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IMPLEMENTATION OF THE INTERNATIONAL COVENANT ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS

Initial reports submitted by States parties to the Covenant concerning rights covered by articles 10 to 12, in accordance with the second stage of the programme established by the Economic and Social Council in its resolution 1988 (LX)

Addendum

PHILIPPINES

[28 June 1994]

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* Available for consultation in the files of the secretariat.

PART ONE: GENERAL INFORMATION

I. INTRODUCTION

1. This initial report on the implementation of articles 10 to 12 of the International Covenant on Economic, Social and Cultural Rights (ICESCR) covers the period 1974 to January 1994. It includes developments in each area of concern of the said articles of the Covenant.

2. The report consists of two main parts. The first part provides information on the current situation in the Philippines. The second part provides specific information relating to the implementation of articles 10 to 12 of the Covenant.

3. This report gives background information on laws, policies, programmes and recent developments pertinent to the rights enumerated in articles 10 to 12 of the Covenant, the difficulties and problems arising from their implementation, and the prospects for the future.

II. LAND AND PEOPLE

4. The Philippines is an archipelago located 966 kilometres off the south-eastern coast of mainland Asia. It is bounded on the west and south by the South China Sea, on the east by the Pacific Ocean, on the south by the Sulu and Celebes Seas. Territorial waters measure 2.2 million square kilometres. Its total coastline spans 34,600 kilometres, the longest discontinuous coastline in the world.

5. The country is composed of 7,107 islands with three major island groups: Luzon, with an area of 141,395 sq. km.; Visayas, with an area of 56,606 sq. km.; and Mindanao, with an area of 101,999 sq. km.; 92.3 per cent of the total land area is found within the 11 largest islands. It has a land area of approximately 300,000 square kilometres. It is divided into 15 administrative regions with 76 provinces, 60 cities, 1,543 municipalities and 41,911 barangays (villages).

6. The Philippines is vulnerable to natural calamities. It lies within the Pacific seismic belt. It has 21 active volcanoes. It is visited by an average of 19 typhoons a year, one third of which are destructive.

7. The Filipino is of Malay racial stock. The indigenous culture is a mixture of Malay, Chinese, Japanese, Arabic, Spanish and American influence.

8. There are 110 ethno-linguistic groups in the country which speak at least 70 recorded languages. There are eight major languages with Filipino as the national language, and Filipino and English as the official working languages.

9. Eighty-five per cent of Filipinos are Christians, the majority of whom are Roman Catholics. A little over 10 per cent of the population are followers of Islam and the rest belong to other denominations or sects.

10. The Philippines has the fourteenth largest population in the world. Based on the 1990 Census of Population of 60.6 million, there are now approximately 65.7 million Filipinos. Until recently, the average annual population growth rate was 2.3 per cent. This rate has been slowing down to 2.21 between 1991 and 1992 and 2.16 between 1992 and 1993 (annexes E and F). In 1990, 47.2 per cent of the population were children under the age of 18.

11. The population density is 216 persons per square kilometre and about half of the population is concentrated in urban centres all over the country. This is a result of the rapid urbanization caused mainly by the rural to urban migration.

III. GENERAL POLITICAL STRUCTURE

12. The Republic of the Philippines is a democratic and republican State with a presidential form of government.

13. The Philippines was the first democratic State in Asia. Filipinos liberated themselves from more than 300 years of Spanish colonial rule with the proclamation of Philippine independence on 12 June 1898. The first Republic was short-lived, and ended with the occupation of the Philippines by the United States of America. By virtue of the Treaty of Paris of 10 December 1898, the Spanish colonizers ceded the Philippines to the United States. A seven-year war ensued between the Filipinos and the Americans, ending with the latter's victory in 1905. In 1935, a Constitution was adopted providing for a 10-year Commonwealth Government of the Philippines under American auspices. On 4 July 1946, the Philippines regained its full independence.

14. Since 1946, the country has had a presidential form of government, except for the period from 1972 to 1982, when Martial Law was declared and from 1982-1986, when a parliamentary form of government existed. The 1935 Constitution was replaced in 1973. The present Constitution, approved by referendum in February 1987, restored the presidential form of government with a President, a bicameral Congress consisting of the Senate and House of Representatives and an independent judiciary. The Government works under a system of separation of powers with checks and balances.

15. Executive power is exercised by the President of the Philippines with the assistance of his Cabinet Secretaries. The President is both the head of State and of the Government. The Vice-President assists the President in the performance of his duties and responsibilities and may also be appointed as the head of one of the executive departments. The President and the Vice-President are elected by direct vote of the people for a term of six years without re-election.

16. Legislative power is vested in the Congress of the Philippines consisting of the Senate and the House of Representatives. The Senate is composed of 24 senators elected every six years. The House of Representatives is composed of 250 members. They are elected from legislative districts apportioned among the provinces, cities and Metropolitan Manila area in accordance with the number of population and on the basis of a uniform and progressive ratio. Their term of office is three years. One half of the seats allocated to party list representatives is filled up through selection or election from the labour, peasant, urban poor, indigenous cultural communities, women, youth and disabled and other sectors.

17. Judicial power is vested in the Supreme Court and such other lower courts as may be established by law. The decisions of the Supreme Court are binding on all lower tribunals. The other courts under the Supreme Court are: the Court of Appeals composed of 51 Justices with one Presiding Justice; the lower courts composed of the Regional Trial Courts presided by 720 regional trial judges; the Municipal Circuit Trial Courts which have jurisdiction over one or more cities or one or more municipalities grouped together; and the Municipal Trial Courts established in every city not forming part of the metropolitan area.

18. The democratic structure and processes are further enhanced by the constitutional provisions on social justice and human rights, protection of labour, women and children and the strengthening of local autonomy of the government units (LGUs). The new Local Government Code of 1991 devolves the responsibility and budget for the delivery of basic services in agriculture, health, social welfare and development, public works, environment and natural resources to the LGUs.

19. At subnational levels, governance is assumed by the local LGUs in each administrative area, i.e. province, city, municipality and *barangay*. Each local government office is composed of both elective and appointive officials. The elective officials include the head and vice-head in each administrative area, i.e. governor and vice-governor for the province, mayor and vice-mayor for the city and municipality, and chairman for the *barangay*; and as members of the councils, i.e. *Sangguniang Panlalawigan* (Provincial Council), *Sangguniang Panlunsod* (City Council) and *Sangguniang Barangay* (Village Council).

20. The appointive officials include a legal officer, which is a mandatory position at the provincial and city levels, but only optional at the municipal level. One of the duties of the legal officer is to be "... in the frontline of protecting human rights and prosecuting any violations thereof, particularly those which occur during and in the aftermath of man-made or natural disasters and calamities".

21. Legislative power at the subnational levels is vested in the *Sanggunian* (Council) at each level. Each local government unit has a development council which assists the *Sanggunian* (Council) in formulating their respective comprehensive and multi-sectoral development plans.

22. Aside from the development councils, other special bodies, namely: Local Pre-qualification Bids and Award's Committee, Local School Board, Local Health Board, and Local Peace and Order Councils at the provincial, city and municipal levels have been created.

23. Section 397 of the Local Government Code created *barangay* assemblies composed of all residents in the village who shall meet twice a year. The *barangay* assembly is vested with the power to initiate legislative processes; hear and submit semestral reports of the *barangay* council; and adopt

initiatives as a legal process. The Code also mandates, under section 399, the organization of the *Lupong Tagapamayapa* (Peace Committee) to settle minor disputes between and among members belonging to the same or to different villages.

IV. GENERAL ECONOMIC AND SOCIAL CONDITIONS

24. In 1993, the per capita Gross Domestic Product (GDP) was P 22,335 in current terms (US\$ 827), while the per capita Gross National Product (GNP) was P 2,970 (US\$ 850) (annexes G, H, I, J and K).

25. The country's economy is based on agriculture and light industry. Rice, corn, coconut, pineapple and sugar are its major agricultural products. Its rich mineral resources, which include copper, cobalt, nickel, silver, iron and gold, are major sources of foreign exchange. Its major industrial products include processed food, textiles, clothing, forest products and home appliances. Aquaculture, garments, microcircuits and semiconductors, furniture made from rattan and other indigenous materials are major sources of export revenues.

26. The decade of the 1980s saw the Philippine economy undergoing several shocks and adjustments. At the time that the Medium-Term Philippine Development Plan, 1987-1992, was formulated, the country was suffering from one of the worst balance-of-payments crises it had experienced in post-war history. A major concern of the Plan, therefore, was to put the economy back on its feet. Economic recovery was the immediate focus, while sustainable development-oriented and rural-based strategy was envisioned as the foundation for sustained growth.

27. The experience of the past six years has highlighted the need to strengthen the economy's ability to withstand both external and internal shocks and uncertainties.

28. Despite the problems encountered on the economic front, the Government sought to pursue its social development efforts. The proportion of the national budget allocated to social services increased from 17.7 per cent in 1991 to 21.3 per cent in 1993. Education was given the highest priority with 11.4 and 12.7 per cent of the national budget allocated to the sector in 1991 and 1993, respectively (annexes L and M).

29. The Government provides social services in the areas of health, nutrition, education, housing, safe water supply and sanitation. Basic services for children are a special concern. The Government is taking definitive steps to address human development concerns in an integrated manner, through the formulation of a social development framework which will guide the planning and programming of human development-related activities from 1993 to 1998. The framework takes into account demographic, economic, social and cultural factors which influence the attainment of total human development in the Philippines.

30. Starting in 1986, the Government has more explicitly focused on poverty alleviation as a goal of national development efforts. In 1988, poverty

incidence among Filipinos was 45.5 per cent, 3.8 percentage points lower than it was in 1985. (In the measurement of the poverty threshold, consumption of luxury items was not taken into account.)

31. The Presidential Commission for the Urban Poor (1986) and the Presidential Commission to Fight Poverty (1993) were established by the Government as agencies to engage in poverty alleviation and people empowerment. The Government hopes to reduce poverty incidence to 30 per cent by 1998.

V. GENERAL LEGAL FRAMEWORK WITHIN WHICH HUMAN RIGHTS ARE PROTECTED

32. The fundamental human rights have been an integral part of the Philippine Constitution. The Malolos Constitution adopted in 1898, the 1935, 1973, 1986 (also known as Freedom Constitution), and the 1987 Philippine Constitution all contained a Bill of Rights. Two of the State policies embodied in the Constitution are respect for the dignity of every human person and protection of the basic civil and political rights of the people against State encroachment and abuses. The Bill of Rights specifically prohibits the use of torture, force, threat or intimidation or any other means which vitiates the free will of a person and mandates Congress to pass laws to compensate victims of torture. In this connection, Republic Act (R.A.) No. 7309 was recently passed by Congress providing compensation to victims of torture and unjust imprisonment.

33. One of the key differences between the 1973 and the 1987 Constitutions is the inclusion in the latter of an article on Social Justice and Human Rights. Under this provision, Congress is mandated, among others, to give high priority to the enactment of measures that protect and enhance the right of all the people to human dignity; reduce social, economic and political inequalities; and remove cultural inequities by equitably diffusing wealth and political power for the common good.

34. Prior to the 1987 Constitution, a number of laws were enacted protecting human rights. Foremost of these were the Civil Code, the Revised Penal Code, the Labour Code, and the Child and Youth Welfare Code.

A. Judicial, administrative and other authorities competent in matters relating to human rights

35. The 1987 Constitution enumerates the basic human rights and the judiciary stands as the guardian and bulwark of such rights. The Armed Forces of the Philippines, the National Police and other law enforcement agencies are constitutionally mandated to protect human rights and freedoms of citizens; and ensure the security of the State and its people.

36. The 1987 Constitution created the Commission on Human Rights. It is an independent constitutional body mandated to investigate, on its own or on the complaint by any party, all forms of human rights violations involving civil and political rights; adopt its operational guidelines and rules of procedure and cite for contempt for violations thereof; provide legal measures for the protection of human rights of all persons within the Philippines; provide for preventive measures and legal aid services to the underprivileged whose human

rights have been violated or need protection; exercise visitorial powers over jails, prisons or detention facilities and request the assistance of any government agency in the performance of its functions; establish a continuing programme of research, education and information to enhance respect for the primacy of human rights; recommend to Congress effective measures to promote human rights; monitor Government's compliance with international treaty obligations on human rights; and grant immunity from prosecution to any person whose testimony, or whose possession of documents or other evidence, is necessary or convenient to determine the truth in any investigation conducted by it, or under its authority.

37. Pursuant to its commitment to promote and protect human rights, the President issued Administrative Order No. 101 (13 December 1991) creating the Presidential Human Rights Committee. It is chaired by the Secretary of Justice. The Philippine Alliance of Human Rights Advocates (PAHRA) and the Free Legal Assistance Group (FLAG) have observer status in the Committee. Non-governmental organizations dealing with human rights are encouraged to participate actively and contribute in the Committee's deliberations. The Committee's mandate is to monitor specific human rights situations in the country; serve as an advisory body to the President; and assist relatives locate those alleged to have disappeared or are believed to be illegally detained.

38. The Office of the Judge Advocate General of the Armed Forces of the Philippines has jurisdiction over complaints against enlisted men. However, under Republic Act No. 7055, "An Act Strengthening Civilian Supremacy Over the Military By Returning to the Civil Courts the Jurisdiction Over Certain Offenses Involving Members of the Armed Forces of the Philippines", members of the Armed Forces, other persons subject to military law, including members of the Citizens Armed Forces Geographical Units (CAFGU), who commit crimes or offences penalized under the Revised Penal Code, and other special penal laws, regardless of whether or not civilians are co-accused, victims or offended parties, shall now be tried by the proper civil courts.

39. The People's Law Enforcement Board, under Republic Act No. 6975 or the Department of the Interior and Local Government Act of 1990, has authority to try erring officers and members of the Philippine National Police.

B. Remedies available to individuals whose human rights are violated

40. Under the Philippine Rules of Court, a person who has been unlawfully detained or deprived in any other manner of his liberty may file before any Regional Trial Court or the Court of Appeals or directly with the Supreme Court, a petition for the issuance of a writ of *habeas corpus* to obtain his temporary release.

41. An individual whose human rights were deemed violated may seek immediate assistance from the various government agencies concerned, such as but not limited to the following: Commission on Human Rights; Philippine National Police; National Bureau of Investigation; Public Attorney's Office; Prosecutor's Office; Bureau of Immigration and Deportation, Office of the Solicitor General; Office of the Ombudsman or *Tanodbayan*; Presidential Anti-Crime Commission; Bureau of Jail Management and Penology for prisoners and other similar agencies.

42. For violations of certain constitutional rights which constitute an offence under the Revised Penal Code such as arbitrary detention (art. 124), delay in the delivery of detained persons for the proper judicial authorities (art. 125), delaying release (art. 126), expulsion (art. 127), violation of interruption and dissolution of peaceful meetings (art. 131), maltreatment of prisoners (art. 235), kidnapping and serious illegal detention (art. 267), slight illegal detention (art. 268), unlawful arrest (art. 269), resort may be had from the aforecited agencies for legal assistance or protective custody as the case may be, and for the filing of appropriate case against the suspect/accused before our courts.

43. The Revised Penal Code is considered as a public law which concerns public interest, except for those private crimes such as rape and adultery in which the intervention of the private offended party is necessary. For other violations punishable under the Revised Penal Code, the action is filed in the name of the People of the Philippines. The offended party files a complaint before the Public Prosecutor's Office which would conduct a preliminary investigation and determine whether there is probable cause that the crime punishable under the Code has been committed. The Public Prosecutor's Office files the corresponding information to the regular courts which would in turn determine the culpability of the offender and impose the necessary penalty.

44. Apart from filing his complaint with the concerned government offices, an individual who claims that any of his rights has been violated can file a special civil action before the proper civil court for *habeas corpus*, prohibition, mandatory injunction, or restraining order. The privilege of the writ of habeas corpus is an extraordinary remedy resorted to by a person who has been illegally deprived of liberty and is an order of the court requiring the person detaining another to produce the detained person before the court and to explain the cause of his detention. On the other hand, the writ of prohibition seeks to prohibit a lower court or administrative agency from trying a case because of lack of jurisdiction. The writ of injunction seeks to restrain a public officer from doing an act (preventive injunction) or to compel him to do an act required by law (mandatory injunction).

45. Republic Act No. 7438, "An Act Defining Certain Rights of Persons Arrested, Detained or Under Custodial Investigation as Well as the Duties of the Arresting, Detaining and Investigating Officers, and Providing Penalties for Violations Thereof" lays down the duties of arresting, detaining and investigating officers when conducting an arrest, detention or custodial investigation. The law extends the visitorial right not only to the suspect's lawyer and his immediate family, but also his medical doctor, priest or religious minister. The word "immediate family" includes the person's spouse, fiancé or fiancée, parent or child, brother or sister, grandparent or grandchild, uncle or aunt, nephew or niece and guardian or ward. The word "custodial investigation" includes the practice of issuing an "invitation" to a person who is investigated in connection with commission of an offence. 46. The Civil Code of the Philippines regulates the private relations of the members of civil society, determining their respective rights and obligations with reference to persons, things and civil acts. Under its provisions, every person must in the exercise of his rights and in the performance of his duties act with justice, give everyone his due and observe honesty and good faith.

47. The Civil Code also protects human rights when it imposes liability for damages on any public officer or employee, or any private individual who directly or indirectly obstructs, defeats or violates or in any manner impedes or impairs the rights or liberties of another person enumerated in article 32 of the Civil Code. In case of violations punishable under the Civil Code, the offended party files his/her complaint before the regular court which has jurisdiction over the matter, except those cases covered by the provisions of Republic Act No. 7160 requiring amicable settlement and arbitration.

48. The Family Code revises the provisions of the Civil Code of the Philippines (Republic Act No. 386) on marriage and family relations to make them more relevant to Filipino customs, values and ideals. The Code implements the relevant provisions of the 1987 Constitution which are designed to strengthen the basic institutions of marriage and the family and to ensure fundamental equality of women and men.

