

## **National Anti-Poverty Commission Secretariat CY 2007 Physical Accomplishment Report**

The National Anti-Poverty Commission (NAPC) was created by virtue of Republic Act No. 8425 or the "Social Reform and Poverty Act" that became effective in 30 June 1998. This report provides key accomplishments of the agency through its technical units for 2007.

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### **THE NAPC SECRETARIAT**

- The **Macropolicy Unit (MPU)** was created in 2001 for the macro- and cross-sectoral concerns of the commission. Its primary responsibilities are to (1) develop poverty reduction strategies and integrate such into national and local plans; (2) develop and monitor cross-sectoral policies; and (3) advocate and develop tools to assist in poverty monitoring and assessment.
- The **Microfinance Unit (MFU)** was created In June 2004 by virtue of Special Order 2004-22 to assist NAPC in pursuing the development of the microfinance industry and ensuring the integrated delivery of sustainable microfinancial services to the poor. Its responsibilities are (a) the development of a policy environment that supports the growth of pro-poor Filipino microfinance, especially in the area of savings generation; (b) the rationalization of existing government programs for credit/guarantee; (c) the utilization of existing government financial entities for the provision of microfinance products and services for the poor; and (d) the promotion of mechanisms necessary for the implementation of microfinance services, including indigenous microfinance practices.
- The **Basic Sector Unit (BSU)** is the unit primarily coordinating and ensuring the participation of the 14 basic sectors identified in the Social Reform and Poverty Alleviation Act in the governance processes by providing support for meetings that require sectoral representation, the preparation of correspondences to requests and queries, coordination with national and government agencies, and basic sector capability-building.
- The **Localization Unit (LU)** is responsible for introducing the government's poverty reduction strategy into the systems of local governments. The unit is also accountable for strengthening and sustaining the anti-poverty convergence mechanism at the regional level as mandated under Memorandum Circular No. 33 and the convergence policy stipulated under item (2) of Section 5 of Republic Act No. 8425, series of 1998.
- The **Water and Sanitation Coordination Office (WASCO)** facilitates and monitors the implementation of the President's Priority Program on Water (P3W).

- The **Media Bureau** is tasked with implementing public relations and social marketing activities that promote social reform and poverty reduction programs of the government, as well as encourage support and cooperation of the various sectors in the realization of these objectives.
- The **Administrative and Finance Unit (AFU)** is responsible for overseeing the general operations of the NAPC Secretariat, which includes payroll, employee benefits, procurement and the like.

Following are the accomplishments of NAPC for 2007 organized according to Major Final Outputs (MFOs).

## **MAJOR FINAL OUTPUT #1: PLANS/POLICY FORMULATION AND PROGRAM DEVELOPMENT SERVICES**

### **1.1 Adoption of the Organizational Performance Indicator Framework in the NAPC Secretariat Budget Process**

The NAPC Secretariat has taken steps to put its policies and work programs in order. First, it adopted the Organizational Performance Indicator Framework (OPIF) as its guide in identifying policy objectives and in determining corresponding outputs and outcomes to be achieved, accounted for, reviewed, and monitored.

The Secretariat intends to become an effective oversight and coordinating body for social reform and poverty reduction; and, as such, (1) yield better plans and policy formulation services, (2) strengthen the country's networks and partnerships against poverty, and (3) ensure that government is able to manage, monitor, and evaluate its poverty reduction and social reform programs with the utmost efficiency.

### **1.2 Institutionalization of policy mechanisms, guidelines, and tools in support of the implementation of the National Anti-Poverty Action Agenda**

The NAPC Secretariat recognizes the need to address the weak utilization of official indicators in the various planning processes used in poverty reduction planning, particularly at the local levels. The NAPC Secretariat has therefore embarked on an endeavor to ensure the nationwide use of the **Community-based Monitoring System (CBMS)**—a tool that simplifies the entire data gathering and monitoring process, allowing local government units (LGUs) to take command in determining with absolute precision where the poor are, why they are poor, and what services they require in their areas of responsibility.

The CBMS training program covers four (4) modules: Module 1—Data Collection, Module 2—Encoding and Digitizing of Spotmaps, Module 3—Data Processing and Poverty Mapping, and Module 4—SocioEconomic Profile and Barangay Development Plan Writeshop.

In close coordination with target provinces and with funding support from the United Nations Development Programme (UNDP) through the “Strengthening Institutional Mechanisms for the Convergence of Poverty Alleviation Efforts, Phase 3” (SIMCPAE-3), NAPC has conducted CBMS training in poor provinces, particularly those identified as Priority 1 provinces under the Accelerated Hunger Mitigation Program (AHMP)—

- Agusan del Norte (12 municipalities): Module 4 (January 2008)
- Sarangani (7 municipalities): Module 1 (14-16 November 2007), Module 2 (January 2008)
- Zamboanga del Norte (27 municipalities): Module 1 (January 2008)
- Zamboanga del Sur (28 municipalities): Module 4 (January 2008)
- Zamboanga Sibugay (16 municipalities).

