Taking Action for the World's Poor and Hungry People

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SPEAKER SUMMARY NOTE

Session:	**Experiences That Have Resulted in Progress in Reducing Poverty and Hunger**
Keynote Speaker:	***Domingo F. Panganiban,*** **Secretary, National Anti-Poverty Commission, Philippines**
Title:	Reaching the Poorest of the Poor at the Community Level

Ladies and Gentlemen:

The Republic of the Philippines has entered a new and hopeful phase in the struggle to lift its poor out of poverty. No less than the Philippine Midterm Progress Report on the Millennium Development Goals indicates that the Filipino people are on track—and that national economic gains have trickled down to the grassroots.

The document describes:

- A 15.3 percent decrease in the incidence of extreme poverty among Filipino families as of 2003;
- A 10.8 percent reduction in the number of Filipinos living below the subsistence threshold that same year; and
- A 9.9 percent reduction in the number of underweight children below 5 years old as of 2005.

Equally encouraging is the report's favorable assessment of our efforts to promote gender equality, combat deadly diseases—and ensure safe water and sanitation facilities for the entire citizenry.

These advances have not occurred by mere chance. The current Philippine effort to fight hunger and reach the poorest of the poor is the result of years of refinement and reform.

There had, in the years leading to the turn of the last century, already been widespread understanding that faster, more efficient, economic growth is needed to introduce significant reductions in poverty among Filipinos.

For decades, however, the country was unable to sustain growth long enough to reduce poverty to levels attained by other East Asian nations. There was widespread inequity—and chronic instability in the economic cycle as the nation underwent alternate periods of boom and bust.

Today, seven years into the new millennium, a difficult period of recovery and reform is behind us, and we are on finally a high road to progress. Inflation and interest rates are down. Investments are pouring in. Tourism is on the rise. And, in the second quarter of this year, economic growth was measured at a historic 20-year high at 7.5%.

In keeping with the equitable spirit of our progress, we have embarked on a deliberate program of improvement in the personal security and opportunity of the great mass of our people.

The Medium-Term Philippine Development Plan was first devised in 2001 along a framework of four main policy objectives:

- First, macroeconomic stability and equitable growth based on free enterprise—to stress the importance of economic progress in the bid to reduce poverty levels;
- Second, agricultural and fisheries modernization—to ensure the needed focus on food security and the growth of the rural sector, and address the problems of regional poverty and underemployment;
- Third, comprehensive human development and the protection of the vulnerable—to fill the need for greater social protection and accurate and effective delivery of basic services to the poor; and
- Fourth, good and effective governance—to underscore the fundamental role of government (both national and local) in all our poverty reduction efforts.

It was within this framework of growth and stability that we proceeded to outline the five principles of our national anti-poverty strategy:

- Accelerated asset reform—to address the problem of economic inequity and widen the citizen's share of resources, whether natural or manufactured.
- Improved access to human development services—which consist of programs for basic education, health care, sanitation, electricity, potable water, and housing;
- The provision of better employment and livelihood opportunities;
- Security from violence and social protection for vulnerable sectors—to eliminate all forms of discrimination;
- And the institutionalized participation of the poor in matters of governance—to address the issue of political equity.

The Philippine development process begins at the national level—where policies are formulated, budget appropriations are decided, and the country's overall economic policy is determined. These national policies are then transmitted to the regional level through various regional offices.

From there, the bulk of the next—and most difficult—phase of the process is passed on to the country's local government units: the implementing agents.

At the local level, the Philippine government's anti-poverty strategy revolves around a policy of convergence and consultation. That policy translates national priorities into actual work at the provincial, municipal, and village level. To further ensure that the objectives of the national government are amply reflected in both regional and local plans, we have identified a clear set of desired outcomes for programs the local level.

These include:

- A local development plan incorporating targets and the corresponding increase in budget allocation for MDG responsive programs and projects;
- Local policies that facilitate the achievement of the country's millennium development goals;
- A local monitoring system to track the progress made toward the attainment of millennium commitments;
- An improved delivery of basic services through the replication of good practices;
- And the inclusion of the accomplishment of MDG targets among the performance commitments of local government units.

The Philippine archipelago, however, is made up of over 7,000 islands—all steeped in mountainous terrain, and separated by large bodies of water.

And so a persistent problem confronted by policy executives at all levels is determining exactly where and who the poor are—and what services they require.

For several years, varying estimates of the extent of poverty in the Philippines have been made. Valuable as some of these estimates may be, they do not provide local governments with sufficient and up-to-date factual data on which to base accurate interventions.

