



UNITED NATIONS  
PHILIPPINES



# COMMON COUNTRY ASSESSMENT PHILIPPINES





**Common Country Assessment: Philippines**

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# ACRONYMS

ARMM	Autonomous Region in Muslim Mindanao	BOL	Bangsamoro Organic Law
CCT	Conditional Cash Transfer		
CPP	Communist Party of the Philippines		
DRR	Disaster risk reduction		
ESCAP	Economic and Social Commission for Asia and the Pacific	ESCR	Economic, Social and Cultural Rights
FAO	Food and Agriculture Organization of the United Nations	GPH	Government of the Philippines
HDI	Human Development Index		
HDN	Human Development Network		
ILO	International Labour Organization		
IPRA	Indigenous People's Rights Act		
K-12	Kindergarten to 12 Grade		
LGUs	Local Government Units		
NEDA	National Economic Development Authority		
OCHA	Office for the Coordination of Humanitarian Affairs		
PDP	Philippine Development Plan		
SDGs	Sustainable Development Goals		
UNCT	United Nations Country Team		
UNDAF	United Nations Development Assistance Framework		
UNDP	United Nations Development Programme		
UNFPA	United Nations Population Fund		
UN Habitat	United Nations Human Settlement Programme		
UNICEF	United Nations Children's Fund		
WFP	World Food Programme		
WHO	World Health Organization		



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# I

# PURPOSE, ASSUMPTIONS, APPROACH



The purpose of this CCA is to provide the evidence base from which an UNDAF theory of change can be drawn, and offer grounding and direction for a strategic UNDAF. It is being undertaken as a requirement and essential element of a fifth UNDAF in the Philippines, anticipated to take effect in 2019 and end in 2023.

This CCA considers the Philippine Development Plan (PDP) 2017-2022, launched in February 2017, as part of the country context and responds to it.<sup>1</sup> The PDP is the first of four medium term plans to operationalize Ambisyon 2040,

the Filipinos' vision for the Philippines in 2040, which is to be “a prosperous, predominantly middle class society where there is equality of opportunities and poverty has been eradicated”; Ambisyon is the anchor for country development plans until 2040 and incorporates all of the SDGs.<sup>2</sup> The PDP thus features three clusters of strategies or ‘pillars’ – namely, enhancing the social fabric; inequality-reducing transformation; increasing potential growth – and a cluster of cross-cutting strategies or foundations for sustainable development. Together these provide “a solid foundation for more inclusive growth, a high-trust and resilient society,

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1 This is a departure from a typical CCA which is expected to inform and support the drafting of a national development plan, i.e. which is expected to be “... a powerful source of information to help the UN system engage with national stakeholders, including to advocate for policy changes and to support the drafting of the national development plan.” (United Nations Development Group 2017, p. 21).

2 As stated in the Philippine Statement on the 2017 High Level Political Forum on Sustainable Development, 18 July 2017, i.e. “*The SDGs require a whole-of-society involvement, but the PDP requires no less. Therefore, it is important that these two be integrated. As it stands, the Agenda 2030 aligns quite well with our long-term development agenda. And that is why in the current PDP, all SDGs are incorporated.*”



and a globally competitive knowledge economy” such that, by the end of 2022, more Filipinos will be closer to achieving their ambition of having “strongly rooted, comfortable, and secure lives.”<sup>3</sup>

This CCA assumes that the fifth UNDAF can also be positioned as an initial investment in a longer-term UN effort to support national aspirations, laying the foundation for succeeding UNDAFs thru, among others, consensus on causal chains, normative principles, analytics, and partnerships.<sup>4</sup> It also assumes that, being a middle-income country, the Philippines has a fair amount of internal institutional capacity to achieve its aspirations and may only need or benefit from UN support where progress has been persistently constrained. Consequently, the CCA examines the trajectories of national outcomes over the last twenty years, along the broad categories of “people”, “planet”, “prosperity” and “peace”, and identifies where traction is not apparent and why, and where national capacities/efforts could benefit from coordinated and coherent UN support, over and above what may be gained from the contributions of 17 individual agencies without an UNDAF. The focus on coordinated and coherent UN support for the UNDAF is in line with the UN Secretary General’s report on the

“repositioning of the UN development system to deliver on the 2030 Agenda” as well as with the recent UNDAF 2012-2018 Evaluation Report.<sup>5</sup> Potential areas of support are then mapped back into the pillars and foundation of the PDP.

This CCA relies heavily on existing country and sectoral assessments, including the PDP itself, which provides a discussion of problems/challenges in each chapter, and independent reviews commissioned by UN agencies. Among the latter are reviews of the status of women and children (UNICEF, May 2017); food security and nutrition (WFP, January 2017); the urban agenda (UN Habitat, October 2016); youth (UNFPA 2015); poverty (UNDP 2015); decent work (ILO, June 2017); health (WHO 2017-2022 Country Cooperation Strategy); and agriculture (FAO Mindanao Strategic Programme for Agriculture and Agri-business, 2017). The UNDAF 2012-2018 Midterm Update Framing Paper, the UNDAF 2012-2018 evaluation report, and technical reports by the World Bank were also referenced. Interviews with key informants were also undertaken.

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3 In the vernacular, *“matatag, maginhawa at panatag na buhay.”*

4 The 2017 UNDAF Guidance refers to a shared long-term vision, the UN Vision 2030, which is the United Nations’ vision in the country until the formal completion of the 2030 Agenda (UNDG 2017, p. 6).

5 The Secretary General’s report (Advanced unedited version, 30 June 2017) observed, among others, that *“the current model has reached its exhaustion point and is insufficient to match the ambition, effectiveness and cohesion required by the new agenda”*; that *“the United Nations too must change... with a view to enhancing its coherence and efficiency, as well as its capacity to address the full range of development challenges of our time”*; and that *“rather than a picture of all UN Country Teams’ activities in a given country, UNDAFs must become a system-wide response to national priorities...”* (par 4, 12, 58). The UNDAF evaluation report (August 2017) also observed the need to more precisely identify whether and how the UN can make a difference and demonstrate results over and above that which would have occurred through the individual contributions of participating agencies in the absence of an UNDAF. See list of recommendations on p. 47, e.g. #s 1, 6, and 8.





## II



# GENERAL CONTEXT AND RECENT PROGRESS



The Philippines is an archipelago of 7,107 islands situated in South East Asia, with a total land area of about 300,000 sq. km. and a coastline 235,973 km long.<sup>6</sup> Islands are relatively small, with mountainous interiors and narrow coasts; larger ones feature a broad array of hills, plateaus and plains. Approximately 65 percent of land area is considered uplands, but there are also extensive lowlands on the largest islands. The country lies in the humid tropics but temperature and precipitation vary greatly across it. Climate and parent-soil material give the Philippines a wide range of soils, some of which are very rich and some quite poor. For instance, in one possible mapping of

agro-ecological zones across the country, 26 categories were identified.

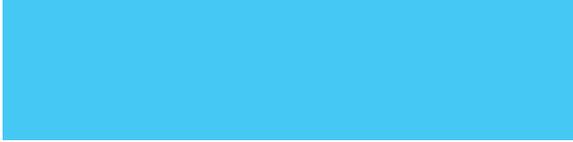
The Philippines is prone to both geological and hydro meteorological hazards and is ranked the second most-at-risk country in terms of potential impacts of climate change.<sup>7</sup> It lies in the so-called typhoon belt where storms generated in the western Pacific Ocean pass through. The archipelagic nature of the Philippines exposes low-lying coast to storm surges, tsunamis and sea level rise. The trend over the past years points to greater frequency and intensity of impacts of hydro-meteorological hazards.<sup>8</sup> The agriculture sector, the most vulnerable to climate

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6 HDN 2013

7 Ranked by the World Risk Index. It is next only to Vanuatu (for comparison, Bangladesh ranks fifth, Cambodia ninth, and Papua New Guinea tenth). (Briones et.al, 2017)

8 FAO 2017



change, is especially affected by these developments.

In 2015, the population of the Philippines was 100.98 million, up from a population of 92.34 million in 2010 and 76.5 million in 2000. 50.5 percent of the population were male and 49.5 percent were female.<sup>9</sup> Majority of the population live in the immediate vicinity of the coast, with 60 percent of the population living in large coastal cities.<sup>10</sup> The population is predicted to grow to 125 million by the end of 2030 and to 142 million by the end of 2045. The fertility rate has been steadily dropping, from 6.0 children per woman in 1973 to 3.0 in 2013, but adolescent fertility rates (at 57 births per 1,000 girls aged 15 to 19) have hardly changed (in contrast to other countries in the Asia and the Pacific where rates have declined).<sup>11</sup> On average 13.6 percent of 15 to 19 year olds have begun childbearing, a doubling from the 6.3 percent in 2002.<sup>12</sup>

Half of the Philippine population live in urban areas. The population growth rate in urban areas is double that of rural areas due to both rural-urban migration and natural population increase in urban areas.<sup>13</sup>

In 2000, 81 percent of the population were Roman Catholic, 5.1 percent were Muslim.

Other denominations accounted for the balance.

The Philippines has a democratic representative, presidential system, with checks and balances and separation of powers. The President is elected by the public and is the head of state, head of government and Commander-in-Chief of the armed forces. Congress is composed of two branches - the Senate, elected by the public at large, and the House of Representative, elected from legislative districts and through a multiparty system. The Judiciary is headed by a Supreme Court. The 1987 Constitution provides for three independent Constitutional Commissions as well as for a Commission on Human Rights.

The country is divided into 80 provinces, 143 cities, 1,491 municipalities, and 42,000 (or so) barangays. Provinces are organized into 16 administrative regions (i.e. for the administrative convenience of the national government) and one autonomous region, Autonomous Region in Muslim Mindanao, which is governed by an elected regional governor and regional (legislative) assembly; the President has supervisory authority over provincial governors, mayors of independent component cities, and the ARMM regional governor.<sup>14</sup>

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9 Unless otherwise indicated, all population statistics are from the Philippine Statistics Authority (PSA)

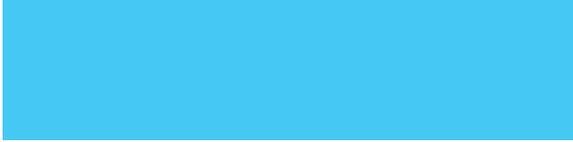
10 UNICEF Philippines 2017

11 "Adolescent fertility rates have declined in the last two decades in all countries with available data, with the exception of the Philippines where there has been little change." (UNFPA 2015: 41)

12 Ibid.

13 UN Habitat 2016

14 Independent component cities are legally and fiscally independent from the provincial governments where they are found. Effectively, mayors of these cities are at par politically with provincial governors.



National government offices are usually located in regional centers, and the seat of the provincial government is in their respective province. In 1991, Republic Act No. 7160 (the Local Government Code of 1991) decentralized a number of spending and taxing responsibilities from the national government to local government units.

In the 1950s, the Philippines was one of the fastest growing economies in the region, but by the early 1980s, after more than a decade of martial rule, it had become its worst, characterized by high inflation, high negative growth, and unsustainable public debt. A people-led peaceful revolution in 1986 started a slow process of building back the economy, reestablishing democratic institutions and restoring human rights. Aspirations for social justice became embedded in the 1987 Constitution.<sup>15</sup>

Today, thirty years later, Philippines is a middle income country that has been described as one of the “most dynamic economies” in the world. Between 2011 and 2016, real per capita GDP grew at an average rate of 4.4 percent per annum, up from 2.9

percent between 2001 and 2010, and 0.5 percent from 1991 to 2000.<sup>16</sup> Employment reached a decade high of 95.3 percent of the economically active population in 2016, from an average of 91.2 percent in 2005, although underemployment remained high at 18 percent.<sup>17</sup> Between 2011 and 2015, the country enjoyed a widening of its fiscal space which allowed a 77 percent and 42 percent increase in average real per capita annual MOOE and Infrastructure/Capital Outlay disbursements, respectively, versus the decade before.<sup>18</sup> A relatively wide fiscal space is expected to persist.

Held up against the growth performance of the previous two decades (from 1991 to 2009), recent growth has also been described as more inclusive.<sup>19</sup> Between 2012 and 2015, almost 80 percent of households experienced real per-capita household income growth, with income of households in the bottom 4 deciles growing at twice the average rate. Over the same period, poverty incidence using the national poverty threshold substantially declined, dropping from 25.2 percent to 21.6 percent, or a net decrease of 1.8 million poor Filipinos<sup>20</sup> – a complete reversal

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15 Social and economic rights are given equal primacy with civil and political rights (Monsod, C. 2017). More specifically, the 1987 Constitution “innovated with three central themes, **firstly**, the heart of the Constitution is social justice with the poor as the center of our development; **secondly**, never again to any authoritarian government. Hence, the strict limitations and conditions for declaring martial law with new provisions, including in the Bill of Rights; and **thirdly**, the national destiny must firmly and safely rest on Filipinos themselves. Never again amendments similar to the 1935 Constitution that gave Americans equal rights to our patrimony, foreign military bases, and economic policies...”

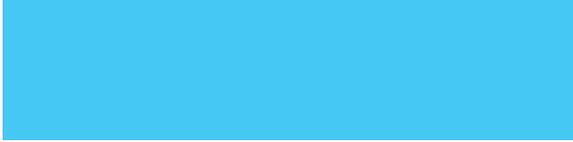
16 World Development Indicators (data.worldbank.org)

17 WB 2017, p. 18. Underemployment stabilized below the ten-year average of 19.1.

18 Monsod, 2016a

19 “More inclusive” as measured by changes in poverty incidence, the number of poor, real per capita income growth of the bottom 40 percent, extreme poverty incidence and self-rated poverty; see WB 2017 (see p. 19). ILO takes a more absolute and static view however, and argues that “the relatively strong economic growth over the last decade was not inclusive as it did not translate to massive creation of decent work and therefore had limited effect on reduction of poverty and inequality” and that “the minimal growth of real wage in spite of strong GDP growth means the well-being of wage earners improved little, underscoring non-inclusive growth especially for low-paid workers.” See ILO 2017, p. 1.

20 Using the international poverty line of \$1.90 (2011 PPP) and income-based (rather than consumption-based) estimates of household welfare, the drop was from 10.6 percent in 2012 to 6.6 percent in 2015, equivalent to lifting 3.2 million Filipinos out of extreme poverty in the three years (WB, April 2017)



from the net increase of 1.55 million poor Filipinos (despite a 9.2 percentage point fall in incidence from 34.4 to 26.3 percent) observed between 1991 and 2009.