CBMS orientations have also been provided to provinces that have expressed interest in CBMS — Pangasinan (Region I-Ilocos), Tarlac (Region III-Central Luzon), Antique (Region VI-Western Visayas) and Lanao del Norte (Region X-Northern Mindanao).

As of December 2007, CBMS was utilized in the development planning programs of 37 provinces (out of which 17 provinces are implementing CBMS province-wide), 379 municipalities, 27 cities, and 9,786 barangays.

- 1.2.1 The conduct of CBMS orientation briefings for LGUs in target provinces involved a selling mission through briefings to the provincial, municipal and city LGUs in three target provinces for the installation and adoption of the CBMS in the local planning and monitoring framework. The provinces were: Zamboanga del Norte, Zamboanga Sibugay and Sarangani. The briefings were conducted in all three provinces with the attendance of the governors, mayors and municipal planning and development coordinator. In all provinces, commitment for the adoption of the CBMS technology was generated.
- 1.2.2 The conduct of CBMS orientation for basic sector representatives in the NAPC involved a selling mission for CBMS among the basic sector representatives in the NAPC. The orientation was attended by 18 of the 24 basic sector representatives. The attendees, as well as the absentees, were provided information materials about the CBMS. As a result of the briefing, the forum participants committed to act as CBMS advocates in their respective sectors, mother organization and LGUs where they are stationed.
- 1.2.3 The conduct of training for LGUs toward institutionalizing CBMS in local planning and monitoring involved the conduct of the four-module CBMS training in two provinces that adopted CBMS in 2006, namely: Agusan del Norte and Zamboanga del Sur; and in the new provinces targeted in 2007, which consisted of Zamboanga del Norte, Zamboanga Sibugay and Sarangani.

In Agusan del Norte and Zamboanga del Sur, Modules 2 and 3 were conducted this year, leaving out the last and fourth training module that will be carried out in the first quarter of 2008. The target was to complete all four modules in 2007, which however, was delayed due to the conduct of the local elections.

Among the newly engaged provinces, only Sarangani was able to start the training with the conduct of Module 1 in November. The two other provinces are expected to start and complete CBMS training in the first quarter of 2008.

- 1.2.4 Apart from training of LGUs, the NAPC pool of CBMS trainers underwent additional instruction under the guidance Angelo King Institute's (AKI) CBMS Network Coordinating Team, the principal proponent of the CBMS.
- 1.2.5 In support of the Social Reform Agenda, and in line with the objective of establishing an enabling environment for microfinance, the Secretariat's Microfinance Unit (MFU) has crafted four (4) microfinance industry advisories to ensure that sound, viable and sustainable microfinance programs and practices.

These are as follows:

- *Microfinance Industry Advisory #2: Principles to ensure sustainable microfinance practices*—fundamental microfinance principles for the delivery of sound and sustainable microfinance services.
- *Microfinance Industry Advisory #3: Consumer protection in microfinance*—information on consumer protection to safeguard the interests of the general public, particularly microfinance clients, making them aware of their rights and be empowered to make prudent and informed decisions on financial products and services.
- *Microfinance Industry Advisory #4: Microinsurance*—to guide concerned entities in facilitating the provision of microinsurance to the poor and disadvantages, in accordance with pertinent laws and regulations.
- *Microfinance Industry Advisory #5: Guide to provision of Business Development Services (BDS) to microfinance clients*—information to help microfinance institutions identify strategies to improve the access of their clients to business development services and, at the same time, ensure efficient and effective provision of business development services to complement their core services.

### **1.3 Policy and Program Oversight**

- 1.3.1 To ensure effective coordination among national government agencies and collaboration with the basic sectors, the Macro Policy Unit (MPU)

led preparations for the conduct of the NAPC En Banc Meeting on 31 July 2007.

The meeting agenda included: (1) the 2008 budget allocations for pro-poor programs; and (2) updates on government's programs, specifically socialized housing, microfinance/ microenterprise (MF/ME), ladderized education, and hunger mitigation in urban areas.

- 1.3.2 The NAPC Secretariat also took the lead in preparations for the conduct of NAPC Cabinet Group Meetings. To date, the agency has provided technical and administrative support to the Cabinet Secretariat in the conduct of six (6) NAPC Cabinet Group meetings and three (3) Joint NAPC-NEDA Cabinet Groups.
- 1.3.3 To ensure a strong legislative framework for the government's anti-poverty programs, NAPC embarked this year on the compilation of poverty-related bills, especially those pending in the 13<sup>th</sup> and 14<sup>th</sup> Congress.

#### **1.4 Development, adoption, (and monitoring) the implementation of cross-sectoral policies and legislative measures to ensure implementation of the government's overarching strategy for social reform and poverty reduction**

- 1.4.1 The NAPC Secretariat conducted inter-unit meetings to review and craft a more comprehensive set of Implementing Rules and Regulations for Republic Act No. 8425.
- 1.4.2 Consultations with PWD Council Members were conducted to update and reformulate the draft IRR of EO 417 based on the comments resulting from the inter-agency meeting held on 8 August 2007 at the Department of Health, in Manila. The reformulated draft IRR was released on 21 December 2007 for the final review of members of the inter-agency TWG. The draft IRR will be ready for official issuance once concerned agencies submit their final comments to the NAPC Secretariat.
- 1.4.3 The Implementing Rules and Regulations (IRR) for Executive Order No. 417 dated 22 March 2005 directing the implementation of the Economic Independence Program for Persons with Disabilities (PWD) were formulated and are now undergoing a series of reviews and technical consultations with NAPC-PWD partner agencies and relevant stakeholders.