The Philippine government's current poverty monitoring system relies largely on a few heavy surveys on household income, expenditure, and health. These are, by their nature, too costly to be frequently undertaken.

They are, moreover, conducted at different time periods, making it impossible to obtain a comprehensive profile of the poverty and health situation at specific points in time.

It is for these reasons that the Philippine government has embarked on an endeavor to ensure the nationwide use of the Community-Based Monitoring System—or CBMS.

CBMS is an organized process of data collection and processing at the local level. The system facilitates the integration of data for local planning, program implementation and evaluation. It promotes evidence-based policymaking, and encourages communities to participate in the data gathering process.

The fourteen core indicators used in CBMS questionnaires are premised on basic needs. These needs pertain to health, nutrition, housing, water and sanitation, basic education, income, employment and the local peace and order situation.

As CBMS permits local government planners a means to gather precise information on a wide variety of subjects, it can provide a strong basis for the formulation of truly effective programs at community local level. If the poor and unemployed wholeheartedly give the information sought in the questionnaires, for instance:

- Local leaders can know the work qualifications of the affected households—and get a clearer picture of conditions that prevail in each community.
- They can gain an idea as to what industries the unemployed are suited to function—and where hunger, malnutrition, and disease are most rampant.
- They can know which gender, sector and age groups are most affected by poverty, unemployment, and disease.
- And they will be equipped to determine what future measures and social services are most likely to improve conditions in depressed communities.

Once these are determined, precise fact-based local action and planning can be carried out to address the specific needs of each community or sector.

For policy executives at the national level, tracking the progress we make in each community and sector—and determining what national programs require further refinement at the local level—poses considerable logistical challenges.

By using modern information technology, CBMS can establish a highly reliable communications network through which local data can be instantly coursed from local governments to a national repository.

This makes the system useful both for ensuring the precision of national government interventions and monitoring the progress made by local governments toward the attainment of each millennium objective.

Notwithstanding the need for further refinement, the Philippine government's strategy of national and local government partnership has already allowed us to react to emergencies with remarkable speed and efficiency.

In November 2006, an independent survey firm issued a report indicating that some 800,000 Filipino families had endured severe hunger in the third quarter of that year.

The Philippine government responded to the emergency with the Accelerated Hunger Mitigation Program – an effort that continues to involve our entire logistics and bureaucracy.

On the national level, its basic objectives are five:

- First, increase food production;
- Second, build up the logistics of food delivery throughout the country;
- Third, put more money in the pockets of the poor and the hungry;
- Fourth, promote good nutrition;
- And fifth, manage population growth rates.

Within a few days of the Philippine government's discharge of this emergency program, an entire policy structure was created to pursue six main goals at the community level:

- The backyard propagation of vegetables and fish;
- The establishment of public food stalls to sell low cost but safe and nutritious food to the poor;
- The improvement of ports, roads, and other transport facilities;
- The implementation of free school feeding programs;
- More aggressive microfinance and employment programs and free skills training services;
- And the widespread promotion of responsible parenthood and family planning.

The government's central political leadership assigned responsibilities for local governments and each agency in the Philippine government's bureaucracy—with clear targets and responsibility centers.

The initial phase of the program proved a resounding success.

In June 2007, the same survey firm that had reported high numbers of hungry Filipino families in 2006 announced that the number of households that suffer from severe hunger had decreased from 800,000 to 390,000 families by the second quarter of 2007.

In general, the Philippine experience proposes seven basic imperatives for developing nations:

- Sound macroeconomic policies—to promote the creation of jobs and suitable employment opportunities for poor folk;
- A strong partnership between national government and local government units—to maintain the relevant and timely delivery of services, assistance and additional resources to the poorest of the poor;
- Equitable asset distribution—to prevent and eliminate social inequity, poverty and hunger;
- Infrastructure development—to expand and enhance the country's competitive advantages;
- Rural and agricultural development—to ensure food security, economic competitiveness, regional growth, and national self-reliance;
- Good governance and accurately controlled public investments—to guarantee both the integrity of government and the efficiency of public spending;
- And political stability—to encourage people's trust in the political leadership and its system of governance.

But perhaps the most important lesson we have so far learned is that the problems of poverty and hunger must be confronted not merely as problems experienced by households, communities and nations—but as a challenge to humanity as a whole.

Over a billion people throughout the world survive on less than US$ $1.00 a day. Their food is inadequate, and their children fall to disease. Their economic life is stagnant, and they are unable to cope with the pace of modern progress.

Poverty is endemic. And so the plight of the world's poor and hungry are a handicap and a menace not only to them, but also to more prosperous communities and nations.