While this expansion was not enough to achieve a halving of poverty incidence between 1991 and 2015, it was enough to halve *extreme* poverty incidence, measured using both the national food threshold and the international line of \$1.90/day (2011 PPP). Measured by the former, extreme poverty dropped from 17.6 percent to 8.1 percent, or a net decrease of 2.876 million Filipinos; measured by the latter it dropped from 26.59 percent to 13.11 percent (in 2012).<sup>21</sup> Self-rated poverty also declined by 22 percentage points between 1992 and 2016, while GNI per capita increased by 112 percent - from \$3962 to \$8395 (2011 PPP) - between 1990 and 2015.<sup>22</sup>

What turned to make poverty more responsive to growth in the last few years? Factors cited have included the movement of workers out of agriculture to more productive sectors as well as the rapid expansion of government's conditional cash transfer (CCT) program.<sup>23</sup> The budget of the CCT increased by 200 percent between 2011 and 2015, expanding beneficiary households to some 4.36 million (or approximately 20 million of the poorest Filipinos) by the end of 2015. The

emphasis on good governance and respect for the rule of law over the last 6 years is also cited as factors.<sup>24</sup>

More importantly however, do recent trends signal a sustained shift to a virtuous (high, robust, inclusive, resilient) growth regime, one that can support a trajectory toward a '*prosperous, middle class society where no one is poor, where people have long and healthy lives, are smart and innovative, and where families thrive in vibrant, culturally-diverse resilient communities*' by 2040? This is the main concern. As the PDP itself observes, while "sustaining the momentum of economic growth must remain a key objective, the real measure of achievement is the extent to which people's lives have been improved."<sup>25</sup>

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21 This PPP estimate uses household consumption data, and there is no estimate for 2015. As mentioned in the preceding footnote, extreme poverty using household income was 10.6 percent in 2012 and 6.6 percent in 2015.

22 Self-rated poverty trended downwards to reach 44 percent in 2016; see Box 8 of WB, April 2017.

23 WB 2017; NEDA 2017, pp. 45-47. Other factors may have contributed to growth, such as remittances, BPO, FDI. However whether and how these factors contributed to the changed responsiveness of poverty to growth is unclear.

24 NEDA 2017, p. 5.

25 NEDA 2017, p. 47





# III



## TRAJECTORIES OF CORE HUMAN DEVELOPMENT OUTCOMES AND CRITICAL CONSTRAINTS



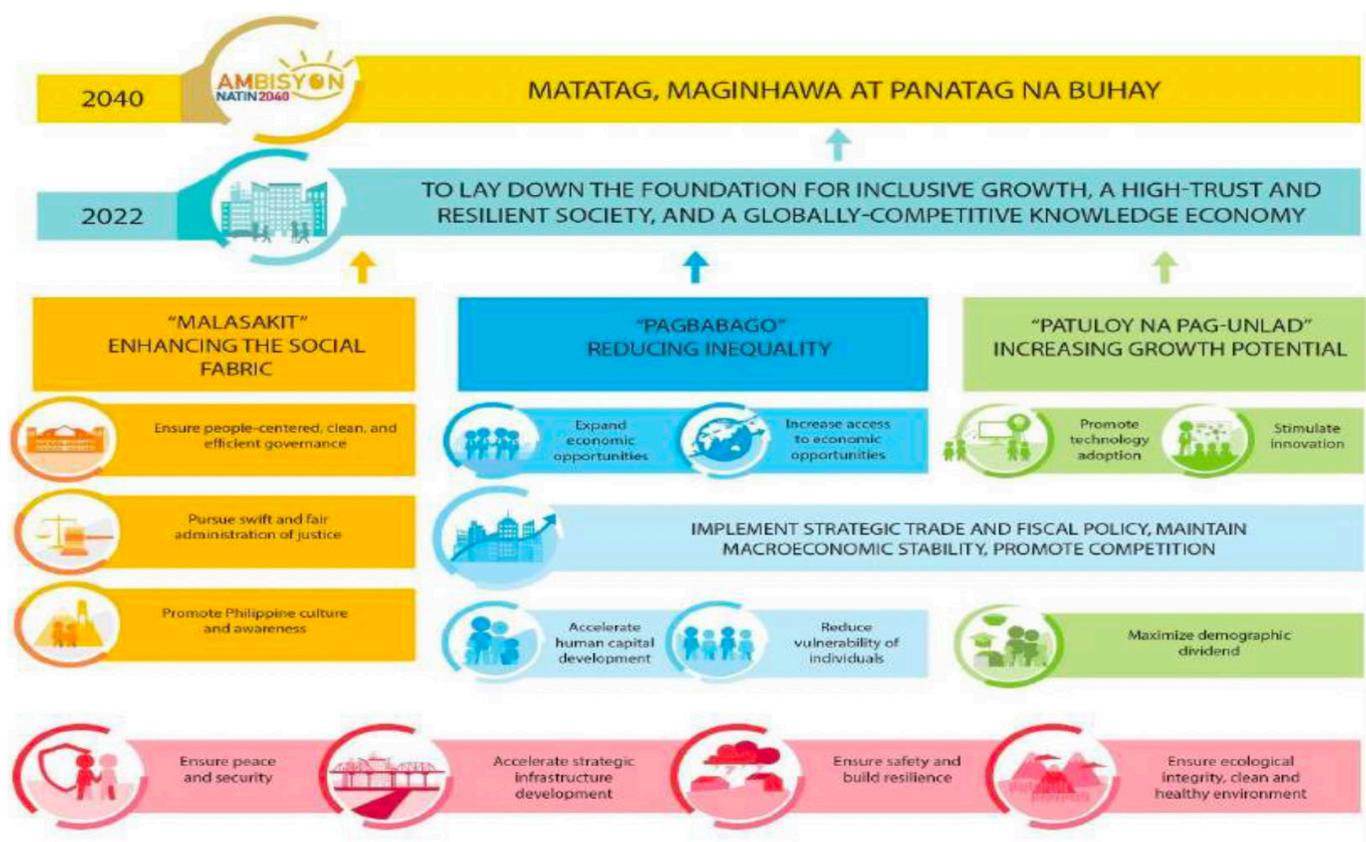
The PDP 2017-2022 was launched in February 2017, laying out policy goals and strategies for the medium term. The PDP seeks to deliver more efficient and credible public institutions, better and more equal access to economic opportunities for all, reduced vulnerability among individuals, and accelerated economic growth. To achieve this, it promises a wide range of policies and programs that will, among others, promote agricultural productivity and equitable tax reform, macroeconomic stability and regulatory simplicity, public infrastructure investments and human

capital development, and the full harvest of the demographic dividend (Figure 1). Its overriding targets are a reduction of overall poverty incidence from 21.6 percent to 14 percent, and rural poverty incidence from 30 percent to 20 percent; a reduction of overall unemployment from 5.5 percent to 3.5 percent, and youth unemployment from 11 percent to 8 percent; a reduction of underemployment outside of National Capital Region to 16-18 percent; and increased resilience, increased drive for innovation, and increased trust in government among citizens and communities.

Owing to the economy's strong macroeconomic fundamentals and assuming bottlenecks in the design and implementation of planned infrastructure projects can be addressed, there is general optimism that the PDP can and will support growth at a relatively high equilibrium, at least in the medium term.<sup>26</sup> However, whether that growth can be leveraged to provide enough thrust and inclusivity over

the longer term so that capabilities and opportunities for all are expanded, and in a manner that is sustainable for generations to come, is not yet clear.<sup>27</sup> This is because, at present, and despite significant traction gained in the last two decades, there are critical constraints, especially in public sector capacities, which may encumber efforts to achieve longer term goals, and which the PDP, as the foundational plan, does not quite address head-on.

Figure 1 Philippine Development Plan (PDP) Priorities



Source: PDP 2017-2022

26 WB 2017.

27 The PDP notes that "The most serious criticism against the Philippines' growth profile is the stark inequality in development." [p. 46]

Constraints threaten to impede trajectories towards basic capabilities and opportunities for all and undermine momentum toward resilience and lasting peace. These are discussed in turn.

### A. Human development capabilities and opportunities for all ('People')<sup>28</sup>

1. **Both country-level trends in human development and the trajectories of the MDGs at end-line (in 2015) indicate that there are binding constraints in national capacities to deliver on basic and strategic human development needs, despite the country's rising income and expanding fiscal space.** Capacity problems are indicated in Table 1 which shows that while the country's HDI improved between 1990 and 2015, improvements came at a slow pace, registering an

average annual growth of 0.61 percent, or just half the HDI growth observed for medium-HDI countries as a group.<sup>29</sup> As a result, the Philippines has fallen behind relatively as indicated in Figure 2 which shows China, Thailand, and Vietnam all overtaking the country in human development achievements. Progress in human development in the Philippines was actually at its slowest from 2010 to 2015 (at 0.39 percent per annum) at the same time national income/output growth was supposedly at its fastest. In 2014, the HDI ranking of the Philippines was lower than its GNI ranking (by 7 rungs) – indicating the country was doing relatively worse in human development than it did in incomes – the first time this has happened since the HDI was introduced in 1990.

Table 1. HDI Philippines, 1990 - 2015

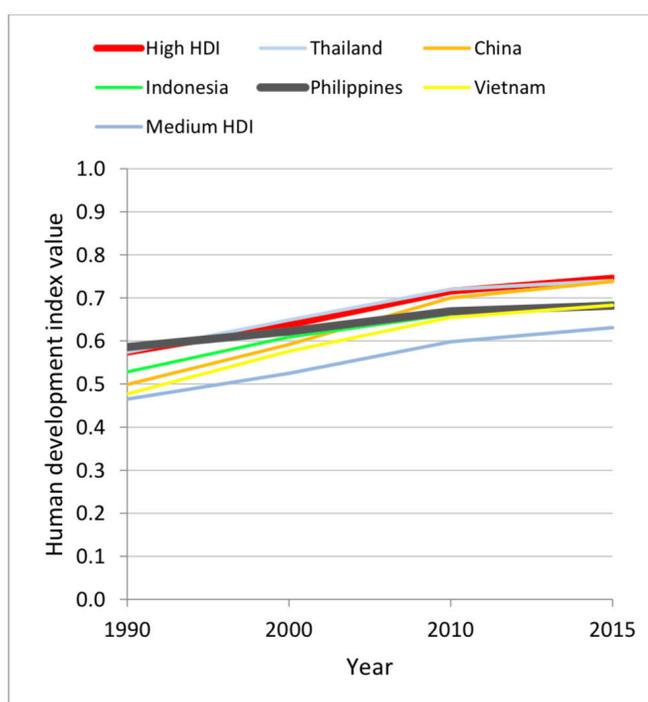
	1990	2000	2010	2015
<b>Life expectancy at birth</b>	65.3	66.7	67.7	68.3
<b>Expected years of schooling</b>	10.8	11.4	11.3	11.7
<b>Mean years of schooling</b>	6.6	7.6	8.2	9.3
<b>GNI per capita in 2011 PPP\$</b>	3962	4994	7478	8395
<b>HDI</b>	0.586	0.622	0.669	0.682
<b>Average annual HDI growth (%)</b>	<b>1991-00</b>	<b>2001-10</b>	<b>2011-15</b>	<b>1990-15</b>
Philippines	0.60	0.72	0.39	0.61
medium HDI countries	1.23	1.31	1.09	1.23
very high HDI countries	0.55	0.48	0.35	0.48

Source: <http://hdr.undp.org/en/data-explorer>

28 "We are determined to end poverty and hunger, in all their forms and dimensions, and to ensure that all human beings can fulfil their potential in dignity and equality and in a healthy environment." – 2030 Agenda for Sustainable Development

29 Data accessed from [hdr.undp.org](http://hdr.undp.org)

Figure 2. HDI 1990–2015, Philippines versus selected countries



Source: <http://hdr.undp.org/en/data-explorer>

**2. Capacity constraints are particularly severe relating to efforts involved in eradicating hunger and advancing human health.** This can be inferred from Table 2, detailed in Annex A, which shows how the MDGs were trending at the end of the campaign in 2015 and the feasibility of new global and local targets. Basically, trajectories for eradicating extreme poverty, universal primary education, promoting gender equality in education, reducing child mortality, and providing access to water and sanitation seem to have *enough traction* to achieve targets by 2022 or 2030. Although education

indicators here say nothing about the *quality* of primary education nor progress towards universal secondary education – both, ongoing challenges<sup>30</sup> – the shift to K-12 in school year 2012-2013, as well as the expansion of the CCT to in-need high school students in 2014, were major reforms undertaken to address these, demonstrating the country’s commitment to education goals.<sup>31</sup>

30 The PDP notes that “raising the quality of education remained a challenge” in the last plan period as elementary and secondary achievement rates stayed low. Early childhood education is also a fairly new concern. While children served by child development centers increased from 1.6 million to 1.8 million, this constituted only 41 percent of the total 4.3 million 3-4 year old children in 2013.(NEDA 2017, pp. 141-142)

31 An enhanced curriculum for K to 12 was implemented in SY 2012-2013 and K to 12 was enacted into law through RA 10533 in 2013; the expansion of the CCT to in-need high school students was provided for in the 2014 budget. Impacts on standard achievement scores and on high school dropout rates may only be known in or after SY 2018-19 however. Another related reform is the implementation of Universal Kindergarten which began in 2011-2012; all 5 year old children are required to be in kindergarten before they will be accepted to grade 1.

Trajectories in the empowerment of women, when benchmarked to the levels of high and very-high HDI country, also have good traction.

Table 2. Status of MDGs at end line (2015)

Targets	status	Targets	status
<b>1: Eradicate extreme poverty and hunger</b>		<b>4: Reduce Child Mortality</b>	
Poverty (less than PPP\$1.90/day)	●/▲ <sup>a</sup>	U5 Mortality	●
Poverty (national poverty threshold)	▼	Infant Mortality	▲
Poverty gap ratio	●	Neonatal Mortality	▼/●
Share of poorest quintile in national consumption	prog	1-year olds immunized vs measles	●
<i>Achieve full employment, decent work</i>		<b>5: Improve Maternal Health</b>	
Growth rate of GDP/person employed	prog	Maternal mortality ratio	▼
Employment-to-population ratio	prog	Births attended by skilled personnel	●
% employed population who are income poor	prog	Contraceptive prevalence rate	▼
Own-account workers in total employment	prog	Adolescent birth rate	▼
Unpaid family workers in total employment	prog	Antenatal care coverage	prog
<i>Halve Hunger</i>		Unmet need for family planning	prog
Underweight U5	▼	<b>6: Halt/reverse incidence of major diseases</b>	
Stunting	▼	Prevalence associated with malaria	●
Wasting	▼	Death rate associated with malaria	●
Anemia (women 15-49)	▲	Prevalence associated with TB	▼
% of HH w per capita energy < 100%	▼/▲	Death rate associated with TB	▼
Subsistence poverty	●/▲ <sup>a</sup>	HIV Prevalence	▼
<b>2: Universal Primary Education</b>		<b>7: Environmental sustainability</b>	
Net enrolment ratio in primary education	▲	Families with access to safe water supply	▲
Cohort Survival Rate	▲	Families with sanitary toilet facility	●
Primary completion rate	▲	Families with access to secure tenure	No change
<b>3: Promote Gender Equality, Empowerment of Women</b>			
Ratio of girls to boys (each level of education)	●		
Women in non-agriculture wage employment	▼/● <sup>a</sup>		
Proportion of seats in parliament	▼/● <sup>a</sup>		

Source: Annex A

●: achieved/to be achieved by 2022; ▲: on track by 2030 +/- 2; ▼: expected beyond 2030 +/- 2; prog: trending in the right direction

<sup>a</sup> Assuming original target/ assuming new target. Refer to Annex for these targets.