49. The Child and Youth Welfare Code (Presidential Decree No. 603), is the basic framework for the development and protection of children. It defines the rights and the responsibilities of children as well as the responsibilities of the family, community, *samahan* (association), school, church and the State in ensuring the proper development of children. It presents the administrative measures and programmes for the care and treatment of special children, namely, the abandoned, neglected, dependent, working, physically disabled and emotionally disturbed children, as well as youth offenders. Protection measures for children are further amplified in Republic Act No. 7610, an Act Providing for Stronger Deterrence and Special Protection against Child Abuse, Exploitation and Discrimination Providing Penalties for its Violation. This law was further amended by Republic Act No. 7658 to enforce particularly the policy against child labour.

50. The following are the other ancillary remedies available to an aggrieved party:

(a) To move before the proper civil court for the fixing of his or her bail, if detained without bail, or for the reduction of the amount of bail; and

(b) To move before the proper investigating prosecutor court or military authority for suppression of evidence he claims to have been illegally obtained.

51. An aggrieved party may also file before the Supreme Court a petition for the review by *certiorari* any order of any final decision of a lower civil court against him.

52. With respect to convictions by court martial, the convicted person need not appeal, as appellate review is compulsory or automatic pursuant to the

Articles of War for the Armed Forces of the Philippines. The following authorities review the decisions of the court martial: the Armed Forces of the Philippines Board of Review, the Board of Military Review, the Office of the Secretary of National Defense and the Office of the President.

53. Complaints of human rights violations may also be filed with the Presidential Human Rights Committee. Relatives, friends and representatives of individuals who have disappeared or are believed to be illegally detained may also file complaints with this Committee.

54. The Comprehensive Agrarian Reform Law of 1988 (Republic Act No. 6657) provides for the development of an agrarian reform programme to promote the welfare of landless farmers and other farm workers in order to establish social justice and to advance rural development and industrialization. It is anchored in the right of landless farmers or farm workers to own directly or collectively the land they till or receive their just share in the fruits thereof. In the just distribution of land, the programme respects the rights of the small landowners as well as the homestead rights of the small settlers and the rights of the indigenous cultural communities to their ancestral domain. For the adjudication of such claims, the claimant may file a case with the Department of Agrarian Reform.

55. The Labour Code of the Philippines implements the State policy of affording full protection to labour and substantiates the constitutional provisions on the promotion of employment and manpower development, and protection of the workers' welfare and strengthening of industrial peace and social justice. Labour disputes may be brought before the National Labour Relations Commission and the National Conciliation and Mediation Board.

56. The Commission on Human Rights has established protective legal measures to safeguard the rights of Filipinos according to the principles guaranteed by the Philippine Constitution and international treaty obligations. It deals directly with any particular type of human rights violation, primarily those involving civil and political rights. Specifically, the Commission handles complaints of execution, disappearances, arrest and detention and torture, in addition to other human rights violations related to armed conflict. It may also request the assistance of other agencies of the Government in the fulfilment of its mandate.

57. The Commission gathers, examines and evaluates incidents of human rights violations through its regional and subregional offices throughout the country. Based on the results of the investigation, it recommends the filing of human rights cases in the proper civil courts, military tribunals or other administrative agencies of the Government.

58. In order to act immediately on cases involving human rights violations, the Commission initiated the Quick Reaction Team System. It is an urgent action system whereby investigators on duty are immediately sent to areas where violations have occurred or to areas where such violations are likely to occur. The team interviews and takes sworn statements of complainants or witnesses and gathers other pertinent facts through ocular inspection of the subject area. In cases where torture or deaths have occurred, a doctor conducts an impartial and competent medical examination of the victims even in the absence of a formal complaint.

59. Jail visitations are conducted by the Commission to determine the general living conditions in jails, prisons and detention centres. Legal assistance in the forms of referrals and representations are also being made by the Commission's lawyers with the concerned authorities. Foremost is the improvement of the prisoner's living conditions as well as the processing of the required documentation that could assist in obtaining the prisoner's release or pardon.

60. Moreover, the Commission has provided the following financial and humanitarian assistance, namely, immediate medical aid or rehabilitation services needed by individuals as a result of human rights violations involving physical injuries resulting from torture. Included also under the humanitarian assistance is the provision of financial aid to victims of human rights violations in the absence of appropriate legislation that provides for compensation. This is granted to give immediate and temporary alleviation of the economic burden and social dislocation that may have resulted on account of the violation.

61. On 8 May 1988 in its paper entitled "Statement on Human Rights", the Commission on Human Rights stated that a person may not be detained unlawfully, that during his detention, no torture, force, violence, threat, or any means that vitiate his free will nor physical, psychological or degrading punishment shall be used against him. Neither shall he be placed in secret detention, solitary confinement, and other similar circumstances. The Commission likewise issued on the same day the "Guidelines on Visitation and the Conduct of Investigation, Arrest, Detention and Related Operations".

62. Since the above statement and guidelines are addressed primarily to the law enforcement agencies, the Secretary of National Defence, the Armed Forces of the Philippines' Chief of Staff, and the Chairman of the Philippine National Police Commission issued on 6 May 1988, a Joint Declaration of Undertaking in which they pledged to observe and strictly implement the above statement and guidelines of the Commission on Human Rights. Particularly mentioned were observance of rights guaranteed in the Constitution, cooperation with Commission members or representatives in the exercise of their official functions, protection of complainants and witnesses in human rights cases, and free access of family members, legal counsel and spiritual advisers to detained persons.

63. Representation with the Department of Justice (DOJ), which is in charge of the prosecution of offences, is also undertaken by the Commission. This is to give preferential attention to the hearing and termination of cases of detainees. As a result, DOJ closely monitors prosecutors who handle these cases to ensure that investigations are completed within the required 60-day period. The Supreme Court, in a parallel move, has likewise urged judges to speed up the resolution of cases through the continuous trial system.

64. A Witness Protection Programme was instituted to give witnesses the necessary courage and confidence to serve the ends of justice. It involves

securing the lives of the witnesses, victims and their immediate family members and protecting them from any form of harassment or threat.

65. Resolution CHR No. A88-046 of the Commission on Human Rights prescribes the guidelines under which victims of human rights violations are qualified to receive financial assistance. Among others, it states that the victim, his relatives or anyone in his behalf shall file a formal complaint with the Commission and provide details of the alleged violation of human rights including: the name and personal circumstances of the victim; the nature and circumstances of the acts of violation complained of; the time, date and place where it occurred; the suspected perpetrators, if identified; and the effect of the acts complained of on the victim.

66. The evidence to be submitted by the complainant need not necessarily be of such nature as to warrant the criminal prosecution of the perpetrator of the violation. It is enough that by preponderance of evidence it is established that a violation of human rights did occur and that the person named in the complaint was the victim thereof. Inability to identify the perpetrator or the subsequent execution of an affidavit of desistance shall not be a ground to deny financial assistance.

67. Any victim of a human rights violation who executes an affidavit of desistance in return for a monetary consideration, or who refuses to cooperate of his own volition with the Commission in the investigation shall be disqualified from receiving any financial assistance.

68. The financial assistance to be extended to the victim of a human rights violation or to his family shall not be in the nature of compensation, but in the nature of temporary relief such as assistance for transportation, hospitalization and medical fees, medicines, funeral expenses and others of similar nature. Such assistance is intended to alleviate immediately the financial burden of the victim or his family who suffered as a result of the violation. On a case-by-case basis, the Commission shall determine such other cases where the victim or his family may qualify for financial assistance.

69. The Department of Justice is one of the executive departments that plays a vital role in the enforcement and promotion of human rights through its various bureaux, offices and committees at the national and subnational levels.

70. The National Prosecution Service, headed by the Office of the Chief State Prosecutor (OCSP), is responsible for the investigation and prosecution of all criminal offences under the Revised Penal Code and other special penal laws. The OCSP also resolves appeals and petitions for review of all preliminary investigations conducted. Likewise, the OCSP also renders opinions on queries from prosecutors regarding violations of the Revised Penal Code and other special penal laws, and investigates, prosecutes and decides administrative complaints filed against prosecutors.

71. The National Bureau of Investigation (NBI) is responsible for the detection and investigation of all classifications of criminal offences and acts as a national clearing house of criminal records and other information. The NBI also investigates civil or administrative cases of interest to the

Government; gives technical assistance to all prosecuting and law enforcement agencies, the courts and party litigants; maintains a crime laboratory and conducts research; coordinates with other national or local police agencies in the investigation of crimes; collects intelligence data and coordinates with other intelligence agencies, including Interpol; and assists in the implementation of the Dangerous Drugs Law.

72. The Bureau of Immigration and Deportation (BID) is responsible for the control and regulation of alien immigration. The BID determines the veracity of claims to Philippine citizenship; excludes improperly documented aliens; and identifies undesirable aliens, determines their whereabouts and other circumstances, and deports them when circumstances so warrant.

73. The Public Attorney's Office (PAO) renders free legal advice, counselling, legal documentation services, and mediation services to the indigent. The PAO also represents the indigent or immediate members of their families in all civil, criminal, labour and administrative cases; extends legal assistance to suspects and respondents in custodial investigations; and visits, assists or represents indigent prisoner's upon request.

74. The Office of the Solicitor General (OSG) is an independent office attached to the Department of Justice which plays a vital role in the advocacy of laws and human rights. The OSG provides legal advice and services to the Government and its functionaries and assists the State in its capacity as *parens patriae*.

75. The Office of the Ombudsman, or *Tanodbayan*, is another independent office dealing with human rights enforcement. The main function of this Office is to prevent abuse of power by government officials which adversely affects private rights. The prosecution arm of the Department of Justice works closely with the Office of the Ombudsman and the Office of the Special Prosecutor.

76. The Ombudsman Act of 1989 (Republic Act No. 6770) strengthened the powers of the Office of the Ombudsman making it a more potent administrative machinery to insure that government officials remain accountable to the people.

77. A number of other administrative agencies facilitate the implementation and enforcement of human rights. They mainly implement policies in accordance with the laws and administrative issuances. Very often, they enforce and promote the positive rights of citizens which affect their daily lives. For instance, the Department of Labour and Employment sees to it that the rights of workers are protected and their welfare promoted. The Department of Agrarian Reform implements the Comprehensive Agrarian Reform Law to promote the economic rights of farmers. With respect to the rights of Filipino children, the Council for the Welfare of Children has been created by virtue of the Child and Youth Welfare Code to coordinate the implementation and enforcement by executive departments of all laws relative to the promotion of child and youth welfare.

C. <u>Protection of the rights provided for in the new Constitution</u>

78. The new Constitution protects, inter alia, the following rights: the right to life, liberty or property (sect. 1, art. III); right of people to be secure in their persons, houses, papers and effects against unreasonable searches and seizures of whatever nature (sect. 2, art. III); right to privacy of communication and correspondence; freedom of speech, of expression, or of the press, or the right of the people to assemble peacefully and petition the Government for redress of grievances; free exercise and establishment of religion; liberty of abode and changing of the same; right of people to information on matters of public concern; right to form unions and associations; right of persons under investigation to be informed of their rights, to remain silent and to have competent and independent counsel; right to bail; right to due process; right to presumption of innocence until the contrary is proven; right to speedy disposition of cases, right to be free from involuntary servitude in any form except as a punishment for a crime whereof the party shall have been duly convicted. Moreover, the privilege of the writ of habeas corpus shall not be suspended except in cases of invasion or rebellion when the public safety requires it.

D. <u>Manner in which human rights instruments become part of</u> domestic law

79. By virtue of section 2, article II, of the Philippine Constitution, the Philippines "adopts the generally-accepted principles of international law as part of the law of the land" which means that provisions of these human rights instruments can be invoked before and be directly enforced by Philippine courts, other tribunals or administrative authorities. Moreover, section 18 (7), article XIII, of the Constitution provides that the Commission on Human Rights shall monitor the Philippine Government's compliance with international treaty obligations on human rights.

80. As of December 1993, the Philippines has signed, ratified or acceded to 20 international human rights instruments including the International Covenant on Civil and Political Rights, the Optional Protocol to the International Covenant on Civil and Political Rights, the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, the International Covenant on Economic, Social and Cultural Rights, and the Convention on the Rights of the Child. The full list of international human rights instruments signed, ratified or acceded to by the Philippines is attached as annex B. The list of international instruments signed, ratified, acceded to or accepted by the Philippines which are relevant to articles 10 and 12 of the International Covenant on Economic, Social and Cultural Rights is attached as annex C.

VI. INFORMATION AND PUBLICITY

81. The Philippines ensures that respect for human rights is observed and, consistent with the mandate of the Commission on Human Rights to promote human rights, it has intensified measures such as public information and education campaigns, training seminars, and assistance. Human rights subjects have also

been integrated in the regular in-service training for all members and staff of the Armed Forces (Memorandum Order No. 20 concerning Education of Arresting and Investigating Personnel on Human Rights).

82. The Commission on Human rights has actively engaged in human rights education, planning, implementation and coordination with various concerned agencies involved in human rights education. In cooperation with the Department of Education, Culture and Sports, the Commission is developing educational materials on human rights with the prospect of including them in the elementary and high school curricula as mandated by Executive Order No. 27 (4 July 1986) which would utilize the system of formal and informal education for the purpose.

83. To increase the citizenry's awareness of their various rights and obligations under local and international law, the Commission has produced various publications including primers on human rights in Filipino such as the Filipino version of the United Nations Declaration of Human Rights (published by the University of the Philippines) and the Primer On the Human Rights Issue In The Philippines, vol II, No. 4, April 1991 (published by the Office of the Press Secretary and the Philippine Commission on Human Rights). Other printed materials such as posters and brochures are also being produced and disseminated all over the country.

84. The Commission has initiated several series of consultations and dialogues with government agencies as well as non-governmental entities that can directly help to promote the concept and generate awareness of human rights. This has reinforced the Commission's coordinative task in finding legal, administrative and other alternative measures in resolving human rights issues.

85. Through its Public Information and Education Office, the Philippine Commission on Human Rights undertakes education, training and dissemination of human rights information in order to enhance public awareness, knowledge and understanding of the principles and concepts of human rights. The Commission has established 12 regional offices and 4 suboffices nationwide to expedite investigations and provide easy access to human rights victims, as well as for dissemination of information concerning human rights.

PART TWO

Report on articles 10 to 12 of the Covenant

ARTICLE 10.1

I. THE FILIPINO FAMILY

A. Basic legislation on the family and marriage

86. The importance of the role of the Filipino family in Philippine society is recognized in the 1987 Constitution which mandates the State to protect and strengthen the family as a basic autonomous social institution. Further, the natural and primary right and duty of parents in the rearing of the youth for civic efficiency and the development of moral character shall receive the support of the Government.

87. To give meaning and substance to the aforecited State policy, the Philippine Constitution devoted one whole provision (art. X) on the family. It requires the State to recognize the Filipino family as the foundation of the nation. Accordingly, the State shall strengthen its solidarity and actively promote its total development. Marriage is recognized as an inviolable social institution, the foundation of the family, and therefore deserving the protection of the State. The Constitution encourages the exercise of the right of the spouses to found a family in accordance with their religious conviction and the demands of responsible parenthood.

88. Furthermore, the Constitution provides for the right of children to assistance, including proper care and nutrition, and special protection from all forms of neglect, abuse, cruelty, exploitation, and other conditions prejudicial to their development; the right of the family to a family living wage and income; and the right of families or family associations to participate in the planning and implementation of policies and programmes that affect them. The Constitution even enjoins the family and the State to care for its elderly members.

89. Since 1950, family relations were governed primarily by the Civil Code. In order to strengthen the family as an autonomous institution and the basic unit of Philippine society, the Family Code of the Philippines was enacted in 1987. It aims to strengthen marriage and family relations within the context of Filipino values and traditions, as well as current trends in Philippine society.

90. Family relations are regulated by the Family Code of the Philippines which governs marriage, legal separation, property relations, rights and obligations between husband and wife, the family and the home. Muslims are covered by the special provisions of the Muslim Code of Personal Laws. The Child and Youth Welfare Code (Presidential Decree No. 603, as amended) also governs family relations with special emphasis on the child.

91. The New Family Code of the Philippines (Executive Order No. 209 issued in 1987) has amended the Civil Code. The husband and wife now jointly decide where the family domicile will be established (art. 69) and are jointly

responsible for the support and management of the family and household (arts. 70-71). The administration and enjoyment of the communal property or the conjugal partnership property belong to both spouses jointly (arts. 96 and 124); likewise both spouses jointly exercise legal guardianship over the property of their unemancipated common children (art. 225).

92. Under article 45 of the Family Code, a marriage may also be annulled for any of the following causes existing at the time of marriage: (i) lack of parental consent, (ii) insanity, (iii) consent obtained by fraud, (iv) consent obtained through force, intimidation or undue influence, (v) physical incapacity to consummate the marriage with such incapacity appearing to be incurable or, (vi) affliction with a sexually transmissible disease.

93. Marital relationships within the Filipino family today are challenged by four concerns: working wives, overseas contract worker spouses, marital infidelity and marital dissolution.

94. Legal separation is still frowned upon in Philippine society. However, family separations and informal dissolution of marriages seem to have been on the rise since the mid-1970s.

95. Contemporary society is couple-oriented and traditional-family centred.

96. Mean household size has been diminishing at an accelerated pace (6.2 persons in 1972 to 5.3 in 1990). There has been an increase in one-person households and a decrease in large-size households. In 1973, 16 per cent of households had one to three members while the comparative figure for 1986 was 23 per cent. There is also continuing nuclearization of family households with 12 per cent of households nuclear in 1973 and 83.4 per cent in 1986. The increase in female headship of family households especially by single female parents is also noticeable. The continuing high rate of growth in the number of households is apparent.

97. Article 149 of the Family Code emphasizes that the family, being the foundation of the nation, is a basic social institution which public policy cherishes and protects. Consequently, family relations are governed by law and no customs, practice or agreement destructive of the family shall be recognized or given effect.

98. In the Philippines, family relations include those between husband and wife; between parents and children; among full or half brothers and sisters.

99. Preservation of family harmony as a legal policy is evident in article 151 of the Family Code, which provides that no suit between members of the same family shall prosper unless it should appear from the verified complaint or petition that earnest efforts towards a compromise have been made, but the same have failed. If it is shown that no such efforts were in fact made, the case must be dismissed, except in cases which may not be subject to compromise. The establishment of a family home, which is exempted from foreclosure, forced sale or attachment, except as provided by the Family Code, is another measure of protection of the family.

