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Country Programme Document for the Philippines (2005-2009)

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Introduction

1. The draft country programme document for the Philippines (2005-2009) is consistent with the United Nations Development Assistance Framework (UNDAF) and the development challenges in the common country assessment (CCA). It was prepared in consultation with the Government, civil society organizations (CSOs), United Nations organizations, the donor community and other development partners. Based on UNDP comparative advantages outlined in the multi-year funding framework, 2004-2007 (DP/2003/32), the country programme supports the Government in achieving the Millennium Development Goals (MDGs) through a set of projected development results clearly reflected in the UNDAF results matrix.

I. Situation analysis

2. The Philippines is in a critical yet opportune juncture of its development. Emerging global and regional trends involving trade, security, environment, information technology, and economic integration offer crucial opportunities and challenges for the Philippines to reshape its development future.

3. The country is striving to realize fundamental changes in economic and political governance to improve its performance in basic human development and security, per capita gross national product, and economic diversification to achieve the MDGs. It endeavours to manage the pattern of political uncertainty, social conflict, environmental degradation and cyclical economic growth appropriately.

4. With a human development index of 0.751 in 2001, the Philippines ranked 85 among 175 countries, according to the *Human Development Report 2003*, consistently placing it in the medium human development range. Poverty remains the main development challenge. While great strides were made from 1985 to 2000 in reducing poverty from 44 to 28.4 per cent, at present there is widening income disparity and uneven development. The Gini ratio rose to 0.4818 in 2000 from 0.4680 in 1991. In 2000, there were a total of 4.3 million poor families. The rural poor account for 74 per cent of the poverty rate, or three out of four poor families. Further disaggregated, 2.3 million families live below the poverty threshold but above the food subsistence threshold, and 2 million families are below the food subsistence threshold. The

poor come mainly from communities of indigenous peoples, landless farmers-workers, small landholders, artisan fisher folk and the informal sector.

5. The Government continues to institute policies and programmes for asset reform, fiscal prudence and decentralization to ensure greater transparency, accountability and wider people's participation. Decentralization efforts have improved local governance – numerous best practices are recognized in social and economic services, urban governance, justice, and conflict prevention. The Government is also working through its constitutional commissions and other means to curb corruption substantially.

6. Progress in implementing reforms, however, has been slow as a result of limited public resources, inadequate national capacity, the need for more coordinated policies and programmes, and attention to corruption. Gaps in law enforcement, prosecution and administration of justice impact on reforms in political governance to expand democratic institutions.

7. The 35-year armed conflict continues to challenge development efforts, involving communist insurgency and a secessionist rebellion. Both rebellions are rooted in issues of social injustice, poverty, inequity and exclusion. The incidence of poverty is acute in six of the poorest regions where armed conflict persists: Autonomous Region of Muslim Mindanao, Bicol, Central Mindanao, Western Mindanao, Eastern Visayas and the Cordillera Administrative Region.

8. Government initiatives to resolve armed conflict peacefully include a comprehensive peace process that pursues socio-economic reform measures and peace negotiations with rebel groups. A number of multi and bilateral organizations, including UNDP, continue to support government initiatives. There has also been strong civil society peace movements and community-based peace-building initiatives.

9. Environmental issues also pose another development challenge. Despite government and other efforts, environmental degradation continues in deforestation, watershed destruction, biodiversity loss, air, water and soil pollution and fishery depletion. The situation has increased the country's vulnerability to natural disasters. Population pressure, poverty, globalization and climate change, have exacerbated the problem.

10. Environmental degradation has roots in inequitable access to and security of tenure, which generate indifference and rent-seeking behaviour among stakeholders. Addressing root causes is imperative to

stemming deterioration and enhancing environmental carrying capacity to enable the Philippines to pursue the steady path to sustainable development.

11. On HIV/AIDS, the Philippines has a low and slow prevalence rate of less than 1 per cent. But the potential for an epidemic explosion is more tangible. A serious threat is posed by rapidly increasing infection rates among sea-based overseas Filipino workers and others. The stigma on HIV/AIDS raises concerns about the ambivalent attitude to the epidemic.

