

## ACCOMPLISHMENT REPORT CY 2006

This report provides key accomplishments made by the National Anti-Poverty Commission (NAPC) Secretariat through its technical units for calendar year 2006. A summary of the agency's plans and programs for 2007 are provided at the end of this document.

### STATUS AND ACCOMPLISHMENTS IN CY 2006

MACROPOLICY UNIT
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The government's anti-poverty policies are almost always interwoven with policies governing other issues in governance and national development. As such, a considerable portion of the agency's efforts deals with the synchronization of policies and thrusts among various agencies and sectors.

The NAPC Macro-Policy Unit is chiefly responsible for the development of a sound, cross-sectoral policy environment that facilitates solutions to the problem of poverty even as it empowers the poor, allowing self-reliance through meaningful participation in governance.

To achieve this goal:

- (a) NAPC set macro-economic benchmarks for poverty reduction, planning and performance monitoring and conducted an inventory of pro-poor bills for advocacy purposes under the UNDP-SIMCPAE 3 program.
- (b) The agency maintained representation and collaboration among various government oversight agencies to address policy issues ranging from poverty statistics to estimates;
- (c) Completed capacity-building efforts for NAPC partner agencies for the "Community-based Monitoring System (CBMS) Training the Trainers" scheme;
- (d) Launched the NAPC library as a repository of strategic studies, documents and publications; and
- (e) Maintained international and regional collaboration and exchanges on cross-sectoral poverty issues and development programs.

The above activities served to enhance the government's overall poverty reduction strategies, strengthened institutional arrangements among stakeholders in the fight against poverty; and improved international collaboration, cooperation and commitments in support of poverty reduction.

## MICROFINANCE UNIT

The essence of the Arroyo administration's economic policy brings economic and social development in harmony.

The premise is that stability in economic management and financial enterprise is right and desirable, but only as a foundation. Entrenching that stability for the long term requires a paradigm shift in social responsibility, and how government develops the creative and entrepreneurial potentials of the Filipino workforce.

To achieve that shift, it is necessary that government banking and finance policies are formulated and refined to expand opportunity and allow the poor and the underprivileged equal access to the nation's wealth.

Pursuant to the mandates stipulated in Title II of Republic Act 8425, NAPC worked toward the development of an enabling policy environment for the microfinance (MF) industry, and contributed to the formulation of mechanisms to ensure that microfinance services reach the poor.

*People's Development Trust Fund (PDTF).* The PDTF is a Php4.5 billion fund for capacity building in MF/ME to be appropriated by government over a span of 10 years. In close collaboration with the People's Credit and Finance Corporation (PCFC), which is the administrator of the fund, NAPC provided technical assistance in the finalization of the manual of operations and guidelines in the utilization of the PDTF.

*Dialogues, Consultations and Mapping.* Given the context and demand of its mandate, NAPC conducted regional dialogues and consultations among stakeholders, including microfinance institutions and government financing institutions, with the intent of contributing to the proposed Magna Carta for Microfinance.

The agency built an initial database on microfinance and micro-enterprise policies, programs; and consolidated information on the process of accessing both wholesale and retail microfinance funds throughout the country.

*Asian Development Bank (ADB) Technical Assistance (TA) 4544.* In 2004, NAPC-MFU was able to secure a TA grant from the ADB for Enhancing Access of the Poor to Microfinance Services in Frontier Areas.

The assistance provided (i) capacity building to 53 microfinance institutions (MFIs) in 14 frontier regions to increase skills of 424 microfinance institution (MFI) clients and best practices, and (ii) education for poor and low-income groups on microfinance services.

The TA funded the conduct of three (3) focus group discussions (FGDs) on microfinance attended by 39 basic sector (BS) representatives who identified the sectors' concerns and issues in microfinance.

Moreover, development of materials for MF education was also made possible where training materials on the uniform set of performance standards for all types of MFIs called PESO (Portfolio quality, Efficiency, Sustainability and Outreach) were produced.

