assessments and validation.
- To provide health interventions, the government has facilitated the deployment within 14 days after the typhoon landfall of 170 medical teams¹⁷⁴ composed of 2,881 medical personnel in Villamor Airbase, Tacloban City, Ormoc City, and other areas in Leyte, Eastern Samar,

¹⁶⁶ A total of 44 out of the 81 provinces were affected by the typhoon.

¹⁶⁷ Numbers cited account for the data in all affected areas by the typhoon (i.e., 44 provinces).

¹⁶⁸ 966,341 in Safe Zones (449,127 totally damaged, 517,214 partially damaged), 205,128 in Unsafe Zones

¹⁶⁹ Totals for displaced families and partially or totally damaged houses only account for data within the typhoon’s 50 km radius (i.e., 14 provinces).

¹⁷⁰ The term “damages” in the Yolanda-PDNA refers to the pre-disaster value of affected assets and takes into consideration depreciation cost. On the other hand, “needs” refers to the amount needed to bring back normalcy and takes into consideration inflation. Given this, and in compliance with the “build back better, faster, and safer” principle, the cost for “needs” is greater than “damages.”

¹⁷¹ An FFP with 3-kg rice includes four canned goods, four noodle packs, and four 3in1 coffee sachets, which can feed a family of five for one day and is worth P250.

¹⁷² An FFP with 6-kg rice includes eight canned goods, eight noodle packs, and eight 3in1 coffee sachets, which can feed a family of five for two days and is worth P500.

¹⁷³ To better manage logistical requirements of FFP distribution, FFPs with 25-kg of rice were distributed. An FFP with 25-kg rice includes 20 pieces of canned goods, 20 sachets of coffee, and 20 noodle packs.

¹⁷⁴ Composed of 15 Local Teams, 73 DOH Teams, and 82 Foreign Teams

Western Samar, Cebu, Iloilo, Capiz, and Palawan. As of 15 May 2014, this has increased to 351 teams¹⁷⁵ composed of 5,075 personnel.

- To ensure peace and order, the following assets were deployed within 14 days after the typhoon landfall: 1,260 policemen (on top of 6,453 policemen prepositioned prior to Yolanda landfall); 8,528 AFP personnel (on top of the 15,000 prepositioned); and 317 Bureau of Fire Protection personnel (on top of the 820 organic in the region).
- Within 14 days after the typhoon landfall, all affected airports and seaports resumed operations¹⁷⁶ and 3,426 km of national roads were cleared of debris and made passable facilitating the transport of goods and humanitarian teams.
- To augment FFP distribution, Cash-for-Work (CFW) activities were implemented, which provided household heads with cash¹⁷⁷ in exchange for doing an average of ten days community work in disaster related operations¹⁷⁸ (e.g., handling/hauling of relief goods and clearing of debris). From November 2013 to April 2014, a total of 34,498 households benefited from CFW in Regions IV-B, VI, VII, and VIII, with a total cost of P21,137,996.
- With the assistance of NGOs and the UN, more than 548,551 households have benefited from emergency shelters, such as tarps and tents.
- *Adoption of the Bottom-Up or Phased Implementation Approach.* To fast track the rehabilitation process, the Bottom-Up or Phased Implementation Approach was adopted by the Presidential Assistant for Reconstruction and Recovery (PARR), which allows LGUs to formulate their respective LGU Rehabilitation and Recovery Plans (LRRPs) based on their needs assessment. LRRPs are vetted by Clusters¹⁷⁹ and then submitted to the President for approval. Once approved, LRRPs form part of the Comprehensive Rehabilitation and Recovery Plan (CRRP).

On 25 July 2014, the President approved the LRRPs of the provinces of Cebu, Leyte, Samar, Eastern Samar, Iloilo, and Tacloban City. The total budgetary requirements of the approved LRRPs are P96,958,680,146.

¹⁷⁵ Composed of 34 Local Teams, 126 DOH Teams, and 191 Foreign Teams

¹⁷⁶ Except for the Estancia Port

¹⁷⁷ Beneficiaries are paid based on Regional Minimum Wage.

¹⁷⁸ The ten days community work may be extended based on DSWD's assessment of the need to complete a certain CFW activity.

¹⁷⁹ The OPARR adopted the Cluster Framework Approach, wherein line agencies involved in the reconstruction and recovery were organized into Clusters (i.e., Infrastructure, Resettlement, Social Services, Livelihood, and Support).

- *Development of the Comprehensive Rehabilitation and Recovery Plan.*¹⁸⁰ Targeted to be completed in August 2014, the CRRP contains short, medium, and long-term plans and programs to be implemented at the national and local levels. It requires an estimated funding amounting to P169.72 billion.

The CRRP adheres to the “Build Back Better, Faster and Safer” principle.¹⁸¹ Currently, areas safe for construction in the Yolanda Corridor are identified based on the existing and updated hazard maps of the DOST and DENR. These hazard maps are being collated by the Yolanda Rehabilitation Scientific Information Center (YORInfoCenter), a one stop shop/repository of hazard data produced by the DOST and DENR. On 13 June 2014, the center completed collating the multi-hazard maps for Tacloban City, Cebu, Western Samar, and Leyte. DENR has identified the location of 100 proposed relocation sites.¹⁸² Data from the center will be used to determine the safety of these sites, and consequently serve as a critical consideration in the implementation of reconstruction initiatives.

- *Budget Allocation and Releases for Typhoon Yolanda Reconstruction and Recovery.* To ensure smooth transition from relief to early recovery, the government has released a total of P35.2 billion¹⁸³ as of 30 June 2014 to various government agencies for the implementation of critical immediate projects as identified by concerned government agencies.¹⁸⁴
- *Promotion of Transparency through Information Technology*
 - The Foreign Aid Transparency Hub (FAiTH) is a government website set up to ensure transparency and good management of the resources given by the international community by posting the amount and status of foreign aid pledged by the donor-countries.¹⁸⁵

¹⁸⁰ Based on the PDNA and RAY Plan, among others

¹⁸¹ To operationalize this, the DPWH, under its Structural Resiliency Program, issued a Minimum Performance Standards and Specifications for public buildings, to be used in the reconstruction of typhoon-damaged LGU infrastructure and facilities.

¹⁸² The OPARR is proposing the following classification of Yolanda-affected areas with respect to hazards, to be operationalized by government’s line agencies’ issuance of appropriate policies or zoning ordinances by local governments : a) Safe Zones, where hazards are low to moderate and thus, construction of buildings are allowed; b) Controlled Zones, where hazards are moderate to high and construction of building is allowed but with measures to mitigate the hazards; c) Unsafe Zones, where hazards are extremely high and mitigating measures are not economically feasible or unavailable.