However, trajectories for eradicating hunger and advancing human health **do not have traction**, indicating that capacity constraints are most severe in these fronts. Achievements in halving child malnutrition, improving maternal and adolescent health, and reversing the spread of major communicable diseases (TB and HIV) fell the farthest behind in the last 25 years and have the flattest trajectories moving forward. In fact, Annex A shows

that there is far less traction in these areas than in the reduction of poverty incidence, which is also anticipated to lag behind. (The shorter trajectory for poverty income reduction actually indicates that there is more to addressing hunger and advancing human health than increasing household incomes to above poverty lines).

In particular, the incidence of *underweight* and *stunted children under 5* moved down

by 20 percent and 15 percent respectively, far short of the 2015 target of a reduction of 50 percent (Figure 2). As such, the Philippines continues to be among 10 countries in the world where two-thirds of the world's stunted children reside.<sup>32</sup> Stunting increases sharply among one-year olds and remains high for the older children. Double digit stunting rates in older children highlight the irreversibility of early age stunting, and the persistence of chronic malnutrition.

Wasting prevalence actually trended upward between 2005 and 2013 before settling at 7.1 percent in 2015, only .6 percentage points lower than its baseline of 7.8 percent in 1993 (Figure 2). Wasting prevalence in almost all the age groups is well above the 5 percent acceptable cut-off (WHO 2016) and children below two

years old are most affected. Rates tend to decrease after two years, but go up again as they enter school.<sup>33</sup>

*Maternal health* is intimately linked to nutrition trajectories. Early onset stunting (before 2 years) is directly linked to the nutrition status of pregnant and lactating mothers and to sub-optimal feeding (exclusive breastfeeding, complementary feeding) practices. In 2011, a quarter of pregnant women were nutritionally at-risk and anemic, majority of whom were pregnant girls (< 20 years old) living in rural areas, and in 2014, 23.2 percent of live births were underweight likely due to high levels of nutritionally at-risk and anemic mothers.<sup>34</sup>

*Maternal health* performed even worse however as indicated by maternal mortality ratio which did not significantly

Figure 3 Malnutrition Prevalence among Children 0-5 year olds, 1993-2015 (%)

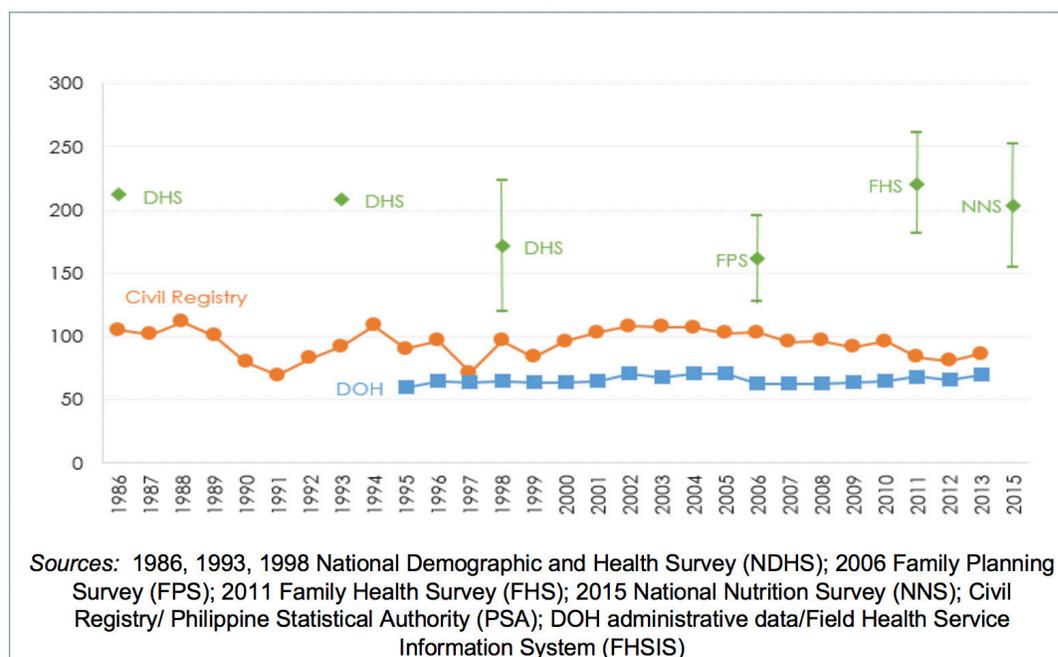


32 Save the Children, 2017.

33 Other indications of malnutrition include acute nutrient deficiency. Among others, iron deficiency anemia (IDA) compromises the physical and intellectual development of children, especially those below five years old. While there was a notable decrease in anemia prevalence across all age groups in the past two decades, the IDA levels remained disturbingly high among children below three years old especially among infants in 2013.

34 Briones et. al. 2017. Additionally, in 2015, 68 percent of 0 month olds (down to 24.7 percent of 5-month olds) were exclusively breastfed (EBF) for 0-6 months (so 32 percent were never breastfed). Low rates of EBF deprive infants of needed nutrients for optimum growth at the time when his or her growth is most rapid (PPAN 2017, draft).

Figure 4. Maternal Mortality Ratio from the Surveys, Civil Registry, and DOH



Source: HPDP 2017 (draft only)

decline over the last 25 years (Figure 3). This is shocking because up to two-thirds of maternal deaths are attributable to conditions which are highly avoidable through the provision of timely and adequate obstetric care.<sup>35</sup> In particular, through an interconnected set of life-saving and cost-effective services that are “delivered appropriately and in a timely manner across each of the life stages from pre-pregnancy to postpartum and postnatal care.” This includes the provision of *modern family planning* services which reduces the risk of maternal death significantly (i.e. by at least 55 percent if modern contraceptive prevalence rates are increased to 51 percent.)

Household food security is also critical, if not central, to nutrition trajectories. Food security is described as a state when “all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life.”<sup>36</sup> However, many Filipinos suffer from lack of food or poor diets, despite rising food availability, because of inadequate access to healthy food. Adequate access to healthy food is a function of physical access to food and food prices relative to household incomes: as income rises or food prices fall, malnutrition declines. Food price movements have been more volatile of late and rapid food price inflation are implicated in the reversal of

35 Such as hemorrhage and hypertension. That maternal mortality is still not monitored properly is also disturbing. See Health Policy Development Plan 2017 (draft). The next two statements are also from HPDP 2017, pp. 79-80.

36 Briones et. al. 2017. This section draws heavily from this reference.

nutritional improvements in recent years. Raising incomes is no guarantee to ending hunger and malnutrition however. Even among those at the top wealth quintile, malnutrition levels of children remain elevated, i.e. 13-14 percent for under-5 stunting.

**3. Opportunity costs of not succeeding on these fronts are large and shouldered by all, and include missing a rare opportunity to realize a potential demographic dividend.** “Hunger and malnutrition are arguably the most serious and yet preventable public health emergency of our time.”<sup>37</sup> Beyond health implications for each child, malnutrition impairs a child’s cognitive development – effects of stunting are irreversible by 60 months – and children who become stunted between conception and 2 years of age are more likely to repeat grade levels or drop out, or have lower socio-economic attainment later in life. It is estimated that childhood stunting experienced by the workforce cohort in 2013 cost the Philippines an estimated Php326.5 billion (or 2.8 percent of GDP in 2013) in lost productivity that year.<sup>38</sup> Effects are intergenerational.<sup>39</sup>

The economic costs of poor maternal and adolescent health are also large and intergenerational.<sup>40</sup> Apart from the financial burden from unplanned

or mistimed pregnancy and birth, early childbearing in the Philippines has been found to reduce the probability of completing high school and, consequently, reduce age-earnings (wage rate) profiles; children of teen mothers also tend to have lower schooling attainment. After accounting for the effects of poverty, discounted lifetime cash earnings foregone of the cohort of teens age 18 to 19 year old girls resulting from early childbearing was Php27 billion in 2012, or 1 percent of 2012 GDP, comparable to the lifetime foregone earnings in the US and China. Early childbearing is also a factor in complications in pregnancy and childbirth, leading to maternal mortality, as well as in the incidence of preterm and low-birth weight babies, leading to elevated risk of neonatal mortality.

It is estimated that investments to increase the coverage and improve the quality of pre-pregnancy, antenatal intrapartum and postpartum interventions could avert 54 percent of maternal deaths and 71 percent of neonatal deaths per year.<sup>41</sup> Among these, family planning programs could generate high returns, not only through its link to improved maternal and adolescent health, but through its link to a potential *demographic dividend* – which is a windfall for an economy stemming from a window of opportunity created by the *demographic*

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37 Ibid.

38 Save the Children, 2016

39 “Low birthweight is more common among infants whose mothers were themselves stunted during early childhood. On the other hand, nutritional deprivation during fetal or infant life triggers changes in body function that result in elevated risks of hypertension, cardiovascular disease and type 2 diabetes, especially when aggravated by rapid weight gain and obesity after age 2 years” (Herrin, 2016).

40 The information in this paragraph draws from Herrin 2016b.

41 As suggested by a study of 75 high burden countries. See HPDP 2017

*transition*, described as a change from a situation of high fertility and mortality, characterized by a large proportion of the population under-15 years of age and a small support ratio (first phase), to one of low fertility and mortality, where the share of the working age population is largest and skewed towards younger workers (second phase). If this window of opportunity opens and working age young adults are armed with productive capabilities which an economy is, in turn, ready to employ, then countries can experience rapid economic growth over a relatively long period.

The Philippines is in the first phase of demographic transition and, with effective reproductive health services, should be reaching the second phase.<sup>42</sup> In order to realize any potential dividend at the transition, the future working age cohort needs to be endowed with high levels of human capital, i.e. good health, knowledge, skills. This means critical health and education conditions - maternal and adolescent health, education (particularly secondary education), and child nutrition - must be significantly improved *today*.<sup>43</sup>

#### **4. In large part, binding capacity constraints have to do with the vertical and horizontal fragmentation of public**

**policy, planning, service delivery, and financing - which the 2017-2022 PDP mentions but does not quite confront.**<sup>44</sup>

The fragmentation problem in the health sector after the 1991 devolution has long been recognized and efforts have been ongoing to work through this.<sup>45</sup> Agriculture and food production structures are themselves numerous and complex and have been the subject of studies and proposals for reorganization.<sup>46</sup> But the fragmentation problem in nutrition is direr, not in the least due to the fact that nutrition is currently placed in the health bureaucracy - and then inadvertently sidelined - when it is clearly and necessarily a cross-sectoral concern, traversing the food security sector, water and sanitation, even education, at the very least (Figure 4).

The governance structure that connects food and nutrition is the NNC, created as a multi-sector and multi-stakeholder coordinating body. However, it's changing leadership (from the Office of the President, to the DA (in 1980), to DSWD (in 1987), back to DA (in 1987) and now the Department of Health (in 2005), its location within a sector-specific body, and its lack of authority cripples its ability to push the agenda forward. The service delivery

42 According to Briones et. al. 2017, the window is expected to be in 2030 to 2050. Mapa et. al. (2017), assuming lower fertility rates, the successful implementation of K-12, and an increase in employment rates of 20-24 yr. olds from 74 to 90 percent, puts the window at 2045, to last for 50 years.

43 Briones et. al. 2017, Mapa et. al. 2015. Studies cited in the latter suggest that increasing the marrying age of women had a major influence in accelerating the demographic transition in East Asian economies

44 Cross-agency/department coordination is a genuine challenge for all large institutions (the UN included). This is not to say however that there are no capacity constraints among non-government actors, or constraints arising from cultural/social preferences and norms. But in the arena of public health, the public sector takes the lead.

45 Particularly in the arena of maternal/neonatal health.

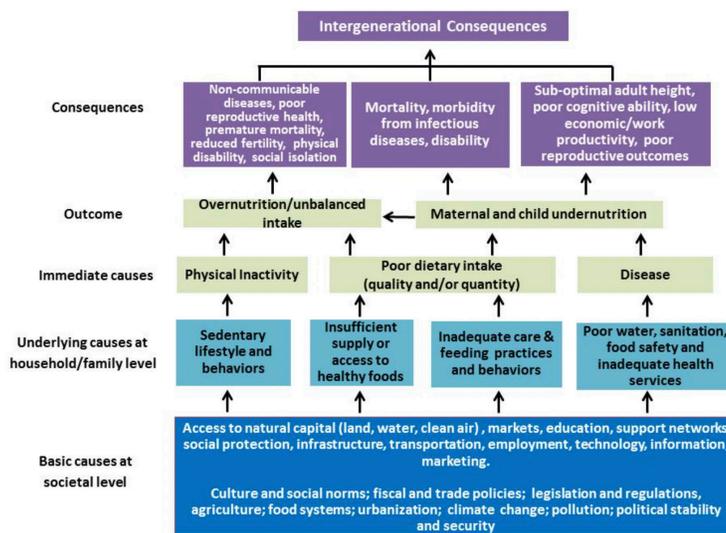
46 This and the rest of paragraph 4 draw heavily from Briones et. al. 2017.

mechanism for food security and nutrition is also “profoundly impaired” owing to, among others, mismatches between local revenue sources and the expenditure assignments in agriculture and health.<sup>47</sup>

Other problems are further detailed elsewhere<sup>48</sup> but the bottom line is: current institutional arrangements simply impede any meaningful integration (of investments, actions) across actors – whether horizontally across sectors, agencies within sectors, or programs within agencies, or vertically between national and local institutions – undermining the coherence of policies and effectivity of measures. The results of the Department of Education School-Based Feeding Program illustrates the latter;<sup>49</sup> the effects of the 100 percent rice self-sufficiency policy, the former.<sup>50</sup> Restrictive trade policies in rice, which is driven by the 100 percent self-sufficiency policy, elevate retail prices and undermine household access to the staple and “could well be the underlying reason why levels of malnutrition have been substantially higher in the Philippines.”<sup>51</sup>

The PDP admits that the “poor performance is partly attributed to the weak multi-sectoral and multilevel approach to address malnutrition” (p 138). However it is not clear whether and how a strategic overhaul of arrangements will be implemented.

Figure 5 Conceptual framework of malnutrition



Source: National Nutrition Council 2017

## 5. Fragmentation in service delivery is further compounded by structural bottlenecks in the execution of national

47 Briones et. al. 2017 and HDN 2013, theme chapter.

48 In Briones et. al. 2017

49 Briones et. al. 2017. The DepEd School-Based Feeding Program which provides a free meal to pupils for a cycle of 100 to 120 days. However “... only 70% of children verified as wasted at the start of a cycle attained normal status by the end of cycle. Ten percent verified as normal at the start of a cycle worsened to wasted status by end of cycle. Of a group of pupils who had transitioned from severely wasted to normal over a cycle, 52% were founded to be wasted one year after the program. It appears the cycle was too short to fully address child malnutrition and that interventions must be introduced (not necessarily by DepEd) to capacitate families in addressing nutritional needs of children.”

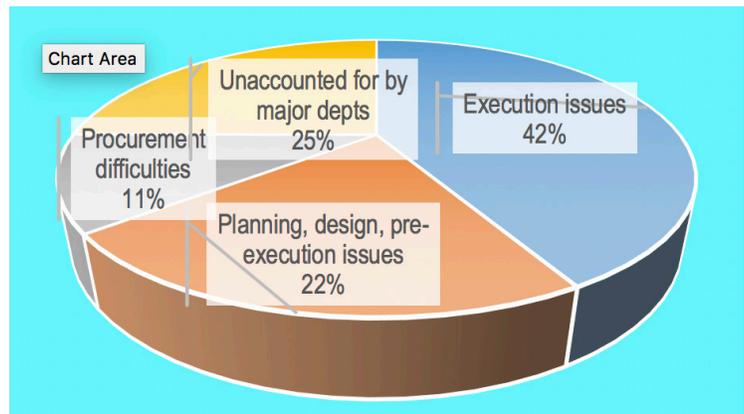
50 Because of the 100% self-sufficiency policy, national agricultural policy and budgets skewed in favor of self-sufficiency in rice rather than on access to sufficient, safe and nutritious food that meet dietary needs. DA is therefore intently focused on availability, especially of rice, but does not coordinate with other sectors (e.g. health) towards key outcomes (stunting). (Briones et.al. 2017)

51 As Briones et. al. (2017) describe: The national agricultural policy and budgets have been skewed in favor of self-sufficiency in rice rather than on access to sufficient, safe and nutritious food that meet dietary needs. Self-sufficiency leads to a policy of high paddy prices for farmers, which compels government to tighten quantitative restrictions (QRs) on imports in support of self-sufficiency. This leads to elevated retail prices and undermines household access to the staple food, an unfortunate inconsistency in the country’s food policy. The inconsistency is even more alarming considering the robust statistical link from medium term rice prices and child malnutrition. In particular, a 1% increase in the three year average of rice prices in a region leads to a 0.6 % increase in the 0-5 child stunting prevalence.

**budgets.** In an analysis of the top 13 agencies with the lowest disbursement rates and highest undisbursed amounts in 2014, structural bottlenecks accounted for about 61.5 percent of undisbursed amounts, broken down into project execution issues (42 percent), planning/design and pre-execution difficulties (22 percent), and procurement difficulties (11 percent); the balance (25 percent) was not yet accounted for by the major departments (Figure 5).<sup>52</sup> These problems were not uniform across agencies but the DepEd was among the agencies where the absorption problem was observed to be relatively more intense.<sup>53</sup> It would explain why – apart from teacher competencies – the quantity and quality of physical inputs (including classrooms, facilities, textbooks, instructional materials, including internet connectivity) continue to factor into poor student achievement.<sup>54</sup> Whether and how K-12 reform can deliver on quality improvements despite these longstanding structural bottlenecks, remains to be seen.

**6. Bottlenecks relating to weak coordination and capacity among national government agencies/corporations accounted for about 75 percent of undisbursed allotments, while**

Figure 6. Breakdown of structural bottlenecks (accounting for 61.5% of undisbursed amounts in 2014)



Source: Monsod 2016a

**bottlenecks relating to local government units and their capacities accounted for 10 percent, raising the question of whether a greater portion of national resources for basic and strategic needs may be better spent by local governments** (Figure 6).<sup>55</sup> Indeed, in trying to better understand inter-provincial disparities in human development outcomes, a key finding of the 2012/2013 Philippine Human Development Report (PHDR) was that the vertical-silo, ‘one-size-fits-all’ approach of central government to the planning, programming and delivery of critical public and social services was incompatible with the integrated, ecosystem-based governance that local

52 Monsod 2016a. Execution problems were coordination problems primarily, such as problems relating to securing clearances and permits from other agencies, program coordination issues between partner agencies, or between central and regional offices. Also unresolved RROW problems and other problems attendant to DPWH projects. Another 24.1 percent was attributed to exogenous factors, such as savings on interest payments, the chilling effect of the Supreme Court rulings on PDAF/DAP, peace and order issues, and weather problems. The remaining balance of 14.4 percent had to do with small amounts across the 600 or so implementing agencies (e.g. 547 SUCs, 32 OEOs).

53 Ibid. The absorptive capacities of DOTC (vs. DPWH) DA (vs DOH), DENR, DSWD, and DOE were also found to be relatively low.

54 See footnote 25. Student achievement scores are not the only indicator of quality. Access to quality employment opportunities is another. On this score, it is observed that “across the board, education and training need to be modernized and re-focused to optimize impact. National school curricula, teaching methods, professional qualifications, and skills and licensing standards need to be continuously upgraded and benchmarked to regional and global standards.... Department of Education (DepEd) and TESDA need to ensure the [vocational] courses they offer are not redundant and are responsive to the needs of the economy.” (ILO 2017)

55 Monsod 2016a

geography demands.<sup>56</sup> As a result, there have been significant costs in terms of lost adult productivity, missed school attendance, substandard farm yields, food insecurity, forfeited agglomeration economies, and lost growth.<sup>57</sup>

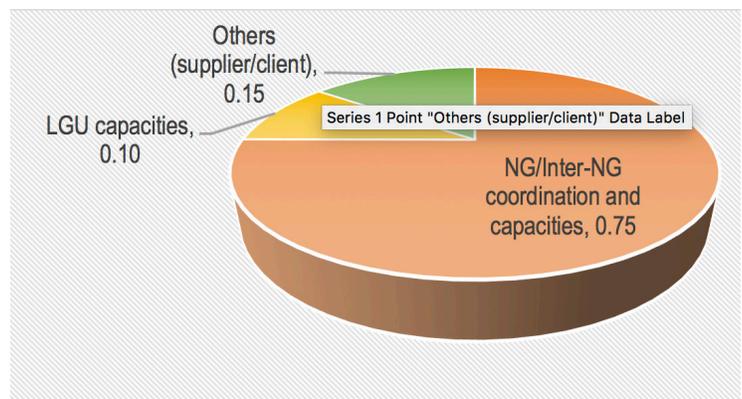
Instead, equity in living standards could be better facilitated by the provision of basic and social services everywhere, regardless of cost, thru customized, integrated and locally-anchored approaches. Improved capabilities would then tend to equalize access to opportunities over time as people are better able to move to wherever opportunities arise - an observation that the PDP also makes.<sup>58</sup>

In particular, the PHDR proposed giving provinces, as “the most practicable level of political authority that can give full weight to the specificity and diversity of local conditions” and also exploit potential economies of scale and scope, the greatest leeway to define local priorities and provide them the resources to achieve them.<sup>59</sup>

**7. National ambitions for equalizing capacities and opportunities among individuals - that is, for social equity or “leaving no one behind” - are likely to**

**be very difficult to achieve without fully empowered subnational governments, especially provinces, therefore.** However, the national spatial strategy described in the PDP is *silent* on central vs. provincial and municipal government capacities and assignments, and any redistribution of powers.<sup>60</sup> It is also silent on the interaction of provinces and cities, which are identified as the ‘engines of economic growth and venues of growth and poverty reduction’, although cities are physically located within provinces and, among other differences, will not be able to monitor much less facilitate inclusive rural-urban transformations the way provinces possibly can.<sup>61</sup> Instead, amendments to the Local Government Code are proposed in various chapters of the PDP - notably on the macro-economy (Chapter 15) and

Figure 7. Breakdown of 2014 structural bottlenecks by origin/location



Source: Monsod 2016a

56 HDN 2013

57 In short, forgone achievements in human capabilities, market expansion and living standards at local levels

58 See PDP, Chapter 3, p. 39.

59 “Provinces are currently still the most practicable level of political authority that can give full weight to the specificity and diversity of local conditions, even as it is capable of adopting a viewpoint comprehensive enough to adopt programs that exploit potential economies of scale and scope.” It is provinces and provincial leadership that can potentially facilitate inclusive urbanization, responding to the differing needs of urban and rural areas and providing the connections needed to foster healthy symbiotic relations between them. (HDN 2013: xii)

60 This is not to say that spatial equity in production (and growth) is a prerequisite to social equity. On the contrary, a convergence of living standards can take place even as economic growth is (and will always be) uneven across space.

61 See HDN 2013, pp. 31-33..

enabling efficient government (Chapter 5)<sup>62</sup> – but these appear piecemeal, without any unifying rationale or policy framework (i.e. authentic devolution) motivating them.<sup>63</sup>

In short, there seems to be an implicit assumption that *Ambisyon 2040* is best served by a centralized government.<sup>64</sup>

**8. Simply pursuing business-as-usual, or maintaining current systems and structures will mean that 2030/40 goals with respect to hunger and healthy lives, equal opportunities for all and “leaving no one behind”, or even accelerated growth thru a demographic dividend, will not be met.** Meeting goals will require the focused attention of the country and a concerted effort to defragment relevant systems – in the first instance, by resolving issues around incentives for collective action, how accountabilities are defined, and who has the leadership. It will also require mechanisms to improve internal consistency across policies, programs and service networks and the testing of alternative modes of allocative and disbursement control of budgets and

service delivery, including where non-state actors can best be mobilized.<sup>65</sup> A necessary first step in support of a concerted effort would be to step back and establish a shared understanding on the interaction of relevant systems – food, nutrition, health and education systems, national and subnational systems – including causal chains (such as one outlined in Figure 4 or in Annex B) and trade-offs.

### *B. Productivity and Prosperity*<sup>66</sup>

**9. Despite some progress, not enough traction has been generated to speed up progress towards shared property.** Although both the magnitude and incidence of poverty were reduced significantly between 2012 and 2015, reductions were not big enough to alter trajectories by much and, as it is, 2022 and 2030 poverty reductions targets do not seem to be within reach (see Table 2).

Moreover, employment *per se* has not been a pathway out of poverty.<sup>67</sup> This is seen in Table 3 where poverty incidence among the employed versus the unemployed was greater by around 2 percentage points,

62 “Amend (a) expenditure assignment; (b) revenue assignment and LGU taxing powers; (c) inter-governmental fiscal transfer; (d) credit financing for LGUs; (e) inter-LGU cooperation through alliances; (f) creation of new LGUs; and (g) local fiscal administration” (P. 242); Amend the Local Government Code to address the challenges in local service delivery (P. 74)

63 Federalism is not mentioned in the PDP.

64 A common objection to the idea of devolution is that outcomes will be worse because of political dynasties and corruption. There is no clear evidence that political dynasties produce worse outcomes however; over time it has become difficult to isolate effects owing to the fact that “dynasties” in their various configurations are actually the rule rather than the exception local politics. There is also no evidence that more (or less) corruption is in play at local (versus central) levels. What is known is that corruption can have high opportunity costs in terms of a misallocation of public funds away from designated public investment priorities (e.g. PDAF scam, where P1 billion in public funds were siphoned away annually for 10 years to embezzlers and lawmakers). However whether this trumps distortions due to “wrong policies” can be debated (see Belo 2010, <https://focusweb.org/node/1594>). It is also known that significant gains have been made with respect to reducing the perception of corruption or its effects, as indicated by the upward trends in various international indices (see NEDA 2017, Ch. 5).

65 This draws from Briones et. al. 2017 which proposes a comprehensive list of recommendations under what they call a “public health approach to SDG2.”

66 “We are determined to ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social and technological progress occurs in harmony with nature.” – 2030 Agenda for Sustainable Development

67 Unless otherwise indicated, the insights here draw heavily from De Dios and Dinglasan (2014).



and the number of the employed poor was 15 times greater than the unemployed poor in 2012 and 2015. Panel A of Figure 8 also shows that the employed were as likely to be poor than those out of the labor force and were more likely to be poor than the unemployed. That is, employment did not lower the risk of poverty. Poverty among the employed was not driven by underemployment however Panel B implies that the fully-employed poor outnumbered the underemployed poor by more than 2 is to 1.<sup>68</sup>

**11. People are poor, not because they do not work but because they earn little, in other words.**<sup>69</sup> That is, income poverty has more to do with low-productivity employment than open unemployment *per se*. To gain traction on poverty reduction, the focus should therefore be on the creation of higher productivity, higher wage work opportunities for those who are *already* employed.<sup>70</sup>

This is an important point because it implies a shift in focus away from policies and programs to lower open unemployment (or even underemployment), which is an overall target of the PDP, to policies needed to solve low-productivity employment. The former typically requires improving the workings of labor markets and matching expectations between qualified

job-seekers and employers.<sup>71</sup> The latter will require enabling people who are already working attain higher productivity in their current job or transfer to higher productivity jobs.

**12. On the demand side, what matters is the quality of jobs, for which a key constraint has been, and continues to be, structural weaknesses in the agriculture sector.**

Agriculture employs a disproportionate share of the labor force and 57 percent of the employed poor are employed in agriculture. Ideally, rising agricultural productivity should pave the way for the development of a vibrant labor-intensive manufacturing sector, and subsequently a high-skill services sector. However, a long and continuing history of policy distortions (e.g. protectionist policies, input subsidies, etc.) and decades of underinvestment has created deep structural weaknesses in the agriculture sector, such that total factor productivity growth has been low and stagnant since the 1990s.<sup>72</sup> Without a strong and long-term political commitment to undo these distortions and undertake structural reforms, significant improvements in agricultural productivity are unlikely to be forthcoming.

**12. A rapidly growing services sector could, if leveraged well, spur wider economic transformation and create**

68 The fully employed outnumber the underemployed by around 4:1. However Panel B indicates that the proportion of poor among the under-employed (visible and invisible) is around double the proportion of poor among the fully employed. Thus, the fully-employed poor outnumber the underemployed poor by more 2 is to 1. De Dios and Dinglasan (2014) do the computations for 2009 and show that there were 5.5M fully employed poor versus 2.7M underemployed poor.

69 WB 2016, p. 13. The analysis of WB 2016 benefits from De Dios and Dinglasan (2014) as well. Dinglasan provided research assistance to it.

70 De Dios and Dinglasan 2014.

71 De Dios and Dinglasan 2014.

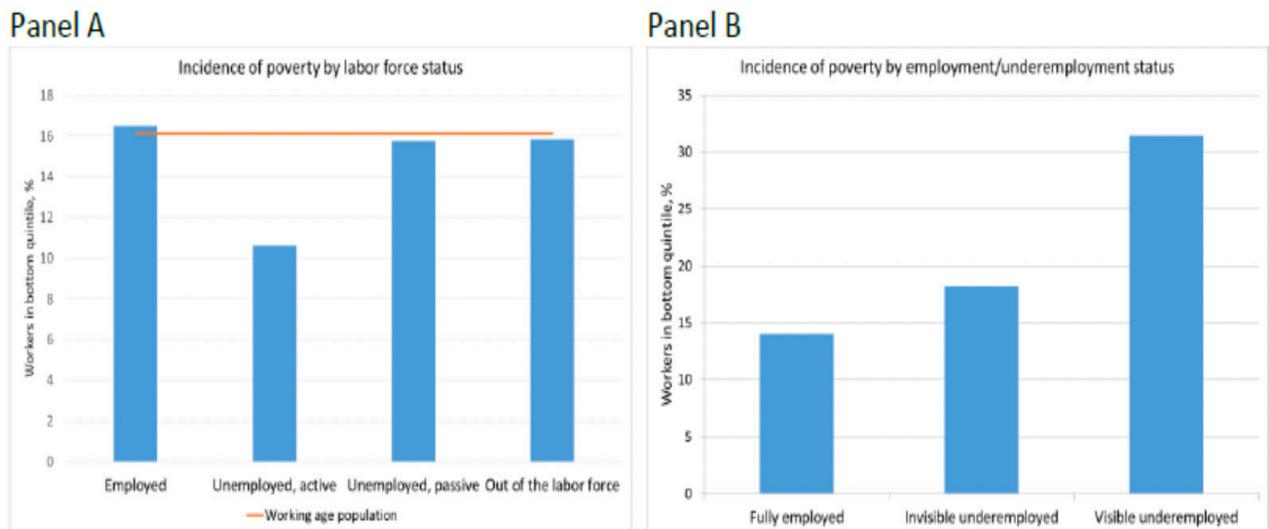
72 WB 2017, and NEDA 2013, p. 107.

Table 3. Poverty in the Labor Force 2012, 2015

	2012			2015		
	Poverty Incidence	Number of poor	Share in LF Poor	Poverty Incidence	Number of Poor	Share in LF Poor
Self-unpaid	29	4,285,272	0.54	25	3,798,024	0.55
Employed	21	7,896,000	0.94	18	6,922,980	0.94
Unemployed	18.7	528,462	0.06	16.4	443,292	0.06
Labor force		8,424,462			7,366,272	

Base data: PSA. Author's computation.

Figure 8. Incidence of poverty by labor force status, 2012



Source: WB 2016, Figure 0.3

**high productivity, higher wage work opportunities in the meantime, however.**

The sector drove job creation in 2016 (while agriculture shed jobs) and is expected to remain the largest contributor to output growth in the near term. The opportunity has to do with the increased dependence of manufacturing activities on services - the globalization of both manufacturing and services - which presents an opportunity to “increase commerce, promote local sourcing, and enhance value addition.” An

expanding range of sectors also require services as a necessary condition for investment.

Whether the country can capitalize on the potential of its services sector will depend on its ability to upgrade and expand the range of services that it can offer as necessary inputs to other sector’s value chains. It will require developing a highly efficient domestic services sector and/or lowering barriers to entry of services imports (which are currently very high)

so that manufacturing firms are assured of access to services. The country will also need to leverage key skills (e.g. customer service, proficiency in English, IT capabilities) and strong performance in the BPO sector so that it can expand into other service-based sectors (tourism, design, healthcare), tighten linkages with them, and diversify.

**13. On the supply side, the constraint has been the low education and skills level of the workforce.**

Consequently, an improvement in workforce education, in particular, the completion of secondary education and the acquisition of higher level technical skills, especially among young cohorts entering the labor market, will be key.<sup>73</sup> Figure 9 shows how the incidence of in-work poverty falls with educational attainment and skills level. Along with improved health, the working poor are more likely to benefit from economic growth and structural transformation if they have the skills necessary to capitalize on higher productivity and higher-wage job opportunities as they arise.

14. Leveraging opportunities presented by a rapidly growing services sector should not mean leaving farmers and rural workers behind. Evidence suggests that the main driver of rural poverty reduction

in the Philippines may be shifting from agriculture to non-agriculture growth, and that better initial human capital endowments (reducing child malnutrition) and mobility (facilitating international labor migration, transportation infrastructure) can enable the rural poor to benefit from non-agriculture growth more.<sup>74</sup> Agricultural investments can still be effective in areas where the topography is consistent with a comparative advantage in agriculture but where transportation infrastructure is relatively underdeveloped.

*C. Sustainable development and Resilience (“Planet”)*<sup>75</sup>

**15. Climate change presents an opportunity that can be leveraged for shared and sustained prosperity. In particular, anticipating slow onset events is an opportunity to rethink economies, consumption and production (household, industry, macro economy) choices, urbanization and settlement patterns, etc., and redirect these in favor of sustainable development.** Slow onset events include, among others, prolonged drought, increasing precipitation, sea level rise, and changes in ocean temperature, all of which pose “profound challenges to food production systems and human interaction with the environment.”<sup>76</sup> While

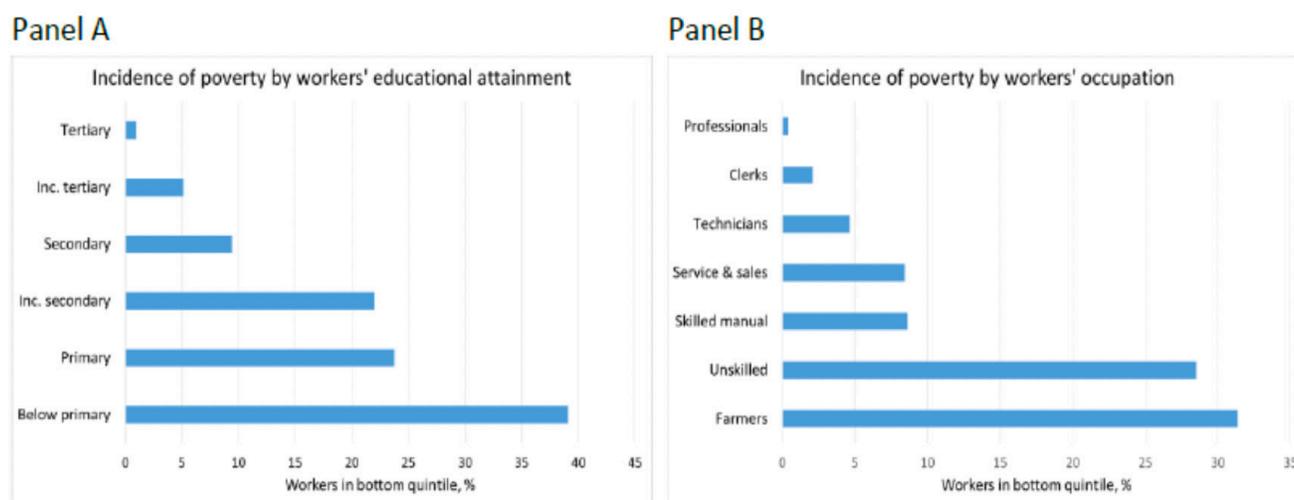
73 WB 2016; ILO 2017.

74 Fuwa et. al. 2015. Access to better road infrastructure facilitates the shift from agricultural to non-agricultural growth as the main driver of rural poverty reduction

75 “We are determined to protect the planet...including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change, so that it can support the needs of the present and future generations” – 2030 Agenda for Sustainable Development

76 Quoting Briones et. al. 2017

Figure 9. Incidence of poverty by education attainment and occupation, 2012



Source: WB 2016, Figure 0.5

these changes may “still be evolving in 2030”, and actual impacts on human settlements, water supplies, agricultural production, and so forth “more clearly observed” only by 2050, acting only in 2050 will obviously be too late.

Slow onset events, by their nature, require a cross-sectoral examination of development alternatives at all levels. Changing climate patterns, when anticipated and understood, may provide people and communities opportunities to increase productivity (e.g. through new production patterns) as well as improve living conditions and community services (e.g. through decisions on basic housing/ infrastructure design; water resource management, etc.). It may also motivate a change spatial strategies if changes

in comparative advantage (in specific subsectors of agriculture, industry or services) are anticipated.<sup>77</sup>

It is agreed that climate change will exacerbate already extant threats such as temperature extremes, degradation of coastal resources, depletion of watersheds, and the like, and that the level of impacts will depend on preparatory actions, including efforts and investments towards adaptation and the protection and proper management of natural resources, that will be put in place today.<sup>78</sup>

**16. At present however, national efforts and capacities to understand, appreciate, and act on the longer term implications and opportunities of climate change are limited, typically confined to broad**

77 “Many of the drivers of climate change, such as inefficient and polluting forms of energy and transport systems, also contribute to air pollution. In the Philippines, 46 percent of an estimated 12,700 child deaths due to acute lower respiratory infections is attributable to household air pollution; total deaths 187,000. By 2030, an estimated 8,900 premature deaths due to outdoor air pollution may be avoided and near-term climate change mitigated by implementing short lived climate pollutant reduction measures. Opportunities for promoting an integrated approach to addressing the environment and health dimension of SDGs can be found in The National Environmental Health Action Plan of the Philippines.” (Comment from the Regional Peer Group)

78 Ibid.

**policies.** A key constraint is the current occupation on short-term climate impacts, caused mainly by extreme weather events, so that attention to slow onset events, which “pose equal, if not bigger and potentially more irreparable damage” has been wanting.<sup>79</sup> The fixation on the short term is understandable given the string of extreme weather events the country has experienced - Washi (Sendong), Bopha (Pablo), and Haiyan (Yolanda) - since 2011. The country has actually done much to organize itself in this space - to protect communities, thru preparedness (early warning systems) and response (meeting immediate needs) - and its systems are observed to be “improving all the time post-Haiyan” although recovery continues to be an area where national capacities can improve.<sup>80</sup>

Also, current strategies (and investments) are typically directed to “Disaster Risk Reduction” and “Climate Change Adaptation” in tandem, which implicitly assumes that the institutions (protocols, agencies, organizational arrangements, skills) that apply to one will suffice for the other - and, moreover, that CCA is a *sufficient* response to slow onset events.

However, DRRM is primarily designed in consideration of sudden onset events (typhoons, extreme weather events, earthquakes, tsunamis) and armed conflicts; global experience in these events have honed disaster Risk Reduction Management systems. Available funds are primarily for relief and recovery activities (e.g. damaged infrastructure) for instance, but existing protocols for relief and rehabilitation are not appropriate for anticipating long gestating events (e.g. El Nino and effects on livelihoods). CCA need not be linked to DRRM *per se* and may or may not be directed at slow onset events of climate change. Even if it were, CCA efforts are typically very sector specific (e.g. crop-specific), while resilience planning requires scenario-building and integrated thinking (e.g. such as between agriculture, logistics, energy).<sup>81</sup> Science-based adaptation measures should ideally be designed within this larger context.

**17. In building national capacities, it is crucial to recognize that the usual ‘one-size-fits-all’ approach will be inappropriate. That is, empowering the local governments to plan and decide on**

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79 ICSC 2015, p. 22

80 Quoting M. Bidder, OCHA. Compared to preparedness and response, an efficient and effective system for recovery- which involves recovering markets, livelihoods, community services, housing services and the like - lags behind. This is evident from the families still in transition sites in Zamboanga and the poor solutions crafted (and implemented) in relation to housing after Haiyan (See Monsod 2016a, pp.12-13.) The same problems seem bound to arise again for IDPs in Marawi. **However, the basic challenge to efficient recovery is, again, bottlenecks and getting assignments right.** For instance, the handoff from DSWD to NEDA is institutionally logical - if it is understood as a handoff from the humanitarian coordination structure to the development management structure of government. However, NEDA is a staff agency. The more appropriate ‘line’ agencies positioned to sequence, integrate/coordinate recovery efforts - given adequate resources - are the provincial or municipal governments who are assigned to oversee and provide coordination to these as a matter of course. The recovery problem is often compounded when the central government creates an ad-hoc body to oversee recovery - which has never worked.

81 For instance, understanding the impact of ravaged coastal and marine resources (less than 3 percent of the coral reefs are currently in pristine condition) or a loss of biodiversity on food chains, consumption/production, and vice versa. DENR has made considerable improvements in the management of environment and natural resources, particularly in the reduction of open and denuded forest and care of key terrestrial and marine protected areas. However, major constraints remain including inadequate private sector awareness, participation and investment in the sector.

**climate change actions is imperative.**<sup>82</sup>

The specific mix of climate change events – slow onset and episodic – “will vary from place to place, and from year to year; impacts will be non-linear over time.”<sup>83</sup> As such, processes and best practices, choice of industries and land use, are expected to be highly context specific. Local capacities and coordination with national agencies and other stakeholders to address climate change impacts must be strengthened to ensure that appropriate actions are undertaken and that benefits from actions extend to all, especially the most vulnerable groups. While certain types of information, technology and research may be best produced or financed at the national level, the delivery and application of these public goods require local knowledge, flexibility and customization. Effective climate change actions require an efficient multi-level governance approach.

**18. It is also crucial to recognize that urban centers and urbanization may be part of the ‘solution’ to climate change, for which provinces and cities have a critical role to play.**<sup>84</sup>

Urbanization offers many opportunities to develop appropriate adaptation strategies especially through urban planning and design. The economies of scale, concentration of enterprises and innovation in urban centers, make

it cheaper and easier to take actions to minimize climate hazards. There are also significant opportunities for adaptation within urban centers and between rural and urban settlements through improved and coherent land use planning, building codes and regulations, risk assessments, monitoring and early warning technologies.

**19. At this time, support for monitoring and data generation, and for rigorous cross-sectoral, integrated research/analysis may have the highest returns.**

Specifically, data/research that can support localities understand slow onset events at their level and implications for health, food security and water supply, settlements, logistics, energy, consumption and production and livelihoods, and plan accordingly, as well as research that can inform supporting macro and meso policy. This will mean bringing together scientists, policy makers, firms and communities to develop a shared understanding of the likely impacts of climate change in different areas. To enable robust analyses at local levels, an adequate network of weather monitoring stations is key.<sup>85</sup>

There is also a need to take account of the possible loss of people and places, cultural heritage – “non-economic losses that may encompass some of society’s most fundamental

<sup>82</sup> UN Habitat and HDN 2013.

<sup>83</sup> HDN 2013. “For example, changes in temperature are not the same in all areas. But in some areas the rise is faster.” (ICSC, p. 17)

<sup>84</sup> Adopted from HUDCC 2016

<sup>85</sup> On this score national capacities are sorely inadequate. The DA, which has about 150 stations, needs more (“thousands”) but will be getting just 17 under its AMIA project (ICSC 2015 quoting DA undersecretary Serrano). Equipment purchased under other similar projects will be distributed across other agencies but will not be compliant with DA’s requirements.

values” but which “pose challenges for measurement and, as a result, may go unnoticed or unaddressed by policy.”<sup>86</sup> Research on the various effects of climate change on *both* natural and human systems, followed by science-based adaptation measures, is fundamental to more effective governance in response to climate change.

The PDP mentions the need to develop and implement sustainable consumption and production initiatives (p. 328), which is a possible entry point for this discussion. In this regard, “sustainable consumption and production offers the potential and necessary tools to create a sustainable low-carbon economy that cannot only mitigate climate change but also support adaptation measures.”<sup>87</sup> Information generated by national agencies (e.g. DOST) under the Green Jobs Act may also be useful (although customization would be key).

**20. Youth should also be given an opportunity to deepen knowledge and gain skills related to climate change impacts and sustainable development.**<sup>88</sup>

While there is a general awareness of climate change and its causes and implications among Filipino children and youth, this knowledge does not yet go sufficiently deep. Young people can be equipped with the skills and knowledge

needed to shape and participate in the visioning and transitioning to resilient communities. This includes, again, awareness of sustainable consumption patterns, and long-term planning and sustainable solutions for transport, the built environment, energy, waste management. Importantly, children and youth can be trained to benefit from the employment opportunities that transitioning to resilient communities can bring, to be able to access emerging occupation opportunities and green jobs associated with them.

***D. Social peace***<sup>89</sup>

**21. The most persistent human development disparities in the country involve the people of the Autonomous Region in Muslim Mindanao (ARMM).<sup>90</sup> ARMM is also the arena for the Bangsamoro insurgency, one of the world’s longest-running insurgencies. Reaching the ‘furthest behind first’ means reaching the people of ARMM.**

Consistently ranking last among the 17 regions in average achievements in human development, ARMM had an HDI that is 60 percentage points less than NCR’s, the top-performing region, and 25 percentage points less than Soccsksargen, a region ranked next to ARMM in 2012 (Figure 10). By component, the stock of health in

86 ICSC 2015, quoting James Morrissey and Anthony Oliver-Smith, p. 17.

87 Comment from the Regional Peer Group

88 Adopted from Ortega and Klauth 2017.

89 “We are determined to foster peaceful, just, and inclusive societies which are free from fear and violence. There can be no sustainable development without peace and no peace without sustainable development.”

90 Unless otherwise indicated, this entire section, from para 21 to 24 draws heavily from Monsod 2016b.



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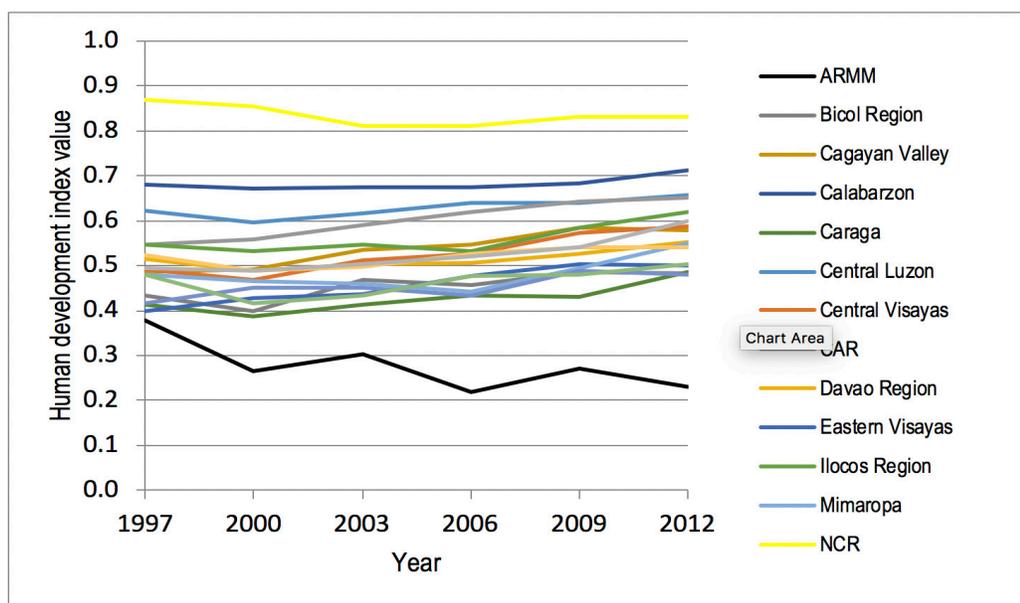
ARMM, as measured by life expectancy, was below the national average by about 19 percent (14.2 years less) in 2012; the stock of education, as measured by mean years of schooling, below by 27 percent (2.5 years less); and living standards, as measured by per capita purchasing power, below by 40 percent (less by Php 26,958 measured in 2012 NCR pesos).

The dynamic observed in ARMM has been described as an intergenerational cycle of armed violence – both vertical (e.g. insurgency) and horizontal (e.g. inter-clan rivalry or rido) – and human insecurity which has ultimately affected human development and living standards.<sup>91</sup> To a large degree, this is consistent with Collier’s (2007) “conflict trap”, a situation where low income, slow growth, and natural resource wealth heighten the risk of civil war; a weak economy, likely accompanied by a weak state, makes civil war much easier to start; and civil war, once over, is “alarmingly likely to restart”. In a conflict trap, interests “that only know how to do well during war” develop on both sides.<sup>92</sup>

91 HDN 2005.

92 Collier (2007: 32-33): “Suppose a country starts its independence with the three economic characteristics that globally make a country prone to civil war: low income, slow growth, and dependence upon primary commodity exports ... The country may be lucky and grow its way out of danger zone before it gets caught. Suppose however that for one reason or another growth stays slow. Then peace might not last long enough to bring risks down before the country slides into civil war. Sooner or later some combination of personalities and mistakes that in a more economically successful country would be brushed aside escalates into rebellion ... Once war has begun, the economic damage undoes the growth achieved during peace. Worse, aside from this economic damage, the risk of further war explodes upward. Civil war leaves a legacy of organized killing that is hard to live down. Violence and extortion have proved profitable for perpetrators. Killing is the only way they know to earn a living. And what else to do with all those guns?”

Figure 10. Human development index by region, 1997–2012



Source: Monsod 2016b

22. **The eruption of violent extremism in Marawi is also consistent with the conflict trap literature (Figure 11).** Conflict data showed that after initially dipping in 2012 - in the lead up to the signing of a preliminary peace agreement between the Philippine government and the Moro Islamic Liberation Front (MILF)<sup>93</sup> - the total number of violent conflicts markedly increased in 2013 and 2014, driven by a surge in horizontal conflicts triggered by shadow economies, criminality, and identity-based issues, including *rido* (Figures 12a and 12b). Violent conflict in ARMM then surged to unprecedented levels in 2015, due to political and extremist

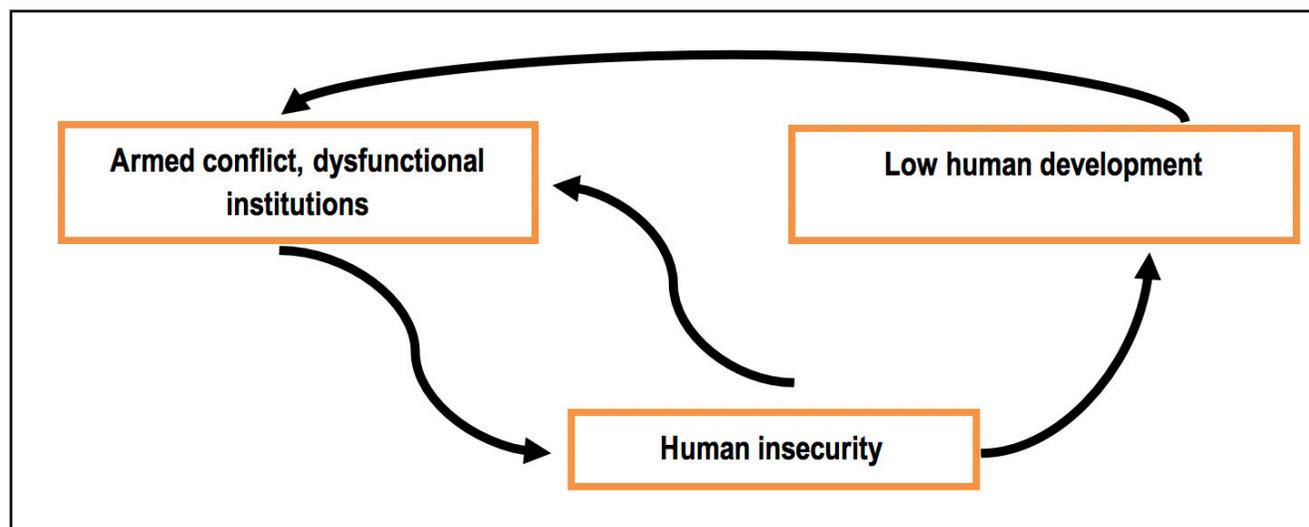
violence, especially after the Mamasapano tragedy in January 2015; clashes between government forces and the Bangsamoro Islamic Freedom Fighters (BIFF), a splinter group, and the Abu Sayyaf increased, even as violence linked to the MILF fell (as its ceasefire with government held).<sup>94</sup> As early as October 2016, it was reported that factions of the BIFF and Abu Sayyaf had pledged allegiance to the ISIS (Islamic State in Iraq and Syria), and that “they and other extremist groups that have lately emerged, such as the Maute Group ... are newly evolving risks and emerging threats to growth and stability in Mindanao.”<sup>95</sup>

93 The *Framework Agreement on the Bangsamoro*, between the MILF and the Government signed in October 2012, providing for the creation of an autonomous political entity named Bangsamoro, which would replace the ARMM. The FAB was reached after 32 rounds of talks between the Philippine government and the MILF spanning nine years. <http://www.gmanetwork.com/news/news/nation/277218/govt-milf-agree-to-create-bangsamoro-to-replace-armm/story/>

94 International Alert (2016). A final peace agreement was signed in March 2014 and belligerence from other groups is expected in the context of political transitions.

95 Ibid, Box 4. Thus the report suggested that “a law establishing the Bangsamoro is also expected to stem the exodus of disillusioned MILF and BIFF combatants to ISIS-directed armed groups.”

Figure 11, A "Conflict trap" in ARMM



Source: Monsod 2016b, citing De Dios.

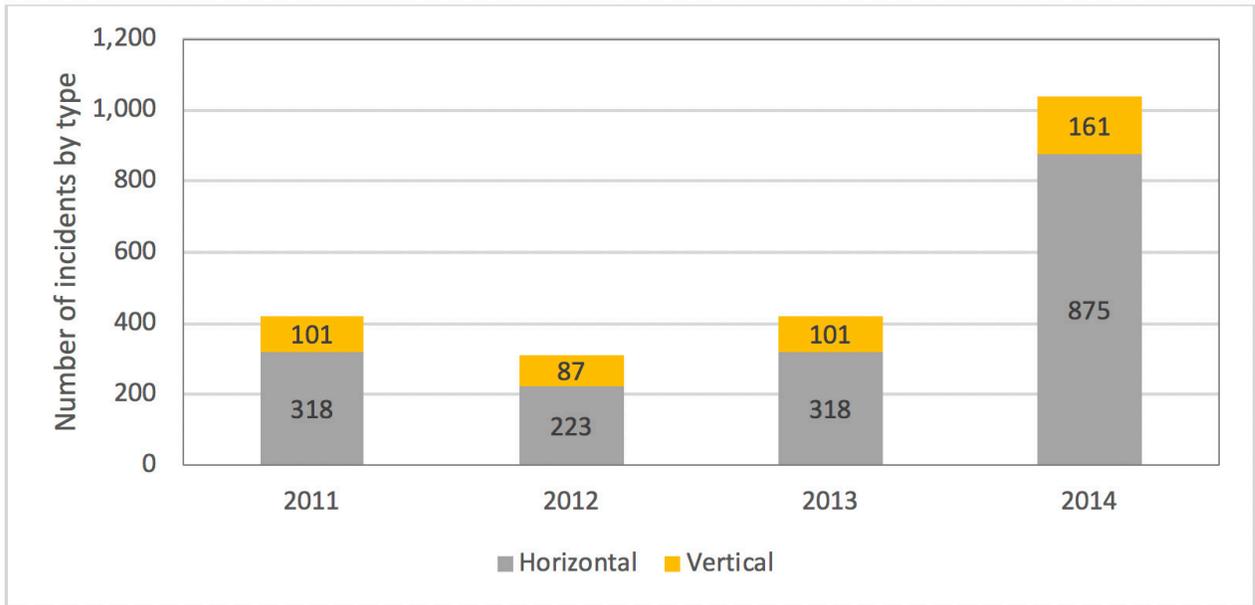
**23. While institutionalizing an enabling law for the Bangsamoro remains the highest priority, the long process to social peace will require a well-selected, well-sequenced, and timely program of technical assistance and capital investment (which need not wait for a Bangsamoro law.)** International experience suggests that at least 10 years of assistance and investment are needed for an economy, post-conflict, to hurdle the key conditions (low income and slow growth) that increase the likelihood of a relapse into conflict. ARMM will require no less and piecemeal, diffused efforts may even be counterproductive.

More specifically, a program would involve assistance to deepen technical and managerial capacities of local

public servants and other professionals, as well as investments to rebuild the infrastructure required by a market economy. Additionally, it would require a reengineering of national rules and processes so as to provide the autonomous region with the fiscal powers it needs to succeed.<sup>96</sup> This would include giving the ARMM government the authority over the resources and instrumentalities needed for the recovery of Marawi. Finally, integrated community-based approaches to support the normalization of young people and prevent their re-association or recruitment by other armed groups would also be important. These approaches would aim not only halt violent extremism but also build communities and empower individuals to become development partners. Entry points are access to

<sup>96</sup> Monsod 2016b. Genuine political autonomy requires fiscal autonomy. But greater fiscal autonomy may also be necessary given the need for coherence and speed in implementation if an investment program in ARMM or the proposed Bangsamoro is to succeed. The national government bureaucracy is not one for speed nor coherence/coordination across agencies however.

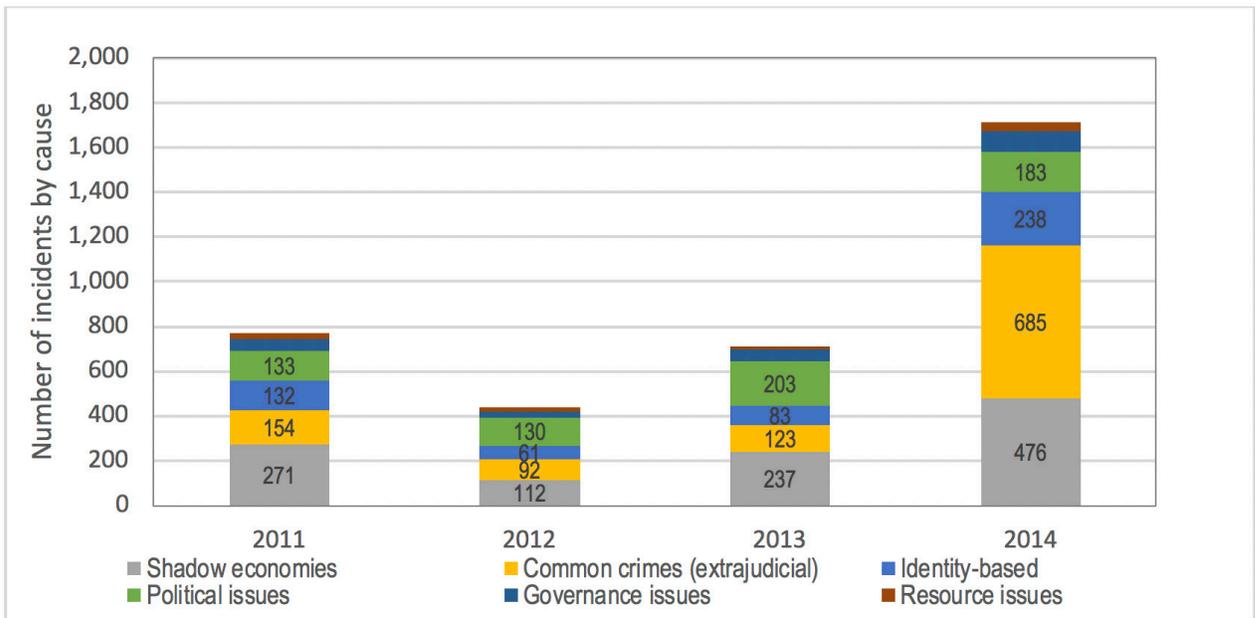
Figure 12a. Incidents of violent conflict in ARMM by type, 2011 to 2014



Source: Monsod 2016b, citing International Alert BCMS team.