12. The Government is committed to meeting the MDGs. The 2003 MDG progress report estimates a high probability of meeting the goals of eradicating extreme poverty, improving access to water, universal access to primary education, gender equality, reducing child mortality and halting HIV/AIDS. There is medium probability, however, in reaching the maternal mortality target, and low probability in achieving the hunger target. Political, economic and social stability depends on the political will to improve the current development pattern. Political, social, economic and environmental governance must strategically work towards this goal, buttressed by proper resource allocation and implementation.

II. Past cooperation and lessons learned

13. Past cooperation through country cooperation frameworks (CCF) has successfully built on existing partnerships with national government agencies, local government units (LGUs), CSOs, private sector, the media, academia, international development partners and other stakeholders. As in the second CCF (2002-2004), the country programme uses the portfolio approach, whereby projects and activities contribute to achieving outcomes identified by national institutions, validated and systematically clustered by a multi-sectoral portfolio steering committee. An Executive Committee composed of the National Economic and Development Authority (NEDA) and UNDP provides overall policy direction.

14. In the area of capacity building, the contribution of United Nations Volunteers (UNV) has been important in bringing development issues and new strategies directly to the grass-roots level.

15. Lessons for this new programming period generated by an independent review mission in 2002

pointed out the following needs: (a) greater strategic focus; (b) more pronounced results orientation; (c) stronger analyses of development issues; (d) integrating cross-cutting issues, such as gender and human rights; (e) greater synergies across programmes; and (f) stronger links with other development programmes, building partners' strengths.

16. The Capacity Development Study (CDS) of 2002 stated that rights policies and responsive institutions should be strengthened to address the social, economic and political roots of armed conflict, ensuring sustainable utilization of natural resources for the poor.

17. On operational aspects, the CDS cited the need for standard processes and procedures; enhancing government ownership/leadership; establishing clear guidelines for programmable resource allocation; and enhanced monitoring and evaluation. On UNDP advocacy, mainstreaming gender, human rights and MDGs must be brought closer to value systems. Volunteerism must be fully maximized by the Government and development partners.

18. Government partner agencies noted that there should be greater emphasis on capacity building, including with local government units; improved provision of basic services, livelihood programmes and microfinance and emergency responses; and programmatic focus in specific geographical areas and greater replication of best practices.

III. Proposed programme

19. In line with UNDAF priorities, the country programme identifies four interrelated programme interventions: empowerment of the poor, good governance, environment sustainability, and conflict prevention and peace-building.

20. The country programme aims to empower the poorest and most vulnerable by promoting and protecting their rights, and creating an enabling environment to realize their full participation. Gender equality and women's empowerment and a rights-based approach are cross-cutting themes.

21. Its strategy focuses on policy reforms, institution and capacity building and area-based community development, through strategic partnerships with key stakeholders. It enables UNDP to position itself to address emerging initiatives and other challenges facing the country within its thematic focus areas.

Empowerment of the poor

22. This programme works to attain MDG 1 to eradicate extreme poverty and hunger, and UNDAF outcome 1 to increase incomes of specific poor and vulnerable groups. It envisions the establishment of micro-macro links that harmonize national policies and programmes with the needs and rights of the poor.

23. Specific strategies include capacity building, strengthening of institutional mechanisms, asset reform and effective asset utilization, increasing access to productive resources, and social protection for poor and vulnerable groups. The programme continues to strengthen harmonization efforts, especially for anti-poverty interventions by the Government, LGUs, the basic sectors and other stakeholders. It helps to develop and implement pro-growth/pro-poor policies, because the benefits of economic growth must be maximized and reach targeted poor groups/areas.

24. It bolsters the capacity of national and local governments and non-governmental institutions in formulating, implementing and monitoring anti-poverty strategies that: translate into the poor's increased income and access to productive resources and social protection; establish a comprehensive MDG-based national/local poverty monitoring system; and support the creation of sustainable livelihoods and expansion of community enterprises.