¹⁸³ The P35.2 billion fund for the Typhoon Yolanda reconstruction and rehabilitation was sourced from the 2012 and 2013 Continuing Appropriations; 2013 Internal Savings of NGAs; over-all government savings for 2013; 2013 Unprogrammed Funds, and 2014 Supplemental Appropriations.

¹⁸⁴ Includes the provision of *banca* and other fishing paraphernalia to affected fishermen by the DA-BFAR, construction of makeshift classrooms by the DepEd, and repair of government buildings by the DILG

¹⁸⁵ Donor countries and organizations have the prerogative to course aid through their own development agencies or through other humanitarian organizations. Foreign aids not coursed through Philippine government agencies will be recorded in the portal but will not be tracked.

As of 02 July 2014, the total foreign aid pledged has reached P34.07 billion, of which P15 billion has been received.

- FAiTH 2.0, which was launched on 30 April 2014, allows embassies to electronically edit or input cash and non-cash pledges to enhance accuracy of foreign aid information.¹⁸⁶ Sixty-four partner countries and seven multilateral organizations have been given access to the system.
- Targeted to be operational by October 2014, a database called “eMPATHY: electronic Management Platform: Accountability and Transparency Hub for Yolanda” is being developed to contain pipelined, ongoing, and completed projects for Yolanda recovery funded by the national and local government, private sector, bilateral and multilateral donors, and national and international NGOs.
- *Provision of Transitory and Permanent Housing Assistance*
 - For the repair of totally or partially damaged houses in Safe Zones, shelter kits¹⁸⁷ were provided to 11,486 families or 47 percent of the targeted 24,540 families in Palo and Tanauan in Leyte and Guiuan in Eastern Samar as of 14 May 2014. Priority are families listed in the NHTS-PR and the LGU-identified poor.
 - Families, whose houses were either totally damaged or located in Unsafe Zones, are provided with bunkhouses/transitional houses. As of 24 June 2014, a total of 4,267 families have been transferred to 267 bunkhouses in Regions VI (20 bunkhouses) and VIII (247 bunkhouses).
 - Out of the needed 205,128 permanent housing units to be constructed, 253 units in Tacloban City have been completed while 2,965 units are undergoing construction in Roxas City, Dumangas, Tacloban City, Tanauan, and Palo. A total of 185,000 permanent housing units have likewise been programmed for construction.
- *Livelihood Interventions*
 - Government’s livelihood programs generated a total of 221,897 jobs, which include emergency employment, provision of *bancas*, fishing gears, farm implements, and loans.

¹⁸⁶ The inputs may be printed as PDF, to be subsequently attached in their respective Note Verbale for submission to the DFA. The DFA will authenticate/verify each electronic submission prior to publication in the FAiTH portal.

¹⁸⁷ A kit includes a minimum of ten to a maximum of 20 CGI sheets, a hammer, a handsaw, common wire nails and umbrella nails.

- The Cash for Building Livelihood Assets (CBLA) provides one working age member of poor families¹⁸⁸ with cash equivalent to 75 percent of the prevailing minimum wage in exchange for a 10 day-work¹⁸⁹ to rebuild livelihood assets destroyed during the typhoon. As of 11 July 2014, a total of 54,301 families in Regions IV-B, VII, and VIII have received a total of P98,500,775 for participating in CBLA projects through their respective local governments. For ongoing CBLA projects, a total of 112,214 families in Regions IV-B, VII, and VIII will receive P333,310,205, which has been transferred to concerned local governments for pay-out.

A total of 13,962 fisher folks had their fishing boats either repaired or were provided with engines. A total of 1,798 were provided with new motorized fishing boats, and 20,519 were beneficiaries of fishing gears and other equipment such as chest freezer and dryer. Likewise, about 11,600 farmers were provided with seedlings and farm implements and benefited from animal restocking.

- *Rebuilding Infrastructures*

- Out of the total 116.3 km of national roads that need rehabilitation and reconstruction, 7.524 km have been completed as of 30 June 2014, while the reconstruction of the remaining 108.8 km is ongoing. All 22 damaged national bridges are presently being reconstructed and are due for completion by the end of 2014.
- As of 25 July 2014, all 7,052 barangays (100 percent) that experienced power disruption in the Yolanda Corridor had their electric distribution system repaired. A total of 7,049 barangays had their power restored while three island barangays (Botigues, Doong and Lipayran islets) in Bantayan Island are ready to receive power pending compliance with the load requirements of the National Power Corporation-Small Power Utilities Group.¹⁹⁰
- A total of six airports were damaged by the typhoon. As of 15 July 2014, repair of two airports (Roxas City and Kalibo) have been completed. Repair of the remaining four (located in Tacloban City,

¹⁸⁸ In cases of limited manpower, additional participants from each family may be included. Priority beneficiaries are families under DSWD's *Listahanan*—a system that identifies who and where the poor are, displaced families whose heads did not have employment prior to Yolanda, families whose heads are engaged in informal labor (e.g., street vending).

¹⁸⁹ Includes river dredging and embankment, digging and dredging of canals and irrigation systems, and restoration of farmlands, farm-to-market roads, public markets, and schools, among others

¹⁹⁰ The three barangays are located in an area served by the National Power Corporation-Small Power Utilities Group (NPC-SPUG). NPC-SPUG plants are designed to supply power for a certain amount of demand from households. If the plants run when there is not enough demand for the load, the excess will not only be wasted, but its operation would damage the plant.

Roxas, Busuanga, Ormoc, and Guiuan) are ongoing and expected to be completed by the end of 2014.

- A total of 12 PPA-managed seaports were partially damaged. The repair and rehabilitation of four seaports (Port of Naval, Port of Danao, Port of Culion, and Port of Cuyo) have been completed as of 15 July 2014. The remaining eight ports (Tacloban Port; Ormoc Port; Port of Baybay; Port of Palompon; Port for the municipalities of Dumaguít, Culasi, San Jose de Buena Vista, Estancia, and Fort San Pedro; Port of Lipata, Port of Estancia; and Port of Coron) are undergoing repair and reconstruction targeted to be completed by end of 2014.
 - *Engagement with the Private Sector/Non-Government Organizations.* The OPARR engages the private sector and NGOs as partners in reconstruction and recovery projects. As of 25 July 2014, the following initiatives are either covered by a Memorandum of Agreement, ongoing, or completed: construction of 7,531 permanent houses, 8,681 temporary houses/bunkhouses, 492 permanent classrooms, and 1 health unit; repair of 479 classrooms and 124 health facilities; and provision of 52,135 shelter kits and 2,990 fishing vessels.
- b. **Bohol Earthquake.** On 15 October 2013, a 7.2 magnitude earthquake of tectonic origin damaged 78,229 houses¹⁹¹ and affected 671,099 families or 3.22 million individuals in six provinces¹⁹² of Regions VI and VII, and resulted in P2.26 billion damage to infrastructure.¹⁹³ Hardest hit was the province of Bohol, affecting 261,487 families or 1.26 million individuals. Of which, 90,793 families were displaced, and 76,938 houses were damaged.¹⁹⁴ In response, the government undertook the following:
- *Assistance to Displaced Families.* A total of 36,653 affected families (171,583 individuals) were served in 599 evacuation centers (ECs) and tent cities located in the affected areas. There are no longer families staying in these ECs/tent cities by 30 April 2014. As of 26 July 2014, 1,051 families are in 1,051 transitional shelters in Bohol.¹⁹⁵
 - *Provision of Food Support.* As of 17 July 2014, a total of 350,496 food packs were distributed in Bohol¹⁹⁶ and 21,166 day care children from the