100. The 1987 Constitution defines marriage as an inviolable social institution, and the Family Code further amplifies that it is a special contract of permanent union between a man and a woman, entered into in accordance with law, for the establishment of conjugal and family life. It is the foundation of the family and an inviolable social institution whose nature, consequences and incidents, are governed by law and are not subject to stipulation.

101. Legal capacity of the contracting parties, who must be a male and a female, and consent freely given in the presence of the solemnizing officer are the essential requisites of marriage. Absence of either will render the marriage *void ab initio*.

102. The principle of the inviolability of the marriage institution is construed as the basis for the prohibition of divorce under any circumstance. Hence, in the Philippines, only legal separation is allowed. However, no legal separation may be decreed unless the court has taken steps towards reconciling the spouses and is fully satisfied that reconciliation is highly improbable (art. 59, Family Code).

103. Before the promulgation of Executive Order No. 227 on 17 July 1987, a Filipino citizen who married a foreigner and was subsequently divorced by the foreign spouse faced the absurd situation of being married under Philippine law, although already divorced under the law of his former spouse. This situation has been rectified under Executive Order No. 227, which amended article 26 of the Family Code. Now the Filipino spouse shall have the capacity to marry again under Philippine law, provided that the divorce is validly obtained abroad by the alien spouse.

104. Marriages between Muslim Filipinos are governed by the Muslim Code of Personal Laws.

105. The Muslim Code provides that it shall apply to marriage and divorce where both parties are Muslims, or where the male is a Muslim, or the marriage is solemnized in accordance with Muslim law or Muslim Code, in any part of the Philippines. In case of a marriage between a Muslim and non-Muslim, solemnized not in accordance with Muslim law or the Muslim Code, the Civil Code of the Philippines shall apply.

106. Article 14 of the Muslim Code provides that marriage is not only a civil contract but a social institution. Muslim marriage is not merely a civil contract because: (i) unlike civil contracts, it cannot be made contingent on a future event; and (ii) it cannot be for a limited time.

107. The essential requisites of marriage under Muslim law are legal capacity of the contracting parties; mutual consent of the parties; offer *(ijab)* and acceptance *(gabul)* of the marriage duly witnessed by at least two competent persons after the proper guardian in marriage *(wali)* has given his consent; and stipulation of customary dowry *(manu)* duly witnessed by two competent persons.

108. In Islam, monogamy is a general rule while polygamy is only an exception. To justify a subsequent marriage, the man must be able to deal with his

wives equally in terms of companionship and treatment. In some instances, polygamous relationships become inevitable when the wife is unable to procreate, is in a state of perpetual illness or is unsuitable for cohabitation.

109. Under Islamic law, the husband and the wife are obliged to live together, observe mutual respect and fidelity, and render mutual help and support. When one of the spouses neglects his or her duties to the conjugal union or brings danger, dishonour or material injury upon the other, the injured party may petition the court for relief. The court may counsel the offender to comply with his or her duties, and take such measures as may be proper (art. 34).

110. The husband and the wife have the right to divorce under the Muslim Code (art. 34).

111. In general, a Filipino spouse shall own, possess, administer, enjoy and dispose of his or her own exclusive estate even without the consent of the other. However, the court may, upon petition of either spouse, grant to the other the administration of such property.

112. For the single parent, Presidential Decree No. 603 provides that the State shall give assistance to widowed or abandoned parents as when the spouse is in prolonged absence due to illness or imprisonment, and is unable to support his children. It further states that such parents should be helped to acquire the necessary knowledge and skills needed for the proper maintenance of the family.

113. The State shall protect working women by providing safe and healthful working conditions, taking into account their maternal functions, and such facilities and opportunities that will enhance their welfare and enable them to realize their full potential in the service of the nation (art. XII, sect. 14, of the 1987 Philippine Constitution.)

114. For detailed discussions on the Filipino family and its responsibility for the care and education of dependent children, please refer to the Philippine initial report on the implementation of the Convention on the Rights of the Child and the first, second and third reports on the Implementation of the Convention on the Elimination of All Forms of Discrimination against Women.

B. Government policies and programmes on family: 1987-1992

115. The Government embarked on a family-focused approach to service delivery. In order to reach the more disadvantaged groups and to address the task of employment generation, programmes on self-sufficiency and self-reliance were expanded. The national livelihood programme was launched to promote and provide opportunities for self-employment. As a consequence, income-generating livelihood programmes and projects and entrepreneurial training increased during the period.

116. Republic Act No. 7160, enacted in 1991, mandated the implementation of family and community welfare and development services by the local government

units. Under this law the Department of Social Welfare and Development (DSWD) through the Bureau of Family and Community Welfare retained the following functions:

(a) Formulation of programmes, policies, rules, regulations and standards relative to the implementation of family and community welfare and development services;

(b) Initiation and administration of pilot or special projects for demonstration of the corresponding policies, programmes, services, strategies, methods, procedures and guidelines prior to nationwide implementation; and

(c) Evaluation, and provision of technical assistance and consultative services to operating units and local government welfare departments on programme implementation.

117. Pursuant to its retained functions, the DSWD developed standards for the guidance of local government social welfare units and non-governmental agencies on the following family and community welfare and development services:

(a) Parent Effectiveness Service, which includes parenting sessions on: early childhood care and development, parenting laws, improving marital relationship, health care;

(b) Responsible Parenthood Service, which refers to the provision of information and guides to individuals and couples of reproductive age in making decisions and corresponding action on planning family size and child spacing;

(c) Marriage Counselling Service, which refers to the provision of guidance to would-be couples on the realities and obligations of conjugal life and thereby coming to an informed decision about marriage. This service also includes exploring information and alternatives with married couples and making decisions about resolution of marital differences or enrichment of conjugal relationship;

(d) *Family Casework*, provides family members who are unable to cope with role adjustments resulting from crisis situations with knowledge and skills in problem solving;

(e) Special Social Services for Single Parents, which refers to counselling on the resolution of negative and bothersome feelings brought about by the loss or absence of the spouse; and

(f) Self-Employment Assistance, which refers to the provision of capital assistance to disadvantaged families, family members or groups to undertake income-generating projects.

118. The Philippine Development Plan for Women (PDPW): 1989-1992, defines the policy directions concerning women and their role in the national development process.

119. In January 1990, the National Commission on the Role of Filipino Women (NCRFW) created six Project Groups addressing women's concerns one of which is the family. The Project Group on Family was tasked: (i) to formulate policies and develop programmes which respond to family related issues, and (ii) to institutionalize the responsibility for women's concerns in the family in government institutions. The Group formulated a conceptual framework called Family Wheel which is concerned with the woman in the family and in society. The Family Wheel Framework is a response to the call of the International Year of the Family to identify priority areas of concern for the family and to come up with strategies and measures with which to tackle such areas of concerns.

120. In the Philippine Population Programme, women are encouraged and motivated to take an active role in population and development concerns. The paper on the Philippine Population Programme is attached as annex N.

C. Role of women in the family

121. The three primary roles of women are as wage-earner, decision maker, and agent of change. This is not to deny the traditional role of motherhood, but only to stress that motherhood itself is precisely part and parcel of the above-mentioned roles. Motherhood is to be freely and responsibly decided upon by every woman.

122. Motherhood is a result of a woman's and her husband's free decision to have a child (decision maker), considering their economic responsibilities which include hers (wage-earner), and her other commitments (change agent) to God, society, her husband, her children, and her commitment to herself as a human being.

123. As wage-earners, women continuously struggle to gain equal access to economic and social resources and opportunities. The role of women as decision makers recognize the inherent right and capacity of every woman to be given equal access to the decision-making process. The women as agents of change see themselves as moving away from traditional gender role, i.e. of being housewives. They have gained credit and recognition for their initiatives and determination to respond creatively to new socio-economic and political conditions by assuming new roles, either as income earners or as partners or contributors in nation-building, among others.

124. Women in the family assume more than the role of mothers giving care and attention to their children and husbands. Often, they work either as employees, wage-earners or home-based workers to augment their families' income, apart from their other tasks of preparing food, seeing to the health and schooling of their children and seeing to the physical maintenance of the household. The "double burden" leaves them little time for themselves and their own well-being, which are usually the last considerations in their allocation of time and resources.

125. Their contributions to the economic upkeep of their families in times of economic crisis is especially crucial as women have been found to improvise ways and means to provide food for the family through vending, accepting laundry work and the like. More and more women are also absorbed in the

formal labour sector even as they grapple with the problems of child care and housekeeping. A still more drastic measure to help families to survive economically is the women's decision to go abroad to work as domestic helpers or entertainers. There are an estimated half a million such women, the majority of whom are married and with children.

126. Another issue on women in the family that is now only beginning to be addressed is that of domestic or family violence. Recent studies have shown the extent to which domestic violence has been occurring in the family. Moreover, incest, abuse of the elderly and wife-beating are just now emerging as special concerns of the Government.

127. Among the programmes that the National Commission on the Role of Filipino Women (NCRFW) is helping to implement with the Philippine National Police in response to the problem of domestic violence is the training of policewomen, and eventually all policemen, on the issue of violence against women including rape, battery and incest. Information packets have been produced to better inform the public and government agencies about this hidden crime in the family.

D. Current trends

128. The following trends in family and marriage are apparent:

- (a) The institution of marriage continues to be valued;
- (b) Increased popularity of smaller-sized families;

(c) Males continue to dominate headship in households of the married population, while females dominate households of singles, widows and separated persons;

(d) Late marriages;

(e) Filipinos are considering alternative routes to marital union, other than legal, registered marriage;

- (f) Increase in the number of illegitimate births;
- (g) Decline in number of legally contracted marriages;

(h) Changing attitude towards premarital sex and pregnancy outside of marriage, indicating changes in values concerning sexual expression;

(i) Single parenthood is becoming more socially acceptable;

(j) Stigma attached to being separated or divorced is decreasing.

E. <u>Future directions</u>

129. The Philippine Plan for Gender-Responsive Development (PPGD) 1995-2025 (successor to the Philippine Development Plan for Women, 1989-1992) is

presently being drafted. The Plan's chapter on the Family is being formulated towards the implementation of the following policies and programmes:

(a) Consciousness-raising on family issues;

(b) Development of a statistical database and research on families and households;

(c) Review of existing legislation, policies and programmes and their assessment in terms of their impact on family life;

(d) Development of value formation materials and teaching modules to promote family life and relationships;

(e) Design of educational materials and textbooks to incorporate new values and messages, particularly in Life and Family Education;

(f) Curbing media messages and content that are inimical to children, women and families;

(g) Supporting efforts aimed at recognizing the vital value of housework; nurturance and child care;

(h) Corrections of gender inequalities and reduction of the double burden of women, promotion of a more democratic distribution of family tasks and responsibilities;

(i) Adoption of measures to involve men in health care and family planning programmes, and to engage them in all services and programmes intended to enhance family well-being;

(j) Implementation of programmes aimed at generating employment and income-earning opportunities, especially those that provide land and housing shelter services for single parents from poor households;

(k) Strengthening the capacity of the Katarungang Pambarangay (People's Court) to act on family cases and complaints, handle mediation and conciliation efforts.

130. A pending bill (House Bill No. 8202) proposes the creation of a National Commission on Family responsible for formulating and recommending policies and programmes to strengthen and promote the solidarity and total development of the Filipino family.

131. Another pending bill in Congress (Senate Bill No. 116) which, if approved, will allow married women or legally separated women to use their maiden first name and surname. It seeks to translate into reality the constitutional principle of "fundamental equality" of women and men before the law.

132. The other bill (House Bill No. 698) seeks to provide a comprehensive programme against wife-beating and increasing penalties for habitual offenders.

133. The creation of a juvenile and family court in all provinces and cities throughout the country is also proposed (House Bill No. 7481).

134. The Department of Labour and Employment, in order to assist in the preservation of the families of overseas contract workers, will be initiating in 1994 compulsory pre-deployment family counselling seminars for all overseas-bound workers registered with the Overseas Workers Welfare Administration.

135. Implementation and strengthening of "peer counselling" for single parents in the home and on the job will also be initiated.

136. The need for more comprehensive and intensive studies on marital satisfaction and adjustment of Filipino couples will also be addressed.

II. CARE AND EDUCATION OF DEPENDENT CHILDREN

A. Basic legislation on care and education of dependent children

137. The Philippines places great value on children. The Child and Youth Welfare Code affirms this: "The Child is one of the most important assets of the nation. Every effort should be exerted to promote his welfare and enhance his opportunities for a useful and happy life".

138. To ensure the care of the children, the Child and Youth Welfare Code and the Family Code provide that caring for and supporting the child shall be the duty of parents. However, where parents are unable to fulfil their duties to their children, the State shall provide assistance to them. These laws also describe the specific functions of different societal structures in the care and rearing of children. The community, village councils, youth associations and peoples' groups are directed to provide services or various forms of assistance in the care, rearing, education of and other necessary support to children.

139. The administration of President Fidel V. Ramos affirms increasing efforts for the welfare of Filipino children through the Philippine Plan of Action for Children 2000.

140. Early childhood care and development have been recognized as an important aspect of the child's education. The *Barangay*-Level Total Development and Protection of Children Act (Republic Act No. 6972) provides for the establishment of a day care centre in every *barangay*, which shall have a total development and protection programme to serve the needs of children up to six years old.

141. The Act Establishing and Providing for Free Public Secondary Education (Republic Act No. 6655) passed on 26 May 1988 provides for free tuition and other school fees for secondary level students in national high schools, general comprehensive high schools, State colleges and universities, specialized schools, i.e. trade, technical, vocational, fishery and agricultural schools, and schools run by local government units.

142. The Government Assistance to Students and Teachers in Public Education Act (Republic Act No. 6728) authorizes the Government to enter into service contracts with private schools to accommodate students who cannot be absorbed in the public school system due to resource constraints, and to give tuition fee supplements to students with financial difficulties who are enrolled in private secondary schools. Since the Education Act was passed, enrolment in high schools increased by 6.9 per cent.

143. A system for technical vocational education is in place with efforts which started over 65 years ago through the Vocational Education Act of 1927. In the implementation of the law strong linkages have been established with related industries.

144. The right of access to quality education for children with special needs is anchored on the Philippine Constitution. Article XIV, section 1, mandates that "the State shall protect and promote the right of all citizens to quality education at all levels and shall take appropriate steps to make such education accessible to all". The enactment of Republic Act No. 7277, the Magna Carta for Disabled Persons provides for the maximum development of persons with disabilities, and for their ultimate integration in society. Specifically, section 14 of the Act provides for the establishment, maintenance and support of a complete, adequate and integrated system of special education for the visually and hearing impaired, mentally retarded persons and other types of exceptional children in all regions of the country. Other legislation supporting the provision of special education to special learners are the Education Act of 1982 (*Batos Pambansa* ("National Laws") No. 232) and the Child and Youth Welfare Code (Presidential Decree No. 603).

B. <u>Government policies and programmes on care</u> and education of dependent children

145. The Philippine educational system is comprised of two major components, the formal subsector and the informal subsector. The formal progression of the Philippine educational system includes the elementary, secondary and tertiary levels. Elementary education involves the preschool programme, such as kindergarten, and compulsory basic education corresponding to the traditional six to seven grades. Elementary education provides basic knowledge and develops the foundation skills, attitudes and values, including moral and spiritual dimensions essential to the child's personal development and necessary for living in and contributing to a developing and changing society. Elementary education likewise promotes the child's knowledge of, identification with, and love for the nation and the people, and enhances the child's orientation and preparation for honest and gainful work.

146. Secondary education is a continuation of the basic education provided in the elementary level and the learning of employable and gainful skills, usually corresponding to four years of high school. Republic Act No. 6655 passed on 26 May 1988 provides for free secondary education in public high schools. Secondary education emphasizes the use and extension of tools for exploring and acquiring intellectual, social, moral and physical concepts, ideals, attitudes, and skills in order to develop the whole human being. It also provides the students with skills for productive endeavour and thus prepare him for work and for further formal studies in higher education.

147. Non-formal education provides specialized educational services to children who entered but failed to complete their schooling and to special clientele groups. Non-formal education helps eradicate illiteracy and raise the level of functional literacy of the population. It develops among its clientele proper values and attitudes necessary for personal, community and national development. It also provides unemployed and underemployed youth with appropriate technical-vocational skills to enable them to become more productive and effective citizens.

148. Technical-vocational education introduced at the secondary level includes a learning process which entails attachment to an industrial establishment for a specific period, to enable one to take and pass a trade test toward a trade certificate which serves to classify a graduate according to task, i.e. operator, craftsman or industrial technician.

149. The Government works closely with the private sector at all levels of education. Private sector participation is most evident at the tertiary level where about 70 per cent of all institutions are privately owned. Vocational high schools are largely operated by the private sector.

150. The Child and Youth Welfare Code contains a number of provisions specifically on education. These refer to admission to schools; assistance to indigent parents; nursery schools; special classes for the physically handicapped, mentally retarded, and emotionally disturbed; school plant facilities; the role of parent-teacher associations; education of children employed as domestic helpers; and education assistance programmes for working children.

151. A nationwide survey of school-age children with special needs is ongoing for the purpose of generating data that will guide schools in providing such children appropriate services. Training programmes for teachers for deaf and blind children are being conducted by the Department of Education, Culture and Sports in coordination with non-governmental organizations. Community-based special education programmes focusing on the development of literacy, numeric and livelihood skills of 6- to 12-year-old handicapped children are being provided. More Special Education Programme Centres and special education classes in regular schools are being organized all over the country.

152. Legislation to assist learners with special needs exist. However, despite existing legislation, only 81,904 learners with special needs are in school. This constitutes around 2 per cent of the estimated 4 million children and youth with special educational needs between ages 0 and 21 in the Philippines.

153. The development of special education has been beset with various constraints. Foremost among its problems is the fast turnover of technically trained special education teachers and administrators due to transfer to other high-paying jobs. There are only 2,646 special education teachers across the country handling special education.

154. In spite of these constraints, the Department of Education, Culture and Sports has moved forward to provide qualitative educational services within its capabilities. 155. Article XIV, section 1, of the Policies and Guidelines to Special Education provides for a nationwide information dissemination campaign on how to identify and intervene for children with special needs. Mass media are utilized to make the public aware of the importance and availability of services for children with special needs. Short radio and television messages that are easy to grasp are aired utilizing language that parents and laymen can understand to change and improve public attitudes towards these children with disabilities. The Department of Education, Culture and Sports, responsible in the information dissemination on special education services, formulates guidelines and issues relevant information concerning educational programmes for children with special needs whenever necessary. Annual observances and special activities on sight saving, hearing conservation, and others are carried out to increase the public's awareness. A data bank in special education is developed and maintained in every regional, division and district levels nationwide.