#### **1.5 Development of foreign-assisted projects to assist NAPC in the pursuit of its mandate**

- 1.5.1 Reports and communications were written to articulate the agency's comments and official positions regarding the following:

- Dr. Felipe M. Medalla's papers on "*National Economic Policies and Poverty Reduction*" and "*A Framework for Formulating a NAPC Action Plan for Equity and Pro-Poor Growth*" for UNDP-funding.
- Mr. Leonardo A. Lanzona, Jr.'s papers on the "*Conditional Cash Transfer (CCT) Logframe*" and "*Proposed Evaluation Design for the Pre-Pilot of the Conditional Cash Transfer (CCT) Program of the Department of Social Welfare and Development (DSWD)*"
- The Philippines' official position regarding the Extractive Industries Transparency Initiative (EITI)

1.5.2 Task force meetings within the Secretariat have been conducted since the second semester of 2007. These gatherings were held to draw up strategic directions for the agency's next program packages under the UNDP portfolio, among others, through the Annual Work Plan and Budget mechanism.

1.5.3 Originally planned for 2006, but carried out in 2007, the study on the Macroeconomic Bench-marking was designed to highlight the relationship between poverty and macro-economic policy. The contract for the study was awarded to the UP School of Economics Professor and former NEDA Director-General Felipe Medalla. The study was completed in September.

1.5.4 The project on the Formulation of a Strategic Plan of Action for Pro-poor Growth and Equity was supposed to be carried out with the results of the macroeconomic study as basis, combined with the outputs of a series of poverty-focused workshops conducted by the NAPC in 2006. In the course of the implementation of the project, however, it was deemed by both the consultant and NAPC management that no individual or consultant would be able to single-handedly come up with such a plan. Moreover, the parties agreed that another strategic plan focused on poverty would be redundant and would duplicate the function and intent of the Medium-Term Philippine Development Plan (MTPDP). As a result, only a framework that recommends measures to address opportunities and threats posed by macroeconomic policies. It was completed with the macroeconomic benchmarking study in September.

Both studies were finalized after the conduct of a technical consultation. The said consultation involved reactions from five experts on agribusiness, economics and rural development, as well those of representatives from the basic sectors, UNDP and NAPC member agencies.

1.5.5 The results of the two studies mentioned above, including the expert reaction to the final drafts, were organized into a book entitled "Macroeconomic Stability and Pro-poor Growth: The Role of the National Anti-Poverty Commission". The book was launched in a

presentation to President Gloria Macapagal-Arroyo during the First Eastern Samar Anti-Poverty Summit held in Borongan, Eastern Samar. Copies of the book have since been distributed to provincial governors, members of the House of Representatives and the Senate, technical staff of the HOR committees on poverty alleviation, rural development, Millennium Development Goals, and people's participation; and members of the Cabinet, among others.

- 1.5.6 The Pro-poor Policy Database project aims to provide the NAPC Secretariat with a web-based database of pro-poor legislations and other policies. As planned, the database would indicate their content and progress along the policy development and legislative process. The database has been developed and installed in the NAPC, and is due to be fully commissioned in 2008.
- 1.5.7 The Review and revision of the Implementing Rules and Regulations of the Social Reform and Poverty Alleviation Act (RA 8425) project involves the conduct of a workshop among NAPC's government agency and basic sector representatives to finalize the final draft of the revised IRR prior to the review and approval of the NAPC en banc. Originally scheduled in the second week of December 2007, the workshop has been moved to January 2008.

## **MAJOR FINAL OUTPUT #2: ADVOCACY, NETWORKING AND PARTNERSHIP-BUILDING**

### **2.1 Institutionalization, mainstreaming and localization of convergence approaches at the regional and local government systems**

The Secretariat's Localization Unit (LU) continues to liaise with the National Economic Development Authority (NEDA) offices in 16 regions of the country. The NEDA field offices serve as the secretariat of the Regional KALAHI Convergence Groups, the offices of the different Presidential Assistants, the offices of the provincial governors, district representatives and local government units (LGUs) in matters pertaining to poverty alleviation and the convergence of resources for pro-poor efforts.

- 2.1.1 In January 2007, the NAPC Secretariat and the Luzon Urban Beltway (LUB), an ad hoc office of the Subic-Clark Alliance for Development Council (SCADC), initiated an Anti-Poverty Summit in Clark, Pampanga to renew partnerships among various government agencies, the basic sectors, private business and non-government organizations (NGOs) involved in the drive to improve the quality of life of the Filipino poor. Within three (3) weeks of the Summit's adjournment, this renewal of partnerships was transformed into a program to mobilize the private sector and civil society behind the national effort to combat hunger and poverty.