¹⁹¹ 15,933 totally damaged, 62,296 partially damaged

¹⁹² These are Guimaras, Iloilo, Negros Occidental, Bohol, Cebu, and Siquijor.

¹⁹³ The amount covers damage to roads, bridges, flood control, schools, and hospitals, among others, and does not include damage to cultural/historical buildings/sites.

¹⁹⁴ 15,867 totally damaged, 61,071 partially damaged

¹⁹⁵ Located in Catigbian, Clarin, Danao, Loon, Maribojoc, Tubigon, and Sagbayan

¹⁹⁶ Of which 158,671 food packs with 20 kilograms of rice were distributed to the 17 hardest hit municipalities of Bohol and 191,825 with three and six kilograms of rice were distributed to 40 municipalities of Bohol.

17 hardest hit municipalities¹⁹⁷ of Bohol benefited from the Supplemental Feeding Program.

- *Provision of Livelihood Support*

- As of 22 July 2014, a total of 28,016 individuals benefited from DSWD's Cash-for-Work (CFW) program implemented in Bohol's 17 hardest hit municipalities and in Tagbilaran City. CFW activities include construction of damaged houses, repair of community facilities, rehabilitation of roads and water systems, dredging of canals, stevedoring/hauling and repacking.
- Under the CBLA of the DSWD, a total of P13.10 million was allocated to assist 3,999 beneficiaries in Bohol to engage in activities such as coconut seedling planting, seaweed planting, rehabilitation of small farm reservoir, and agri-infrastructure rehabilitation.
- Implemented in the municipalities of Maribojoc, Loon, Calape, Tubigon, Antequera, Catigbian, Sagbayan, and San Isidro, Skills-Training and Emergency Employment towards Recovery in Bohol (STEER-Bohol), a convergence among TESDA, DOLE, DSWD, UNDP, and LGUs, aims to develop beneficiaries' skills in carpentry, masonry, plumbing, electrical installation and maintenance. Beneficiaries attend lectures for the first five days and participate in actual construction work for the following 15 days, during which they earn P297 per day. From November 2013 to July 2014, the program produced 785 graduates, who constructed a total of 26 houses.
- The Bohol Emergency Employment Program (BEEP) employs victims of earthquake to work for a minimum period of 15 days in government projects identified by the Provincial Government of Bohol. Workers are paid an amount equivalent to the prevailing minimum wage.¹⁹⁸ With a budget of P16,314,589.50,¹⁹⁹ the program has benefited 3,400 workers as of July 2014.

- *Provision of Emergency and Permanent Housing Assistance*

- A total of 38,801 families with damaged houses in nine municipalities in Bohol (Maribojoc, Antequera, Carmen, Tubigon, San Isidro, Catigbian, Sagbayan, Loon, and Calape) will be provided around P10,000 worth of Home Materials Assistance (HOMA)²⁰⁰ by NHA

¹⁹⁷ These are Antequera, Balilihan, Buenavista, Calape, Carmen, Catigbian, Clarin, Corella, Cortes, Danao, Inabanga, Loon, Maribojoc, Sagbayan, San Isidro, Sevilla, and Tubigon.

¹⁹⁸ As of July 2014, the daily minimum wage in Region VII ranges from P295 to P340 in non-agriculture and from P275 to P322 in agriculture.

¹⁹⁹ P12,954,789.50 from DOLE and P3,359,800 from the International Labour Organization

²⁰⁰ These include corrugated G.I. sheets, coco lumber, cement, and nails.

through their respective LGUs. Checks amounting to around P388 million have been released to the LGUs.

As of July 2014, HOMA distribution in five municipalities (Maribojoc, Antequera, Sagbayan, Loon, and Calape) has been completed, benefiting a total of 22,678 families. HOMA distribution in the remaining four municipalities is 80 percent completed and is targeted for completion by end-August 2014.

- Under the DSWD Emergency Shelter Assistance (ESA) program, a total of P346.88 million was allocated to provide housing materials in the form of shelter kits worth P10,000 each²⁰¹ to 34,688 families with partially damaged houses. Of the target, 22,223 families have been provided with assistance as of 25 July 2014. The provision of assistance for the remaining 12,465 families is targeted to be completed by July 2015.
- A total of 9,474 permanent housing units are targeted for construction in the 17 hardest hit municipalities of Bohol. Of this number, 8,083 units, with a total cost of P565.81 million, will be constructed under the DSWD's Core Shelter Assistance Program (CSAP)²⁰² while private organizations²⁰³ will construct 1,391 housing units.²⁰⁴ DSWD targets to complete about 2,500 units by October 2014 and the rest by February 2015.
- *Power Restoration.* The earthquake damaged electric distribution lines resulting in power outage in the whole province of Bohol. Power has been restored in all of the affected areas as of 21 October 2013.
- *Rebuilding Infrastructures.* The government has completed the rehabilitation and emergency repair of the 25 identified critical infrastructure projects in Bohol by 01 May 2014.

Repair of damages to the Tagbilaran Airport was completed in January 2014 while repair of damages to 15 ports in Bohol and Cebu (e.g., Tagbilaran, Tubigon, Catagbacan and Talibon ports in Bohol; and Carmen port in Cebu) are mostly ongoing and will be completed in 2014 and 2015 with one project²⁰⁵ to be completed in August 2016.

²⁰¹ Beneficiaries have three construction kit options, namely Timber Kit, Masonry Kit, and Galvanized Iron Roof/Repair Kit.

²⁰² In coordination with Habitat for Humanity

²⁰³ Such as Bohol Chamber of Commerce, Latter Day Saints, Diocese of Tagbilaran, Catholic Relief Services, IDEA Phil., Life Foundation, World Vision, and Life for Health

²⁰⁴ There is no timeline provided for the housing units to be constructed by private organizations.