Good governance

25. This programme contributes to the principles of the Millennium Declaration and supports UNDAF outcome 3 on macro-economic stability, and broad-based, equitable development. The programme also addresses MDG 8 by supporting initiatives to make debt sustainable in the long-term, and bring about reforms in trade, tariffs and government procurement, thereby enhancing efficiency and effectiveness in public expenditure and financial management.

26. The governance programme adopts a three-point, rights-based strategy that promotes transparency, accountability and efficient service delivery; increases access to justice by the poor so that they may obtain efficient, speedy legal remedies; and ensures broader citizen's participation in political affairs. Specific interventions include the creation of an enabling environment to implement national/local reforms.

27. To pursue these reforms, the programme supports initiatives to curb corrupt practices and promote ethical behaviour. It strengthens the capacity of oversight government bodies to investigate, prosecute and adjudicate graft cases while engaging civil society organizations and the media to monitor government projects and transactions, promoting initiatives to build a human rights culture and performance and excellence in the public sector. In justice reform, efforts are directed at instituting policies and strengthening capacities of institutions under the five pillars of the justice system to allow marginalized sectors to gain greater access to quality, affordable legal services.

28. Reforms in political governance are directed to expanding and deepening democratic institutions to allow citizens, particularly the poor and the marginalized, to participate effectively in political, electoral and legislative exercises. It assists in building capacities of congress and political parties, particularly those composed of disadvantaged sectors, to advocate for policies and practices that facilitate the realization of the MDGs and other international commitments.

Ensuring environmental sustainability

29. The programme contributes to the achievement of MDG 7 on ensuring environmental sustainability and UNDAF outcome 4 on increased capacity of stakeholders to protect and enhance the quality of the environment and sustainably manage natural resources. It aims to enhance the policy environment and address issues of inequitable access and security of tenure. It supports national efforts to develop stakeholder capacities to manage natural resources in critical ecosystems sustainably, primarily by strengthening the productivity of small and medium-size enterprises and sustainable development of communities.

30. The programme also endeavours to reduce vulnerabilities of affected populations to environmental emergencies through community preparedness and response measures. In addition, the programme works for the widespread utilization of cleaner, more sustainable forms of energy, including renewable energy and the promotion of energy efficiency to catalyze sustainable development.

31. As successful environmental protection models underscore the importance of local participation, the programme strives to harness the efforts of local communities, LGUs and others to enhance the natural

resource base, particularly through the small grants modality. This provides opportunities to consolidate interventions of United Nations organizations and partners in bringing basic social services to rural areas.

Conflict prevention and peace-building

32. This programme aims to help to create and maintain a secure, peaceful environment, especially for the poor and vulnerable. It contributes to the Millennium Declaration and UNDAF outcome 5 by reducing the level of violent conflict, and fostering human security and a culture of peace nationwide.

33. Continually working to build durable peace and secure sustainable development in the conflict affected areas of Mindanao, the programme aims to assist peace-building at the national level through: capacity-building for government and civil society on peace-building and conflict resolution, and to develop and sustain reform strategies from within the security sector; building and sustaining a broad peace constituency nationwide; and supporting the rehabilitation of areas affected by armed conflict, including programmes for former combatants and their communities and assistance to community-based peace-building initiatives. The programme helps to create a policy environment to achieve these goals.

Cooperation and partnership strategy

34. UNDP will expand and reinforce its partnership and resource mobilization strategy, building on existing collaboration with various development partners and stakeholders, including United Nations organizations, bilateral and multilateral aid agencies, international financial institutions, the Global Environment Facility, civil society, the media, the private sector and community-based organizations.

35. Based on the UNDAF, country team partnerships are being accelerated to pursue policy and programme convergence. Mainstreaming volunteerism and providing international/national volunteers in critical areas of intervention will strengthen UNV activities. UNDP will continue to have a significant role in the creation of a multi-donor trust fund for Mindanao in line with the ongoing peace process between the Government and the Moro Islamic Liberation Front.