156. The National Manpower and Youth Council, an agency attached to the Department of Labour and Employment (DOLE), operates 12 regional and 14 provincial manpower training centres. These centres provide skills upgrading, training and development, particularly for out-of-school youths.

157. The Local Government Code calls for the establishment of a School Board in every province, city and municipality, to be chaired by the local chief executive at each level. The School Board serves to determine budgetary appropriations for the maintenance of public schools within its jurisdiction, authorize disbursement of funds and advise the local legislative bodies on matters related to education.

158. Barangay Councils also provide institutional support for the goal of improving access to education. Under the Child and Youth Welfare Code, the Council is authorized to appropriate funds for annual scholarships for indigent children deserving public assistance towards the development of their potentials.

159. Early childhood care and development has been recognized as an important aspect of the child's education. The *Barangay*-Level Total Development and Protection of Children Act (Republic Act No. 6972) provides for the establishment of a day care centre in every *barangay*, which shall have a total development and protection programme to serve the needs of the children up to six years old. Early childhood care and development services are eventually to be provided also through community centres and workplaces.

160. One of the first tasks of the Ramos administration when it assumed office in July 1992 was to prepare a Medium-Term Development Plan for the period 1992 to 1998. The Plan was approved by the President and his Cabinet in December 1992. This Plan included programmes for the care and education of children.

161. The Plan focused on two targets: the achievement of people empowerment, and global competitiveness.

162. For the educational sector, people empowerment translates into two tasks. The first is to increase access to and improve the quality of basic education

with emphasis on public elementary schooling. The second is to improve the system of government support for those intellectually promising but financially disadvantaged Filipino youth, in order that they may be able to complete their academic studies through all three levels.

163. Global competitiveness translates into ensuring that the labour force is properly trained for those economic sectors, especially service areas, where the Philippines has a comparative advantage.

164. Given these two major objectives under the Philippines 2000 development programme, the major thrusts of government action in the field of education have been: (i) improving access to and the quality of basic education, with elementary education as the first emphasis, (ii) liberalizing the regulatory environment for private education, and (iii) rationalizing the system of public higher education, particularly the State colleges and universities.

165. Priority areas for action by the Government, particularly by the Department of Education, Culture and Sports (DECS), include those actions which involve the public school subsystem, as well as the regulatory actions covering the private school system and policy guidance for State colleges and universities.

166. The accomplishments of the education sector during the period 1987-1992 is attached as annex M.

C. Difficulties encountered

167. While major accomplishments have been achieved in this area, a number of difficulties continue to work against full enjoyment of the child's rights to education, leisure and culture. These include infrastructure problems which reduce physical access to schools particularly in rural areas, funding constraints, and lack of teachers, classrooms, other school facilities and institutional materials. The last is particularly true in the case of special education and schools for children of indigenous cultural communities.

D. <u>Future directions</u>

168. The Education For All Programme of Action: 1991-2000 aims to strengthen Philippine education. The programme has the following as its key objectives: institutionalization of early childhood development as a basic service for all children in the country; improvement in the quality and efficacy of public education; eradication of illiteracy; and the provision of basic knowledge, skills and values that will allow adults and out-of-school youths to improve the quality of their life and increase their opportunities to participate in the development process. The 1990s has been declared as the Decade of Education for All.

169. Within the six-year period of the Ramos Administration, it is expected that universal free compulsory public elementary education will be achieved. All *barangays* with sufficient school-age population will have their own schools, even if they are still multigrade, that is, several classes to a classroom. At least half of the presently incomplete elementary schools will

have the minimum six classrooms. All backlogs of classrooms and teachers resulting from the normal growth of the population should have been dealt with.

170. The gross elementary enrolment rate is expected to stay at around 110 per cent of the 1990 figure, while that for the secondary level will improve further. The completion rate is expected to increase from its present 65 per cent of beginning Grade 1 pupils to at least 80 per cent.

171. Access to secondary education will be increased by providing scholarships for high school students as provided in Republic Act No. 6728 or the Government Assistance to Students and Teachers in Private Education Law. This law includes the Educational Service Contracting and the Tuition Fee Supplement.

172. A bill on the institutionalization of the Dual Training System in the country is now before Congress (Senate Bill No. 1516 and House Bill No. 10450). The system will combine in-plant and in-school training based on a plan designed by an accredited educational institution and an agricultural, industrial or business establishment.

ARTICLE 10.2

I. PROTECTION OF WORKING MOTHERS

A. Basic legislation on the protection of working mothers

173. The State is mandated by the Constitution to protect working mothers by providing safe and healthful working conditions, taking into account their maternal functions, and such facilities and opportunities that will enhance their welfare and enable them to realize their full potential in the service of the nation (art. XIII, sect. 14).

174. Working mothers are accorded maternity benefits under the Social Security Law (Republic Act No. 1161) later amended through Republic Act No. 7322 (1992). Under Republic Act No. 1161, every employer is required by law to grant pregnant women employees, who have rendered an aggregate service of at least 6 months for the last 12 months, maternity leave of at least 2 weeks prior to the expected date of delivery and another 4 weeks after normal delivery or abortion with full pay based on her regular or average weekly wages (art. 133 of the Labour Code as amended).

175. Civil Service Commission Memorandum Circular No. 14 (1989) allows government workers, especially women, to adopt flexible working hours to help them cope with their dual roles as workers and home managers. For as long as workers complete an eight-hour working day they can choose a regular work schedule from between 7.00 a.m. to 10.00 a.m. to 7.00 p.m.

176. Republic Act No. 6972 (23 November 1990), "An Act Establishing a Day Care Centre in Every *Barangay*, Instituting Therein a Total Development and Protection of Children Programme", provides child care support structures for working mothers by establishing day care centres. It is a tacit recognition of women's dual roles as workers and home managers. According to the DSWD,

only a few day care centres can be established due to insufficient funds. With the enactment of the Local Government Code of 1991, the financing of day care centres was transferred to the local government units which made financing even more difficult.

177. Republic Act No. 7322 (1992) amends the Social Security Law by increasing the maternity benefits in favor of women workers in the private sector. A female employee who has paid at least three monthly maternity contributions in the 12-month period preceding the semester of her childbirth, abortion or miscarriage who is currently employed shall be paid a daily maternity benefit equivalent to 100 per cent of her present basic salary, allowances and other benefits or the cash equivalents of such benefits for 60 days subject to the following conditions:

(a) That the employee shall have notified her employer of her pregnancy and the probable date of her childbirth which notice shall be transmitted to the SSS;

(b) That the payment shall be advanced by the employer in two equal instalments within 30 days from the filing of the maternity leave application;

(c) That in case of caesarian delivery, the employee shall be paid the daily maternity benefits for 78 days;

(d) That the maternity benefits provided for shall be paid only for the first four deliveries after 13 March 1973;

(e) That the SSS shall immediately reimburse the employer of 100 per cent of the amount of maternity benefits advanced to the employee by the employer upon receipt of satisfactory proof of such payment and legality thereof; and

(f) That if the employee should give birth or suffer abortion or miscarriage without the required contributions having been remitted for her by her employer to the SSS, or without the latter having been previously notified by the employer of the time of pregnancy, the employer shall pay to the SSS damages equivalent to the benefits which said employee would otherwise have been entitled to, and the SSS shall in turn pay such amount to the employee concerned.

178. Meanwhile, under the Department of Labour and Employment (DOLE) regulations the assignment of female employees to the night shift of 10.00 p.m. to 6.00 a.m. is allowed only if she is not a nursing mother, among other conditions.

179. The National Code of Marketing of Breastmilk Substitutes, Breastmilk Supplements and Other Related Products (Executive Order No. 51) was passed in 1986. The law aims to contribute to the safe and adequate nutrition of infants by protecting and promoting breast-feeding and by ensuring the proper use of breastmilk supplements through adequate information and appropriate marketing and distribution (section 2). 180. The Generics Law (Republic Act No. 6675) passed in 1989 protects consumers from the exorbitant cost of medicines.

181. In line with the thrust of the Government to protect the overseas contract workers, particularly women workers, the DOLE was directed to prioritize the assignment of women attached to countries where the majority of Filipino overseas contract workers are women. To date, there are 10 female labour attachées out of the 36 appointees, and 9 women out of 15 welfare officers. There are also Overseas Workers Welfare Administration and NGO-based women's desks to facilitate gender training of labour attachées (Presidential Directive issued to DOLE, 8 March 1993).

182. In line with the thrust of the Government to provide women with greater protection from possible abuse by law enforcement agencies, the Philippine National Police (PNP) and the National Council on the Role of Filipino Women were directed to identify priority areas where women's desks in police stations may be established, for immediate operationalization. To date, 147 women's desks are operational (Presidential Directive issued to PNP, 8 March 1993).

B. <u>Government policies and programmes on the protection</u> of working mothers

183. The Department of Health (DOH) provides for the education of mothers on various health measures. Health and community workers emphasize the hazards and risks of the improper use of breastmilk substitutes, particularly infant formula. Feeding with infant formula shall be demonstrated by DOH only to mothers who may not be able to breastfeed for medical or other legitimate reasons.

184. The Government has adopted a new population policy that goes beyond fertility reduction and includes family formation and women's status. The Philippine Population Programme is attached as annex N and the family planning prevalence rates in annex O.

185. An intensified information campaign against AIDS, including its integration in the school curriculum, and screening of all blood donors and transfusions, among others, is being actively pursued.

186. Women in Development and Nation-Building Act or Republic Act No. 7192 strengthens the Government's commitment to bring women's issues and concerns into mainstream development. Specifically, section 5 of the Act provides that married persons who devote full time to managing the household and family affairs shall, upon the working spouse's consent, be entitled to voluntary *Pagtutulungan - Ikaw, Bangko, Industriya at Gobyerno* (PAG-IBIG), Government Service Insurance System (GSIS), or Social Security System (SSS) coverage to the extent of one half of the salary and compensation of the working spouse. The contribution due thereon shall be deducted from the salary of the spouse.

C. <u>Future directions</u>

187. There are ongoing attempts in Congress to provide a comprehensive programme against wife beating and increasing penalties for habitual offenders (House Bill No. 698).

188. The "Mandatory Women Employment Act", proposed in Congress (House Bill No. 8832) directs all businesses and enterprises employing at least 10 regular employees to fill 20 per cent of their total work force with qualified women.

189. Another proposed bill (House Bill No. 7870) declares unlawful all acts of sexual harassment.

190. The proposal to increase maternity leave benefits of women employed in public service or in the public sector is now pending in Congress (House Bill No. 8393). Under this bill, those who have rendered continued service of at least one year shall be granted maternity leave of 180 days, commencing from the eighth month of pregnancy.

191. The bill proposing provision for a comprehensive prenatal care and nutrition programme for pregnant women during their pregnancies is also pending (House Bill No. 8187).

II. PROTECTION OF NEW-BORN CHILDREN

A. Basic legislation on the protection of new-born children

192. The Child and Youth Welfare Code specifies that the promotion of a child's health shall begin with adequate pre- and post-natal care both for the child and the mother. All appropriate measures shall be taken to ensure total development of the child. This aspect is taken into full account in the population programme. Concern for maternal and child health care is underscored in the 1987 Population Policy Statement.

193. A recent legislation aimed at promoting the health, nutrition and well-being of Filipino children and mothers is the *Barangay*-Level Total Development and Protection of Children Act (Republic Act No. 6972). The programme to be instituted in any *barangay* in compliance with the Act shall include a referral and support system for pregnant mothers for prenatal and neonatal care and for the delivery of the infant under conditions which will remove or minimize risks to both the mother and child.

B. <u>Government policies and programmes on protection</u> of new-born children

194. For the discussion on the protection of the health of new-born children, please refer to the Philippine Reports to the World Health Organization (1980, 1991, 1994) and initial report on the implementation of the Convention on the Rights of the Child. For discussion on the child's legal rights, please refer to the initial report on the Rights of the Child.

C. <u>Current trends</u>

195. Trends in child care are changing the traditional roles of parents. Fathers are getting more involved in the routine task of child care. Younger fathers now consider nurturance their primary responsibility, while older fathers consider their role as "provider". Fathers are now sufficiently concerned with the Lamaze method of child delivery and baby care to assist their wives.

ARTICLE 10.3

I. SPECIAL PROTECTION AND ASSISTANCE TO CHILDREN AND YOUNG PERSONS

A. Basic legislation on protection of children and young persons

196. The Constitution recognizes the vital role of the youth in nation-building and mandates that the State shall promote and protect their physical, moral, spiritual, intellectual, and social well-being; inculcate in the youth patriotism and nationalism, and encourage their involvement in public and civic affairs.

197. Furthermore, the Constitution requires that the State shall defend the right of children to assistance, including proper care and nutrition, and special protection from all forms of neglect, abuse, cruelty, exploitation, and other conditions prejudicial to their development.

198. The Constitution guarantees free education up to the secondary level. No public schools charge tuition fees. Scholarships and other forms of financial support are awarded to deserving and needy students. The Department of Science and Technology offers 100 scholarships every year to students belonging to low-income families. The Department of Education, Culture and Sports has a Study Now Pay Later Plan for financially disadvantaged students.

199. The principle of non-discrimination is embodied in the Child and Youth Welfare Code which provides that all children shall be entitled to the rights set forth in the Code without distinction as to their legitimacy or illegitimacy, sex, social status, religion, political antecedents, or any other factor.

200. The same principle is upheld in the Special Protection of Children Against Child Abuse, Exploitation, and Discrimination Act (Republic Act No. 7610). This Act declares that it is the policy of the State to provide special protection to children from all forms of abuse, neglect, cruelty, exploitation and discrimination, and other conditions prejudicial to their development. It provides that the State shall intervene on behalf of the child when the parent, guardian, teacher, or person having care and custody of the child fails, or is unable, to protect the child against such actions or conditions.

201. The Act specifically provides that children of indigenous cultural communities shall not be subjected to any and all forms of discrimination, and prescribes penalties therefore.

202. The Family Code contains a number of provisions supportive of this principle. Specifically cited are its recognition of the legitimacy of children who are born through artificial insemination and the increase in the share of illegitimate children in inheritance.

203. The Magna Carta for Disabled Persons (Republic Act No. 7277 - annex P) protects the disabled, both children and adults, from discrimination. This Act provides that the State shall encourage respect for disabled persons and shall exert all efforts to remove all social, cultural, economic, environmental and attitudinal barriers that are prejudicial to them.

204. Administrative guidelines and standards have been issued which state that all programmes and services for children shall be non-discriminatory. In the issuances to child-caring agencies, care is taken to ensure that such agencies shall make their services available without regard of age, sex, colour, race, religious affiliation or ethnic group.

205. Section 5 of Republic Act No. 7610 (1992) provides that children, male or female, who for money, profit, or any other consideration or due to the coercion or influence of any adult, syndicate or group, indulge in sexual intercourse or lascivious conduct, are deemed to be children exploited in prostitution and other sexual abuse. The following are acts considered as child trafficking:

(a) Execution of an affidavit of consent for adoption by a pregnant mother;

(b) Recruitment by a person, agency, establishment or child-caring institution of women or couples to bear children for the purpose of child trafficking;

(c) Simulation of birth by a doctor, hospital, or clinic official, employee, nurse, midwife, local registrar or any other person for the purpose of child trafficking;

(d) Use of children for obscene publications and indecent shows; and

(e) Employment of children in commercials or advertisements promoting alcoholic beverages, intoxicating drinks, tobacco and its by-products, and violence.

In addition, Republic Act No. 7658 provides strict conditions under which no children may be employed.

206. For more detailed discussions on the protection of and assistance to children and youth, please refer to the initial report on the implementation of the Convention on the Rights of the Child.

B. <u>Future directions</u>

207. In view of the increasing number of violations and abuses committed against children and gaps in the services available for the promotion and protection of children's rights, the establishment of the Child Rights Centre (CRC) was proposed.

208. The Centre, which will be under the Commission on Human Rights, will be concerned with investigation, legal assistance, reporting and monitoring of implementation of the Convention on the Rights of the Child. The Centre will have 12 Regional Complaints Desks and will work within the existing network of government and non-governmental organizations concerned with children's rights.

II. SPECIAL PROTECTION OF CHILDREN FROM SOCIAL AND ECONOMIC EXPLOITATION

A. <u>Basic legislation</u>

209. The Constitution affirms that labour is the primary social economic force. The State is therefore mandated to protect the rights of workers and promote their welfare.

210. The Labour Code (Presidential Decree No. 442) provides for State policies, rules and standards on humane and healthful terms and conditions of work as well as special provisions on the employment of minors and children. Article 139 of the Labour Code specifies that no child below 15 years of age shall be employed except when the child works directly under the sole responsibility of the parents or guardian and the employment does not in any way interfere with the child's schooling. Under the same provision, a person between 15 and 18 years old may be employed for such number of hours and such period of the day as may be determined by the Secretary of Labour and Employment, provided, however, that in no case shall the employment of a person below 18 years of age be allowed in an undertaking which is hazardous or deleterious in nature as determined by the Secretary of Labour and Employment.

211. Republic Act No. 7610 declares as a State policy the provision of special protection to children from all forms of abuse, neglect, cruelty, exploitation and discrimination, and other conditions prejudicial to their development. It provides sanctions against such acts and allows the State to intervene on behalf of the child when the parent or guardian fails to protect the child. It provides stringent penalties for certain specific acts of exploitation and discrimination (i.e. prostitution and sexual abuse, child trafficking and other acts of abuse) and requires the formulation of a comprehensive government programme on child abuse, exploitation and discrimination.

212. To strengthen the protection of children from hazardous employment in public and private undertakings, Republic Act No. 7658 was signed on 8 November 1993, amending Section 12, article VIII of Republic Act No. 7610. The act prohibits the employment of children below 15 years of age in public

and private undertakings. It likewise specifies the exceptional conditions and requirements which must be strictly complied with before a child may be employed (annex D).