It is therefore clear that the global community must embark on stronger and more effective international programs to make the benefits of progress available for the improvement and growth of impoverished communities.

This task is not only a logical necessity—but a moral responsibility that puts to the test the very foundations of all modern human progress and society.

Thank you.

APPENDIX

LESSONS FROM THE REPUBLIC OF THE PHILIPPINES

Reaching the Poorest of the Poor at the Community Level[1]

Hon. Secretary Domingo F. Panganiban[2]

Introduction

The Republic of the Philippines has entered a new and hopeful phase in the struggle to lift its poor out of poverty. The decades-long effort toward macroeconomic reforms, fiscal discipline and economic stability has yielded abundant returns, and the high and sustained economic progress required for substantial reductions in poverty levels are now within reach. Already the Philippine government has sufficiently arranged its fiscal and economic policies so that confidence has returned, commerce has revived, and the nation is gradually entering an era of prosperity which is reaching into every part of the archipelago.

The most remarkable aspect of current developments in the Philippines is the manner with which social and economic progress has gathered momentum over the first half of this decade. The substantial rate of the country's present growth is amply reflected in the light of robust and fairly recent gains. Although the Filipino industrial sector has experienced some setbacks as of late, the service and agriculture sectors have continued to see steady growth over the past few years, with farm production seeing a healthy 4% increase in 2006 in spite inclement weather toward the end of that year. In the second quarter of this year, in fact, economic growth was measured at a historic 20-year high at 7.5% *(NEDA,2006/NSCB, 2007)*.

These advances have had a considerable impact on the lives of the Filipino poor. No less than the Philippine Mid-Term Report on the UN Millennium Development Goals (MDGs) validates the social significance of country's recent economic progress, indicating that the Philippine economy is on track, and that national economic gains "have trickled down to the grassroots." The document describes a 15.3% decrease in the incidence of extreme poverty among Filipino families and a 10.8% reduction in the number of households below the subsistence threshold as of 2003; and a 9.9% reduction in the number of underweight children below 5 years old as of 2005 (See Table 1).

A general assessment of the reforms instituted by the Philippine government to manage the country's economic position, as well as a review of how its anti-poverty policies have evolved over the past decades, are vital to understanding -- and fully appreciating – the advances that the Filipino nation has made in its continuing effort to reduce poverty levels and ensure just and equitable development in the present Philippine context.

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[1] Paper presented by Secretary Domingo F. Panganiban during the conference entitled " Taking Actions for the World's Poor and Hungry, organized by China's State Council Leading Group of Poverty Alleviation and Development (LGOPAD) and the International Food Policy Research Institute (IFPRI), 17 to 19 October 2007, in Beijing, China

[2] Secretary Panganiban is the Lead Convenor of the Philippine National Anti-Poverty Commission (NAPC)

Table 1: Selected Figures from the Philippine Midterm Progress Report on the Millennium Development Goals[3]

INDICATOR	1990	CURRENT	Target 2015	Chance of Success
Proportion of Population Below Poverty Threshold	**45%**	**30% (2003)**	**22.65%**	**HIGH**
Proportion of Population Below Subsistence Threshold	**24.3%**	**13.5% (2003)**	**12.15%**	**HIGH**
Percentage of underweight Children 5 years old and below	**34.5%**	**24.6% (2005)**	**17.25%**	**HIGH**

Source: Philippine Midterm Progress Report on the MDG's

A Historical Perspective

The 1970s

There had, in the years leading to the turn of the last century, already been widespread understanding that faster, more efficient, more equitable economic growth is needed to introduce significant reductions in poverty among Filipinos. For decades, however, the country was unable to sustain growth long enough to reduce poverty to levels attained by other East Asian nations. In spite improvements in healthcare, education and agriculture in the 1970s toward the 1990s, the decline in the proportion of the Philippine population living below the poverty was generally slow and uneven. The World Bank had, in fact, measured the average annual rate of reduction in the incidence of poverty in the Philippines in those years at a disappointing 0.7%.

This slow decline in poverty levels indicates, among others, the modest overall pace of economic progress in the country during that period. From the 1950s to 1970s, the Philippines' rate of growth was above 5%, briefly experiencing a rapid rise during the height of the Masagana 99 agricultural program in the 1970s. The international debt crisis of the 1980s, and domestic political upheaval, however, brought all growth to a halt. Moreover, development policies at that time relied heavily on government intervention to protect industry. This gave rise to a set of national strategies that utilized controls, regulations and subsidies to offset inefficiencies and inequities, producing a pattern of growth that tended to emphasize rather than reduce income disparities.