Twenty (20) educational seminars presenting the status of the microfinance industry, government interventions on microfinance, and the rights and obligations of MF clients were attended by 3,300 participants.

*Asian Development Bank (ADB) Microfinance Development Program (MDP).* NAPC actively participated in the design and series of negotiation/consultations among concerned agencies of the US\$150 million policy loan between the ADB and the Government of the Philippines (GOP). The loan was finally approved in November 2005. Actual implementation commenced in January 2006.

*National Anti-Poverty Commission-United Nations Development Programme (NAPC-UNDP) Microfinance Sector Strengthening Project.* One of the major achievements of the Microfinance Sector Strengthening Project (MSSP) Phase 2 was enhanced and strengthened technical and organizational capacity of the three breakthrough partner microfinance institutions.

These were the Center for Agriculture and Rural Development, Inc. (CARD-NGO), Lifebank Rural Bank of Maasin in Iloilo City and the Center for Community Transformation (CCT) in adopting the Association for Social Advancement (ASA) microfinance methodology in the local context.

An instructional manual was developed and used for the training of local practitioner-trainers of selected MFIs on the ASA methodology.

*Gender Mainstreaming in Microfinance.* Gender training courses in microfinance were conducted in Luzon, Visayas and Mindanao. These were participated in by representatives of 52 MFIs and seven (7) basic sector organizations, including staff of the NAPC Secretariat.

*International Fund for Agricultural Development (IFAD) Rural Microenterprise Promotion Program (RuMEPP).* Apart from implementation of these projects, NAPC actively participated in negotiations, and provided policy advice and coordination, to the proposed GOP-IFAD Rural Micro-enterprise Promotion Program.

*Generation of Php700 million for Microfinance in the National Capital Region (NCR).* Upon the directive of the NAPC Chairperson, President Gloria Macapagal-Arroyo, the NAPC provided direct technical support in the generation of Php700 million from the Land Bank of the Philippines (LBP), the National Livelihood Support Fund (NLSF) and the Development Bank of the Philippines (DBP) to accelerate the provision of microfinance services in the NCR.

## BASIC SECTOR UNIT

Among the primary objectives of the agency is to enhance the social reform agenda in equal partnership with the 14 basic sectors through appropriate consultations and participation in governance.

This goal entails full, continuous and comprehensive dialogue, and an in-depth exchange of ideas, between and among the agencies of government and the representatives of the country's basic sectors.

NAPC oversaw and facilitated no less than 53 sectoral council meetings, 23 inter-agency meetings, 13 regional consultations, and two (2) basic sector fora in 2006.

Six (6) memoranda of agreement (MOA) have been entered into by five (5) basic sectors with the appropriate agencies/bureaus/offices of government for institutional support and capability building, namely: artisanal fisherfolk, persons with disabilities (PWDs), urban poor (UP), indigenous cultural communities (ICCs)/indigenous peoples (IPs), and senior citizens.

The above activities contributed to the attainment of the following key accomplishments for the NAPC basic sector unit:

- (a) The formation of 14 basic sector councils (BSCs) and the formulation and validation of the basic sector agenda for the next three years;
- (b) The appointment of sectoral representatives and the establishment of sectoral representatives council (SRC);
- (c) The strengthening of partnerships between government and the country's basic sectors, ensuring sectoral membership and partnership in regional and local governing bodies; and
- (d) The establishment of a firm working relationship between Congress and the country's basic sectors.

## LOCALIZATION UNIT

One of the main functions of the agency is to ensure that national anti-poverty policies are translated into action that produces desired outcomes at the local level. In pursuit of this objective, NAPC developed the Kapit Bisig Laban sa Kahirapan (KALAHI) Program in 2001.

KALAHI revolves around five (5) basic strategies: accelerated asset reform; improved access to human development services; the expansion of opportunities for employment and livelihood among the poor; security against violence and social protection; and the strengthened participation of basic sectors in governance.