213. Article 107 of the Child and Youth Welfare Code further states that children below 16 years of age may be employed to perform light work which is not harmful to their safety, health, or normal development and which is not prejudicial to their pursuit of education.

214. The prohibition against child discrimination is likewise stipulated in the Labour Code which provides that no employer shall discriminate against any person in respect to terms and conditions of employment on account of his age.

B. <u>Government policies on protection of children from</u> economic and social exploitation

215. To implement the prohibition on the employment of children in hazardous occupations, DOLE has drawn up a list of nine such occupational groupings which is attached as annex Q. Also attached is the list of common occupations of children (annex R).

216. In the last five years, the Government has implemented special programmes for the protection and welfare of working children in selected areas. Beneficiaries of the first projects implemented were child scavengers in Manila's garbage dumps, children engaged in deep-sea fishing, and those availing themselves of the services of the Department's 625 Working Youth Centres all over the country. A national project on street children, about 80 per cent of whom are working children, provides basic services in selected urban areas.

217. In response to the growing incidence of child labour, DOLE led several government agencies, non-governmental organizations and labour-management groups in the UNICEF-assisted project "Breaking Ground for Community Action on Child Labour". The project, which aims to reduce the incidence of child labour in hazardous occupations by 80 per cent in 1998, started in 3 regions in 1988 and has now expanded to 11 regions.

218. During the five-year period of implementation, the project was able to reach approximately 2.1 million working children, through policy legislation and national advocacy in an estimated 6,000 municipalities and 11 cities of 27 provinces in 13 of the 14 regions of the country.

219. In order to have a more thorough and holistic approach to protection and over-all development of the working children, the project implemented eight major strategies and activities including: (i) action research; (ii) advocacy and social mobilization; (iii) community organization; (iv) capability-building; (v) provision of basic and alternative services; (vi) policy development and legal protection; (vii) employment promotion and income generation; and (viii) project documentation, monitoring and evaluation.

220. Cognizant of the need to address immediately the problems of child labourers, particularly those illegally recruited from the provinces for industrial or illicit employment, the Child Labour Programme launched

its "Sagip Batang Manggagawa", an inter-agency quick action programme aimed at responding to the most pressing situations of child labourers.

221. The programme activities include monitoring and reporting of cases to appropriate institutions or provide assistance directly such as rescuing the child labourers from factories or other places of employment and, when necessary, imposing sanctions on the illegal employers or recruiters; provision of psycho-social services to child labour victims; and rendering assistance in the prosecution of civil or criminal cases against violators of child labour laws.

222. With regard to enforcement, raids on factories illegally employing minors have been conducted by teams composed of officials from the DOLE, National Bureau of Investigation and the Philippine National Police. The teams acted on tip-offs from partner NGOs and community organizations. Places like a sardine canning factory, a cooking oil factory and a piggery in Metro Manila have been raided and found to be employing minors who were virtually kept as prisoners within the compounds of the factories.

C. Trends in the employment of child labour

223. The population of children 10-14 years old has been relatively steady at around 7.3 million during the period 1980-1989. Participation of children (aged 10-14) in the labour force has been on a decline from 1980 to 1989, as reflected in their labour force participation rate (members in the labour force over population) which decreased from 12.7 per cent in 1980 to 11.1 per cent in 1989. The number of children in the labour force actually decreased from 933,000 in 1980 to 815,000 in 1989 (annex S).

224. The employment rate of children (number of employed over number in the labour force), however, was noticeably increasing despite the decrease in actual number of employed. In 1980, the employment rate was 93.8 per cent and the number of employed is around 875,000. By 1989, the employment rate went up to 97 per cent while the actual number of employed decreased to 791,000. These were due to the decrease in the number of children who were in the labour force during the same period (annex S).

225. By major industry group, 80.1 per cent of employed children were in the agricultural sector in 1989, while the industry and services sectors accounted for 3.5 and 16.5 per cent, respectively. Within industry, manufacturing accounted for 3.3 per cent of the total child employment while community, social and personal services in the service sector accounted for 6.4 per cent (annex T).

226. By major occupation, agricultural children workers comprised the biggest group at 80 per cent in 1989. They are followed by sales children workers (which include those engaged in street peddling and vending) at 9.4 per cent (annex U).

227. By class of workers, most of the working children in 1989 were unpaid family workers, accounting for 70 per cent of the total employed children. Those who were paid wages/salaries accounted for 25 per cent (annex V).

228. In most cases, children's work involves simple chores which can be undertaken without much training, such as gathering, sorting or picking materials. Others render personal or community services, like washing cars and jeepneys, babysitting, shining shoes and toting bags. They sell in *sari-sari* stores (small neighbourhood store) and on the streets (street vendor). In the agricultural areas, children are often involved in traditional crafts production, such as abaca crafts or mat weaving.

229. The economic crisis of the early 1980s increased the number of children who live and work on the streets. The Government and non-governmental organizations recognized the need to implement an integrated action programme for street children. A project funded by UNICEF and the Canadian International Development Agency to determine the situation of these children was implemented. Under the project, 10 city situation studies were conducted during the period 1984 to 1987. The findings of the studies became the basis of subsequent initiatives on street children. The full report on the findings of the studies is embodied in the report "The Situation of Street Children in Ten Cities", submitted in 1988 to UNICEF.

230. As an integral part of the Urban Basic Services strategy of the Country Programme for Children, a project on street children was jointly undertaken by the Department of Social Welfare and Development, the National Council of the Social Development Foundation of the Philippines, Inc. and UNICEF in 1986. The project initiated, facilitated and coordinated efforts in situation analysis, advocacy, networking, programme development and delivery of basic services for and on behalf of street children in major Philippine cities.

231. Now, there are working committees on street children in the major cities in the Philippines. These working committees are inter-agency bodies composed of government agencies, non-governmental organizations and organized community groups which have taken collective responsibility in responding to the plight of street children in their respective cities.

D. <u>Difficulties</u>, issues and gaps covering child labour laws and programme implementation

232. The Philippine laws have not been remiss in addressing the issue of child labour. However, although legislation, executive orders and attendant policy guidelines have been formulated, there are still certain areas which need closer examination.

233. One area for consideration is a need to have a broader focus on children's rights to include those in the informal sector. The Labour Code of the Philippines contains a number of specific provisions for the protection of child workers. However, these provisions cover only children at work in industrial settings, leaving a vast majority of children working in agriculture, small industries and domestic work settings unprotected. The focus of efforts on child labour, therefore, will have to be better defined to be able to address the welfare needs of most child workers in the country.

234. The Philippines has not yet ratified ILO Convention No. 138 which is the most comprehensive international law concerning child labour. We are already a signatory to ILO Convention No. 59 on minimum wage in industries. In line

with the provisions of these international conventions, Republic Act No. 7658 requires even parents employing their children to secure permits from the DOLE. The DOLE shall ensure that the children will not be employed in hazardous occupations, nor will their normal development, including schooling, be impaired. The list of international conventions adhered to by the Philippines is attached as annex C.

235. There is a need for a more effective monitoring mechanism to protect child labour. For instance, Departments monitoring and supervising activities involving children suffer from lack of adequate personnel and funding. Furthermore, community-level mechanisms linked to the *barangay* child protection committee need to be strengthened and their members educated on pertinent laws.

236. The economic exploitation of children is associated with the state of the economy. Unless economic growth is achieved, children working on the streets, in industries or in the farms will remain a problem. The following difficulties are being encountered:

(a) The lack of information on working children, which creates problems relating to the regulation of working hours, the nature of their work, the provision of appropriate programmes and services to meet their needs, and other protective measures;

(b) Problems relating to the enforcement of laws, policies and standards;

(c) Inadequate information and understanding of issues on working children among parents and employers arising from socio-cultural barriers and other factors; and

(d) Limited alternatives and opportunities for children, leading some to engage in hazardous occupations and other activities detrimental to their growth and development.

E. Implementation of priorities and future directions

237. The renewed drive to reduce poverty and the suffering of the people by the new administration brings hope to the working children and their families. The following are the priorities stipulated in the Philippine Plan of Action for Children:

- (a) Legislative/policy measures:
 - Strict enforcement of policies, laws and standards including coordination among concerned agencies and the prosecution of violators; and
 - (ii) Passage of legislation on the minimum age for admission of children in part-time and light economic activities, which categorically define such activities and conditions of work

to protect children from exploitation by their own parents and employers, and ensure their physical, mental, social, spiritual and moral development;

- (b) Programme measures:
 - (i) Development of work ethics, appropriate vocational skills and counselling services for working children;
 - (ii) Establishment of psychotherapy and rehabilitation programmes for parents of children under especially difficult circumstances;
 - (iii) Promotion of more preventive and community-based programmes focused on value education for families of children under especially difficult circumstances;
 - (iv) Strengthening the advocacy and system of banning children from being placed in conditions that are hazardous to their health and well-being;
 - (v) Promotion of increased participation of working children in matters affecting their lives; and
 - (vi) Increasing the children's access to basic services particularly health, education and legal protection;
- (c) Research agenda:
 - (i) Conduct a study to determine the number of children living or working under especially difficult circumstances.

ARTICLE 11.1

I. ADEQUATE STANDARD OF LIVING

A. <u>Factors affecting adequate standard of living and</u> <u>continuous improvement of living conditions</u>

238. The concept of adequate standard of living is relative, and is ultimately based on the socio-political experience of the people. At present the adequate standard of living for Filipinos is yet to be defined. However, the minimum level of welfare, or the official poverty line, is defined as the line below which there will be "sustained inability of a household to meet its minimum basic needs".

239. It is believed that development is not reducible to opulence or growth in incomes alone. The direction of human development public policy must in the first instance concentrate on ensuring the acquisition of the most basic requirements, i.e. adequate nourishment, freedom from avoidable sickness and early death, literacy and numeracy, adequate income or availability of sources

of livelihood for basic security and a degree of choice. It is this minimal set of requirements for human physical, intellectual and psychological functioning which may be called minimum basic needs.

240. The discussion on the right to adequate food, clothing, housing and good health will be discussed in the other sections. Other factors, such as population, environment, social welfare and poverty, will be discussed in this section.

241. The Philippine Government is strongly committed to the improvement of the quality of life of present and future generations, within the context of sustainable development. For the country, this implies acceleration of economic growth simultaneously with preservation of the environment. However, there are considerable threats to this commitment brought about by the relationships between the human population, economic development and the natural environment.

242. The quest for improved standards of living for a growing number of people in a heavily natural-resource-based economy contributes significantly to environmental degradation. Population growth accelerates resource use, waste production and therefore environmental degradation. These are further exacerbated by illegal practices in resource use, technological development and certain patterns of resource management. Thus, when economic production is prioritized with inadequate attention to environmental protection, there is negative impact on health and economic growth is impeded. Moreover, poverty and lack of economic opportunities are conducive to high population growth rate. The complex nature of the relationship between the population issue, poverty and sustainable development has to be addressed in the Philippines.

243. In order to ensure sustainable development, the Philippine Council for Sustainable Development was established with programmes of action which are discussed in annex W.

244. With a high population growth rate of more than 2 per cent and high poverty incidence (40.7 per cent), the Philippines is confronted with the problems of excessive demand for natural resource extraction and the consequent effects on the future carrying capacity of the natural resource bases. The rapid population growth aggravates the country's poverty situation, since poor families, in general, are larger in size. Thus, scarce resources have to spread across more children, resulting in each child receiving less food, schooling, health care and parental attention. Because poor families have less to invest in the human capital of their children, their children are at greater risk of poverty not only in the present but also in the future.

245. Rapid population growth also worsens income distribution. Most poor families do not have productive assets except their labour. As labour becomes more plentiful and land more scarce, the returns to owners of land rise much faster than those to labour, resulting in a more lopsided income transfer from the greater majority of poor agricultural labourers to the few rich capitalists.

246. In addition, because mothers with frequent, closely spaced pregnancies tend to have poor health, they give birth to babies of low birth weights who are at high risk of infant death. Mothers with high infant deaths tend to have more births to ensure that their desired number of children survive to adulthood. Local evidence shows that if mothers are able to space their children by two years, infant mortality can be reduced by 20 per cent.

247. Population factors play a decisive role in all development endeavours. There is substantial evidence that high population growth rates make the task of human development, economic growth and sustainable development a formidable one. This is because population growth is not directly manipulable by government policy, since fertility decisions are made by couples and families. The only way to bring down population growth rates is by changing the values that couples and families attach to having many children, and by facilitating the practice of family planning. The Philippine Government's Population Programme and the Family Planning Prevalence Rate are attached as annexes N and O.

B. <u>Government policies and programmes on poverty</u> <u>alleviation and social welfare</u>

1. <u>Concept of poverty</u>

248. The concept of poverty, like that of adequate standard of living, is relative. The Presidential Commission to Fight Poverty, (PCFP) in its policy paper, "A Strategy to Fight Poverty", defines poverty or the minimum level of welfare for Filipinos in terms of income for purposes of policy determination and implementation. However, it also recognizes that income-based poverty measures fail to capture certain types of deprivation, since they either assume that these services can in principle always be "bought" or, in the case of mandated social services, that the level of public provision is always adequate. The Commission also recognizes that using an index of means to achieve well-being suffers from deficiencies arising from equally important issues of the social, cultural and moral environment, i.e. the values affecting the poor household's choices. Poverty, as earlier stated, is therefore defined as "the sustained inability of a household to meet its minimum basic needs". The objective of Government is therefore to extend people's capabilities sufficiently for them to meet their minimum basic needs.

249. The Commission to Fight Poverty conducted a series of consultative workshops with representatives of local and national government agencies, non-government organizations (NGOs) and people's organizations (POs) in various regions to arrive at a list of minimum basic needs (MBN), including: health, nutrition, water and sanitation, income, shelter, security or peace and order, basic education and political participation (annex X).

250. The MBN approach primarily measures outcomes arising from various factors, including income. It does not imply that poverty alleviation is dependent solely on Government and thus foster a culture of dependence. Instead, it encourages government agencies, the poor household, the organized community, NGOs, POs and the non-poor or the rich to play their roles in the process of poverty alleviation.

251. Poverty is a total condition encompassing all of the sectoral concerns and requires coordinated intervention on the part of many agents. However, data relating to minimum basic needs are currently generated by various government agencies in the course of their compliance with their particular mandates. This fragmented approach has been one of the important reasons why programmes on poverty alleviation have not been integrated notwithstanding the massive resources mobilized. It is to address these problems that the then President Corazon C. Aquino established the Presidential Commission on the Urban Poor (1986) and subsequently, President Fidel V. Ramos established the Presidential Commission to Fight Poverty (1993).

2. <u>Poverty incidence</u>

252. Poverty incidence fell slightly between 1985 and 1988, during which time the number of poor families also fell. This was an indication of the revival of the economy in that period after the recession of 1984-1985. Between 1988 and 1991, poverty incidence tended to worsen, and the number of poor families increased by 650,000 or 30.4 per cent. This was partly due to the recession of 1991. These trends indicate that the problem of poverty in the Philippines is intrinsically connected to economic growth (annex Y).

253. In 1991, poverty incidence was highest in Region V (56 per cent) and lowest in the National Capital Region (15 per cent) (annex X). Poverty incidence was also over 50 per cent in Regions IX, X, and XII, while it was close to 50 per cent in Region I. Between 1988 and 1990, the overall increase in the magnitude of poverty for the entire nation was largely due to increasing numbers of poor people in Regions IX (19 per cent of the increase), XII (16 per cent), X (15 per cent), III (14 per cent), IV (13 per cent), XI (12 per cent) and V (9 per cent) (annexes Z, AA and BB).

254. By occupation of household head, in 1988, the largest number or 60 per cent of poor families were engaged in agriculture, animal husbandry and forestry with 53 and 7 per cent in rural and urban areas respectively (annexes Y and Z). Even in urban areas, people engaged in agriculture were the second largest group after production workers. The next largest occupation for poor household heads is that of urban production workers (11 per cent) followed by rural production workers (10 per cent). The rural and the urban unemployed accounted for 4 per cent and 3 per cent, respectively, of poor families (annex CC).

255. By class of worker, the 1988 statistics show that most numerous among the poor were the rural self-employed (45 per cent of all poor families) and those working for private establishments in rural areas (17 per cent). This was followed by those who worked for private establishments in urban areas (12 per cent). The urban self-employed were next making up around 9 per cent of all poor families (annex DD).

256. To describe the various poor groups' level of deprivation, the Commission studied the extent to which they owned, controlled, and managed their productive assets; their access to services and facilities, i.e. technology, infrastructure support and social services. Poverty incidence was highest among households headed by agricultural workers (74 per cent); fishers and hunters (73 per cent); labourers not elsewhere classified (71 per cent);

farmers (68 per cent); and construction workers (65 per cent). In relative terms, poverty incidence was not as high among production workers (50 per cent); transport workers (53 per cent); sales (45 per cent) and service workers (44 per cent) (annex CC).

257. To identify the provinces most heavily afflicted by poverty, the Commission, on the basis of available data and using the MBN approach, prepared a poverty map of the country. Of the poorest one third of the provinces, 16 were in Mindanao, 6 in the Visayas and 3 in Luzon. This partly reflected the differences in regional development and the distribution of the benefits of past growth, as well as the unsettled peace and order conditions in some of these areas. This information confirmed the need to focus national and local government efforts in regional development (annex EE).

258. Poverty is brought about by economic and social inequities, especially in land ownership and access to resources and capital. The situation is aggravated by the country's foreign debt, which the Government has opted to pay faithfully and for which it has agreed to undertake the structural adjustment programmes of the IMF and World Bank.

259. Debt servicing in the Philippines during 1986-1991 averaged 52.8 per cent of the annual budget. The Government's debt service fund decreased from 40.1 per cent of the total budget in 1991 to 36.4 per cent in 1992 and 38.3 per cent in 1993 (annex J). The resulting cutbacks in basic services and in subsidies for food and commodities have increased the burden of women who have to work harder and longer only to earn less and spend more because of devaluation and inflation.

260. In 1991, the estimates showed that 40.7 per cent of Filipinos were living below the poverty line. The UNICEF-funded situation analysis on "Children and Women in the Philippines, 1992" reports that the poverty situation appears to have worsened since 1988 as a result of the economic slow-down and several natural disasters.