²⁰⁵ This is the construction of Tagbilaran Port Administration Building.

- *Reconstruction and Restoration of Cultural Properties* Twenty-five cultural properties²⁰⁶ in Bohol, Cebu, and Eastern Samar damaged during the earthquake are being reconstructed and restored. As of 08 July 2014, various activities (e.g., digital scanning of these cultural sites, preventive conservation of retrieved items, and construction of temporary laboratory and storage facilities) are being conducted to recover the displaced portions of these properties that may still be restored, as well as secure and protect the damaged immovable portions.
- *Funding Assistance.* A total of P3.583 billion was released to address the damages caused by the earthquake. Of this amount, P2.486 billion was downloaded to DILG to augment the rehabilitation requirements of Bohol (P2.39 billion) and Cebu (P23.86 million).²⁰⁷ This funding shall cover the cost to rebuild damaged local infrastructures in the two provinces, such as city/municipal buildings, public markets, civic centers, barangay facilities, bridges, and water systems.

As of 25 July 2014, all recipient LGUs in Bohol are preparing the detailed Program of Work (POW) and other documents required. A Provincial Project Management Team has already been created to review the POWs submitted by the LGUs.

- c. ***Typhoon Pablo (Bopha).*** Pablo was the strongest tropical cyclone to make landfall in 2012, affecting more than 711,682 families (6.24 million individuals) from Regions IV-B, VI, VII, VIII, IX, X, XI, XII, CARAGA, and ARMM, and resulting in damage costing P43.2 billion. Compostela Valley and Davao Oriental, which recorded 253,820 affected families or 1.27 million individuals, 130,104 damaged houses,²⁰⁸ and P40.23 billion worth of damage, were the hardest hit provinces. The following are the government's rehabilitation efforts in said provinces:
 - *Provision of Educational Assistance.* A total of P5.83 million was released to provide educational assistance to 1,324 affected high school and college students in Compostela Valley (781) and Davao Oriental (543). The amount of assistance was dependent on the billing statement issued by the schools, which ranged from P450 to P5,000 per student.

²⁰⁶ Of which, 16 are in Bohol: Baclayon Church Complex, Loboc Church Complex, Dauis Church Complex and Watchtower, Maribojoc Church Complex, Loon Church Complex, Loay Church Complex, Dimiao Church Complex, Cortes Church Complex, Panglao Watchtower, Panglao Church Complex, Albuquerque Church Complex, Bohol Provincial Capitol, Balilihan Watchtower, Punta Cruz Watchtower, Pamilacan Island Watchtower, and Loay Watchtower; eight are in Cebu: Sto. Niño de Cebu Basilica Complex, Cebu Metropolitan Cathedral Complex, Magellan's Cross Pavillion, Dalaguete Church Complex, Carcar Church Complex, Sibonga Church Complex, Museo Sugbu Complex, and Fort San Pedro; and the Guian Church Complex in Eastern Samar, which was also affected by Typhoon Yolanda. (MOA between NCCA, NHCP, NM and TIEZA signed on 28 March 2014)

²⁰⁷ The remaining P72.40 million cover the administrative costs incurred by the DILG.

²⁰⁸ 65,887 totally damaged, 64,217 partially damaged

- *Provision of Emergency and Permanent Housing Assistance*
 - The government has allocated P289.88 million for the provision of shelter kits for the repair of partially damaged houses of 28,988 families in Compostela Valley (13,112) and Davao Oriental (15,876). As of 15 July 2014, a total of 28,794 families in Compostela Valley (13,648) and Davao Oriental (15,146) were provided with shelter kits while the remaining 194 families will also be given assistance within 2014.
 - To provide on-site permanent housing to families with totally damaged houses, a total of P2.31 billion was allocated for the construction of 32,643 permanent housing units in Compostela Valley (12,763) and Davao Oriental (19,880). Of the target, 4,118 have been completed, of which, 3,966 have been turned over to the beneficiaries as of 01 July 2014,²⁰⁹ while the remaining 28,525 units are to be completed by December 2014.²¹⁰
 - In addition, for families with totally damaged houses located in danger zones, a total of P4.08 billion was allocated to construct 17,480 off-site permanent housing units in Compostela Valley (14,089) and in Davao Oriental (3,391). As of 10 July 2014, 9,179 houses have been completed, while the remaining 8,301 units are targeted to be completed and turned over²¹¹ within November 2014.
- *Rebuilding Infrastructures.* The rehabilitation and repair of 14 national roads with a total cost of P108.3 million was completed by March 2014. Of the 11 national bridges to be rehabilitated, one project has been completed, nine projects are on-going and one is under pre-construction.
- *Restoration of Electricity.* Typhoon Pablo caused power outages in all 183 barangays of the ten municipalities and City of Mati in Davao Oriental. Power was restored in all affected areas by 29 March 2014.
- *Livelihood Efforts*
 - From 2013 to 15 July 2014, the government's livelihood efforts assisted 147 MSMEs, provided support (e.g., provision of training and equipment) to develop 82 new MSMEs, created 3,774 jobs, and generated domestic and export sales amounting to P8.7 million.

²⁰⁹ The remaining 152 units will be turned over on 08 August 2014.

²¹⁰ Of which, 503 units are targeted to be completed by 31 July 2014 and turned over on 08 August 2014, and 709 units are targeted to be completed and turned over on or before 15 August 2014.

²¹¹ Turnover of the 9,179 completed units will be determined through the Provincial Inter-Agency Committees.

An example of these livelihood efforts is the “Hot Pablo” Chili Project, which was launched by the government to assist affected farmers, majority of whom were coconut and corn farmers in Davao Oriental. From 2013 to 30 June 2014, the project assisted 24 MSMEs (through provision of training and equipment, etc.) and 1,879 chili farmers, created 2,630 new jobs, and generated domestic and export sales amounting to P5.45 million and US\$51,761.36, respectively.

- From 2013 to June 2014, a total of 6,295 individuals in Compostela Valley (4,179) and Davao Oriental (2,116) were given Livelihood Skills Training (e.g., dressmaking, food processing and preservation, skills training on organic agriculture, automotive servicing, computer hardware servicing, and massage skills training). Training for another 6,341 individuals will be completed by November 2014.
 - From 2013 to June 2014, a total of P16.48 million was released for the capital assistance of 2,054 Self-Employment Assistance-Kaunlaran (SEA-K)²¹² participants in Compostela Valley (1,774) and Davao Oriental (280).
- d. **Zamboanga Crisis.** On 09 September 2013, the MNLF-Nur Misuari Group attacked Zamboanga City, which resulted in an armed encounter between government troops and the MNLF- Misuari faction. The MNLF-Misuari faction held civilians in several barangays,²¹³ and used 197 civilians as hostages/human shields, of which 195 were successfully rescued. The government deployed a total of 5,899 AFP and PNP personnel²¹⁴ during the armed conflict. The conflict, which lasted 21 days, left 245 people killed and 273 others wounded.