36. The comprehensive partnership and resource mobilization strategy will guide the engagement and outreach to donors and partners. Limited UNDP core resources will continue to serve as a catalyst to leverage additional mobilization of non-core resources from bilateral/multilateral donors and non-traditional private sector donors. In selected programmes, UNDP will continue to lead in programme and donor coordination. Such coordination mechanisms will be strengthened and replicated in other selected focused areas, e.g., access to justice, anti-corruption, coastal resource management, and disaster management.

IV. Programme management, monitoring and evaluation

37. In programme design and implementation, UNDP works closely with key partners. The country programme adopts United Nations reform principles, especially simplification and harmonization, by operating in line with the UNDAF results matrix, monitoring and evaluation, programme resources frameworks, and the country programme action plan.

38. UNDP ensures national ownership of the country programme and wider stakeholder participation. While national execution is the preferred modality, non-traditional modalities are adopted where appropriate. In line with new joint programme guidelines, the scope of inter-agency cooperation is strengthened to cultivate new programme and geographical convergence. Atlas contributes to timely, efficient delivery of activities and more effective financial monitoring. The Development Support Services Centre assists in the procurement of goods and services to support UNDP and government-funded project activities.

39. The country programme continues to use results-based management. An efficient monitoring and evaluation system, at all stages of programming, measures results at three levels: UNDAF, country programme and project levels. It makes it possible to assess progress, the UNDP contribution and implementation and partnership strategies. The monitoring and evaluation system ensures the long-term impact of programmes by tracking how well outputs are aligned to outcomes and national goals and priorities. Experience gained and lessons learned from the projects will be analyzed, documented and stored as knowledge products for best practices.