261. The 1990 Census on Population and Housing showed that 64.9 per cent of all the people reported having safe sources of drinking water; 84.5 per cent of the urban dwellers and 46 per cent of rural dwellers had safe sources of drinking water. The 1992 survey showed that among the poor 65.5 per cent had safe sources of drinking water, urban dwellers 75.8 per cent and rural dwellers 61.4 per cent.

262. In 1991, the DPWH launched a World Bank-funded water and sanitation project entitled "First Rural Water Supply and Sanitation Project" which attempted to adopt a Women In Development (WID) approach. The aim was to create support mechanisms to enhance women's role in activities related to water and sanitation.

263. To alleviate poverty among the urban poor, the Department of Agriculture works closely with the Rural Improvement Clubs (RICs), a non-governmental community-based organization of women who are involved in economic activities such as selected homeyard food production through bio-intensive gardening, cooperatives, cottage industries and other income-generating activities.

264. Women and children have been hardest hit by the economic slow-down. The President issued directives to improve the standard of living of more than 50 per cent of the population which are the women, including those addressed to the Technology and Livelihood Research Centre (TLRC), the Department of Trade and Industry (DTI) and other livelihood implementing agencies to enhance access of small- and medium-scale women entrepreneurs to livelihood programmes.

3. <u>Government policies and programmes and overview on</u> social welfare, 1987-1992

265. The provision of basic social welfare and community development services has long been considered as one of the strategies for eradicating poverty and responding to other critical social problems. Aside from implementing macroeconomic policies to achieve overall growth of the economy, resources were deployed towards increasing access to basic needs and improving the quality of life; developing the capabilities of the disadvantaged population; organizing local communities and harnessing their resources and capabilities; and strengthening the existing agencies, institutions and People's Organizations (POs) including cooperative linkages with non-government organizations (NGOs).

266. The social sector was faced with formidable challenges during the period 1987-1992. Natural and man-made calamities and disasters such as the killer typhoons, red-tide phenomena, sea and air mishaps, droughts and floods, military uprisings, power shortages, the 1990 killer earthquake, the Middle East crisis and the eruption of Mt. Pinatubo, moderately set back the full attainment of the sectoral goals and targets. People falling below the poverty line were specially affected. Regular programmes and projects were realigned, particularly during the years 1988, 1990 and 1991, to give priority to disaster management and operations, emergency relief assistance and rehabilitation programmes in the areas severely affected by the calamities and disasters.

267. None the less, the number of socially disadvantaged families provided with social welfare services exceeded the Plan targets by 4.26 per cent, i.e. 4,160,000 families were served compared to the 3,990,000 families targeted. However, the bulk of the beneficiaries were the victims of calamities and disasters. The promotion of the welfare of socially disadvantaged women exhibited the highest increase in the number of beneficiaries served, registering a compound annual growth rate of 105.52 per cent, or an increase from 16,169 women in 1987 to 592,867 women in 1992.

268. Most of the efforts and resources in the social sector were devoted to relief and rehabilitation-related activities such as emergency food assistance, shelter assistance, skills and livelihood assistance, disaster-preparedness activities, in addition to regular programmes for children and youth in especially difficult circumstances, socially disadvantaged women, physically and mentally disabled persons including the elderly, and the more disadvantaged members of the labour force, including overseas contract workers.

269. The emergence and increased viability of the NGOs took place during this period. Various government agencies on their own initiatives have enjoined NGOs to participate in the formulation of their respective agency's policies and procedural guidelines. Formulation and implementation of sectoral programmes were conducted with their respective NGO partners taking an active role and providing alternative paradigms to the concept of development.

270. Programmes of NGOs covered a wide spectrum, ranging from provision of productive activity, savings and credit, education and community organization to research, planning and information systems. They were also active in areas of rescue, relief and rehabilitation of victims of calamities and man-made disasters, particularly in armed conflict situations.

271. Concern for the welfare of the disabled has been enunciated in the Philippine Constitution and various laws and regulations. Under the Vocational Rehabilitation Act (Republic Act No. 1179), measures for the vocational rehabilitation of the blind and other handicapped persons and their return to civil employment have been provided for. In 1976, Presidential Decree No. 1044 increased the benefits of military personnel who became disabled or die in the line of duty before completing 20 years of active service.

272. Batas Pambansa No. 344 or the Accessibility Law was passed providing for the installation of facilities for the disabled in public areas and utilities. Pursuant to the Accessibility Law the Department of Education, Culture and Sports (DECS), through Memorandum No. 120 Series of 1991, requires all public and private schools to hold classes for students with disabilities on the ground floor. Considering that there were more than 74,000 enrolled children with disabilities during the 1989/90 school year, special arrangements for their equal access to education is important. Scholarship grants may also now be availed for the disabled. The Department of Public Highways have also provided curb cut-outs and other accessibility features in the installation of traffic lights and signs. Identification cards are now being issued to disabled persons to enable them to avail themselves of discounted fares. There is an ongoing programme of the Department of the Interior and Local Government to enjoin local government units to enact ordinances providing discounted fares of not less than 10 per cent in public utility transport services. To implement this policy the Land Transportation Franchising Regulatory Board issued guidelines on fare discount for students, elderly senior citizens and the disabled.

273. The Magna Carta for Disabled Persons passed in 1992 further consolidates the laws on the disabled. The law gives disabled persons equal rights to education, employment, housing, health facilities and other services. It also aims to facilitate the reintegration of disabled persons into the mainstream of society. The text is attached as annex P.

274. The National Commission Concerning Disabled Persons was created in 1978 by virtue of Republic Act No. 1179. Since then this Commission has been monitoring the implementation of laws, regulations and programmes on the disabled. It also serves as the national consultative and advisory body to the President and as the overall coordinating body to rationalize the functions and activities of government agencies, private entities and international organizations on the disabled.

275. Filipino culture and family values stress interdependence, closely-knit ties and extended kinship. A majority of at least 75 per cent of all senior citizens live with their children, even when these children already have their own families. Only 3 per cent of all senior citizens live alone or are "independent". The extended family system provides security, moral support and social contacts. Placing elderly parents or relatives in a nursing home is not a family tradition. However, with dislocations brought about by recent disasters, gains in industrial development and urban growth, traditional family care for the elderly no longer suffices. Supplementary responsive government services and private sector support provide and promote the well-being of the elderly.

276. In 1991, the Senior Citizens' Law was passed providing the elderly access to medical care, rehabilitative services and opportunities to ensure productivity and self-esteem. The Department of Social Welfare and Development is tasked to deliver social services to the disadvantaged sectors of the population, along with the Department of Health. Services to the elderly include peer interaction, self-help and advocacy, volunteerism and mentorship. The neighbourhood day centres in many <u>barangays</u> have served as focal points for activities for the elderly in the community.

4. <u>Government policies and programmes and overview</u> on the economy, 1987-1992

277. When the 1987-1992 Medium-Term Philippine Development Plan was formulated in 1986, the Philippines was suffering from the worst economic and financial crisis since the post-war era. Economic growth contracted by a cumulative 15.8 per cent in 1984 and 1985. Inflation rate on an annual basis averaged 25.3 per cent, while the average unemployment rate was over 11 per cent during the period 1983-1985.

278. Revival of the economy was therefore the primordial concern of the 1987-1992 Medium-Term Philippine Development Plan. Economic recovery was the short-term goal and sustainable development was the medium-term agenda. The Plan's development goals were poverty alleviation, generation of productive employment, promotion of equity and social justice, and attainment of sustainable economic growth. A demand-led, employment-oriented and rural-based strategy, coupled with measures to slow down population growth, were the strategies envisioned.

279. The Government therefore set the foundation for longer-term economic and political stability. The reforms included foreign exchange and foreign investment liberalization, extensive tariff reform, removal of import restrictions, tax reform measures, and acceleration of the privatization programme.

280. The objectives of the macroeconomic strategy were to control inflation, increase growth, maintain external balance and manage the external debt. The target set for GNP growth was 6.8 per cent annually. Growth was to be

anchored on the development of efficient and competitive industries, with strong backward linkages. Investments were also envisioned to fuel growth.

281. The Philippine economy recovered at an impressive rate of 5.6 per cent annually from 1986 to 1989. The real GNP growth rate peaked at 7.2 per cent in 1988. Renewed confidence in the new political regime and the more liberal economic environment led to this higher growth. The recovery was "consumption-led", with the Government embarking on a number of pump-priming activities to spark growth and to take advantage of unused capacity. Investment growth was strong and rose more rapidly than consumption.

282. However, the recovery was not sustained. Unanticipated external events combined with widening macroeconomic imbalances in the domestic economy slowly pulled down economic performance. Real GNP started to decline in 1989 reaching the lowest growth level in 1991. In 1992, the economy slowly recovered with GNP growing at 1.0 per cent, although real GDP remained flat during the year. Stabilization measures had to be implemented from 1990 to 1992 in order to lower the inflation and interest rates, and reduce fiscal and current account deficits. The economy posted an average annual growth rate of only 3.9 per cent as compared with the 6.8 per cent target (annexes G and J).

283. Several external critical factors affected economic growth, the major one being the slow-down in several industrial countries aggravated by the Gulf crisis in August 1990 which further weakened world economic performance and pushed many industrial countries into recession. Political instability, especially with the attempted <u>coup d'etat</u> in 1989, ruined the budding confidence in the economy, while the natural disasters that hit the country in 1990 strained public resources.

284. Current account deficits registered at US\$ 500 million in 1987 and 1988. The deficit ballooned to US\$ 1.4 billion (3.5 per cent of GNP) in 1989 and peaked at US\$ 2.7 billion in 1990 (6.1 per cent of GNP). The national Government deficit rose to P 37.2 billion in 1990 or 3.4 per cent of GNP, with the consolidated public sector deficit reaching 5.0 per cent of GNP. The deficit was brought down to P 16 billion by 1992 or about 1.2 per cent of GNP. The annual inflation rate reached double-digit levels in 1989, peaking at 18.7 per cent in 1991. By 1992, the inflation rate had tapered off to a single-digit level.

285. Despite these problems, significant structural reforms were undertaken to revitalize private sector initiative and restructure the public sector. Sugar, coconut and meat monopolies were dismantled and price controls on rice, corn and other feed grains, poultry and pork were lifted. Measures to address regulatory, subsidy and pricing issues concerning energy were also implemented. The Omnibus Investments Code of 1987, the debt-equity swap, and the Public Investments Act of 1991 were introduced to accelerate investments. Tariffs were also reduced within and across industries. Non-tariff measures were replaced with tariff protection as a means of promoting world competitive industries.

286. A more equitable and progressive tax system was pursued through the implementation of a comprehensive tax reform programme which included the introduction of the value added tax, among others. The liberalization of

foreign exchange transactions was initiated in 1992 to ease export transactions. Bank entry and branching were deregulated in order to improve resource mobilization and enhance financial intermediation. In order to improve the public sector finances, government corporations were rationalized and public investments were focused towards essential infrastructures.

287. One of the goals of the 1987-1992 MTPDP was the generation of more productive employment and remunerative sources of livelihood. The protection of wages, improvement of productivity, upholding of workers' rights and the upgrading of labour welfare were pursued. Policies and programmes were put into effect as early as 1986.

288. The labour force expanded by 3.5 per cent annually during the plan period, reaching 26.3 million in 1992. An average of 820,000 persons joined the work force yearly, but only 806,000 found employment. The labour force participation rate, which is the proportion of the labour force to the total working age population, reached its peak rate of 71.4 per cent in April 1991. The combined weaknesses of the economy resulted in an increased number of women and children in the labour force (annex FF).

289. The number of unemployed decreased during the period by an annual average of 5 per cent. However, in 1991, the unemployment rate reached 10.5 per cent overshooting the target of 4 per cent. The unemployed reached 2.7 million. Open unemployment was higher than the target almost throughout the plan period. The worsening employment picture was caused by the general economic slow-down, the Gulf crisis which displaced thousands of overseas contract workers, and the eruption of Mt. Pinatubo. In 1992, however, the unemployment rate declined to 9.8 per cent or approximately 2.6 million unemployed workers.

290. With the continued increase in jobs offering stable income the unemployment rate steadily went down during the period. Relative peace was achieved on the industrial front with the number of strikes steadily declining during the period. The number of working days lost due to strikes decreased by an annual average of 23.7 per cent, except in 1990, when the labour sector became restive due to the increase in the prices of basic commodities following the Gulf crisis.

291. The Government's policy to recognize the right of labour to freedom of expression, self-organization and to undertake concerted actions was achieved through the promotion and adoption of collective bargaining agreements as the principal mode for setting the terms and conditions of employment. By 1991 there were already about 135 public sector unions with 71,000 members.

292. During the plan period, the general policy of non-intervention by Government in wage setting was not strictly followed. The Government effected legislated minimum wage adjustments, particularly in the private sector, in order to improve the workers' welfare through increased incomes. Public sector employees were also granted increases in salaries and cost of living allowances in order to mitigate the erosion in their real income during the previous years.

293. In 1990 a more independent and conciliatory wage setting mechanism was adopted with the creation of the Regional Tripartite Wages and Productivity

Boards. The Boards set the minimum wage rates in the private sector on a regional basis taking into consideration the economic conditions in the regions. Wage adjustments were granted in 1990 to mitigate the adverse impact of rising prices due to the Gulf crisis. Aside from these wage adjustments, a ten-point non-wage benefit package was granted in 1991. Included in the package were higher tax exemptions, a profit-sharing scheme mandated by Republic Act No. 6971, which stipulates the granting of bonuses on the basis of increased production, increases in SSS, Medicare and Government Service Insurance System benefits, increased access to housing and livelihood support programmes and additional benefits for sugar workers. The *Kalakalan 20* or the Magna Carta for Countryside and *Barangay* Business Enterprises (Republic Act No. 6810, 1989) was enacted to provide livelihood opportunities, especially to the people in the rural areas, and to complement the formal sources of wage employment

294. Despite efforts to maintain wages and other compensations, labour productivity for the period 1987-1992 contracted at an annual average rate of -0.6 per cent. The industry sector experienced the highest average annual decrease of 3.6 per cent. The agriculture sector and services sector reported annual average decreases in productivity of 0.6 and 0.4 per cent respectively.

295. In its quest to improve the Philippine economy, the Government sought to revitalize existing viable industries and develop their world competitiveness during the 1987-1992 period. The Government therefore embarked on a number of structural reforms in the areas of trade, investment and industrial development. The measures include the liberalization of the investment climate with the enactment of the Foreign Investments Act, privatization of Government-owned companies, industry deregulation and trade liberalization with the issuance of Executive Order No. 470 and the removal of restrictions on certain imports and export promotion through a number of export financing and guarantee programmes.

296. Notable measures implemented during the period include the establishment of Regional Industrial Centres, Peoples' Industrial Enterprises and Agro-Industrial Development Areas; the rationalization of existing government assistance programmes; provision of skills training and transfer of technology for small and medium-size enterprises; enactment of the Price Act; the promotion of non-adversarial and voluntary modes of resolving labour and management disputes; and the revitalization of the tourist industry.

297. The Government adopted the strategy of utilizing diplomacy in advancing the country's interests and in promoting its economic welfare, through the expansion of market access for products and services, attracting foreign investments, exploring new ODA sources and the transfer of appropriate technology.

C. Issues and problems of poverty alleviation

298. The current target of reducing poverty incidence from 40.7 per cent (1991) to 30 per cent by 1998 is an aggregate target. This can be achieved mechanically if income increases enough to pull people over the poverty threshold. However, measures should also be sensitive to the plight of those

who are very poor whose income may increase but not enough to pull them over the poverty threshold or whose plight may improve through social services provision without a large increase in their incomes.

299. The Presidential Commission to Fight Poverty made a genuine attempt to identify the dimensions in which people are deprived, in order that appropriate kinds of interventions may be designed and delivered.

300. The Commission observed that "surplus" labour or wage employment in industry and services or the "formal sector" commands a premium. The Commission identified the following as the major causes of poverty:

(a) Lack of employment and livelihood opportunities due to low and unsustained economic growth, exacerbated by high population growth;

(b) Concentration of wealth, incomes and access to resources;

(c) Low productivity of labour;

(d) Insufficiency of basic services, particularly primary health care and quality basic education;

(e) Poor or degraded resource base;

(f) Political and bureaucratic deficiencies, including insufficient consultation with concerned communities;

- (g) Political immaturity among many of the people; and
- (h) Political power of vested interest groups.

301. The continuing high incidence of poverty despite the massive resources mobilized by the Government in recent years is indicative of the need for greater focus on the delivery of direct poverty-alleviation programmes. The difficulties encountered in the delivery of such programmes stem from the following:

(a) Existing poverty alleviation programmes are fragmented, with different agencies initiating their own poverty-alleviation programmes in fulfilment of different mandates using their own priorities, standards and methodologies, resulting in some instances in parallel structures with varying target groups and timing of interventions;

(b) Existing poverty-alleviation programmes have not been able to sufficiently mobilize communities to help themselves;

(c) Recent changes in institutions and strategies (e.g. the devolution upon the local government units of many of the functions in the delivery of basic services) are creating problems of coordination and reorientation;

(d) Financial and economic repercussions of the debt crisis have severely cut into the Government's ability to expand the social and economic sectors. This has put a strain on budgets for poverty-alleviation programmes

because of fiscal cutbacks and economy measures. The share of social services in the national budget increased by only 1.1 percentage points between 1980 and 1991; the share of economic services actually fell, while debt service rapidly increased. The economic contraction caused by the debt crisis tended to undermine the viability and sustainability of many pro-poor programmes, notably those pertaining to livelihood.

302. Recognizing that the poor are not a homogeneous group, that the intensities of their needs are diverse, the causes of their entrapment vary and therefore the solutions to their problems are different, the Commission suggested that poverty-alleviation measures should be introduced at two levels: the macroeconomic sectoral policies and direct intervention.

303. Direct poverty-alleviation efforts may be classified into three:

(a) Those that directly provide the basic services to the poor;

(b) Those that assist the poor in obtaining an adequate income, either through employment or enterprise formation;

(c) Those that assist the poor in developing the capacity for self-reliance and integrating into the mainstream of development.

304. The response of the less poor and the subsistence poor to different interventions will differ. Groups among the less poor may be expected to respond more easily to overall changes in macroeconomic and sectoral policies that generate employment and remove the biases against agriculture and small and medium industries. On the other hand, the subsistence poor will be less responsive to such sectoral policies, either because their current source of livelihood is not in the mainstream of sectoral developments, or because they lack the necessary health, skills or complementary inputs to take advantage of these developments. Ultimately, however, micro-interventions will be mere palliatives unless the poor are finally drawn into the mainstream of economic development.