In 2006, the NAPC Localization Unit continued to conduct consultations and meetings aimed at putting poverty reduction into the heart of local agendas nationwide.

Through exhaustive dialogue and training seminars, NAPC successfully institutionalized the 14 core poverty indicators of the CBMS in the planning, monitoring and evaluation of anti-poverty programs in Agusan del Sur and Zamboanga del Sur.

In addition, the unit oversaw the completion of 269 KALAHI prototype projects in poor communities throughout the country. These projects consisted of the following:

- Water systems to provide safe water for far-flung communities;
- Farm-to-market roads and box culverts for farm families;
- Daycare centers to provide basic education for toddlers from impoverished families;
- Health centers;
- Electrification projects and footbridges for poor rural communities;
- Flood control systems;
- Low cost housing assistance and pump irrigation facilities

## WATER AND SANITATION COORDINATING OFFICE

The concept of water as a world resource that requires conservation and development began to gain ground in the late 80s, when the Brundtland Commission identified potable water as a global issue.

But while the world sat up and took notice—and several other international organizations conducted discussions on water throughout the following decade—global freshwater reserves continued to dwindle.

By the beginning of this decade, in fact, the combined forces of population growth, poverty, industrialization and climate change had exacted a tremendous toll on the existing safe water systems of the Philippines.

In 2003, the Philippine government had estimated that some 10 million Filipinos lacked access to a sustainable source of potable water, while another 13 million went without decent sanitation facilities.

*The President's Priority Project on Water (P3W).* The Arroyo administration responded to this challenge with a comprehensive water program designed to expand and ensure the reach of water services in waterless communities of the archipelago.

While the P3W was formally launched in 2004, the planning and massive logistics involved delayed actual implementation until a year later.

As the primary oversight agency of this massive and ambitious expansion program, the NAPC oversaw and tracked the beginnings of 1,354 government water projects across the archipelago in 2005 to 2006.

The government accorded the P3W a cumulative total of Php1 billion during the period covered, to the benefit of some 1,103 previously waterless barangays nationwide.

## PLANS AND PROGRAMS FOR CY 2007

For 2007, the NAPC intends to pursue the critical poverty reduction thrusts and priorities of the Arroyo Administration, as follows:

1. Sustain the full implementation of the Enhanced Poverty Reduction Strategy (EPRS) of the 2004-2010 Medium-Term Philippine Development Plan (MTPDP), focusing on reducing the poverty incidence from 28.4 percent in 2000 to 17.9 percent by 2010;
2. Continue to coordinate with the National Economic Development Authority (NEDA), the Department of Health (DOH), the National Nutrition Council (NNC) and other concerned agencies and monitor the implementation of an Accelerated Hunger Mitigation Plan (AHMP);
3. Continue the basic sectors' full and meaningful participation at all levels of governance from policy initiation/formulation, implementation, monitoring and evaluation through the Regional KALAHI Convergence Groups (RKCGs), local development councils (LDCs) and partner national government agencies (NGAs), civil society organizations, and private/business groups;
4. Sustain the operation of the Enhanced Integrated Monitoring System for Anti-Poverty Programs and Projects (E-IMSAPP) at the national level to address the need for a comprehensive poverty database and extensive monitoring and evaluation of pro-poor programs and projects;

5. Continue to advocate for the adoption of the CBMS that will ensure compliance with the Core Local Poverty Indicators Monitoring System (CLPIMS) at the local levels;
6. Continue monitoring and synchronization of pro-poor goals and targets of President Gloria Macapagal-Arroyo's 10-point Legacy Agenda and the Millennium Development Goals (MDGs);
7. Strengthen convergence and regional/local linkages at all levels of governance for the implementation of social reform and poverty reduction programs and projects, especially in the poorest provinces and municipalities; and
8. Execution of projects funded/supported by international organizations such as the United Nations Development Programme (UNDP), United Nations Population Fund (UNFPA), Asian Development Bank (ADB), World Bank (WB) and others.