Annex: Results and resources framework for the Philippines (2005-2009)*

Programme component	Country programme outcomes, including outcome indicators, baselines and targets	Country programme outputs	Output indicators, baselines and targets	Role of partners	Indicative resources by goal (in United States dollars)
<p>National priority or goals: (a) Reduce poverty through stable and equitable growth across sectors, socio-economic groupings, and regions based on free enterprise with preferential treatment of the poor and the vulnerable; (b) Raise agricultural productivity and rural household income by modernizing the agriculture and fisheries sector, increase access to agricultural credit, and expand skill-acquisition programmes to help agricultural workers to secure jobs in other sectors; (c) Promote social equity in agriculture through asset distribution.</p>					
<p>Intended UNDAF outcome: By 2009, incomes of both women and men among poverty groups in priority areas will be increased by expanding sustainable livelihoods and community enterprises, decent work and increased productivity, managed population growth through public-private partnerships, and enabling policies and assets reform measures.</p>					
<p>MYFF goal: Achieving the MDGs and reducing human poverty</p>	<p>Greater participation by citizens, particularly the poor and vulnerable in development planning, budgeting and monitoring, with a special focus on vulnerable groups Indicators: percentage increase in access to basic social services by the poor and vulnerable groups. Percentage decrease of families below the national poverty threshold. Extent of representation of the 14 basic sectors in key governance institutions. Percentage of policy and planning frameworks developed with focus on the vulnerable</p>	<p>Relevant government and non-governmental institutions are able to formulate, implement and monitor targeted pro-poor programmes</p>	<p>Level of operational knowledge, skills and ability of staff on poverty reduction Percentage of local poverty reduction actions plan developed and operationalized Percentage of public-private partnerships formed for poverty reduction Extent of social protection coverage.</p>	<p>National and local governments – executing or implementing agencies. NGOs and civil society: implementing or collaborating agencies. Private sector: collaborating agencies Donors and United Nations organizations: funding and collaborating agencies</p>	<p><i>Regular resources:</i> \$2 100 <i>Other resources:</i> \$3 000</p>
		<p>An integrated, localized, MDG, human rights-based poverty monitoring and mapping system is developed and institutionalized.</p>	<p>Updated national poverty map and functioning monitoring system Operational data base system at national and local levels Survey and map of informal sector workers</p>		
		<p>Poor and vulnerable groups possess appropriate skills and access to market and finance to develop agricultural/non-agricultural medium-size enterprises</p>	<p>Percentage increase in borrowers in target under-served areas Percentage increase of clients from lower income groups Number of micro-entrepreneurs trained by service providers</p>		
		<p>Poor and vulnerable groups are better able to sustainably develop /manage resources</p>	<p>Number of Certificate of Ancestral Domain Title awarded Number of Ancestral Domain Sustainable Development Protection Plan implemented Percentage increase of viable enterprises for agrarian reform beneficiaries and other identified vulnerable groups</p>		
<p>National priority or goals: Advance good governance by collaborating with the Government, business and civil society to strengthen public service delivery by: (a) implementing policies and programmes; (b) enforcing national and local government accountability; (c) fighting graft and corruption; and (d) ensuring law enforcement and justice. Moreover, participation of the marginalized sectors in decision-making, and government reforms in three directions: (a) improving moral standards in government and in society; (b) implementing a philosophy of transparency; (c) strengthening the ethic of effective implementation in the bureaucracy.</p>					
<p>UNDAF outcome: By 2009, good governance reforms and practices are institutionalized by government, local government units (LGUs), civil society organizations and the private sector at all levels toward poverty reduction, protection of rights and sustainable human development.</p>					
<p>Policy support for democratic governance, justice/human rights Decentralization/local governance Public Administration reform/anti-corruption</p>	<p>- More accountable and rule based institutions to justice and human security. <i>Indicators:</i> Number of poor with access to justice system) Number of rights-based and gender sensitive policies and plans instituted - More responsive national, subnational and local institutions providing efficient social services</p>	<p>Human rights and gender perspectives mainstreamed in the legal frameworks and governance processes of key institutions. National and local policy and legal frameworks on governance reforms developed and</p>	<p>Number of national and local rights-based governance institutions Number of integrated sectoral/institutional policies/plans formulated/adopted to pursue reforms Number of stakeholders networks organized to advocate and pursue governance reforms Number of systems on performance management and monitoring established and implemented</p>	<p>National and local governments, legislature, and the judiciary– executing or implementing agencies NGOs and civil society: implementing agencies Private Sector:</p>	<p><i>Regular resources:</i> \$2 100 <i>Other resources:</i> \$3 000</p>

* The UNDAF results matrix is accessible at either the Executive Board web site (www.undp.org/execbrd/index.htm) or the UNDG web site (www.undg.org).