D. Strategies for poverty alleviation

1. <u>Reviving economic growth</u>

305. The first priority is to attain and sustain rapid economic growth of some 5-7 per cent annually, where new investments take place and new jobs and livelihood opportunities are created. The target is to reduce the number of families living below the poverty line from 40.7 per cent in 1991 to 30 per cent in 1998.

306. The principal obstacles at present are the inability to mobilize savings and to generate tax revenues for private and public investments. The problem of the government's budget deficit has to be solved. The Government has to embark on a massive infrastructure programme in roads and ports, power, irrigation, storage facilities and communications directed primarily at the rural areas and alternative urban centres to provide wider access to work opportunities and proximity to social services. Revenue collections will have to be improved through more strict tax collection measures and imposition of new taxes that promote equity and conserve natural resources. Investments have to be encouraged by reducing interest rates to borrowers and raising the interest rates for savings. The Government should emphasize voluntary arbitration in the resolution of industrial disputes, forge industry-specific agreements on pay, productivity and profits and work towards a social pact between labour, business and Government to prevent wage-price spirals when undertaking structural reforms.

2. <u>Sustaining growth</u>

307. The strategy of sustaining growth for poverty reduction must be based on the development of economic activities that are accessible to the poor, yet efficient and productive enough to yield better incomes. The major elements of the poverty alleviation programmes are: the promotion of new labour-intensive industries with high domestic value added, export potential and stronger links with agriculture, particularly food processing; adoption of policies designed to improve prices for agricultural products and lower prices for agricultural inputs, promote greater diversification of products that have higher value, use more labour and make more efficient use of land; conservation and management of natural resources by involving the communities affected, and implementation of policies on resource use; protection of the gains from the Comprehensive Agrarian Reform Programme; revival of rural finance; allocation of more funds to agricultural research and extension; and continuous training of personnel.

3. <u>Providing basic social services</u>

308. The strategy also aims to address the basic needs of the poor, such as primary health care and family planning, elementary education, supplemental feeding, housing, water and sanitation, and to promulgate policies on the provision of safety nets against structural adjustment.

4. Promoting livelihood among the poor

309. A greater emphasis will be given to the livelihood projects for the less poor. Livelihood components will include skills and technology training, credit and livelihood assistance and technical assistance. The strategy will provide for the design of credit schemes considering the capabilities of poor groups and the experience of banks, such as the Grameen Bank of Bangladesh, which charge commercial rates of interest on non-collateralized loans in order to assist in organizing the poor and to instil collective consciousness and culture on the proper use of credit, savings operations and the obligation to pay amortization and interest. The strategy aims to involve NGOs, cooperatives and development foundations and to coordinate efforts of the Government, non-governmental organizations and the private sector in providing training for the poor in livelihood- and income-generating projects provided by NGOs and government agencies.

5. <u>Capability building</u>

310. The strategy should ultimately enable the poor to do something for themselves. Close attention must therefore be paid to the process of building capabilities among the poor. Local government units should be fully utilized

after some minimum advocacy and training at the local level. NGOs will be encouraged to promote people's organizations to articulate their needs, design self-help projects, mobilize their own and outside resources, and to monitor and evaluate their own progress. The progress of the poverty alleviation programme will be monitored through a community-managed surveillance system in each <u>barangay</u> administered through local government units. At the national level a high priority will be given to generating reliable and timely provincial data on income and other minimum needs. The locus of planning, decision making and implementation will be situated as close to the poor as possible. Institutional mechanisms must therefore be established through which anti-poverty programmes may be carried out on the micro-level and through training a large cadre of field workers, motivated and guided at the local level.

E. <u>Government policies and programmes to raise</u> the standard of living: 1993-1998

311. The Medium-Term Philippine Development Plan: 1993-1998 was formulated at the onset of the administration of President Fidel V. Ramos (annex GG). It sets the overall development goal of the administration, which is to improve the quality of life of every Filipino through people empowerment. Macroeconomic growth targets for 1998 include a per capita income of at least US\$ 1,000, GNP growth rate of at least 10 per cent and reduction in poverty incidence to 30 per cent.

312. Through people empowerment, the State will provide a policy environment to facilitate the pursuit of the people's aspirations and guarantee democratic dialogue. Development will also be made to proceed from the initiatives of any individual, community, household, firm, cooperative, non-government or private organization, or local government unit under a well-functioning market system. When economic opportunities are not equalized, the State acting on the people's behalf, will initiate the necessary intervention measures to increase income and redistribute wealth.

313. Strategies to achieve people empowerment shall include:

(a) Development of human resources, which means increased investments in human capital through education, training, improved basic services in health and nutrition, increased access to productive resources, and diffusion of technology;

(b) International competitiveness, which means that the country will be able to produce world-class products and services for both the domestic and international markets, which will in turn create new jobs, labour skills, managerial techniques and other innovations; and

(c) Sustainable development, which implies that future generations must not suffer from the consequences of the present generation's actions affecting the environment in pursuit of development, through the stewardship of the Government, households, communities, private companies and NGOs. 314. Specific policies and strategies on poverty alleviation and employment generation include:

(a) Implementation of manpower training programmes that provide employable skills;

(b) Provision of adequate social safety nets;

(c) Promotion of agricultural processing and acceleration of the dispersal of industries;

(d) Vigorous implementation of the Comprehensive Agrarian Reform Programme (CARP) and the Urban Land Reform Programme (ULRP);

(e) Pursuit of more equity-oriented fiscal policies;

(f) Expansion of labour policies to include workers in the informal sector;

(g) Formulation of a national employment plan; and

(h) Implementation of an effective programme for the speedy rehabilitation of victims of natural calamities.

315. The human development policies and strategies of the Government will:

(a) Focus social services on the poor by opening new schools in rural areas, developing programmes for low-income urban and rural communities and disadvantaged groups, utilizing idle government lands as resettlement sites for squatter families occupying danger zones and priority infrastructure projects, and channelling of social welfare and development programmes and projects to the very poor;

(b) Develop and maintain social safety nets by maintaining budgetary allocations for basic services such as those earmarked for supplementary feeding, relief and rehabilitation, and by implementing income-security and welfare protective measures;

(c) Direct public resources and efforts to basic services, disadvantaged regions and specific groups, by giving priority to preventive and promotive health services, the use of traditional medicines, and community-based nutrition services, by expanding the thrusts of education through the Education For All (EFA) programme, and by supporting community-based housing and long-term mortgage shelter financing;

(d) Expand schemes to promote the physical and social well-being of the homeless;

(e) Strengthen the family as a basic social institution and the fundamental source of positive values;

(f) Strengthen the moral fibre of the nation to promote a desirable social order;

(g) Focus education and manpower development on meeting the changing demand for basic, mid-level and high-level knowledge and skills;

(h) Promote balance between the needs of the population, resources and environment to ensure sustainable development;

(i) Provide an environment that will allow NGOs, POs and cooperatives to fulfil their vital role in the development and implementation of programmes and projects; and

(j) Provide the necessary infrastructure to facilitate and improve the delivery of basic services.

II. RIGHT TO ADEQUATE FOOD

316. The National Nutrition Council (NNC) is the highest policy-making body for nutrition in the country. It formulates and coordinates the implementation of the integrated national nutrition programme called the Philippine Food and Nutrition Programme (PFNP), now the Philippine Plan of Action for Nutrition. The Plan's research arm is the Food and Nutrition Research Institute (FNRI) of the Department of Science and Technology (DOST) which is responsible for conducting nationwide nutrition surveys covering food consumption, anthropometric and clinical surveys and biochemical nutrition surveys.

317. Using nutrient intake data, nutritionally-at-risk occupational groups are the subsistence or hired fishermen, hired or seasonal farm workers, service and related workers (housekeepers, janitors, etc.), hunters and loggers, craftsmen and production workers and common labourers.

318. Measures necessary to guarantee access to adequate food for the vulnerable or disadvantaged groups include the Philippine Plan of Action for Nutrition. It adopts a two-pronged strategy to decrease the prevalence of malnutrition in the Philippines. This strategy involves the promotion of household food security and prevention, control and elimination of malnutrition.

319. The major nutritional problems of the country remain chronic nutrient inadequacy manifested by protein malnutrition, and deficiencies in vitamin A, iodine and iron. Infants, pre-school children 1-3 years old, pregnant and lactating women and school children are the most seriously affected.

320. Along with the promotion of household food security impact programmes such as Home and Community Food Production and Credit Assistance for Livelihood will be implemented.

321. Home and Community Food Production involves the promotion of food production primarily through the establishment of home and school gardens using the bio-intensive gardening technology and other regenerative technologies including small animal raising and agriculture, primarily for home consumption as a means of ensuring household food security. 322. Credit Assistance For Livelihood aims to provide poor and malnourished households with access to credit to enable them to cope with acute food shortages and to address the problem of malnutrition in the longer term.

323. Nutrition education, a major impact programme of the Philippine Plan of Action for Nutrition, is the main vehicle for disseminating nutrition information and principles to the population.

324. The Nutrition Education Programme promotes the adoption of desirable food and feeding practices to insure the population's nutritional well-being.

325. Targets for nutrition education include mothers, school children, certain workers and the general public. While the programme has traditionally targeted women, there are increasing efforts to reach males.

326. Approaches employed under nutrition education include: quality nutrition counselling; a multimedia campaign which uses various forms of mass media; community-based information campaigns using indigenous media, and the integration of nutrition concepts in the school curriculum.

III. RIGHT TO ADEQUATE CLOTHING

327. The Philippines is a tropical country with warm weather conditions. The people therefore do not have serious clothing problems. Government intervention lies mostly in the area of regulating the entry of imported cloth and clothing in order to help local manufacturers. The Textile Research Institute is looking into the possible use of indigenous materials for the textile industry (annex HH). The Department of Social Welfare and Development includes in its assistance programmes for the indigent and victims of natural calamities emergency provisions for clothing.

IV. RIGHT TO ADEQUATE HOUSING

A. Basic legislation on the right to adequate housing

328. Under the 1973 Philippine Constitution, the State is mandated to establish, maintain and ensure social services in the field of housing to guarantee the enjoyment by the people of a decent standard of living (sect. 7, art. II of the Declaration of Principles).

329. The succeeding 1987 Philippine Constitution further strengthens State policy on social justice and human rights by devoting the whole of article XIII to that topic. The article contains provisions that directly or indirectly address the housing needs of the population. Congress is enjoined to give highest priority to the enactment of measures that protect and enhance the right of all people to human dignity and reduce social and economic inequalities, by equitably diffusing wealth and political power for the common good. To this end, the State shall regulate the acquisition, ownership, use and disposition of property.

330. In the promotion of social justice the State shall create economic opportunities based on freedom of initiative and self-reliance. The State shall undertake, in cooperation with the private sector, a continuing

programme of urban land reform and housing. The State shall make available at affordable cost decent housing and basic services to underprivileged and homeless citizens in urban centres and resettlement areas. In the implementation of such programme, the State is required to respect the rights of the small property owners. Furthermore, urban or rural dwellers shall not be evicted nor their dwellings demolished, except in accordance with law and in a just and humane manner. There shall be adequate consultation with urban or rural dwellers and the communities where they are to be located before resettlement.

331. The Philippine Government has enacted legislative measures, introduced statutes and implemented guidelines establishing various programmes which directly or indirectly provide housing services to its burgeoning population and instituting the necessary implementing structures and mechanisms.

332. Basic to all the legislative efforts is a serious concern for the provision of housing to those most in need. The increasing housing need and the inability of the poor to compete for housing in the open market prompted Government to include for the first time a programme specifically for housing in its Second Economic Development Plan in 1970. The Plan called for the formulation of a broad housing policy and for the allocation of funds for several low-cost housing projects in the country.

333. These thrusts were substantiated by legislation (Presidential Proclamations, Letters of Instructions and other issuances) passed throughout the Marcos administration. Among the more significant pieces of legislation were Presidential Decree No. 933 and Presidential Decree No. 1396 which created the Human Settlements Commission and the Ministry of Human Settlements, respectively. These laws provided for a central government body to plan, implement and evaluate housing projects giving Government the much needed institutional leeway to embark on an integrated and comprehensive housing programme. Separate issuances (Presidential Decree No. 1267, Presidential Decree No. 757, Executive Order No. 535, Executive Order No. 648 and Presidential Decree No. 1530) established the other housing agencies. Several LOIs in 1977 further reinforced the Government's thrusts by mandating the implementation of low-cost housing programmes and adopting slum improvement as a national housing policy. Another measure (Presidential Decree No. 1517 with its companion legislation) paved the way for urban land reform and authorized the application of innovative land-use schemes and land tenure to help solve the housing problem of the disadvantaged.

334. The Aquino administration brought in reforms in housing to conform with the new Government's non-interventionist policy on shelter. The most significant legislation were Republic Act No. 7279, Republic Act No. 6846 and Republic Act No. 7160. Republic Act No. 7279 or the Urban Development and Housing Act enacted on 24 March 1992 amended Presidential Decree No. 1517 and provided for a comprehensive and continuing urban development and housing programme (annex II). A major feature of the law is the provision of access to land and housing by the underprivileged and homeless citizens through a number of strategies and a system of incentives to encourage private sector participation. Republic Act No. 6846 created the *Abot-Kaya Pabahay* Fund or the Social Housing Support to low-income families. Republic Act No. 7160, known as the Local Government Code of 1991, devolved to the local government units the provision of shelter services to their constituents.

335. It was also during this time that the present institutional structure to implement the National Shelter Programme was created through Executive Order No. 90 and further strengthened by Executive Order No. 357.

336. Under the Ramos administration, which began in June 1992 and continued the shelter policy and programme of the Aquino administration, the following laws and guidelines were passed:

 (a) Executive Order No. 72 (29 August, 1993) - This presidential directive allows automatic salary deduction schemes for housing loan amortization, thereby increasing collection efficiency and in turn, increasing the pool of funds for home lending;

(b) **Executive Order No. 129 (15 October, 1993)** - This established an institutional mechanism to curtail the activities of professional squatting syndicates and professional squatters. It is designed to protect the rightful beneficiaries of the various government housing programmes;

(c) **Executive Order No. 143 (13 December, 1993)** - This directed the Housing and Urban Development Coordinating Council (HUDCC) to oversee the implementation of a Local Government *Pabahay* Housing Programme. The Programme aims to support LGU-initiated socialized housing projects through a special development loan window for direct lending to local governments.

337. The Government, through the foregoing legislative acts and executive issuances, has manifested its serious intention to help reduce the housing shortage affecting the poor. The introduction of meaningful legislation has resulted in a sharper focusing of the intended beneficiaries from an amorphous and motley group to the lowest three deciles of the country's income earners; the inclusion of basic utilities and amenities and livelihood programmes in the housing package; and the more active involvement of the private sector and non-governmental agencies in these programmes. A complete listing of major Philippine laws on housing is presented in annex JJ.

B. <u>Housing situation</u>

338. The present housing situation in the Philippines reflects to a large extent the rapid pace of urbanization in the country.

339. The results of the 1990 Census on Population and Housing indicate that the total household population reached 62.0 million per cent from 48.1 million in 1980, an increase of 23 per cent. Urban areas including the National Capital Region accounted for 48.6 per cent of the total household population.

340. By the year 2000, the urban population is expected to reach 36 million, well over 50 per cent of the total population.

341. Based on the projected population growth rates for the period 1993 to 1998, estimates show that a total number of 3,724,000 housing units are

needed both in the urban and rural areas. This includes both the current and the future housing need with the Metropolitan Manila Region accounting for around 890,000 and other urban areas together with large cities at 2 million.

342. Over the last decades, the shortage of adequate housing has been plaguing urban centres and major cities, especially Metro Manila, because of unabated rural-to-urban migration coupled with a high natural population increase that averages 2.3 per cent yearly. Off-farm workers, displaced rural families and newly formed households in search of employment and livelihood opportunities continue to crowd Philippine cities. With limited resources at their disposal, these people encroach on public and privately owned lands to build shelter for themselves. Thus, low-grade settlements become attractive homesites for such people, particularly if they do not have to pay for the lots, as their incomes hardly allow them even the basic necessities in life. Some of them, finding no available land, settle along rail-road tracks, creeks, waterways and right-of-ways.

343. The squatting phenomenon is a by-product of the economic imbalance between the city and the countryside and between urban wages and housing costs. Other factors include an uncontrolled and highly speculative land market, inefficient infrastructure delivery and inadequate housing supply, particularly for low-income earners. This is further aggravated by the existence of professional squatters and squatting syndicates who continuously prey on and victimize the urban poor families by collecting fees, selling land rights and sowing disinformation.

344. There are no accurate figures for the slum/squatter population in the country. However, a UNICEF-funded study done on the Philippine urban situation in 1990 in cooperation with the Philippine Government indicates that the urban slum and squatter population makes up about 17 per cent of the total population and 40 per cent of the urban population. Metro Manila has the largest slum and squatter population with 2.4 million.

345. Similarly, there are no reliable data on the total number of persons evicted within the last five years. However, current statistics of the National Housing Authority (NHA) show that for the period 1975-1993, the Government has provided 97,461 home lots for displaced families.

346. With respect to housing tenure, the 1990 Census on Housing and Population reveals a total number of 9,466,609 households living in their own houses. Some 917,051 are renting their houses; another 993,292 households are living in rented housing units for free with the consent of the owner; and about 30,110 households occupy housing units for free without the consent of the owners. (A household may consist of more than one family.)

347. The 1991 Family Income and Expenditure Survey (FIES) shows that 40.7 per cent of the total number of families have incomes below the poverty threshold. The monthly poverty threshold for the Philippines is P 3,675; in Metro Manila, it is P 4,735.