In coordination with NAPC, the Technical Education and Skills Development Authority (TESDA) provided livelihood training courses on basic reflexology, cellphone repair, basic haircutting and cosmetology, waitering, aromatherapy, liquid soap and fabric conditioner-making, throw pillow/rug-making, automotive mechanics, refrigerator and air conditioning servicing, to name a few.

To ensure the availability of capital required to set-up household/home-based income-generating projects, the project team identified microfinance institutions (MFIs) operating within the vicinity of target communities.

Microfinance orientations—covering an overview of the government’s microfinance program and a presentation of various products and services offered by participating MFIs—were conducted in these target sites to facilitate the development of microenterprises. Microfinance orientations have been conducted in Parola, Tondo and Sitio Sto. Nino, Navotas, allowing around 120 poor residents to avail of microfinance services.

Splash Foundation, Flying V, Rotary International and the Philippine Amusement and Gaming Corporation (PAGCOR) provided cash and/or in-kind assistance and opened employment opportunities to unemployed community members who participated in the training activities.

- 2.1.2 NAPC, in partnership with the LUB coordinating agency and the private sector, spearheaded the *Ugnayan Laban sa Kahirapan (Ugnayan)* program—a quick response social infrastructure program targeting identified poor communities in Metro Manila. The program was conceived to match and complement the Arroyo Administration’s Super Regions Hard Infrastructure Program. The *Ugnayan* program is designed to encourage self-employment and establish small enterprise development networks that are managed and operated by the poor.

As part of the initial launch of the program, the agency wrote referral letters to, and coordinated with, agencies concerned with the problems of target communities such as the Department of Energy (DOE) and the Manila Electric Company (MERALCO) for the electrification services; the Manila Waterworks and Sewerage System (MWSS) and the Local Water Utilities Administration (LWUA) for the provision of potable water and sanitation systems; the Philippine Amusement and Gaming Corporation (PAGCOR) for medical, dental and surgical missions; the National Housing Authority (NHA) to respond to problems on housing and resettlement; the Department of Social Welfare and Development (DSWD) for the establishment of day care centers; and the Philippine Charity Sweepstakes Office (PCSO) for financial assistance (medication and hospitalization), to name a few.

The depressed areas that have benefited from *Ugnayan* activities include: Smokey Mountain, Baseco, Parola and Sitio Damayan in Tondo, Manila; Barangay 310, Claro M. Recto, Manila; Barangay Tanza, Navotas, Malabon; Lupang Pangako, Payatas, Quezon City; Soldiers' Resettlement, Taguig City; Pasay City; Pasig City; Bagong Silang; Towerville Housing, San Jose del Monte, Bulacan; Kasiglahan and Suburban Villages in Rodriguez, Rizal.

The NAPC Secretariat intends to expand the program in 2008, bringing the same services to more poor communities in the National Capital Region (NCR), LGUs within the AHMP priority provinces, as well as 5<sup>th</sup> and 6<sup>th</sup> class municipalities requiring immediate assistance.

Based on a rapid assessment conducted in select LGUs, UGNAYAN activities will be carried out in close collaboration with concerned community leaders (both formal and informal) and LGUs, in coordination with the Regional KALAHY Convergence Groups (RKCGs) in 15 of 17 regions, and in partnership with private sector organizations like Flying V, Rotary Club, San Miguel Corporation and similar organizations, as well as with the LUB Secretariat and the People's Government Mobile Action (PGMA) Team.

- 2.1.3 Similarly, *PGMA Unity Caravans* were launched in 27 priority areas. On the first semester of the year, the first 11 areas were covered. Seven in CALABARZON, two in Region III, and two in the National Capital Region. On the second half of the year, 16 areas were covered all over CARAGA, Region V, and NCR.
- 2.1.4 The Secretariat supported and actively participated in the Convergence for Human Security and Peace Workshop (CHASE-PEACE) organized by the Office of the Presidential Adviser on the Peace Process (OPAPP) with funding support from the United Nations Development Programme-Conflict Prevention and Peace-Building Programme (UNDP-CPPP).
- 2.1.5 Broadly, the National-Regional KALAHY Convergence Workshop shall seek to revitalize the operational linkage between the NKCG, on the one hand, and the RKCG, on the other. Specifically, it seeks: to orient the RKCG and the NKCG members on the development thrusts and programs of the current NAPC leadership; to identify problems, issues and concerns that face, either singly or jointly, the Regional and National KALAHY Convergence Groups in relation to supporting these thrusts and programs; to foster knowledge and understanding among the NKCG members of the unique problems, issues and concerns faced by each of the RKCG, and generate institutional responses for them; and to generate a joint RKCG and NKCG plan of action for 2008 and beyond in support of the NAPC thrusts and programs and the regional problems and issues and concerns. Originally scheduled in the second week of December 2007, it has been postponed to January 2008.

- 2.1.6 In the Christmas season of 2007, President Gloria Macapagal–Arroyo encouraged all NGAs with high-impact programs and projects towards the reduction of poverty to intensify efforts towards the delivery of such services and assistance in impoverished areas / provinces around the country. As such, the NAPC Secretariat was responsible for bringing together these high-impact programs and projects toward the goal of “making the effects of economic growth trickle down to the grassroots level”.

