



UNITED STATES  
DEPARTMENT OF STATE



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## PHILIPPINES

# U.S. FOREIGN ASSISTANCE PERFORMANCE PUBLICATION Fiscal Year 2009

### **FY 2009 FOREIGN ASSISTANCE GOALS**

The United States Government (USG) and the Government of the Republic of the Philippines (GRP) share the long-term vision of a more prosperous, well governed, and stable democracy that is able to meet the needs of its people, especially the poor. A longstanding United States ally and Southeast Asia's oldest democracy, the Philippines has historic ties with the United States, and is an important development, trading, and regional security partner. Unfortunately, the Philippines has not enjoyed the same level of economic success as its neighbors have over the past 30 years. Approximately 40 percent of the Philippines' population lives on \$2 a day or less. The Philippines is an important counterterrorism partner, and is committed to stopping the flow of transnational terrorists in Southeast Asia. USG assistance is focused on counterterrorism efforts, addressing maritime security concerns, helping the Armed Forces of the Philippines transition away from internal conflicts towards territorial defense, and strengthening the capacity of the Philippines National Police (PNP) to address criminal activities and security threats. USG assistance is helping improve governance, the rule of law, and the fight against corruption through judicial reform, public financial management reform, and improving the institutions and programs that combat corruption. USG assistance is improving the quality of and access to education and health services, supporting biodiversity conservation and access to clean water and sanitation, and helping GRP and private sector efforts in disaster preparedness and mitigation. USG assistance is addressing constraints to trade and investment, promoting greater competition, increasing agricultural productivity, and boosting the employability of youth.

### **HIGHLIGHTS BY PROGRAM OBJECTIVE**

#### **Peace and Security**

The Philippines continues to face serious terrorism threats, especially in conflict-affected areas of Mindanao, and is an important and cooperative counterterrorism partner. By supporting efforts to improve the ability of the Philippine military and civilian law enforcement agencies to respond to terrorism threats and promoting peace and development in Mindanao in FY 2009, USG assistance:

- Helped the Philippine military conduct disciplined, successful operations against criminal and terrorist groups, and advocated peaceful negotiations to groups seeking autonomy.
- Helped the PNP develop capacity to detect, deter, investigate, and respond to terrorist activities and incidents, with an emphasis on respecting human rights.
- Helped control the illicit movement of weapons of mass destruction. With USG assistance, the Philippines has worked consistently to improve its domestic strategic trade control system, and has signed several international conventions related to weapons of mass destruction. The Philippine Biosafety and Biosecurity Association, Incorporated was established to implement counter-bioterrorism efforts.
- Maintained the momentum of the Philippines Defense Reform to reduce the threat of terrorism while simultaneously allowing security forces to increase and become more reliant on their own capabilities, and to begin addressing terrorism and its associated criminality as a law enforcement problem.
- Increased the number of instructors within the PNP with increased criminal investigation skills, and improved awareness and response capabilities related to issues of terrorism, crimes against women and children, trafficking in persons, civil disturbance management, internal affairs investigations, and police supervision.
- Helped make interdiction operations more efficient and effective through training for counternarcotics law enforcement and military personnel, leading to apprehension of major drug activities.
- Achieved progress in trafficking-in-persons prevention, and provided victim protection and assistance for 1,657 victims and potential victims of trafficking.
- Helped mediate more than 6,000 disputes, peacefully resolved 70 percent of them, and successfully introduced peace-building initiatives in Muslim communities. A total of 471 volunteers in 150 communities from 63 municipalities covering 7 provinces were trained and mobilized to mediate conflicts in their communities.

### **Governing Justly and Democratically**

Weak governance and rule of law, widespread corruption, and extrajudicial killings are continuing problems in the Philippines. In 2009, USG assistance:

- Worked with the GRP to focus on three rule-of-law initiatives: increase judicial efficiency through alternative dispute resolution and improve court and case management and the establishment of small claims courts; protect the integrity of the judiciary; and uphold human rights through awareness raising, monitoring of human rights violations cases, and building capacities in investigating, prosecuting, and adjudicating human rights cases.
- Established 44 pilot small claims courts in key areas of the country. More than 3,500 small claims cases were heard and decided within a day, compared with the usual 4 to 6 years it would have taken to decide a court case.
- Supported the nationwide rollout of small claims courts to complement other successful measures (e.g., court-annexed mediation and automated case management) to decongest court dockets, leading to a reduction of the case backlog by more than 270,000 cases since 2001.

- Supported the filing by non-governmental organizations of 12 extra-judicial killings cases and obtained 1 conviction.
- Improved the GRP's effectiveness to fight corruption, tax evasion, and smuggling, and strengthened civil society monitoring of the national budget.
- Improved governance in 9 cities and 30 municipalities in Mindanao.
- Strengthened election administration and oversight in preparation for the May 2010 elections. This entailed building the capacity of the Commission on Elections to improve their ability to conduct elections, implement the Election Automation Law of 2007, and strengthen civil society capability to monitor elections, educate voters, and advocate electoral reforms.

### **Investing in People**

Improving the delivery of health and education services is critical to fighting poverty. The Philippines has been challenged by declining rates of enrollment in secondary education, inadequate access to health services, and widespread environmental degradation. Complicating these difficulties are large geographic disparities in the quality of educational opportunities, health conditions, and access to safe drinking water and proper sanitation, with most of the lagging provinces located in Mindanao. In FY 2009, USG assistance:

- Increased HIV awareness training for most at-risk population peer educators, resulting in a 200 percent increase in coverage for outreach prevention services. In addition, USG-funded programs coordinated public-private partnerships in three cities, increasing access to prevention for high-risk groups in their workplace.
- Expanded the network of tuberculosis (TB) microscopy laboratories from 433 in 2006 to 516 in FY 2009, leveraged over \$180,000 from 42 local government units through additional allocations for TB programs, and helped achieve the TB national cure rate of 78 percent and treatment success rate of 88 percent.
- Helped bring about positive trends in mother-child health and family planning as documented the 2008 Philippines Demographic Health Survey. Under-five mortality decreased by 15 percent and fertility decreased by 5 percent. Utilization rates for key services such as immunization, antenatal, and delivery care increased.
- Helped the GRP increase the national budget for family health, with 92 percent of the funds being dispersed for improved mother-child health and family planning services at the local level, including the procurement of contraceptives.
- Maintained the contraceptive prevalence rate at 34 percent, despite the phase-out of contraceptive donations. This was achieved in part due to USG assistance to expand the availability of affordable commercially available contraceptives. The market share of private sector contraceptives grew from 29 percent in 2003 to 50 percent in 2008, and commercial sales have surpassed the volume of previously donated supplies.
- Helped bring the total number of people with access to improved water supply to 116,856 in FY 2009, and the cumulative number from 2006 to 985,674 people.
- Improved sanitation services for 355,994 people with the construction of wastewater treatment facilities and toilets, and increased collection and treatment of septage.

- Provided learning opportunities to approximately 327,000 students from 741 schools in the Autonomous Region for Muslim Mindanao, Western Mindanao, and Central Mindanao.
- Provided basic education opportunities for 12,837 out-of-school youth and adults, built 285 classrooms, and repaired another 43.
- Supported GRP decentralization of education governance through small grants for 756 Parent-Teacher Associations, local school boards, and similar school governance structures and community incentive grants for small school-based projects.
- Trained 15,430 teachers in math, science and English, and computer literacy, and 3,787 school administrators in education governance and school based management.
- Collaborated with the GRP in the implementation of a school-based management fund under its community incentive grants, English proficiency training for teachers, in-school/out-school strategy for dropouts, information and communications technology for education hubs, *madrassa* mainstreaming, national drug education program, and nationwide school-community mobilization for school improvement.