Parliamentary development Electoral systems and processes	delivery <i>Indicators:</i> Number of poor with access to services Percentage reduction in graft/corrupt practices Number of people's organizations participating - Political, electoral and legislative reforms instituted to democratize and increase participation especially of the poor. <i>Indicators:</i> Number of people's organizations involved in political process Number of policies that promote political & electoral reforms	institutionalized. A reform constituency actively promoting transparency and accountability, justice and democratization of governance. Performance management and monitoring systems developed & pilot-tested to measure levels of transparency, accountability, and accessibility to justice and participation.		implementing agencies Donors and United Nations organizations United Nations Human Settlements Programme (Habitat)	
National priority or goals: Balancing the needs of the production sectors with the country's ecological carrying capacity to attain long-term sustained growth. Environmental sustainability, broader participation of stakeholders in the management and protection of natural resources, and technology-based production in the forestry and natural resources sector will be promoted. Equitable access to productive resources and services will be enforced.					
UNDAF outcome: By 2009, capacity of stakeholders is increased to protect/enhance the quality of the environment and to manage natural resources sustainably.					
MYFF goal: Energy and environment for sustainable development	Sustainable environmental and energy policies, especially with regard to agriculture and industrial development, are in place and phases of implementation specified. <i>Indicators:</i> Number of inconsistent environment and natural resources (ENR) policies harmonized/ standardized Number of sectoral policy gaps addressed thru legal issuances Key stakeholders are better able to manage environment and natural resources, use sustainable energy and maintain sustainable development. <i>Indicators:</i> Number of ENR issues resolved/addressed favorably with consensus in shortened period of time vs. baseline Development plans at national/local levels with enhanced ENR/sustainable energy/sustainable development focus	Legal framework for stronger national response to ENR issues is institutionalized. Sustainable development mainstreaming tools, inc integrated ENR database/MIS and ENR quick response facility, are operationalized. Environmentally sound technologies and other ENR management mechanisms are institutionalized at community level. A broad constituency of civil society, ENR/energy institutions and other stakeholders better manages and/or promotes ENR.	Manual on ENR policymaking Amended laws and executive issuances Policy papers transformed into policy issuances/ position papers Updated data on population and environment. Harmonized government planning guidelines on sustainability and carrying capacity assessment. Annual ENR reports generate/ used for planning/decision making Operational financial facility supporting livelihood needs of small grants programme and GEF project sites. Environmental disaster management framework/manual produced and adopted.	National and local governments, legislature – executing, implementing or collaborating agencies NGOs and civil society: –executing or collaborating agencies. Private sector/civil society/trade and industry associations chambers – funding and technical inputs Academe, networking Donors and United Nations organizations – funding and collaborating agencies	<i>Regular resources:</i> \$1 000 <i>Other resources:</i> \$6 000

National priority or goals: Secure peace and accelerate socioeconomic development in conflict and non-conflict areas guided by constitutional processes, consistent with the preservation of the state's territorial sovereignty and multi-ethnic coexistence.					
UNDAF outcome: By 2009, the level of violent conflict has been reduced, and human security and the culture of peace have been promoted nationwide.					
MYFF goal: Crisis prevention and recovery	Peace building, conflict prevention, and human security mainstreamed in development planning processes. <i>Indicators:</i> Percentage increase in human security index	Peace building, conflict prevention, human security and respect for diverse cultures and beliefs are mainstreamed in policies and practices	Number of policies and programmes on peace building, conflict prevention, peace education and human security Expanded planning and development chapter in the national development plan	National and local governments, legislature, selected LGUs – executing or implementing agencies	<i>Regular resources:</i> \$1 000
		Comprehensive national peace policy and security sector reforms are legislated	Number of peace policies and security reforms legislated and implemented		
	Key actors are better able to prevent, manage and resolve conflict and to build peace and human security <i>Indicators:</i> Number of government-civil society joint peace initiatives Number of conflicts peacefully settled Percentage increase in participation in peace building Number of conflicts averted	Nationwide peace constituency involving government and civil society actively promotes human security and a culture of peace	Executive issuance to integrate peace education in public and private schools curricula signed Number of civil society-led peace-building initiatives Frequency of multisectoral peace dialogues	Donors and United Nations organizations: funding and collaborating agencies	<i>Totals:</i> <i>Regular resources:</i> \$6 200
		LGUs and civil society are better able to integrate peace building in governance	Number of communities with peace and development plans Number and quality of early warning, emergency and quick-response plans for conflict affected areas Number of conflicts settled through indigenous peace-building mechanisms		
		Peace agreements are forged and effectively implemented and monitored	Number of peace agreements signed and monitoring systems established		
	Conflict affected communities have improved access to basic services, increased incomes, and participate in governance <i>Indicators:</i> Percentage increase in access to basic services Percentage increase in participation in local governance institutions and processes. Percentage increase in the average income of families in conflict affected communities	Increased livelihood opportunities in conflict-affected areas	Number of individuals and communities engaged in mainstream economic activities		<i>Other resources:</i> \$17 000
		Better delivery of basic social services to conflict-affected areas	Number of basic services facilities working in conflict-affected areas Women's and children's concerns integrated in local peace and development plans		
					Grand total: