



USAID | PHILIPPINES

FROM THE AMERICAN PEOPLE



U.S. ASSISTANCE in the PHILIPPINES

Since 1946, the United States has provided the Republic of the Philippines with more than US\$5 billion in economic assistance, including about a billion in food aid. This assistance has helped to develop the country's infrastructure, provide training and technical assistance, increase agricultural productivity and economic growth, promote sustainable environmental management, improve health and nutrition, and foster democracy and decentralization.

1946-1950: "Beginning of the Marshall Plan"

In the aftermath of World War II, the U.S. provided over \$1 billion in war recovery benefits to the Philippines, most of this in the form of payment to Filipino veterans. Part of this assistance was directed towards the rehabilitation or total reconstruction of public infrastructures damaged during the war.

1951-1961: "National Rehabilitation and Basic Infrastructure"

This era begins with the first bilateral agreement between the U.S. and the Philippines - the Foster-Quirino Agreement - and ends with the 1961 Foreign Assistance Act and the establishment of USAID as the lead agency responsible for administering U.S. economic assistance. Funding during this period focused on developing a wide range of basic institutions and national services the country required. Urban, industrial development was the predominant economic objective of the program.

1962-1973: "Transition to Rural Development"

During this period, USAID moved away from its earlier urban industrial development strategy toward a rural development focus. Small-scale activities in agriculture, social services, and community development were supported through short-term technical assistance.

1974-1986: "New Directions: Rural Development and Local Capacity Building"

The program strategy during this period shifted to meeting the basic human needs of the poorest segments of the rural population. Concomitantly, USAID sought to strengthen local government planning and implementation capabilities to advance decentralization of government functions.

1987-1993: "Re-starting National Growth: Support for Democracy and Private Sector Development"

With the end of the Marcos regime, the U.S. moved decisively to bolster the Aquino Administration and to help re-invigorate the national economy and development programs. The Multilateral Assistance Initiative (MAI), or known locally as the Philippines Assistance Programs (PAP) concentrated on achieving economic stability and growth by improving macro-economic management, encouraging domestic and international private sector development, and alleviating sector-specific constraints to growth through policy-based sector assistance Programming. Improved health and more sustainable population growth were also emphasized during this era.

1994-1999: "New U.S.-Philippine Partnership for Democracy and Development"

With the closing of U.S. military bases at Subic and Clark, USAID's development strategy began to place more emphasis on "trade" and less emphasis on "aid". In line with the strong growth in the region, efforts were made to assist the country become a model Newly Industrialized Country (NIC). Programs were also created to address global problems such as global climate change and HIV/AIDS. Democracy and civil society efforts moved from national to local levels and focused on broad participation in public policy-making.

2000-2004: "Revitalizing the Economy and Transforming Governance to Accelerate Sustainable Growth"

Responsive to changing local and international circumstances, USAID's revised strategy fundamentally reshapes USAID development assistance in a nation that is one of the U.S. government's most important allies and development partners. Under this more focused strategy, USAID will capitalize on its comparative advantages in promoting competition and transparency, combating Corruption, using systematic approaches to donor coordination and collaboration, encouraging environmentally sustainable development and employing market-based mechanisms to promote family planning and reforms in health services delivery.

2005-2009: "Enhanced security and accelerated progress towards sustainable, equitable growth"

Starting in FY 2007, the above strategy has been refocused into five areas:

- **PEACE AND SECURITY**
About 60% of economic assistance resources are targeted to Mindanao, for programs that promote economic growth, mitigate conflict, and promote peace and security. The United States is also helping improve the ability of military and civilian law enforcement agencies to maintain peace and security.
- **GOVERNING JUSTLY AND DEMOCRATICALLY**
The United States continues to support efforts to promote good governance at the local and national levels, improve electoral systems, and promote rule of law. Many programs across other sectors, including in security, health, education, and natural resource management, also contribute to improved governance, especially at the local level.
- **INVESTING IN PEOPLE**
The United States assists the Philippines in health and education. Health programs include reproductive health, maternal and child health, TB, HIV/AIDS and avian flu preparedness. Education programs increase access to and the quality of basic education in the conflict-affected areas of Mindanao.
- **ECONOMIC GROWTH**
The United States helps address constraints to trade and investment, improve regulatory quality, and improve tax collection. The United States implements programs that spur

micro-enterprise growth, improve economic infrastructure, increase agricultural productivity, enhance the employability of youth, and help manage over-exploited forest, coastal, and marine resources.

- **HUMANITARIAN ASSISTANCE**

The United States provides humanitarian assistance to victims of natural disasters and internally-displaced persons in conflict affected areas. In 2007, the United States provided \$5 million in typhoon reconstruction assistance in Bicol provinces.

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