Dubbed as the “**Pamaskong Handog ni PGMA**”, the entire package of programs were implemented with the NAPC Secretariat as the central coordinating body between and among agencies concerned, and the DSWD (through its regional offices) as the agency which identified the beneficiaries in the selected areas. The areas and provinces that benefited from the program include: Masbate, Camarines Norte, Camarines Sur, Cebu, Mt. Province, Tanay in Rizal, Zamboanga del Norte, Zamboanga Sibugay, Pampanga, Laguna, Pasay, Agusan del Sur, Surigao del Norte, Taguig, Manila, Dinagat Island, Surigao del Sur, Camarines Norte, Misamis Occidental, Lanao del Norte, Biliran, Samar, Sulu, Tawi-Tawi, Marinduque, Romblon, Mindoro Occidental, Mindoro Oriental, Sarangani, Antique, Sultan Kudarat, Palawan, Maguindanao, Lanao del Sur, Davao Oriental, Bukidnon, Kalinga, and Abra.

The NAPC Secretariat coordinated the schedules of the distributing officials (including changes herein) in each of the areas identified by the President, and ensured the gift-giving activities in these communities in coordination with the regional offices of the DSWD.

## **2.2 Undertake continuing dialogue and networking activities with ASEAN and other bilateral partners/associations**

- 2.2.1 Attendance and active participation in meetings of the Technical Board for Functional Cooperation of the Philippine Council for ASEAN and APEC Cooperation (PCAAC-TBFC) on the drafting of the ASEAN Charter.
- 2.2.2 The regional conferences and meetings attended by the NAPC Lead Convenor and/or his designated representatives this year include the 5<sup>th</sup> ASEAN Meeting for Rural Development and Poverty Eradication (5<sup>th</sup> AMRDPE) in Thailand, the 6<sup>th</sup> Poverty and Economic Policy Network General Meeting in Peru; the 3<sup>rd</sup> Coordinating Conference for the ASEAN Socio-Cultural Community (SOCCOM) in Indonesia; and the 4<sup>th</sup> Session on Economic and Social Commission for Asia and the Pacific (ESCAP) Committee on Poverty Reduction.

### **2.3 Ensuring that pro-poor goals/targets pursuant to the 10-point agenda and the Millennium Development Goals (MDGs) are achieved, including access to potable water and sanitation**

Since the launch of the P3W in 2005, the Water and Sanitation Coordinating Office (WASCO), under the supervision of the NAPC Lead Convenor, has overseen the discharge of the program, which aims to increase service coverage in identified 432 “waterless” municipalities outside Metro Manila and 210 communities located in 105 barangays within Metro Manila through improved potable water supply and sanitation services.

To date, the government has invested a cumulative total of Php1.5 billion for P3W. As of December 2007, these investments had produced some 1,343 water systems (Level 1 system = 656; Level 2 system = 687) serving some previously unserved or underserved communities covering 1,644 barangays with approximately 176,837 households in 206 municipalities (out of the target 432 waterless municipalities outside Metro Manila) and 17 cities throughout the country.

As part of an effort toward improved monitoring and equitable allocation of funding resources, the NAPC Secretariat prepared a Water Access Classification, showing the location and level of access of water supply and sanitation facilities in target communities.

The agency intends to closely follow the progress of remaining waterworks started under the P3W as it increases its efforts to bring potable water and adequate sanitation facilities to a greater number of Filipino communities nationwide.

### **2.4 Expanding microfinance services, capability-building of microfinance institutions (MFIs) and clients, and bridging microfinance enterprise and small-medium enterprises (SMEs)**

At present, over three (3) million clients avail of microfinance services from banks, cooperatives, or non-government organizations (NGOs). Almost Php75 billion worth of microfinance loans have been released between July 2004 and the present. These loans have provided employment to more than 1.3 million poor Filipinos involved in the operation of microenterprises.

**2.4.1 *The Philippine Microfinance Literacy Program.*** With support from the Asian Development Bank (ADB), and in partnership with major stakeholders in the microfinance industry, the NAPC Secretariat, the National Credit Council of the Department of Finance (DOF-NCC), and the Bangko Sentral ng Pilipinas (BSP) developed the Philippine Microfinance Literacy Program (PMLP). The program aims to institutionalize the delivery of financial education to the poor, focusing on critical interventions for the various stakeholders of the microfinance sector, as embodied in three (3) core strategies: (a) developing

financial education tools and standards; (b) establishing linkages to implement financial literacy training; and (c) heightening social marketing on financial literacy.

Two multi-stakeholder consultations on the development of the PMLP's framework and implementation strategies were held on 26 April 2007 at the Secretariat office in Quezon City and on 7 June 2007 at the Legend Villas in Mandaluyong City.

The program was launched on 22 October 2007 at the BSP Executive Business Center in Manila with the theme: "*Financial Literacy: Widening Inroads to Microfinance*" and was well attended by officials and representatives of the line agencies and government financing institutions (GFIs), microfinance institutions (MFIs), academic and training institutions and the basic sectors.

Under a technical assistance grant from the Asian Development Bank (ADB), seven (7) modules on financial literacy, including two (2) special sections were developed: Module 1—Microfinance: Basic Concepts and Practices, Module 2—Budgeting and Planning, Module 3—Savings, Investment and Microinsurance, Module 4—Roles and Responsibilities of Clients in the Use of Credit, Module 5—Consumer Protection, Special Section #1—Business Development Services and Improving Your Business Tips and Special Section #2—Adult Learning Techniques and Facilitation Tips.

The same technical assistance also provided support for the conduct of seven (7) Training of Trainers (TOTs) on Financial Literacy that will cover nine (9) priority regions, 38 priority provinces identified under the Accelerated Hunger Mitigation Program (AHMP) and unserved microfinance areas. To date, TOTs have been successfully conducted in Clark, Pampanga for the National Capital Region (NCR) and in General Santos City, South Cotabato for Regions XII (SOCCKSARGEN) and the Autonomous Region of Muslim Mindanao (ARMM). A total of 50 participants, representing 36 institutions have been trained using the financial literacy training modules aforementioned.

2.4.2 ***The Peoples' Development Trust Fund (PDTF)***. The PDTF was primarily established to develop and strengthen institutions involved in providing microfinance services to the poor. The Secretariat's Microfinance Unit (MFU) works in close collaboration with the Peoples' Credit and Finance Corporation (PCFC), which is the designated administrator of the Fund.

The PDTF presently has Php100 million in trust from the National Livelihood Support Fund (NLSF). As of the 3<sup>rd</sup> quarter of 2007, the fund had earned a total investment income of Php24.88 million, of which Php9.5 million, representing the cost of funds, was remitted to NLSF. The net proceeds available for utilization amount to Php15.59

million, of which Php11.47 million is available for grant funding of capacity-building of microfinance institutions (MFIs) and microfinance beneficiaries, among others, and Php3.86 million for administration and monitoring expenses of the PCFC and the NAPC Secretariat.

The total approved capacity-building grants have thus far amounted to Php 0.82 million.

- The grant funds given to the Lakambini Microenterprise Development Center (LMEDC) were used to establish community-based business centers and deliver capacity-building services in the areas of marketing assistance and savings mobilization.
- The approved project for the Samar Center for Rural Education (SACRED) involved the organizational empowerment of its microfinance centers.
- The KFI Center for Community Development Foundation (KCCDFI) was able to conduct a strategic planning workshop to support its direction of improving the quality of life of enterprising women in hard-to-reach areas of Mindanao.

On 22 September 2007, the agency conducted a “Workshop for the Development of a Country Framework for Capacity-building in Microfinance”. The aim was to generate inputs on capacity-building interventions and enhance the proposed Capacity-building Framework for Microfinance. Workshop participants formulated appropriate strategies and identified priority areas in order to maximize the use of the PDTF resources for grant funding and elicit additional sources for the augmentation of the fund.

2.4.3 **Microfinance in Frontier Areas.** Since the second semester of 2005, the NAPC Microfinance Unit (MFU) has implemented a project called “Enhancing Access of the Poor to Microfinance Services in Frontier Areas” through a technical assistance grant from the Asian Development Bank (ADB). Early this year, the MFU completed the final narrative report on the various activities undertaken, which included, the conduct of the MFI and client surveys, the development of training and education materials, onsite training MFI personnel operating in frontier areas, and the conduct of microfinance educational seminars for the poor and the basic sectors.

The agency successfully determined the training needs of MFIs and MF clients in the frontier areas through the ADB’s technical assistance (TA No.4544). MFIs need capacity enhancement in the areas of financial management, delinquency collection and management, internal control and audit, accounting and records-keeping, credit management, branch outreach management and gender issues. Aside from the need to address economic constraints in the operation of microenterprises, most MF clients require business development

services to include basic management skills, bookkeeping and accounting, developing market share, business plan preparation and other related skills.

- 2.4.4 ***Piloting the Portfolio Quality, Efficiency, Sustainability and Outreach (PESO) Performance Standards among MFIs.*** Structural and operational modification in the operations of partner MFIs included the collection of past due accounts, provision of loan loss reserves, reduction of administrative costs, identification of unserved areas for expansion, setting-up internal control measures and management information systems, development of new and innovative microfinance products, and adoption of the PESO as both a performance standard and a management tool.
- 2.4.5 ***Consumer Protection in Microfinance.*** Through the MFU, the Secretariat spearheaded the promotion of consumer protection in microfinance with the development reference materials on consumer protection for microfinance clients and practitioners and the establishment of an on-line system for filing consumer complaints.

In consultation with concerned regulatory institutions and microfinance stakeholders, the Consumer Protection Guidebook was produced as a compilation of legal, regulatory and institutional policies on consumer protection as it relates to microfinance. The guidebook provides microfinance institutions, microfinance clients, microfinance practitioners and regulators with relevant information that will help them make informed decisions in pursuing not only the protection of users but also the integrity of service providers and the financial stability of the microfinance sector.

The NAPC website at [www.napc.gov.ph](http://www.napc.gov.ph) now features an online facility for microfinance-related consumer complaints (e.g., grievances regarding financial products and services, insurance and other non-financial services, and corporate practices related to microfinance). These complaints will be processed by the Secretariat and transmitted to concerned regulatory institutions for appropriate action.

- 2.4.6 ***Business Development Services (BDS).*** The conduct of focused group discussions (FGDs) with microfinance institutions and clients in Luzon, Visayas, and Mindanao revealed the need for business development services for microentrepreneurs. While there is no hard and fast rule in the provision of BDS, complementation of services and linkages with service providers clearly emerged as the key to ensuring greater impact, outreach, sustainability and cost effectiveness of BDS.

A Guide for the Provision of Business Development Services for Microfinance Institutions was developed to help MFIs choose appropriate strategies to improve the access of their clients to BDS and at the same time ensure the provision of sustainable financial services.

It also served as a reference on available BDS of existing providers for MFIs and their clients.

#### 2.4.7 **Partnership-building in Microfinance.**

- The *Microfinance Program Committee (MFPC)*, chaired by the Peoples' Credit and Finance Corporation (PCFC), serves as a clearinghouse for the government's microfinance program, undertakes microfinance-related policy review and recommendations, monitors program accomplishments, serves as a venue for addressing issues and concerns on wholesaling of microfinance funds, and consolidates reports of microfinance wholesalers (i.e., updates on microfinance program accomplishments).

The Committee has initiated a partnership with Globe Telecoms to activate the Micro Asenso! text service facility. Microentrepreneurs can now find microfinance institutions in their province, town or city via text.

Information and communication materials were developed and distributed by the MFPC to advocate for increased access of the poor to microfinance services. IEC materials that were produced and disseminated include the directory of microfinance institutions operating in NCR, leaflets and posters promoting the Globe text service, and Micro Asenso car bumper stickers.

- NAPC is a member of the *Micro, Small and Medium Enterprise (MSME) Inter-Agency Coordinating Committee's* Technical Working Group on Finance, along with other government financing institutions (GFIs) and line agencies involved in the delivery of microfinance services.

On May 2007, the Committee, along with the Philippine Center for Entrepreneurship, its private sector partner, launched the Livelihood Financing Facility for Government Employees. This lending facility aims to provide government employees, through their cooperatives and employee associations, access to the funds of GFIs to finance their livelihood projects or those of their families.

- In June 2007, the Secretariat participated in the Strategic Planning Workshop for National and Local Partners of the *Gender Responsive Economic Actions for the Transformation of Women (GREAT Women)* in Antipolo City. The workshop produced an agency plan to ensure the integration of the concept of women's economic empowerment in existing policies, programs and services. The Secretariat, through the MFU, submitted two (2) project proposals for possible funding under the GREAT Women Project.

**2.5 Consensus-building and strong partnership of government, civil society organizations (CSOs), private sector/business towards poverty reduction and rights-based reforms to ensure effective and sustainable use of natural and ecological resource base**

2.5.1 The NAPC Secretariat: (1) monitored and validated the implementation of the provincial/city/municipal hunger mitigation action plans in the priority provinces of the Accelerated Hunger Mitigation Program (AHMP); (2) developed and facilitated the convergence and harmonization of the national and local Anti-Hunger Mitigation Programs through coordinative and collaborative mechanisms at the local levels to hasten the implementation of local hunger mitigation program plans; (3) promoted increased public awareness and understanding of the AHMP, its implementation and accomplishments.

2.5.2 Active participation as member of the Minerals Development Council (MDC), Working Group on Information and Communication, to discuss and find ways to respond to emerging national and local issues related to mining.

2.5.3 The NAPC Secretariat attended and actively participated as resource person in the following inter-agency discussions:

<b>DATES</b>	<b>PARTICULARS</b>
30 March 2007	“Assembly of Communities”—3 <sup>rd</sup> Roundtable Discussion on Social Protection in the Philippines, organized by International Center for Innovation, Transformation and Excellence in Governance (INCITEGov) and the University of the Philippines’ College of Social Work and Community Development (UP-CSWCD)
11, 20 April 2007	Joint ExeCom, Technical Committee and Convenors’ Meetings and other workshops on labor relations, human relations and education and training in preparation for the 2007 National Human Resource Conference, organized by the Department of Labor and Employment (DOLE)
25 April 2007	2007 National Human Resource Conference
5 July 2007	Post-2007 National Human Resource Conference activities called by the DOLE to flesh out the next steps on the action agenda presented to President Gloria Macapagal-Arroyo at the Manila Hotel in 25 April 2007
10 July 2007	Forum on the results of the Extractive Industries Transparency Initiative (EITI) organized by the Chamber of Mines of the Philippines
7 September 2007	Technical Consultation on the Framework for Formulating a NAPC Plan of Action for Equity and Pro-poor Growth
21 September	Orientation on NAPC for students of the U.P.