Note. Vertical conflict refers to separatist or secessionist and autonomous/non-separatist challenges against the state, including millenarian conflicts. Horizontal conflict covers violent struggles among clans, ethnic groups, rival insurgent factions, political parties, and private armed groups or shadow authorities for control over land, natural resources, and elective and non-elective positions, including government resources and rents.

Figure 12b. Incidents of violent conflict in ARMM by cause, 2011 to 2014



Source: Monsod 2016b, citing International Alert BCMS team

Note. These are incidents with determined causes. Because an incident may have multiple causes, the total number here may not match the total in Figure 11a. Shadow economies or illicit or underground economies, include the production and trade in illicit guns and drugs, kidnap-for-ransom, carjacking, cattle rustling, smuggling, illegal gambling, human trafficking. Identity-based issues, include *rido*. Political issues include rebellion and political rivalry.

quality primary and secondary education, economic services, and participation in peace-building.<sup>97</sup>

**24. Unfortunately, the chances for a credible political commitment to a multi-year peace effort are small, given the lack of public support for the Bangsamoro.**

This was painfully demonstrated by the public discourse on the proposed basic law in early 2015, which laid bare “deep seated historic [al] biases and prejudices” (Quevedo 2015) and “bigotry” (OPAPP 2015).<sup>98</sup> Thus, if the people of ARMM and the rest of the country are to progress in an inclusive manner, then latent anti-Muslim prejudice must be reversed. For only then can a better-informed public consensus on nationhood and peace be built to anchor policy.

**25. Public support for social peace on other fronts is also needed. For instance, in support of IPs,** many of whom still do not enjoy economic, social or cultural rights, including complete control over their ancestral lands and territories, despite the Indigenous People’s Rights Act (IPRA) of 1997.<sup>99</sup> Of the 182 Certificates of Ancestral Domain Title (CADT) issued by the National Commission on Indigenous

People (NCIP) as of the end of 2015, less than 50 had been registered with the Land Registration Authority (LRA), making IPs less able to protect ancestral domains from intrusions by corporations and migrants. Additionally, only 59 ancestral domains with CADTs had an Ancestral Domain Sustainable Development and Protection Plan (ADSDPP), and none of the ADSSPPs had been incorporated into barangay development plans, giving rise to conflicts with local government units.<sup>100</sup> Some ADSDPPs were also formulated through the help of mining and electric companies, despite the clear conflict of interest; it is reported that the free, prior and informed consent (FPIC) process is being manipulated in favor of mining corporations.<sup>101</sup> A number of regulations and laws governing natural resources also remain inconsistent with the rights of IPs as recognized under the IPRA.

**26. IPs are often caught in the crossfire of the Bangsamoro and communist insurgencies, complicating their struggle further.** Arguably, the rights of non-Moro IPs in the ARMM (and in the envisioned Bangsamoro) were set aside to reach a peace agreement; the proposed Bangsamoro Basic Law “recognizes,

97 These access points were identified in consultations conducted by UNICEF Philippines. See UNICEF Philippines 2016 for other measures.

98 Evidence of anti-Muslim bias was earlier found through opinion polls conducted in 2005 and 2006 in connection with the 2005 Philippine Human Development Report on human security. See HDN 2005.

99 This section on IPs relies heavily on TEBTEBBA 2016. (<http://www.tebtebba.org/index.php/content/383-situation-of-indigenous-peoples-in-the-philippines-submission-to-the-59th-session-of-cescr>)

100 The CADT process itself is very burdensome while the formulation of an ADSDPP is a complex process. IP communities typically need help from private and public agencies to complete an ADSDPP.

101 TEBTEBBA 2016. The impact of mining operations on IP rights is described as follows: “The presence of military personnel and investment defense forces in mining areas has limited indigenous peoples’ freedom to work in their lands and caused indigenous children to drop out of school. Indigenous human rights defenders are being harassed and killed – there have been 76 documented cases of killings of indigenous human rights defenders from 2010 to 2016. Environmental degradation caused by mining has resulted in health problems, significant reduction of agricultural production, water pollution and decreased fish catch.”

promotes and protects the rights” of IPs but does not mention the IPRA (that has yet to be implemented in the ARMM) nor spell out the full rights of IPs under the IPRA, including the rights on ancestral domains and lands.<sup>102</sup> The ongoing armed conflict between government forces and communist insurgents is also a serious threat in many IP areas, particularly in eastern and southern Mindanao, where IP lands and New People’s Army (NPA) strongholds coincide. Here, many IP communities have been ‘left behind’, without schools or access to health care. Respect for IP ancestral lands has thus been advanced by the CPP-NPA-NDF<sup>103</sup> (henceforth CPP) as part of its agenda – although the agenda does not promote the IPRA *per se*<sup>104</sup> – and the NPA is described as “the only army fighting for the welfare of the *Lumads*.”<sup>105</sup>

**27. The alignment of CPP and IP/ancestral land interests seems to have come at a cost however.** Conflict data from 2011 to 2015 showed an increase in incidents of violent conflict and in conflict deaths in the second half of 2015 due to the lumad wars—conflict between lumad groups for and against mining with the involvement

of communist insurgents – in Southern Mindanao.<sup>106</sup> Violence between insurgents, government forces and lumad groups, fueled by intensified resource capture by insurgents, mining and logging firms, also emerged as a “new vector of violence” in the region (although many of the conflict deaths were still due to vertical political conflict related to the communist insurgency.)<sup>107</sup> There is the further danger that violence between government and communist rebels “will become the type of conflict that is prolonged by access to resources, rather than by economic and political grievances.”<sup>108</sup>

**28. Addressing long-standing IP concerns and finding a settlement to the communist insurgency are even more urgent therefore.** Resolving IPRA issues, and reconciling natural resource laws and regulations with it, promises to not only advance IP rights but also curtail the “morphing of conflict causes”, i.e. from resource-based conflict into identity (inter- and intra-*lumad*) and political conflict. A final political settlement between the government and the CPP will not only reduce the deaths from vertical political violence but will have “knock-on

102 See <https://www.rappler.com/nation/91297-indigenous-peoples-rights-bangsamoro-basic-law> and <http://www.sunstar.com.ph/davao/local-news/2017/08/24/lumad-chief-says-bbl-must-uphold-indigenous-peoples-rights-560172>. In the latter, it is reported that non-Moro IPs in Mindanao are supportive of the proposed Bangsamoro but want to assert the observance of the “four bundles of Lumad rights ... - rights on ancestral domain, governance, economy and justice system” under the BBL.

103 CPP is Communist Party of the Philippines; NDF, the National Democratic Front.

104 The CPP advances its own version of ancestral land governance, e.g. it promotes communal farming, in the same way it advances its own version of agrarian reform, i.e. GARP (genuine agrarian reform), over the existing CARP (comprehensive agrarian reform program).

105 See [https://www.philippinerevolution.info/ang\\_bayan/20170921-revolutionary-defense-of-the-ancestral-land/](https://www.philippinerevolution.info/ang_bayan/20170921-revolutionary-defense-of-the-ancestral-land/). Lumads are the indigenous people of Mindanao.

106 International Alert 2016. The increase was apparent in the second half of 2015.

107 Ibid, p. 47.

108 International Alert 2016, p. 50

effects on the scale of violence associated with resource capture or inter- and intra-lumad violence.”<sup>109</sup>

**29. A final political settlement with the CPP-NPA-NDF is not in sight however.**

Formally, a settlement hinges on the resolution of outstanding issues in the comprehensive agreement on socio-economic reforms - which may be as unlikely now as it was two decades ago given that the CPP “regards participation in the peace talks as a mere tactical move than a true strategic alternative”.<sup>110</sup> For what distinguishes the Philippine communist movement “is not any specific character of its analysis, concrete demands or long-term vision for society” but the fact that “unlike other community or social democratic movements ...it does not believe its aims can be attained except through armed struggle.”<sup>111</sup> Thus,

*“The real challenge in ending this armed conflict is not the fulfillment of the substance of one or another specific economic or social demand, but rather the resolution of a primary political issue, namely, a reasonable guarantee that the radical Left can join the mainstream of political life and advocate its aims armed with nothing more than “the weapons of criticism” rather than resorting to “criticism by weapons.” ...”*

*“.. Central to the entire issue is the*

*conduct of elections. No genuine solution to the insurgency can be proposed without ensuring the equality, fairness and integrity of electoral contests as a precondition. Indeed some NDF documents refer explicitly to electoral reforms “to take away undue advantage to political parties of the comprador and landlord classes and providing for genuine democratic pluralism, allowing a fair chance for political parties representing the workers, peasants and the middle class.” (HDN, 2005:43-44)*

The question therefore is: Can a reasonable guarantee be given? That is, is the current democratic system capable of reaching “a level of maturity ... where parties can advocate widely diverging ideologies and alternate in power or share it without risking loss of human life and catastrophic disruptions of social existence?” Although political reform has proceeded incrementally over the last thirty years, it must be admitted that there has been significant progress in the overall, as evidenced by an increasing public confidence in the credibility of elections, the increasing engagement and savvy in Congress of Left groups sympathetic to the CPP-led armed insurgency (e.g. expanding party-list representation, accessing majority coalition ‘pork’), even the unexpected results of the 2016 Presidential/Vice-Presidential elections,

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109 Ibid.

110 HDN 2005, p. 44.

111 Ibid, p. 43.



where neither ‘goons’ or ‘guns’, nor ‘gold’ was decisive.<sup>112</sup> The allocation of cabinet positions by the President-elect to people nominated by the CPP has opened up even more significant space in mainstream political life to the CPP-linked Left.<sup>113</sup>

This is not to say that there is nothing left to be done for “genuine democratic pluralism.” On the contrary, broader electoral reforms – among others, restrictions on campaign spending and finance, promoting party- and platform- based politics, preventing the use of public resources for partisan purpose – need attention urgently. Action on political dynasties is also pending.<sup>114</sup>

**But the important point is, the system is open to and capable of reform.** Thus, absent any sign that formal peace talks with the NDF will restart – and even if they do restart – staying the course in pursuit of electoral as well as other institutional reforms (discussed in earlier sections), that can open political space, improve the responsiveness of government and address sources of social exclusion and unrest, may well be the priority path to peace on this front.

30. Public, non-partisan consensus is also urgently needed in relation to recent developments relating to civil and political rights and their impact on economic and social outcomes. Most especially,

developments relating to the “security-focused approach” of the war on illegal drugs, which has led to “thousands of killings of mostly poor, vulnerable and already discriminated people, constraints on human rights defenders, free media and civil society more generally” as well as threats to the “separation of powers, the administration of justice, and the status of independent institutions, including the Commission of Human Rights.”<sup>115</sup> The war has been described as triggering “a gradual erosion of belief in human rights and civil liberties, a growing retreat into the private sphere, and an abdication of the citizenry’s responsibility to be informed and to hold their officials to account.”<sup>116</sup> At the same time, “thousands of people have taken the law into their own hands ... dispensing justice” – indicating a belief, “carefully nurtured by the establishment... that drug pushers/addicts forfeit their humanity, and so have forfeited their rights.”<sup>117</sup>



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112 See Pulse Asia 2016..

113 Two remain after two others were not confirmed by the Commission on Appointments.

114 However, there is still no conclusive evidence that dynasties (however defined) are responsible for poor social or economic outcomes.

115 Comment from the UNCT Regional Peer Group

116 De Dios 2017.

117 Att. Jose Manuel Diokno. <http://e-palaso.weebly.com/home/dlsu-hosts-one-la-salle-reflection-and-noise-barrage-on-ejk-and-hr>





# IV

## COMPARATIVE ADVANTAGES OF THE UN IN THE PHILIPPINES

Over 70 years, the UN has been working closely with the Philippines and has contributed to the country's significant development milestones that made an impact on millions of lives.<sup>118</sup> As the country deals with recurrent development and humanitarian challenges, the UN has provided support in development, peace and security, and human rights, the three pillars of Agenda 2030. It has been a trusted, politically credible and long-term partner of the government and society at the strategic and operational levels, influencing and contributing to development and humanitarian outcomes.

More specifically, it has brought the following absolute and comparative advantages to the table:

- A comparative advantage in advancing the normative agenda, with an absolute advantage in treaty-mandated functions. This derives from the UN's unique global mandate to which the Philippines was an original signatory;
- A comparative advantage in bringing people to the table, especially on politically sensitive issues (RH, gender, crisis and post-conflict situations). It can convene and catalyze, and in some cases mobilize resources. This derives from the trust of national partners earned

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118 UNCT Program Group.



from over 70 years of presence in the Philippines;

- Through various agencies, a comparative advantage in access to specialized and, oftentimes, cross-cutting knowledge, drawn through member states, especially in fulfilling the country's commitments to international treaties and agreements;
- An absolute advantage in humanitarian aid delivery;
- A comparative advantage in development aid, not in terms of amounts but in flexibility in the application of funds (often to support capacities which other funders may decline to support);
- “Maturity”, i.e. ability to self-assess and listen to assessments of national partners.

For the 2030 Agenda and *Ambisyon 2040*, other - latent - comparative advantages may be required:

- **Producing evidence-based lessons learned.** Becoming “a catalyst for action, an innovator, convener and a champion of what works” will require integrating or applying impact evaluation principles into the design of the UN's own interventions so that lessons can eventually be extracted (“There are a wide range of types of knowledge products ... Program

*lessons learned/evaluations were the least common” (Dahlberg, 2017: 16))*

- **Providing integrated policy analysis.** This will require undertaking joint analysis. (“United Nations Development System engage in joint knowledge creation, but most knowledge work is still done on a single entity basis – despite the interdependencies between many of the SDGs”)
- Providing “whole-of-government” guidance. Such as on malnutrition, climate action, violent extremism, etc. This will require – as a necessary first step – internal agreement on relevant causal chains, including sequencing of contributions/interventions and, consequently, the timing of expected outputs. Providing whole-of-government-guidance on data for the SDGs will also require a similar internal agreement, e.g. on how goals and targets are interlinked and can be sequenced [“The UNDS is not currently fully equipped to provide “whole-of-government” guidance on how to achieve the SDGs, including how to prioritize and sequence national efforts. The breadth and ambition of the 2030 Agenda means that governments cannot expect simultaneously to address all goals and targets, and probably should not spread efforts evenly across many goals and targets. The UNDS has invested significant effort already to increase support to governments

through Mainstreaming Acceleration and Policy Support (MAPS) missions. However, the current form of engagement between UNDS entities and governments – in which individual UNDS entities pursue their own focus areas with specific relevant government ministries – can undermine efforts to support “whole-of-government” approaches.” (Dahlberg, 2017: 26)]

- **Taking the long view.** The UN can, as one, can take a long view and program accordingly, even as national partners have to concentrate on meeting medium term obligations. With Ambisyon 2040, national partners may welcome a parallel track that can save time (e.g. producing evidence) down the road.