- *Affected Population*

- A total of 23,794 families (118,819 individuals) in Zamboanga City were displaced by the conflict. During the peak of the conflict, a total of 18,110 families (78,747 individuals) stayed in Evacuation Centers (ECs), while the rest stayed with their relatives in safer areas.
- A total of 3,194 families (16,995 individuals) are still living in five ECs as of 15 July 2014,²¹⁵ while a total of 1,582 families (8,590

²¹² The SEA-K Program is a livelihood and capability building program aimed at enhancing the socio-economic skills of poor families towards establishing and managing sustainable community-based credit organizations for entrepreneurial development.

²¹³ Sta. Catalina, Talon-Talon, and Kasanyangan

²¹⁴ 2,626 AFP personnel and 3,273 PNP personnel

²¹⁵ These are JFESC-Grandstand, Cawa-cawa Shoreline, Talon-Talon Elementary School, Don Gregorio Memorial Elementary School, and Zamboanga City East Central School.

individuals) are in seven transitory sites as of 15 July 2014.²¹⁶ Most of the families who left the ECs have returned to their houses, or opted to live with their relatives.

- *Assistance to Internally Displaced Families*
 - The DSWD provided relief assistance worth P277.83 million, such as food packs²¹⁷ and non-food items (e.g., blankets, mosquito nets, hygiene kits).
 - As of 25 July 2014, the government has released P39.35 million for the construction of the transitory sites. The DSWD also maintains a health center at the Joaquin F. Enriquez Jr. Sports Complex (JFESC), one of the evacuation centers.
 - The DOH provided assistance worth P19.81 million, which includes the provision of essential drugs, medicines, and supplies; hospitalization services; and water, sanitation, and hygiene (WASH) services. Partner/development agencies²¹⁸ have also extended assistance worth P1.58 million, which includes the provision of jerry cans and hygiene kits, among others.

²¹⁶ These are JFESC-Grandstand Bunkhouses; Tulungatung Transitional Shelter; Taluksangay Transitional Shelter; PTSI-Philippine Tuberculosis Society Incorporated, Inc., Upper Calarian; Rio Hondo Transitional Shelter; Masepla, Mampang Transitional Shelter; and Sta. Catalina Transitional Shelter.

²¹⁷ The DSWD ended the regular family food packs distribution in December 2014. However, distribution of rice packs to families who transferred from ECs to the transitory sites is ongoing and will last until they are able to transfer to permanent shelters.

²¹⁸ i.e., UNICEF, Action Contre La Faim

Table 29: Number of Individuals/Families Served (as of June 2014)

Services	Individuals/Families Served
Health (consultations, treatment, and surgical operations)	42,294 patients ^a
Nutrition (food supplementation)	650 individuals
Mental Health and Psychosocial Support	1,249 patients
WASH Services	
jerry cans ^b	2,982 families
hygiene kits ^c	3,061 families
hyposol [waterine]	936 families

^a These patients were seen and treated at the City Health Office; four Rural Health Units in Mampang, Tetuan, Talon-talon, and Divisoria; and medical posts located in two evacuation centers (i.e., JFESC and Cawa-cawa shoreline).

^b A jerry can may be used in storing clean water and is essential in the prevention of water-borne diseases especially during emergencies.

^c A hygiene kit contains the following: toothbrush (5 pieces), toothpaste (5 sachets), nail cutter (1 piece), bath soap (2 bars), laundry soap (2 bars), malong, for single person (2 pieces), plastic dipper (1 piece), plastic pail (1 piece), sanitary pads (8 pieces), and undergarments (6 pieces: 3 for male and 3 for female).

Source: DOH

- The DSWD has put up an endowment fund of P500,000 in Zamboanga City Medical Center to address the medical needs of internally displaced persons (IDPs) with financial constraints. From 18 March to 18 April 2014, a total of 241 clients benefited from the fund.
- The DSWD provided livelihood assistance to 2,000 IDPs through the SEA-K, of which:
 - 970 were provided P9.7 million capital seed fund for start-up entrepreneurial endeavor as of 30 June 2014;
 - 645 IDPs have recently completed training and will be given P6.5 million capital seed fund by the second week of August 2014; and
 - 385 IDPs will undergo training from August to September 2014 and will be provided capital seed fund by the 4th week of September 2014.
- From September to December 2013, TESDA provided 43 skills training programs (e.g., massage therapy and reflexology, food processing, mat-weaving [specifically designed for Badjao women], baking, plumbing, etc.), which benefited 983 beneficiaries, of whom about 74 percent are women. TESDA Region IX's regular budget funded the training program worth P500,000.
- *Zamboanga City Roadmap to Recovery and Reconstruction (Z3R)*. The DPWH, together with the Zamboanga City Government and the UP Planning and Development Foundation (PLANADES), crafted the Z3R which shall focus on the redevelopment of the six barangays affected by

the crisis. The Z3R has a total estimated budget of P3.5 billion²¹⁹, broken down as follows:

- P1.39 billion for shelter assistance to the 7,759 families²²⁰ whose houses were directly affected by the armed conflict:
 - Construction of 7,176 permanent housing units (5,087 houses-on-stilts and 2,089 housing on land²²¹) by June 2015; and
 - Provision of Home Materials Assistance (HOMA) worth P30,000 per family to 1,661 families.
- P258.2 million for land acquisition for housing sites and right-of-way for road/drainage;
- P648.9 million for land development covering road and drainage, housing site development, fishpond fencing, flood gates, and mangrove reforestation;
- P143.7 million for the security covering land acquisition, land development, and construction;
- P821 million for rehabilitation of damaged infrastructure, assistance to small and medium enterprises, agriculture, and culture;
- P55.9 million for other assistance to families; and
- P184.1 million for contingency.

In December 2013, P2.57 billion was released to the NHA for shelter and road infrastructure. Of this amount, P878.16 million was transferred to DPWH (as of March 2014) for land acquisition and development.

2. Reinforcing Disaster Risk Reduction and Management

In adapting to the “New Normal”, the government intensified its disaster prevention and mitigation efforts, which include the protection and conservation of forests, generation of maps with more detailed hazards and risk information, improvement of disaster and weather forecasting systems and protocols, and implementation of critical infrastructures.

The government has likewise initiated close international collaboration on disaster risk reduction recognizing its global occurrence and impact. From 04 to 06 June 2014, the government hosted the Asia-Europe Meeting (ASEM) Manila Conference on Disaster Risk Reduction and Management (DRRM) where the *Post-Haiyan Tacloban Declaration* was adopted, committing to advance DRRM cooperation and collaboration, drawing on the best practices developed and lessons learned. It will serve as an input to the Post-2015 Global

²¹⁹ Figures may not add up due to rounding.

²²⁰ The 7,759 families is the revised number based on the latest inventory census jointly done by the LGU and DSWD. (Note: An excess of 1,078 units [difference of number of families to be provided housing units and number of families to be provided with HOMA] is being programmed as buffer considering it is difficult to have the exact number of families that need shelter assistance as many of them are staying on houses on stilts. The actual number of houses to be constructed shall be based on the final validated list of beneficiaries.)

²²¹ Forty-seven units in the Martha Drive Subdivision are expected to be completed by August 2014.

Framework for DRRM, which is expected to be adopted in the Third UN World Conference on Disaster Risk Reduction in March 2015 in Sendai, Japan.

a. ***Long-Term Disaster Risk Reduction Strategies***

- *National Greening Program (NGP)*.²²² Of the targeted 1.5 billion seedlings to be planted in 1.5 million ha from 2011 to 2016, a total of 398.17 million seedlings (26.54 percent) have been planted in 684,148 ha (45.60 percent), generating 1.19 million jobs benefiting 172,099 persons²²³ as of 30 June 2014.
- *Anti-Illegal Logging Campaign*. From January 2011, the start of the log ban, to June 2014, the government has confiscated a total of 27.96 million board-feet (bd-ft.) of illegal logs nationwide. Out of these confiscated logs, a total of 146,295 units/pieces of school furniture (broken down into: 110,875 armchairs, 11,087 desks, and 24,333 other school furniture) have been made and donated to DepEd while 369 school buildings have been repaired.

As of June 2014, municipalities considered as illegal logging hotspots have been reduced by 84.0 percent, from 197 at the start of the ban, to 31. The DENR targets to reduce/neutralize illegal logging operations in the 31 remaining areas by 2016. A total of 1,294 cases have been filed in court against the violators, with 191 convictions during the period. In addition, DENR relieved 75 personnel who were remiss in curbing illegal logging in their areas of jurisdiction.

- *Development of the Philippine Scientific Earth Observation Micro-Satellite (Diwata Program)*. Recognizing the advantages of using satellite-based remote sensing technology, the government will pursue the development of the Philippine Scientific Earth Observation Micro-Satellite or Diwata Program, which is expected to be launched in 2016. It will be the country's first micro-satellite, co-designed and developed by Filipino scientists and engineers²²⁴ with Japan's Hokkaido and Tohoku Universities.

²²² EO 26, "Declaring an Interdepartmental Convergence Initiative for a National Greening Program," dated 24 February 2011

²²³ Data on jobs is from 2011 to second quarter of 2014. One NGP beneficiary can have multiple jobs. Jobs include seedling production and procurement, plantation establishment, and maintenance and protection of plantations.

²²⁴ A multi-disciplinary team in various fields of Science (Physics, Environmental Science and Meteorology, Electrical, Electronics, Mechanical and Geodetic Engineering), composed of qualified Filipino engineers and scientists from the University of the Philippines will be sent to Hokkaido University and Tohoku University for capability building in space missions, micro-satellite architecture, and sensor development and interfacing.

This P800-million program²²⁵ aims to provide real-time high-resolution multi-color²²⁶ and infrared²²⁷ images for disaster risk management. This “eye in the sky” will also enable the government to have a more precise estimate of the country’s agricultural production, provide images of watersheds and floodplains for a better understanding of water available for irrigation, power, and domestic consumption, and information on any disturbance and degradation of forest and upland areas.

b. **Mapping Efforts.** To ensure that hazard and risk information are available at the community level for disaster prevention and mitigation, the following mapping efforts are being undertaken by the government:

- *GMMA READY Project.*²²⁸ Targeted to be completed in March 2015, the project aims to generate enhanced multi-hazard maps²²⁹ for the Greater Metro Manila Area (GMMA) including the provinces of Laguna, Cavite, Bulacan, and Rizal. As of 10 July 2014, the following maps have been completed: a) flood, rain-induced landslide, storm surge, and earthquake hazard maps at 1:5,000 scale for Metro Manila; b) flood, rain-induced landslide, storm surge, and earthquake hazard maps at 1:10,000 scale for selected areas in Rizal, Bulacan, Laguna, and Cavite; and c) enhanced flood and rain-induced landslide maps²³⁰ at 1:50,000 scale for Rizal, Bulacan, Laguna, and Cavite.
- *Project NOAH.* The Nationwide Operational Assessment of Hazards (NOAH) Project is an integrated early warning system that aims to provide a six-hour lead time warning against impending floods, as well as improve the warning system on weather and related hazards. These are made possible by the following mapping efforts:
 - The Enhancing Landslide Hazard Mapping through Light Detection and Ranging (LiDAR) aims to enhance landslide susceptibility maps for all regions through LiDAR, a technology that produces 3D maps to identify areas vulnerable to storm surges, coastal erosion and

²²⁵ Full project cost from 2014 to 2016, which includes, among others, the construction of the micro-satellite and its sensors; launching of the first micro-satellite; equipment expenditures of research and instructional facilities; and scholarships and trainings of engineers and scientists.

²²⁶ High resolution, multi-colored imaging for flood, inundation, and tsunamis; fishery (identification of best fishing and over-fished locations, yield estimation); forestry (carbon management); climatology; air pollution; and smart agriculture (coverage and yield).

²²⁷ Infrared imaging for forest fire and sea surface temperature (for drought and crop assessment and forecasting)

²²⁸ Or “Enhancing Greater Metro Manila’s Institutional Capacities for Effective Disaster/Climate Risk Management Towards Sustainable Development”

²²⁹ Multi-hazard maps identify areas that are prone to various natural hazards such as ground ruptures, ground shaking, liquefaction, earthquakes, tsunamis, volcano-related hazards and rainfall-induced landslides and flooding.

²³⁰ Under the GMMA READY Project, the flood and rain-induced hazard maps of these provinces were enhanced by integrating the major events and changes (e.g., Typhoon Cosme in 2008 and Typhoon Ferie in 2009), which happened/occurred in these areas since they were first mapped under the 2006–2012 READY Project.

flooding. Landslide maps of 59²³¹ out of 81 provinces have been enhanced using high resolution imageries, historical landslide data, and cutting edge modelling technologies. The project is expected to be completed by end-2014.

- Disaster Risk Exposure Assessment for Mitigation-LiDAR (DREAM-LiDAR) Project aims to produce 3D high-resolution maps²³² of the country's 20 river systems, their watersheds and floodplains, 18 of which are major river basins²³³ and two are additional river systems requested by concerned LGUs.²³⁴ As of 16 June 2014, LiDAR-mapping and flood modelling of 19 river systems²³⁵ have been completed and the remaining river system (Agus) is expected to be completed by end-2014. This project was awarded for Excellence in Policy Implementation by the prestigious World Geospatial Forum in May 2014 held in Geneva, Switzerland.
- Project NOAH's modelling and simulation capability has been used to Identify, Quantify, and Map the Storm Surge Threats to communities along the country's coastlines. As of 23 July 2014, 12²³⁶ of the 67 vulnerable provinces have been storm surge-mapped. The project is expected to be completed by end-2014.²³⁷
- *National Geohazard Mapping and Assessment Program*.²³⁸ Implemented in 2006 to identify areas prone to rainfall-induced flooding and landslides,²³⁹ the mapping and assessment of 1,147 (70.2

²³¹ These are: Agusan del Sur, Albay, Apayao, Aurora, Basilan, Bataan, Batangas, Benguet, Biliran, Bohol, Bukidnon, Bulacan, Cagayan, Camarines Sur, Capiz, Catanduanes, Cavite, Cebu, Compostela Valley, Davao del Sur, Davao Oriental, Dinagat Islands, Eastern Samar, Guimaras, Ifugao, Ilocos Norte, Ilocos Sur, Iloilo, Isabela, Kalinga, La Union, Laguna, Lanao del Norte, Lanao del Sur, Leyte, Marinduque, Masbate, Negros Occidental, Negros Oriental, Northern Samar, Nueva Ecija, Nueva Vizcaya, Occidental Mindoro, Oriental Mindoro, Pampanga, Pangasinan, Quezon, Quirino, Rizal, Romblon, Samar, Sorsogon, Southern Leyte, Sulu, Surigao del Norte, Surigao del Sur, Tawi-Tawi, Zambales, and Zamboanga del Sur. Landslide maps of Metro Manila and Cagayan de Oro, were also enhanced.

²³² Through the use of advanced flood modelling technologies, these are used to come up with flood inundation and hazard maps.

²³³ These are Marikina-Pasig, Cagayan, Pampanga, Agno, Mag-asawang Tubig, Bicol, Panay, Jalaur, Ilog-Hibangan, Agusan, Agus, Cagayan, Davao, Mindanao, Tagum-Libuganon, Tagoloan, Buayan-Malungon, and Iligan. These were prioritized as flooding in these river systems accounts for a total of P5.6 billion in damage, affecting 6.2 million Filipinos, and translate to 70.0 percent of the total damages from flooding.

²³⁴ Infanta (for its history of flooding, especially during Typhoons Winnie and Yoyong in December 2014) and Lucena (for its propensity for flooding in recent years)

²³⁵ These are Infanta, Lucena, Marikina-Pasig, Cagayan, Pampanga, Agno, Mag-asawang Tubig, Bicol, Panay, Jalaur, Ilog-Hibangan, Agusan, Cagayan, Davao, Mindanao, Tagum-Libuganon, Tagoloan, Buayan-Malungon, and Iligan.

²³⁶ These are Eastern Samar, Samar, Northern Samar, Leyte, Southern Leyte, Cebu, Albay, Guimaras, Maguindanao, Pampanga, Bulacan, and Metro Manila.

²³⁷ Funds were not released on time delaying the procurement of needed supplies and materials required for the project. This resulted in the extension of the project, which was initially targeted for completion by August 2014.

²³⁸ Geohazard flooding and landslide susceptibility maps are available at the DENR portal. (<http://gdis.denr.gov.ph/mgbviewer/>.)

²³⁹ Geohazards are naturally occurring geological phenomena that pose danger to people's lives, properties, infrastructure, and communities. These include landslides, flooding, and land dropping.

percent) of the target 1,634 cities and municipalities nationwide using the 1:10,000 scale have been completed as of 30 June 2014, while those for the remaining areas are targeted to be finished by end-2014. Further, the government has completed the geohazard assessment of all 171 (100 percent) Yolanda-affected cities and municipalities.

c. *Improving Weather Forecasting and Alert Systems*

- *RA 10639 (Free Mobile Disaster Alerts Act)*, signed into law on 20 June 2014, is the first law that mandates mobile phone service providers to send out alerts from NDRRMC and other early warning agencies to mobile phone subscribers in areas that will be affected by incoming natural disasters. The IRR of RA 10639 is being prepared by DOTC, NTC, NDRRMC, PAGASA, and other relevant agencies and is targeted to be finalized within sixty days from 20 June 2014.
- *Doppler Radars* provide accurate information on wind speed and rainfall amount from an approaching cyclone. As of 02 July 2014, out of the 13 targeted for installation by 2014, 11 have been installed – ten of which are operational²⁴⁰ and one is being rehabilitated.²⁴¹ The two remaining radars are to be installed within 2014²⁴², while two more are scheduled for installation in 2015.²⁴³
- *Early Warning System under Project NOAH*
 - *Hydromet Devices* provide warning against flood. The installation of 726 automated rain gauges (ARG) out of the 600 target (121 percent), and 441 water level monitoring stations (WLMS) out of the 400 target (110.25 percent) along the country's 18 major river basins²⁴⁴ was completed on 15 July 2014.²⁴⁵
 - *The Automated Weather Stations (AWS)* provide data on temperature, humidity, pressure, wind speed, and wind direction aside from the rainfall data that the ARG provides. The installation of 86 AWS along the country's 18 major river basins was also completed on 15 July 2014.²⁴⁶

²⁴⁰ These are located in Subic, Zambales; Tagaytay City, Cavite; Aparri, Cagayan; Baguio City, Benguet; Basco, Batanes; Virac, Catanduanes; Mactan, Cebu; Hinatuan, Surigao; Tampakan, South Cotabato; and Baler, Aurora.

²⁴¹ This is located in Guiuan, Samar, which was totally damaged by typhoon Haiyan, is expected to be operational by July 2015.

²⁴² These are located in Jaro, Iloilo and Quezon, Palawan.

²⁴³ These will be installed in Busuanga, Palawan, and Zamboanga.

²⁴⁴ These are Cagayan, Mindanao, Agusan, Pampanga, Agno, Abra, Pasig-Marikina-Laguna, Bicol, Abulug, Tagum-Libuganon, Ilog-Hilabangan, Panay, Tagoloan, Agus, Davao, Cagayan De Oro, Jalaur, and Buayan-Malungon.