### **Economic Growth**

Improving the quality of life for more Filipinos requires an open and competitive economy that attracts and mobilizes job-creating domestic and foreign investment. While the recent record of economic growth and fiscal stabilization is encouraging, the Philippines faces economic growth constraints that work against robust job creation and poverty reduction. A more competitive investment climate is necessary to create the economic opportunities that generate jobs, reduce poverty, and counter instability, especially in the conflict-affected areas of the country. In FY 2009, USG assistance:

- Supported GRP efforts to undertake crucial economic reforms in the areas of tax administration, fiscal transparency, and the country's overall business enabling environment. USG-funded initiatives helped minimize revenue leakages, improved budget monitoring and oversight, and reduced barriers to entry and the time and cost of complying with local or national government regulation by streamlining of processes and procedures.
- Supported the implementation of revenue enhancement measures at regional offices of the internal revenue agency, improved port operations and trade facilitation in domestic ports, developed benchmarks to track and monitor tax payments, and improved fiscal transparency.
- Supported GRP efforts in implementing key reforms that will improve the investment and business climate and build trade capacity. USG assistance supported several diagnostic studies including the World Bank's Sub-National Doing Business survey covering 24 cities, and the Asian Institute of Management's Philippine Cities Competitiveness Ranking Project covering 30 cities across the country.
- Supported local and national government initiatives to reduce the steps, time, and costs that business operators spend interfacing with government to obtain or renew business permits.
- Supported the GRP in the development of needed energy, communications, and transport infrastructure to promote economic growth and strengthen the foundations of peace in Mindanao.

- Helped install computer and internet connection packages in 150 new high schools and 55 elementary schools in the Conflict Affected Areas of Mindanao (CAAM). As a result, 181,398 people – mostly students – now have access to internet services.
- Focused U.S. assistance on transport infrastructure, especially the construction of community and regional impact infrastructure project in the CAAM. In partnership with local governments, USG supported the construction of 140 community-based infrastructure projects in FY 2009. One regional impact project, the Tawi Tawi airport runway-improvement project, is expected to lead to increased passenger and cargo traffic, thereby supporting economic development in Tawi Tawi Province. With FY 2009 assistance, about seven kilometers of transport infrastructure were constructed or repaired.
- Supported the passage of the landmark Renewable Energy Act and its implementing rules and regulations, which will pave the way for the development of an additional 8,000 megawatts of electricity from clean and indigenous energy sources.
- Provided electricity through the installation of solar and micro-hydro facilities in off-grid villages to more than 11,000 individuals in the CAAM. The cumulative total since 2004 is 80,000 beneficiaries in 274 villages, representing 45 percent of the total energized communities in the Autonomous Region of Muslim Mindanao.
- Supported an enabling environment to foster adoption of biotechnology, improved agribusiness competitiveness, expanded the export potential of targeted commodities, facilitated continuous supply of raw materials by Mindanao producers to processors and buyers, attracted new private sector investments in value-added processing, and provided a sustainable source of livelihood alternatives to former combatants.
- Helped to continue building a more inclusive financial system by leading efforts to make financial services accessible to the microenterprise sector. In partnership with the Rural Bankers' Association of the Philippines, USG assistance supported the development of rural banks' capability to offer a wider range of microfinance products and services, building on technological advances and strengthened by public-private partnerships.
- Continued support for the expansion of microfinance services by training an additional 101 new banking units, bringing a total of 552 banking units that reached 111,756 new microenterprise clients.
- Supported at least 265 local governments that placed over 124,686 hectares of natural forests and marine protected areas under improved environmental management.

### **Humanitarian Assistance**

In a country prone to disasters, the USG provided immediate relief for both natural disasters and humanitarian crises caused by violent conflict. In FY 2009, USG assistance:

- Enabled communities to rebuild their homes and reestablish sources of income in the typhoon affected areas of the Bicol region in Southern Luzon.
- As a result of USG support for training, education, planning, and early warning systems, nearly 40,000 people from communities vulnerable to disasters are better prepared for future disasters and crises.