The Late 1980s to the early 1990s

As the 1980s drew to a close, the Philippine government began structural reforms in the financial sector and foreign commerce, allowing a more liberalized approach to trade and industry even as government began to relinquish its control over state-owned corporations and financial institutions. The new Philippine congress instituted landmark legislation -- the Comprehensive Agrarian Reform Law, to redistribute land to landless rural families; and the Local Government Code, which mandated the devolution of crucial services from the national government to local government units. Several public entities and corporations were sold and trade regulations were relaxed to encourage more aggressive private business and pave the way for economic growth.

[3] Poverty as described in Table 1 is calculated using UN standards, not those used by the Government of the Philippines. The official poverty estimates of the Philippine government therefore appear inconsistent with those in the said table.

But many of the strategies that had for years served to accentuate inequity and distort the framework of the Philippine economy remained as, in many ways, government policies still tended to subsidize capital intensive production methods. There were likewise instances when official policy inadvertently gave low priority to the simple yet critical necessities of agricultural development. A substantial portion of the Philippine government's major investments in infrastructure, for instance, were concentrated in the highly urbanized National Capital Region (NCR) while budget allocations for agricultural development fell short of the needs of farmers and fisherfolk. Since poverty in the Philippines was -- and still is -- a predominantly rural problem, too many of the poorest of the rural poor were still left without sufficient access to the infrastructure and technical training required to rise above the poverty line. And so, although the incidence of poverty among Filipinos began to see remarkable reductions between 1985 and 1990, the overall effort to reduce poverty in Philippines continued to lag behind those of other Asian nations (see Table 2) even as the number of poor families increased from 4.3 million in 1985 to 4.7 million families in 1991 *(NSCB).*

Table 2: Changes in Poverty Incidence for Selected Countries

COUNTRY	Years	Annual Reduction	First Year	Last Year
Philippines	1971-91	0.70%	52%	39%
Indonesia	1970-90	2.00%	58%	19%
Korea	1970-90	0.90%	23%	5%
Malaysia	1973-87	1.60%	37%	14%
Thailand	1962-88	1.40%	59%	22%

Note: Poverty incidence is the official head count index calculated from family income.
Source: World Bank, 1996

The 1990s

By the beginning of the 1990s, it had become clear that government programs designed to alleviate poverty needed further re-examination and refinement. In spite the vigorous spirit of land reform and social renewal that rose throughout the nation in those years, official statistics for the year 1991 indicated that nearly 4 out of every 10 Filipinos remained trapped below the poverty line. Meanwhile, the industrial sector had shrunk, and agricultural growth had slowed as more and more of those entering the rural workforce were unable to find productive employment. And as the public debate over the General Agreement on Tariffs and Trade (GATT) gathered intensity, so did the need for massive policy reforms become evident to the country's policymakers. In 1994, it was estimated that the wealthiest 20% of the country had received more than half of the total income earned by the Filipino labor force *(World Bank, 1996).*

The late 1990s saw the beginning of massive realignments in the Philippine government's economic policies as it earnestly pursued a social reform agenda that sought to address the minimum basic needs of the Filipino poor. The language of reform and poverty reduction became primary elements of both national and local governance and was henceforth identified as the country's foremost goal. Food security and rural development became fundamental concerns. More importantly, the Philippine government called on the country's basic sectors to participate in the process of governance and nation-building; and, for the first time, the integration of various government programs and services became a strategy for the government's development agenda. The bid to reduce poverty in the Philippines consequently began to earn significant gains, with the incidence of poverty among Filipinos declining from around 40% of the population in 1991 to about 28% in 1997 *(NSCB in NAPC, 2005).*

But that progress was cut short in July of 1997 as the near collapse of the Thai Baht began to affect currencies, stock markets and asset prices in a number of other Asian countries. In the

Philippines, business and investments slowed and the Philippine peso, which stood at P26 to the dollar before the crisis started, plummeted to around P30 in a matter of weeks. It further dropped in value as the crisis dragged on, dipping to about P50 against the dollar by the time the crisis ended. In 2000, official statistics revealed that, after a previous period of remarkable progress, poverty levels in the Philippines saw a slight increase as the number of impoverished Filipino families rose from 3.9 million in 1997 to over 4 million three years later (See Table 3).