²⁴⁵ The project was initially targeted for completion by June 2014.

²⁴⁶ The project was initially targeted for completion by December 2013.

- The Flood Information Network (FloodNET) provides rainfall forecast or percent chance of rain four hours ahead covering 165 major cities and municipalities. Completed on 22 July 2013, rainfall forecasts are available at the NOAH website (www.noah.dost.gov.ph) and ClimateX database (<http://climateX.ph>).

d. ***Pursuing Flood Mitigation Programs***

- *Flood Management Master Plan.* The flood management master plan (2013–2035) identifies high-impact flood control projects for Metro Manila, Bulacan, and the CALABARZON area. To complement this, a total amount of P28.7 billion for 799 flood mitigation and intervention projects have been programmed from 2011 to 2014 to address flooding in Metro Manila and surrounding areas. Of the total number of funded projects, 568 have been completed while 155 are ongoing and 76 are under pre-construction.

The P28.7-billion amount includes the initial P5-billion funding for priority high impact projects in Metro Manila, which is 74.8 percent complete as of June 2014. Further, included is the P600-million construction/rehabilitation of the Blumentritt Interceptor Catchment Area from Estero de Sunog Apog to Piy Margal in Sampaloc, Manila. The project is 54.14 percent complete as of 25 June 2014 and is targeted to be completed by the 1st quarter of 2015.

The rehabilitation and upgrading of the 12 pumping stations²⁴⁷ in Metro Manila are targeted to be completed by the fourth quarter of 2014. This will help drain flood waters from the cities of Pasay, Makati, and Manila benefiting an estimated 804,662 people or some 161,000 families. Further, as of 08 July 2014, through the annually implemented Estero Blitz Program, 16 esteros²⁴⁸ were cleaned or de-clogged. This will allow waterways in Metro Manila to accommodate a larger volume of flood water, minimizing damage brought by flooding.

In addition, the government shall also undertake the P122.8 billion Laguna Lakeshore Expressway-Dike Project (LLEDP), which primarily

²⁴⁷ These are Pandacan, Arroceros, Balete, Paco, Tripa de Gallina, Libertad, Makati, Sta. Clara, Aviles, Valencia, Binondo, and Quiapo. MMDA is operating and maintaining 51 pumping stations to mitigate flooding in Metro Manila.

²⁴⁸ These 16 esteros are the MRF Compound, Viente Reales Creek, Brgy. Lingunan, District II Valenzuela City; Tanigue Peripheral Canal, Dagat-Dagatan, District II, Caloocan City; Letre Open Canal, P. Aquino Road, Tonsuya, Malabon City; Pinagsabugan Creek, Brgy. Longos, Malabon City (Longos Flood Gate/RPS to P. Aquino Road); Mariblo Creek, Brgy. Bungad, District I, Quezon City; Anaran Creek, Brgy. West Triangle, Quezon City; Tangque Creek, Brgy. Pinyahan, District III, Quezon City; Concepcion Creek, Bayan-bayanan Outfall, Concepcion, Marikina City; Hagonoy Retarding Pond/Hagonoy Creek, Hagonoy, Taguig City; Sapang Buwaya Creek, Brgy. San Isidro, Parañaque City; Pasong Diablo Creek, Brgy. Cupang, Alabang, Muntinlupa City; Maricaban Creek, Pasay City; Estero Tripa de Gallina, Buendia Avenue to Zobel Roxas, Pasay City; Estero Tripa de Gallina, Malate, Manila Side; Estero de Antonio Abad beside Bangko Sentral to Adriatico Malate, Manila; and Estero de Pandacan Quirino Avenue, Manila.

aims to mitigate flooding in the western coastal communities along the Laguna Lake from Taguig to Los Baños. The project involves the construction of a 47-km expressway-dike, which has a height of 15.2 m to prevent the backflow of water from the lake (with an elevation of 12.5 m) and contain projected flood levels of up to 100 years. The project will also establish a 700-ha reclamation for commercial development. Further, the project shall provide 100 to 150 m of inland channel between shore land and reclamation area to serve as regulation pond that will temporarily store flood waters to optimize pump operation and improve water circulation.

- *Relocation of Informal Settler Families (ISFs) living in Danger Areas in Metro Manila.* The government prioritizes the relocation of ISFs not only to safeguard them from the hazards of living in these danger areas, but also to allow for the installation of flood control measures that will benefit the entire Metro Manila. As such, the government²⁴⁹ seeks to relocate around 104,219 ISFs residing along danger areas in Metro Manila. Of this, a total of 24,242 have been relocated as of July 2014.
 - To this end, the government prioritized the clearing of identified eight priority waterways.²⁵⁰ Upon validation of the original target of 19,440 ISFs, the target was adjusted to 14,474 as they are the actual number of ISFs residing within the three-meter easement.²⁵¹ As of 23 July 2014, a total of 5,697 ISFs have been relocated in spite of delays encountered.

Some of these delays include finalization of the list of eligible beneficiaries and emergencies that necessitated the NHA to reallocate housing units to informal settlers with more immediate needs, especially those affected by disasters such as fires or typhoons. Furthermore, despite voluntarily choosing their preferred NHA housing units and receiving P18,000 to aid living in their new environment, families may refuse to relocate to NHA housing units until their preferred units, usually close to their source of livelihood, are made available. Nonetheless, DILG is targeting to relocate the remaining ISFs by end-2014. To remedy these causes for delay, actions taken by DILG, DSWD, NHA, and all concerned agencies include implementing an accelerated timeline for relocation, renting trucks and buses for transportation, entering into a MOA to transfer funds from DILG to DSWD to facilitate the P18,000 financial assistance for affected families, and simplifying requirements.

²⁴⁹ Through the Technical Working Group on ISFs headed by DILG

²⁵⁰ These eight priority waterways are: a) Pasig River; b) San Juan River; c) Tullahan River; d) Manggahan Floodway; e) Maricaban Creek; f) Tripa de Gallina; g) Estero de Maypajo; and h) Estero de Sunog Apog.

²⁵¹ The easement is necessary for flood control measures, as stated in the Water Code (Article 51, PD 1067).

- Aside from the priority waterways, the government is also undertaking the relocation of ISFs living along other danger and high-risk areas (e.g., railroad tracks, shorelines, landslide-prone areas, and garbage dump sites). This has resulted in the relocation of 17,445 ISFs from 2012 to 30 June 2014 through the efforts of NHA, DPWH, DILG, and concerned LGUs, among others.

- An additional 26,367 ISFs have been targeted for relocation starting January 2014 to make way for the impending flood control projects of DPWH, MMDA, and PRRC. Of these, a total of 1,100 have been relocated as of 23 July 2014.