# V

## EXAMPLES OF AREAS WHERE NATIONAL EFFORTS MAY BENEFIT FROM COORDINATED UNITED NATIONS SUPPORT



The matrix below lists examples of coordinated UN action that could be strategic or catalytic to national efforts in pursuit of long-term 2040 goals, given how development outcomes have progressed over the last twenty years, internal capacities of the Philippines as a middle-income country, and comparative advantages of the UN as a team. It is assumed that these actions are part of a longer term effort and provide a foundation for actions that may be taken up in succeeding UNDAFs. The matrix also indicates how possible support are linked to PDP pillars and to the 2030 Agenda.

If a coordinated UN approach will be applied, a necessary first step would be to agree on a common causal chain, including explicit assumptions on sequencing over the near, medium and long term. This is a minimum requirement and not easy to do. For instance, Annex B presents 4 different causal chains/conceptual frameworks related to nutrition. It would also require constant validation as the UNDAF proceeds as evidence and insight is collected.

Table 4. Possible UN Support Linked to PDP Pillars and 2030 Agenda

Description	<i>Ambisyon 2040/PDP</i> [Contributes <i>primarily</i> to, or aligns <i>primarily</i> with...]	2030 Agenda
Cross-sectoral support to ‘defragment’ and integrate nutrition, food security, and maternal and adolescent health systems, within and between national and subnational governments.	Pillar 2: <i>Pagbabago</i> , or Inequality-reducing transformation, Ch. 10. (Note: Ch. 13 is a subset)	People
Joint integrated policy analysis on the impacts of climate change, particularly slow onset events, and implications for local economies, sustainable consumption and production (SCP), urbanization and the like.	Foundations for Sustainable Development, Ch. 20	Planet, Prosperity
Testing of integrated community based interventions to enable the normalization of young combatants in ARMM and the reduction of the vulnerability to violent extremism	Foundations for Sustainable Development, Ch. 17	Peace
Joint education and communications campaigns to address anti-Muslim and other forms of prejudice specifically, and in support of universal economic, social, cultural and civil/political rights more generally	Pillar 1: <i>Malasakit</i> , or Enhancing the social fabric.	Peace
Joint, coordinated “whole-of-government” support for the design of a practical, useful, and phased-in statistical ecosystem for <i>Ambisyon 2040</i> and relevant SDGs		



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# ANNEX A

## TRAJECTORIES OF SELECTED MDG TARGETS

Targets	MDG						SDG/WHA, PDP	
	Baseline		End line		Original (2015) target	Estimated year to meet target*	New (follow-on) target	Estimated year to meet target*
<b>1: Eradicate extreme poverty and hunger</b>								
Poverty (less than PPP\$1.90/day)	26.6	-91	13.1	-12	13.3	2012	6.6 SDG	2030 <sup>a</sup>
Poverty (national poverty threshold)	34.3	-91	21.6	-15	17.2	2027	14/ PDP/ SDG	2034/ 2045 <sup>a</sup>
Poverty gap ratio	9.3	-91	4	-15	4.7	2011		
Share of poorest quintile in national consumption	6.2	-91	8.5	-12	Incr	Prog		
<b>Full and productive employment and decent work</b>								
Growth rate of GDP/person employed	1.6	-90	5.3	-15	Incr	Prog		
Employment-to-population ratio	59	-90	59.7	-15	Incr	Prog		
% employed who are income poor	20.5	-3	18	-15	Decr	Prog		
Own-account (self-employed) workers in total employment	35.6	-90	27.4	-15	Decr	Prog		
Unpaid family workers in total employment	15.7	-90	9.7	-15	Decr	Prog		
<b>Hunger</b>								
Prevalence of underweight U5	26.5	-92	21.1	-15	13.3	2062	NA	NA
Stunting	38.8	-93	33.4	-15	19.4	2095	18.2 WHA	2104
Wasting	7.8	-93	7.1	-15	3.9	2155	5.0 WHA	2097
Anemia (women 15-49)	40	0	25	-11	20.0	2016	12.5 WHA	2031
% of HH w per capita energy < 100%	74.2	-93	65.2	-13	37.1	2100	61 PDP	2025
Subsistence poverty	17.6	-91	8.1	-15	8.8	2012	5.0 PDP	2026 <sup>a</sup>
<b>2: Achieve Universal Primary Education</b>								
Net enrolment ratio in primary education	84.6	-90	92.6	-14	95	2021	95	2021
Cohort Survival Rate	69.7	-90	85.1	-14	95	2029	95	2029
Primary completion rate	64.2	-90	83	-14	95	2029	95	2029
<b>3: Promote Gender Equality, Empowerment of women</b>								
Women in non-agriculture wage employment	40.1	-90	41.1	-14	50	2228	39 PDP [b]	*
Proportion of seats in parliament	11.3	-92	25.9	-13	50	2054	22/ 26 PDP [b/c]	*

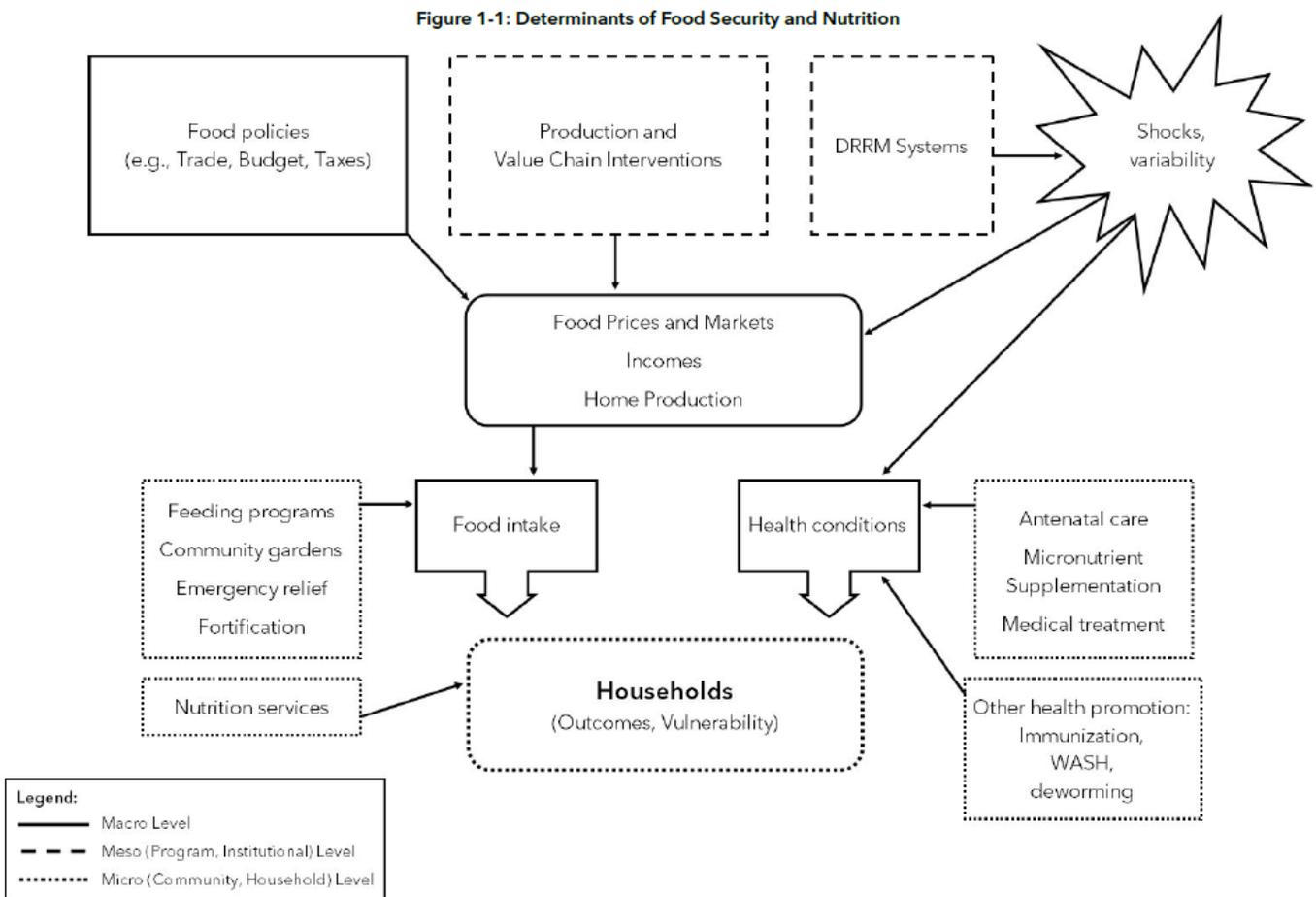
Targets	MDG						SDG/WHA, PDP		
	Baseline		End line		Original (2015) target	Estimated year to meet target*	New (follow-on) target	Estimated year to meet target*	
<b>4: Reduce Child Mortality</b>									
U5 Mortality	63.5	-93	31	-13	27	2017	25	WHA	2019
Infant Mortality	38.4	-93	23	-13	16	2027	15	PDP	2030
Neonatal Mortality	18.2	-93	13	-13	8	2045	12	WHA	2018
1-year olds immunized vs measles	77.9	-93	91	-13	95	2019	95	MDG	2019
<b>5: Improve Maternal Health</b>									
Maternal mortality ratio	209	-90	204	-15	52	3421	70	SDG	3119
Births attended by skilled personnel	58.8	-90	87	-13	95	2020	95	MDG	2020
Contraceptive prevalence rate (any method, currently married)	40	-93	55.1	-13	95	2066			na
Modern contraceptive prevalence rate (all women)	15.1	-93	23.5	-13			65	PDP	2112
Adolescent birth rate	50	-93	57	-13	0	Regressing	27	PDP [a]	Regressing
Antenatal care coverage (at least one visit)	91.2	-93	96.1	-13	Incr	prog			
Antenatal care coverage (at least four visits)	52.1	-93	84.3	-13	Incr	prog			
Unmet need for family planning	26.2	-93	17.5	-13	Decr	prog			
<b>6: Halt/begin to reverse the incidence of malaria and other major diseases</b>									
Prevalence associated with malaria	118.7	-90	7.9	-13	5	2017	*		*
Death rate associated with malaria	1.4	-90	0.01	-13	0	2013	*		*
Prevalence associated with TB	246	-90	461	-13	5	Regressing	225	PDP	regressing
Death rate associated with TB	39.1	-90	24	-13	0	2252	0		2252
HIV prevalence									
<b>7: Environmental sustainability</b>									
Families with access to safe water supply	73	-90	85.5	-14	87	2016	95	SDG	2032
Families with sanitary toilet facility	67.6	-90	94.1	-14	84	2005	95	SDG	2014
Families with access to secure tenure	91	-90	89.8		increasing	No change			

Source: Author's computation

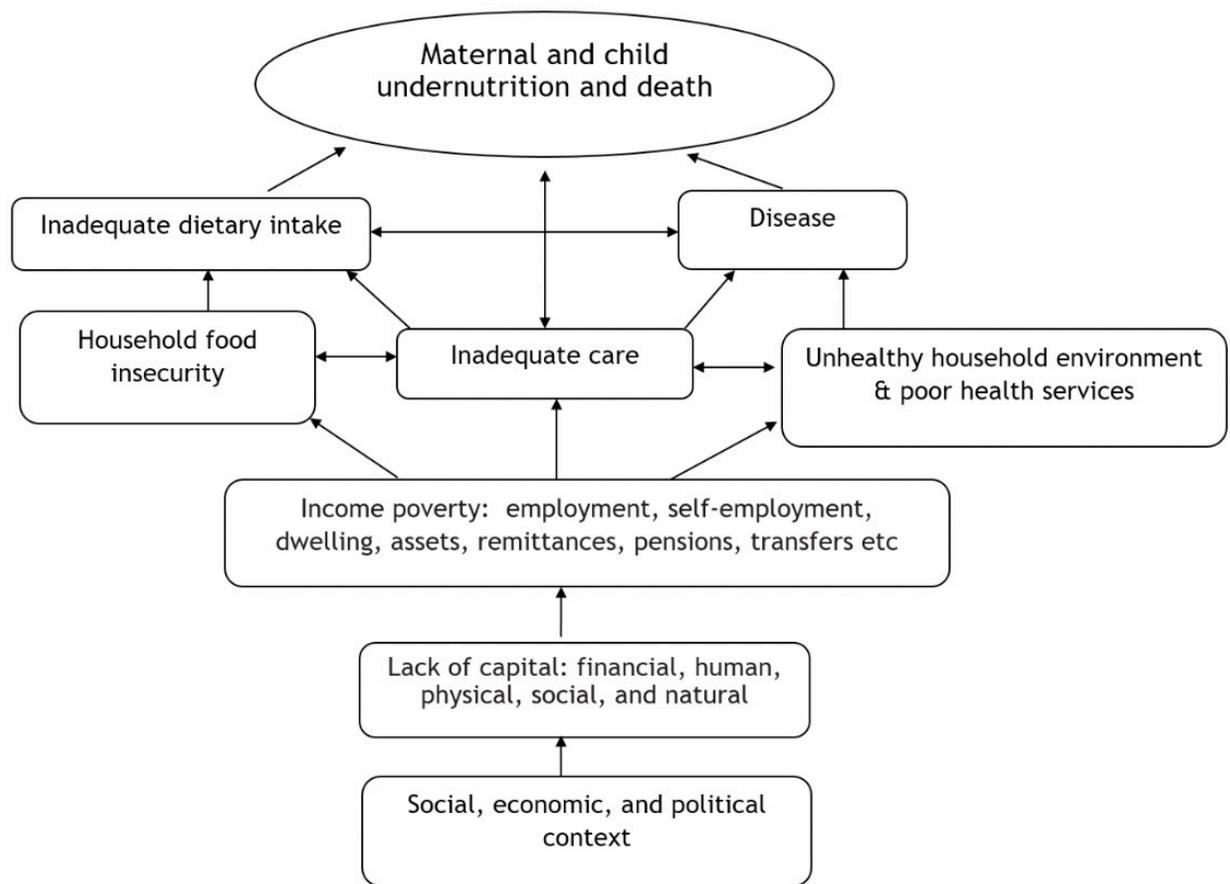
Notes: \* For decreasing indicators, estimated using a geometric model with annual discrete compounding and assuming a slope that increasing at a decreasing rate. For increasing indicators, a linear model is applied. See ESCAP/ADB/UNDP 2007, pp. 52-53. a Estimated using 2006 as a starting point; b benchmarked to high-HDI countries; c benchmarked to very-high HDI countries

# ANNEX B

## CAUSAL CHAINS RELATING TO NUTRITION AND FOOD SECURITY (SEE ALSO FIGURE 4 OF MAIN PAPER)



Source: Briones et. al. 2017



*Causal framework of child and maternal undernutrition*

(Figure 6, NNC 2017)

**Common Country Assessment Philippines**

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