Fighting Poverty in the New Decade

In 2001, the Philippine government unveiled a new framework for reducing poverty and improving conditions in the country's impoverished communities. In essence, the new framework put poverty reduction into the center of the government's development agenda. The Philippine government's increased focus on poverty reduction was articulated in the country's commitment to the UN MDGs, which establishes clear objectives for social development, the reduction of poverty and hunger, environmental stability, and the improvement of basic services such as primary education and healthcare.

Table 3: Poverty incidence and magnitude, 1985 - 2000

Year	1985	1988	1991	1994	1997	2000
Poverty Incidence	44.2%	40.2%	39.9%	35.5%	28%	24%
Poor Families	4,355,052	4,230,484	4,780,868	4,531,170	***3,982,766***	***4,146,663***

Source: National Statistics Coordination Board/NEDA

Although new, the Arroyo administration's anti-poverty framework and its adjunct policies were firmly premised on the lessons of the past. The framework's general direction was generally detailed in the Medium Term Philippine Development Plan (MTPDP) of 2001-2004, which outlined the following policy objectives:

a) ***Macroeconomic stability and equitable growth based on free enterprise*** -- to stress the importance of economic progress in the bid to reduce poverty levels;

b) ***Agricultural and fisheries modernization*** -- to ensure the needed focus on food security and the development of the rural sector, and address the problems of regional poverty and underemployment;

c) ***Comprehensive human development and the protection of the vulnerable*** -- to fill the need for accurate and effective delivery of basic services to the poor; and

d) ***Good and effective governance*** – to underscore the fundamental importance of government – both national and local – in poverty reduction.

The MTPDP produced a system of governance and cooperation that put the bureaucracy to honest work and the nation on a high road to economic recovery. And by 2003, poverty among Filipinos had declined from 28% in 2000 to around 24% a mere 12 quarters later *(NSCB)*. This decline in poverty levels was made readily evident by the increase in real per capita income as even Filipino families belonging to low income deciles (from first to fifth) saw increases in their earnings (See Table 4).

Table 4: Real Per Capita Income per Decile (In Pesos)

Decile	2000	2003	% Inc/Dec
Real Average Capita Income	28,356	28,899	1.9
First Decile	5,435	7,501	38.0
Second Decile	8,276	11,014	33.1
Third Decile	10,795	13,861	28.4
Fourth Decile	13,675	16,719	22.3
Fifth Decile	17,076	20,047	17.4
Sixth Decile	21,557	24,076	11.7
Seventh Decile	27,747	29,192	5.2
Eight Decile	36,693	37,320	1.7
Ninth Decile	52,410	51,589	(1.6)
Tenth Decile	127,068	115,219	(9.3)

Source: Economic Planning Office, Senate of the Republic of the Philippines, 2005

Subsistence incidence among Filipinos also saw a decrease during the period as more household heads began to earn incomes that met the basic food needs of their families.

Expanding the Spirit of Progress and Reform

Toward the close of 2004, the Philippine government increased the focus of its medium-term development goals along a 10-point national development agenda *(NEDA, 2004)*. With greater attention to the disposition and control of public spending, these ten points were, in turn, to become the substance for the Medium-Term Philippine Development Plan for 2005 – 2010.

To wit: (1) create 10 million jobs by promoting agribusiness and small enterprise development; (2) build more classrooms, provide computers for every school, and give out scholarships to every poor Filipino family; (3) balance the Philippine government's budget; (4) develop and improve the Philippine network of transport and communications; (5) build power lines and water systems for all Filipino communities; (6) decongest Metro Manila by developing centers for government, commerce and housing elsewhere in the archipelago; (7) transform Subic and Clark, both strategic areas a few kilometers north of the NCR, into one of Southeast Asia's best logistics and service centers; (8) automate the Philippine electoral process; (9) arrive at a just end to all internal political conflict; and (1) seek closure to the divisions caused by successive "people power" revolutions.

It was within this basic framework of national economic progress, peace, political stability, and social development that the Philippine government outlined the five core strategies of its anti-poverty program. These five key elements take into account the multi-dimensional nature of poverty in the Philippines, and encompass the country's economic, social, political and ecological objectives:

> Accelerated asset reform. The Philippine asset reform policy seeks to address the problem of economic inequity by widening citizen's share of resources, whether natural or manufactured. The essential aim is to allow the poor the capital required to earn a decent living. Such reforms necessarily address existing inequities in the ownership, distribution, management and control of the said resources.
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> Improved access to human development services. To ensure that the benefits of asset reform are utilized by the poor to the utmost, the Philippine government continues to widen people's access to basic services such as education, health care, sanitation, electricity, potable water, and decent housing.
>
> Provision of employment and livelihood opportunities. The Philippine government's employment and livelihood programs for the poor consist of skills training,

education, and microfinance efforts. To ensure agricultural growth and equitable rural development, the government has also undertaken a major effort to open up vast tracts of idle land for agribusiness ventures.