DATES	PARTICULARS
2007	College of Social Work and Community Development
24 September 2007	National Consultation on ASEAN Migrant Workers
25 September and 5 October 2007	Meeting on “Embedding Conflict Sensitivity and Peace Promoting Planning” spearheaded by the Office of the Presidential Adviser on the Peace Process (OPAPP)
12 October 2007	Forum on Rural Poverty: Towards the Second National Rural Congress organized by the Catholic Bishops Conference of the Philippines (CBCP)
22 November 2007	Forum entitled “Convergence of Peoples’ Organizations in the National Capital Region (NCR) in Addressing Social Welfare and Development Concerns” organized by the Department of Social Welfare and Development

**2.6 Strengthening of institutional arrangements and partnerships among stakeholders, as well as organizational capacities in social reform and poverty reduction**

- 2.6.1 The Secretariat’s Basic Sector Unit (BSU) coordinated and facilitated the conduct of 39 sectoral council meetings, 10 inter-agency meetings between the basic sectors and their lead/partner agencies, 5 basic sector for a, and 6 regional consultation meetings, two of which focused on the information drive on Administrative Order No. 187, series of 2007.
- 2.6.2 The BSU also liaised with national and local government agencies towards more meaningful and continuous dialogues regarding sectoral issues, queries and requests in the pursuit of poverty alleviation and mitigation of hunger at the grassroots level.
- 2.6.3 The Forum on Poverty Reduction Agenda for Legislators involved the conduct of a forum to present and generate support to the pro-poor legislative agenda of the basic sectors, as affirmed by the NAPC. The forum was conducted with the participation of 39 members of the House of Representatives and 57 technical staff from the four committees in the House of Representatives whose mandates are closely linked to NAPC’s. These committees are on poverty alleviation, rural development, people’s participation and Millennium Development Goals. The participants also came from among the legislators representing the 10 priority poor provinces, and neophytes in the House. During the forum, a “Covenant of Partnership” on NAPC’s pro-poor agenda was signed.

## **2.7 Strengthening of the NAPC Public Affairs and Social Marketing**

2.7.1 NAPC commenced a yearlong public information campaign even as it undertook aggressive social marketing and community relations activities in Ugnayan beneficiary communities.

While the NAPC Public Information Bureau began official operations in January of 2007, the core personnel of the office had started issuing press releases and arranging press conference for the agency since late October of 2006. These stories and press releases ran under the “New Challenge” theme, which became the subject of a number of news stories and print editorials.

In late March, NAPC officials met with information officers from other agencies to consolidate government media and public information efforts. A number of government offices consequently began to coordinate with the agency, sending their press releases for editing, re-writing and dissemination.

These agencies included – but were not limited to – Department of Health (DOH), Housing and Urban Development Coordinating Council (HUDCC), Technical Education and Skills Development Authority (TESDA), National Nutrition Council (NNC), Department of Education (Dep Ed), and Department of Energy (DOE).

The agency then began to issue press and photo releases that highlighted the government’s anti-poverty programs, all of which saw extensive reportage in the print and broadcast media. The bureau likewise arranged press conferences and television and radio interviews. A regular radio plug arrangement with DZRH was also finalized.

### **MAJOR FINAL OUTPUT #3. COORDINATION, MONITORING AND EVALUATION SERVICES**

#### **3.1 Improvement, integration, dissemination of program monitoring database, poverty indicators databases and other tools/mechanisms**

3.1.1 The agency, in coordination with other authorities, developed a prototype anti-poverty program monitoring database called “Enhanced Integrated Monitoring System for Anti-Poverty Programs and Projects (E-IMSAPP) 2004. The system was pilot launched in 2005. Full (and continuing) operations of this system, which aims to capture input, output, process and outcome information on all government anti-poverty programs and projects (APPs), came to a standstill in the second half of 2006 until 2007 as a majority of the national government agencies failed to submit substantive information on their APPs.

The Secretariat’s Management Information System (MIS) has conceptualized a series of activities for 2008. The said activities are

designed to enjoin NGAs to designate E-IMSAPP focal persons who will work on reviving the E-IMSAPP, which will now be integrated into the poverty indicators database discussed earlier (CBMS including 13+1 core local poverty indicators).

3.1.2 The Secretariat's Management Information System (MIS) Unit, in coordination with the United Nations Development Program Project Management Office (UNDP-PMO), is spearheading a policy database project that will monitor the programs of poverty reduction related laws passed in Congress.

3.1.3 The MPU-MIS has crafted the Secretariat's Information System Security Program (ISSP) plan to guide the agency in realigning its information technology (IT) processes. The ISSP is scheduled for submission to the National Computer Center (NCC) for review and approval.

### **3.2 Poverty data collection, analysis and utilization**

3.2.1 The NAPC Secretariat coordinated with the Commission on Human Rights on the mapping of government agencies vis-à-vis the state's obligations on the Right to Food.

3.2.2 The agency continues to develop and maintain a reviewed databank of poverty-related statistics and reference materials for use of the Secretariat, government agencies and the general public. These include national government agencies' updates/accomplishments in implementing major anti-poverty programs and projects in line with the five (5) core poverty reduction strategies of asset reform, livelihood and employment, human development services, social protection, and empowerment of the vulnerable sectors.