Security from violence and social protection for vulnerable sectors. The Philippine government is working to eliminate all forms of discrimination which cause the exclusion of women, children, indigenous folk, the elderly, and other vulnerable sectors from participating in national and community development. Programs are also carried out to insure them from the adverse impact of calamities.

Institutionalized and strengthened participation of the poor in matters of governance. The Philippine government continues to undertake policy and structural reforms to address the issue of political equity and ensure equal participation of the country's basic sectors in decision-making processes and management of government. The objective is the meaningful empowerment of the poor to participate in the development process.

Sharing Progress with the Poor

While the basic elements of the Philippine poverty alleviation strategy are equitable economic growth, asset reform, and investments in human capital, the MTPDP also stipulates services to directly aid poor households and communities that are unable to gain from the growth process. Among these services are microfinance development and conditional cash and in-kind transfer programs.

The aim of the Philippine microfinance development program is to bring the bulk of the urban and rural poor into the mainstream of the national economy as viable clients in the formal financial sector. The program had met with difficulties early on. Only 12% of the country's poorest folk availed of credit in 1991. Those who did avail of credit borrowed mostly from relatives and friends, private money lenders, and small cooperatives. Very few obtained loans from formal institutions, with the government's largest provider of credit to the poor issuing only around P83 million through its credit lines by 1995. But it took less than two decades for the sector to manage a massive turn-around. Over the past three years, in fact, the country's microfinance services had issued small loans amounting to nearly P70 billion to some 2.7 million active clients throughout the nation. The Philippine government estimates that these loans have in turn generated some 1.2 jobs throughout the archipelago.

The Philippine government's food-for-school program (FSP), on the other hand, belongs to a class of social safety nets instituted by government called conditional cash or in-kind transfers. The program is meant to address hunger among poor families and at the same time improve school attendance among children of these families. The Philippine government recently intensified the program, supplying adequate nutrition for over 600,000 preschoolers through the FSP as part of a recent national anti-hunger drive.

Apart from these services, the national government initiates direct interventions for poor communities when so needed. The "Ugnayan Laban sa Kahirapan" program, for example, is a quick response social infrastructure program that was conceived to match and complement the Arroyo administration's Super Regions hard infrastructure program. The premise is that, at least for the nation's poorest communities, physical infrastructure is of limited value unless the adequate social infrastructure exists to utilize them effectively. The program is designed to establish such networks in the communities of the poor based on the concept of self-employment and small enterprise development for the poorest of the poor. It focuses government intervention on beneficiary communities, and coordinates the rapid delivery of existing anti-poverty programs to residents with the intent of producing fully integrated, self-sustaining small enterprises which are managed and operated by the poor.

Reaching the Poor at the Community Level

With the completion of a stronger and more focused anti-poverty policy structure, the Philippine government turned to the problem of determining exactly who and where the Filipino poor are, what services they require, and reaching the poorest of the poor at the community level.

While the Second Report on the MDGs issued by NEDA in June 2005 indicated that the country has a high probability of achieving its commitments to the international pact on a national level, the same report describes significant disparities in the progress made across the country's regions. These regional inconsistencies vary not only in terms of geography, but also in the extent of the progress made per region for each of the eight millennium objectives. Information gathered by the National Statistics Coordinating Board (NSCB) from the range of sectors and communities within each region during the 2000-2003 timeframe revealed further inconsistencies in the progress among constituent parts of each regional economy.

Strong Local Governments: the Key to Fighting Poverty at the Community Level

For Filipino policy executives at the national level, tracking the progress made in each region, and determining what national programs require further refinement for greater efficiency at the local level, poses considerable logistical challenges. Ensuring strong and responsive local governments is therefore a key component of the Philippine government's efforts to reduce poverty at the community level.

The devolution of basic government services to local government units has introduced a large but absolutely necessary layer of governance between the national government and the communities of the poor. As such, Philippine local government units have been entrusted with a bulk of the work of reducing poverty among Filipinos and ensuring that each of the Filipino's nation's 41,994 villages are accorded a just share of the national wealth.

Localizing the MDGs

The MDG localization effort of the Philippine Government aims to help local governments carry out MDG-responsive programs in their communities. To ensure uniform standards, the national government has identified a set of desired outcomes for MDG-responsive local governments. They are as follows:

- A local development plan incorporating the MDG targets and corresponding increase in budget allocation for MDG-responsive Program /Project/Activities (PPAs);
- Local policies that facilitate the achievement of the MDGs;
- A local monitoring system to benchmark LGU contribution in the attainment of MDG targets and to track accomplishments vis-à-vis targets;
- An improved delivery of basic services through replication of good practices;
- And the inclusion of accomplishment of MDG targets as one of the performance commitments of the LGUs.

The Philippine MDG localization effort is borne out of the realization that, while progress towards the MDGs is monitored and analyzed at the country or national level, there must be a strong parallel effort to bring the MDGs into the mainstream of the local development agenda.

The Need for More Accurate Data

For several decades now, varying estimates as to the extent of poverty in the Philippines have been made. Valuable as some of these estimates may be, they do not provide government with sufficient and up-to-date factual data on which to base accurate government interventions at the local level.

The Philippine government's current poverty monitoring system relies largely on a few heavy surveys on household income, expenditure, and health. These are (a) too costly to be frequently undertaken; and (b) conducted at different time periods, making it impossible for planners to obtain a comprehensive profile of the poverty and health situation at specific localities in the country at specific points in time. Faced by these challenges, and in the context of the country's commitment to the MDGs, Philippine policymakers began to seek alternative methods of data collection.

What is CBMS?

The Community-Based Monitoring System (CBMS) is an organized process of data collection and processing at the local level. It facilitates the integration of data for local planning, program implementation and evaluation. It promotes evidence-based policymaking, and encourages communities to participate in the data gathering process. The system was developed in the early 1990s under the Micro Impacts of Macroeconomic Adjustment Policies (MIMAP) Project – Philippine, and was designed to provide policymakers with a reliable data gathering scheme for tracking the outcome of macroeconomic reforms.

The system is presently coordinated by the Philippine National Anti-Poverty Commission (NAPC) and the CBMS Network Coordinating Team.[4] The Philippine government had noted the advantages of the CBMS method early on. At the very minimum, its 14 core indicators (see Table 5) allows for the simultaneous generation of precise data on such diverse local concerns as household income, health, child morbidity, women's welfare, and education. As such, the system permits local governments to determine the exact location of municipalities, cities, villages and households which require extra assistance and better basic services.

Table 5. CBMS List of Core Indicators

BASIC NEEDS		CORE INDICATORS	
A.	Health	1	Proportion of children's deaths (0-5 years old)
		2	Proportion of women deaths due to pregnancy-related causes
B.	Nutrition	3	Proportion of children 0-5 years old who are malnourished
C.	Housing	4	Proportion of households living in makeshift housing
		5	Proportion of households that are squatters
D.	Water and Sanitation	6	Proportion of households without access to safe water supply
		7	Proportion of households without access to sanitary toilet facilities
E.	Basic Education	8	Proportion of children aged 6-12 years old who are not in elementary school

[4] The CBMS Network, which is under the Angelo King Institute for Economic and Business Studies of the De La Salle University-Manila, is part of the Poverty and Economic Policy (PEP) Research Network with fund support from the International Development Research Centre (IDRC)-Ottawa, Canada. IDRC has also provided support to the MIMAP-Philippines Project.

		9	Proportion of children aged 13-16 years old who are not in secondary school
F.	Income	10	Proportion of households with income below the poverty threshold
		11	Proportion of households with income below the food threshold
		12	Proportion of households that experienced food shortage
G.	Employment	13	Proportion of persons who are unemployed
H.	Peace and Order	14	Proportion of persons who were victims of crime

Consequently,

- Local planners will be able to determine who and where the poor are, and minimize the inadvertent exclusion of poor households from public assistance programs;
- They will be able to efficiently and effectively allocate their resources;
- They will be equipped to determine what future measures and social services are most likely to improve conditions in depressed communities; and
- They will be able to monitor the impact of their social services and development programs.

Moreover, CBMS can facilitate the convergence of all poverty alleviation efforts, and allow communities to demand the services they need from local and national governments. When properly utilized, the system can likewise afford donor organizations the ability to realign their funds according to their priority areas.

As of October 01, 2007, CBMS was used in 23% of Philippine villages, 25% of the country's municipalities, 21% of its cities, and 43% of its provinces. The costs of implementation have been borne largely by local government units, indicating the usefulness of the system at the community level. In some cases, the costs have been shouldered by donor agencies and non-government institutions.

The Philippine national government, having now confirmed and completed an initial evaluation of the system, has decided that its advantages far outweigh the difficulties of expanded coverage. It has therefore issued several policy pronouncements urging more local governments to utilize the system in the planning and implementation of local development programs.

Recent Gains in a Continuing Struggle: Winning the War against Hunger

Notwithstanding the need for further precision and refinement, the Philippine government's new anti-poverty system of convergence, cooperation and equitable social development has already allowed the bureaucracy and its counterparts in local governance to react to national emergencies with impressive speed and efficiency.

In late 2006, an independent survey firm issued a report indicating that some 800,000 Filipino families had endured severe hunger in the third quarter of that year. The Philippine government responded to the emergency with the on-going Accelerated Hunger Mitigation Program (AHMP). The effort involved – and continues to involve – the Philippine government's entire logistical resource and manpower. Its basic objectives are five: (1) increase food production; (2) build up the logistics of food delivery throughout the country; (3) put more money in the pockets of the poor and the hungry; (4) promote good nutrition; and (5) manage population growth rates.

Within a few days of the Philippine government's discharge of the Accelerated Hunger

Mitigation Program (AHMP), an entire policy structure was created to ensure (a) the backyard propagation of vegetables and fish; (b) the establishment of public food stalls to sell low cost but safe and nutritious food to the poor; (c) the improvement of ports, roads, and other transport facilities; (d) the implementation of free school feeding programs and (e) aggressive microfinance, employment, and skills training projects; and (f) the widespread promotion of responsible parenthood and family planning. The government's central political leadership assigned responsibilities for local governments and each agency in the Philippine government's bureaucracy -- with clear-cut targets, responsibility centers, and precise procedural regulations, policies, and objectives.

Shortly after this emergency program was formulated, President Gloria Macapagal-Arroyo and NAPC vowed to cut the levels of extreme hunger among Filipinos by half within six months.

The initial phase of the program proved to be a resounding success. In June 2007, the same independent survey firm that had reported high numbers of hungry Filipino families toward the end of 2006 announced that the number of Filipino households that suffer from severe hunger had decreased from 800,000 to 390,000 families by the second quarter of 2007 *(Social Weather Stations)* .

The Need for Global Cooperation within the Context of Competitiveness and National Unity

In spite the Filipino people's impressive recent progress, however, the effort to reduce the incidence of hunger and poverty in the Philippines remains a continuing struggle. And, as in all difficult national struggles, the key to the country's final triumph is to be found in the nation's willingness and ability to learn from the past. In general, the Philippine experience proposes seven (7) basic imperatives for developing nations:

- Sound macroeconomic policies – to provide a strong framework for growth and investments, and promote the creation of jobs and suitable employment opportunities for the poor;

- Equitable asset distribution – to ensure that all families and communities possess the resources to prevent and eliminate social inequity, poverty and hunger;

- Infrastructure development – to expand and enhance natural competitive advantages, and widen people's access to transport and communications facilities;

- Rural and agricultural development – to ensure food security, economic competitiveness, regional growth, and national self-reliance;

- A strong partnership between national government and local government units – to maintain the relevant and timely delivery of services, assistance and other additional resources to help the poorest of the poor at the community level; and

- Good governance and accurately controlled public investments in basic services both at the national and community levels – to guarantee both the integrity of government and the efficiency of public spending; and

- Political stability – to encourage people's trust in the political leadership and its system of governance.

But perhaps the most important lesson that the Filipino people and government have learned over the last 50 years is that the problem of poverty and hunger must be confronted not

merely as problems experienced by households, communities and nations, but as a challenge to humanity as a whole.

While vast amounts of international aid, loans, and donations to help the poor are exchanged between nations each year, it is now clear that the global community must embark on stronger and more effective international programs of partnership and cooperation to make the benefits of scientific and industrial progress available for the improvement and growth of underdeveloped communities and sectors.

Nearly 3 billion people throughout the world today – almost half of all people on the planet – survive on less than US$2.00 a day *(Globalissues.org, 2007)*. Among them are some 1.1 billion poor folk who live on less than US $1.00 a day. In the massive sprawl of some of the world's most progressive developing nations, jammed between factories, farms, urban centers and the great fan of concrete roads, the poor are often forced to live within tantalizing reach of the possessions and comforts they lack. Their food is inadequate, and their children fall to disease. Their economic life is stagnant and they are unable to cope with the pace of modern progress.

Poverty is endemic. And so the plight of the world's poor and hungry are a handicap and a menace not only to them, but also to more prosperous communities and nations.

The basis for hope, therefore, is that humanity is now in possession of the resources, knowledge, wealth, and skill to relieve the suffering of the impoverished.

This task is not only a logical necessity, but a moral responsibility that puts to test the very foundations of modern human progress and society.