348. Based on the affordability table for housing in urban areas prepared in 1987, the proportion of the monthly income that is available for housing is as follows:

Income grouping (%)		Per cent of income available for housing
Lowest	30	15
Next	20	20
Next	30	25
Тор	20	30

C. Government policies and strategies on housing

349. Philippine policies and strategies on housing gradually evolved through the years towards a better and more effective service delivery of housing to the population, especially those most in need. Government has moved from the *laissez faire* type of housing policy of the early 1930s when the Government was not directly involved in housing construction, limiting its role to providing infrastructure and basic services and regulating the economic and social processes related to housing, to a **transitional interventionist-type policy** in the post-war period, when the Government was directly involved in some aspects of public housing, usually providing subsidies and other types of assistance to people who could not afford to purchase housing in the open market, and finally to the **developmental housing policy** of the 1970s to the mid 1980s when the Government was directly involved in providing housing for low-income groups, relegating the role of the private sector to the provision of housing for middle- and high-income groups.

350. Within this framework, the Government institutionalized a well-planned, total and coordinated approach designed to meet the housing needs and demands of the populace. Provision for housing is construed to include the improvement of environmental conditions in marginal settlements and the development of viable communities with necessary facilities, services and amenities so that education, recreation, culture, etc. are integrated into the lives of the residents. Definite credit policies, i.e. the operationalization of a viable secondary mortgage market, land use and acquisition controls are novel and prominent features of this policy orientation.

351. This redefined national housing policy became the basis of the National Shelter Programme. Under the Programme, provision for adequate shelter is to be achieved by accelerating construction of dwellings with the use of new housing designs, new and indigenous materials, and innovative techniques, and financing strategies involving low interest rates, longer repayment periods and provision of auxiliary incomes to those in need.

352. Another major policy development during this period was the adoption of slum improvement or on-site provision of services as a national housing policy. This declared policy of Government recognizes that:

(a) Slum improvement or upgrading of sites and services is an acceptable approach and the primary strategy for dealing with squatter areas;

(b) Slum improvement implies the introduction or improvement of both physical and socio-economic programmes; and

(c) Relocation and resettlement are subordinated to on-site development and should, therefore, be undertaken only to complement improvement of the sites or to clear areas dangerous to public safety or designated for infrastructure development.

353. The use of expropriation for social purposes is another component of government policy. Several issuances (Presidential Decree No. 1225 as amended by Presidential Decree No. 1259 issued in December 1977 and Presidential Decree No. 1313 in March 1978) extended the scope of "public use" beyond the limited traditional meaning to include explicitly "acquisition for the purposes of socialized housing for middle- and lower-income groups". Socialized housing, in turn, includes the following:

(a) The construction of dwelling units for middle- and lower-income groups;

(b) Relocation and resettlement of squatters;

(c) Slum upgrading; and

(d) The provision of economic opportunities through the development of commercial and industrial estates.

354. At the outset of the Aquino administration after the People Power Revolution of 1986, the Ministry of Human Settlements was abolished and replaced by the Housing and Urban Development Coordinating Council (HUDCC) as the policy-making and coordinating body on housing and urban development. Likewise, it has administrative supervision over the key housing agencies.

355. The key agencies for housing are the National Home Mortgage Financing Corporation (NHMFC) which provides mortgage financing for housing; the National Housing Authority (NHA) which undertakes the production of housing units focusing on the lowest 30 percent of the population, development of home lots and the provision of security of tenure; the Home Insurance and Guaranty Corporation (HIGC) which provides insurance for housing loans and mortgages; and the Housing and Land Use Regulatory Board (HLURB) which performs the regulatory functions regarding housing and land use activities. The funding agencies are the Social Security System (SSS); Government Service Insurance System (GSIS); and the Home Development Mutual Fund or PAG-IBIG Fund.

356. The change in political administration ushered in basic policy, financial and structural reforms. The call for reforms was indicative of the new political environment and government thrusts.

357. The new Government adopted a **non-interventionist policy** on shelter but building upon the total systems approach to housing by the previous administration. It was felt that Government should not undertake direct housing production as it had done in the past because it is not only costly but also not sustainable considering the required financial outlay in a resource-scarce environment. This policy was in conformity with the emerging world view that governments of developing countries should address their housing needs based on an enabling approach as espoused by the United Nations Global Strategy for Shelter in the Year 2000.

358. This major shift in housing policy allowed the Government to become a non-interventionist facilitator. Its primary task is to ensure that all resources are mobilized and that the private and community sectors can contribute in full to shelter development. Thus, it realigned its traditional role as the sole provider and producer of actual public housing units to an enabler and facilitator within an integrated and comprehensive delivery system. Towards this end, it shall create the enabling environment to encourage and mobilize private sector investment in low-cost housing and institutionalize community or people's initiatives.

359. For the period 1987-1992, the Government adopted the following policies and strategies:

(a) Focus on the lower-income groups through the improvement of lending rates, relaxation of standards and encouragement of volume production of housing units designed in accordance with what is affordable to each income level;

(b) Special attention to urban areas where the housing shortage is acute through a variety of schemes that increase access to financing, expand the housing stock and control land speculation, among others;

(c) Improvement of blighted areas and provision of on-site basic services;

(d) Development of a land policy package that sought to reduce land prices, control hoarding and land speculation, release government land and expropriate private land for low-income housing;

(e) Development and strengthening of the informal sector to produce housing stock including the institutionalization of the concept of self-help and owner-built housing;

(f) Designation of housing as an economic catalyst in cognizance of its high multiplier effect on the economy;

(g) Encouragement of greater participation of the private sector, non-governmental organizations and other groups in shelter production and financing;

(h) Limitation of government involvement in housing production to those for the lowest income groups, sites and services development, construction of starter, shell and core housing, slum upgrading and, in case of relocation, provision of infrastructure and amenities at relocation sites;

(i) Adoption of a policy of regionalization and decentralization of operations to provide more direct contact between Government and the people;

(j) Establishment of a system for ensuring coordination and integration of public and private efforts in housing development and delivery;

(k) Effective matching of housing packages with affordability levels;

(1) Liberalization of standards for low-cost housing and the streamlining of procedures to make these more responsive to intended beneficiaries; and

(m) Increasing the availability of land for housing development through various mechanisms such as land exchange, land readjustment and land investment trust.

360. The Medium-Term Philippine Development Plan 1993-1998 under the Ramos administration highlights the following policies and strategies on housing:

(a) Grant of government housing assistance to the poorest 50 per cent of the population through the cross-subsidy scheme, *Abot-Kaya Pabahay* Fund, other subsidies, and community-based financing schemes;

(b) Encouragement of community-based housing and site development activities;

(c) Sustaining a long-term mortgage shelter finance programme that allows for cost recovery, cross-subsidy mechanisms, expanded service to different regions, and development of new self-financing/cooperative schemes for land acquisition and housing;

(d) Provision of government lands as resettlement sites for squatter families occupying priority infrastructure projects and danger zones;

(e) Private sector and NGO-PO participation in the provision of low-cost housing for the poor;

(f) Allocation of more resources to housing programmes designed to provide security of tenure and upgrading of housing facilities;

(g) Design of assistance packages that are affordable to the homeless population, without prejudice to the sustainability of housing finance;

(h) Formulation and implementation of a comprehensive preventive and remedial programme on squatting;

(i) Implementation of land banking and other innovative land acquisition and development measures for social housing;

(j) Integration in the agro-industrial sector of housing for workers;

(k) Implementation of the Urban Development and Housing Act of 1992;

(1) Promotion of a more balanced population distribution to ease pressures on existing physical resources and basic services, particularly housing in the urban areas;

(m) National reconciliation to reduce the problem of displaced families;

(n) Expansion and strengthening of existing community, family, women, and child welfare programmes in resettlement sites, slums or depressed areas and low-income communities;

(o) Emergency shelter and psychosocial services for individuals and families traumatized by natural and man-made disasters;

(p) Establishment of regional one-stop shops for housing and regional housing agencies for efficient delivery of housing services;

(q) Creation of local housing boards to plan and implement local housing programmes and projects;

(r) Production of low-cost housing and development of alternative housing options to lower housing construction cost;

(s) Encouragement of private sector involvement in social housing, land development, and house construction;

(t) Synchronization of the provision of necessary infrastructure,e.g. water, electricity, communications, sewerage, rights of way, healthcentres; and

(u) Establishment of resettlement areas and undertaking of sites and services development.

361. In particular, the HUDCC has adopted an eight-point policy thrust anchored on the foregoing to guide the housing sector in achieving its 1993-1998 targets. These thrusts are:

(a) Housing as a means of social intervention and catalyst for economic activity;

(b) People centred and aided self-help approach to housing;

- (c) Maximum multi-sectoral participation;
- (d) Easier land access for housing;
- (e) Development of regional growth poles;
- (f) Sustainability and affordability of housing finance;

(g) Maintenance of ecological balance in urban development and housing; and

(h) Improvement of housing delivery system.

For more details, see annex KK.

362. The Philippine Constitution protects the right to property and the right of the Filipino people to expect the Government to promote urban land reform and housing. In its effort to improve the plight of the urban poor, the Government must reconcile the seemingly conflicting rights of squatters and property owners. The rights upheld by the Constitution are limitations on Government to prevent arbitrary use of its power. Harmonization of the laws and policies of Government is therefore an imperative.

363. Improvement of living conditions, including shelter, cannot be achieved overnight. It is the product of a long tedious process of legislative enactments, institutionalization of programmes for the direct construction of housing units and provision for mechanisms for assistance in securing housing units. The Government must also have the political will to ensure that in the process of instituting reforms, safety nets will be provided to those who will be adversely affected by the structural adjustments.

364. The Ramos administration has not only made this one of its major policy thrusts, but has proceeded to plan for and implement projects which conform to said thrusts. The *Lupang Pangarap* Programme, the *Paliparan* Sites and Services Project and the Smokey Mountain Project are examples of the Government's ongoing programmes (see annexes LL and MM for details of the projects).

365. The Philippine Government encounters numerous difficulties in reconciling the rights of property owners, the right of the people to adequate housing and the need for humane treatment of those affected by evictions with its obligation to promote economic development by providing basic services and infrastructure. The process of fulfilling such obligation sometimes impinges upon private rights which the Government is also obliged to protect.

366. Philippine policy and the legal regime do not condone, much less practise, routine and large-scale forced evictions. While there may have been sporadic and isolated cases of illegal evictions and illegal demolitions, they were not systematically nor "routinely" conducted, perpetrated or encouraged by the Philippine Government. The Department of Interior and Local Government and the Housing and Urban Development Coordinating Council issued implementing regulations on the observance of proper and humane relocation and resettlement procedures (annex NN).

367. At any rate, a distinction must be made between lawful evictions such as those ordered by the court or allowed under the Urban Development and Housing Act or Republic Act No. 7279 and illegal evictions without any court orders. The first are constitutionally allowed, while the second are prohibited.

368. In dealing with the issue of eviction and demolition, one must distinguish between legitimate action by the Government and action that is alleged to be "excessive exercise of authority". One must likewise distinguish between the "legitimate squatters", those urban poor in need of government assistance for housing, and "professional squatters" or those who could afford housing but choose the squatting option to avoid paying for housing or, worse, for economic gain.

369. On the other hand, in order to curtail the activities of professional squatters and squatter syndicates, President Ramos issued on 15 October 1993,

Executive Order No. 129, directing local government units to undertake a campaign against such groups. The directive is intended to put a stop to the nefarious activities of professional squatters and squatter syndicates who prey on and harass poor urban families and to protect the rightful beneficiaries of Republic Act No. 7279.

370. The Philippine Constitution and existing laws prohibit unlawful evictions. Under Philippine law, an eviction is unlawful if it is not done in accordance with section 28 of Republic Act No. 7279, e.g. eviction without relocation, financial assistance or 30-day notice; eviction or demolition conducted during rainy days, etc.

371. This policy against unjust and inhumane eviction is enshrined in section 10, art. XIII of the 1987 Constitution and Republic Act No. 7279. The latter specifically prohibits illegal evictions or demolitions. In the event eviction or demolition is unavoidable, adequate relocation, whether temporary or permanent, and compensation are mandated by law.

372. To discourage infringement of the law, a penalty of not more than six years of imprisonment or a fine of not less than P 5,000, but not more than P 100,000, shall be imposed upon any violator.

373. In cases of eviction and demolition pursuant to court orders involving underprivileged and homeless citizens, relocation shall be undertaken by the concerned local government units and the National Housing Authority with the assistance of other government agencies, within 45 days from service of notice of final judgement of the court. Should relocation not be possible, the law provides that within the said period, financial assistance in the amount equivalent to the prevailing minimum daily wage, multiplied by 60 days, shall be extended by the concerned local government unit to the affected families.

374. As a matter of policy, evictions and demolitions are resorted to only in cases where on-site security of tenure is not possible, as in situations where the site is needed for government infrastructure and occupants do not wish or are unable to acquire the property.

375. As a general rule, relocation assistance is extended to qualified families, especially those displaced from dangerous areas (i.e. riverbanks, shorelines, railways, creeks and rights-of-way) and affected by government infrastructure projects. Even before the enactment of Republic Act No. 7279, the Government had already been providing relocation sites for displaced squatter families. A major example of this is the *Dagat-Dagatan* Development Project where squatters from Tondo Foreshore were relocated.

376. The local government units in cooperation with national agencies normally conduct a series of dialogues with squatter families regarding their area of preferences for relocation and possible plans of returning to their provinces of origin. They also engage the original settlers in relocation areas in dialogues to convince them to accept the new settlers.

377. In addition, government's policy to assist relocated families and slum dwellers has prompted the Department of Social Welfare and Development (DSWD) to provide within relocation areas technical assistance to LGU social workers

in providing support services. These include supplemental feeding, food for work and cash for work programmes, social preparation for people participation, community volunteer resource development, social welfare structures development, community mobilization and self-employment assistance, among other social welfare services.

378. The Department of Health has also responded to the need for basic health services in slums and relocation areas with a multi-pronged urban health and nutrition programme that ensures the availability of basic health services, supports the institutional development and capability building of local government units that are now responsible for health delivery under the devolved set-up, develops community health partnerships among the health sectors in the area, and encourages continuing research and development for improving and sustaining health development efforts.

379. The Government realizes that the squatting problem needs to be addressed within an overall development framework that seeks to strengthen the complementarity of the urban and rural sectors, including the strategic linking of agriculture and industry. Rural-urban migration will continue and an increasing proportion of the population will become urban in the future because of the limited scope for expanding employment opportunities in agriculture. Cognizant of this, regional development policies and strategies have been articulated beginning in the late 1970s. The core of such policies was the decentralization of urban development away from Metro Manila to other urban centres. Thus, the development of intermediate-sized cities and creation of urban growth centres is designed to relieve population pressure in Manila and increase the modernization spin-off which such urban centres would provide to the surrounding rural areas.

380. Again, this is enunciated in the 1993-1998 Medium-Term Philippine Development Plan (MTPDP) and Philippines 2000 of the Ramos administration. This envisions the country's attainment of the status of a newly industrialized country by the twenty-first century. This vision recognizes that economic development is a long process, requiring the active cooperation of and collaboration between the Government and the people. The anchor points of such economic development shall be the identified growth centres.

381. The overall development goals of the Ramos administration is the improvement of the quality of life of every Filipino through people empowerment. This means that the State will provide a policy environment to facilitate the pursuit of the people's aspirations. When economic opportunities are not equalized, the State will initiate necessary intervention measures to increase income and redistribute wealth. Poverty alleviation is one of the macroeconomic policies advanced under the MTPDP. Strategies to be followed include providing adequate safety nets for the disadvantaged, vigorous implementation of the Urban Land Reform Programme (ULRP) and the speedy implementation of an effective programme for rehabilitation of victims of natural calamities (annex OO).

D. <u>Support measures</u>

1. Financial

382. The magnitude of housing needs requires adequate and sustained funding. However, current government appropriations and investments in housing are not sufficient. Historically, only one fourth of 1 per cent of the yearly national budget is given to housing. From 1989-1993, the housing sector's share of the national budget averaged 0.9 per cent or a total amount of P 3.53 billion compared with the share of education (34.8 per cent or a total amount of P 144.4 billion).

383. The Government recognizes that additional funds are necessary and these can only come from sources other than the State considering its budgetary constraints. Hence, private sector funds are mobilized through a guaranty system set up by the Government and implemented by the Home Insurance and Guaranty Corporation. Such a system attracts private funds to invest in low-cost housing which is generally not a very profitable market. Likewise, incentives are granted to private investors/developers in the form of tax exemptions/abatements and other privileges.

384. Other sources of funds come from institutions like the Social Security System (SSS), Government Service Insurance System (GSIS) and the Home Development Mutual Fund (HDMF) which invest a portion of their investible funds into a unified home-lending pool.

385. The Ramos administration is taking steps to provide more funds through the following:

(a) Enactment of the Comprehensive and Integrated Shelter Finance Act which will provide for the following:

- Automatic annual appropriation for specific programmes such as the Resettlement Programme, Medium-Rise Housing and the Community Mortgage Programme. The last is expected to have a total funding of P 12 billion from 1994 to 1998;
- (ii) Increase in capitalization of the National Home Mortgage Finance Corporation (NHMFC) from P 500 million to P 5.5 billion;
- (iii) Increase in capitalization of the Home Insurance Guaranty Corporation (HIGC) from P 1 billion to P 2.5 billion; and
- (iv) Increase in the annual appropriation of the Social Housing Fund from P 500 million to P 1.1 billion.

(The Shelter Finance Act will raise some P 31 billion for the housing sector for the next five years compared with the P 3.5 billion given to the sector in the last five years.)

(b) Revival of the secondary mortgage market;

(The secondary mortgage market operations of NHMFC will generate approximately P 30 billion from the private sector to be used for additional mortgages, particularly for those availing themselves of the socialized housing package which is P 150,000 for a house and lot.)

(c) Mandatory membership in the Home Development Mutual Fund, which is a provident fund;

(It is estimated that some P 7.2 billion shall be collected yearly from the mandatory membership out of which 70 per cent shall be made available for the National Shelter Programme when President Ramos signs into law mandating the same in June 1994.)

(d) Automatic five-year funding commitment of the financing institutions (SSS, GSIS, and HDMF);

(The financing institutions committed P 10 billion for 1994 to finance the Unified Home Lending Programme which is the biggest funding commitment so far.)

(e) Mandatory payroll deduction system for amortizing housing loan payments in the government sector to increase the pool of available funds for home-lending purposes, as per Administrative Order No. 72 issued by the President;

(f) Asset-backed securitization; and

(g) Guaranty system that will enable local governments to float bonds and raise funds for their social housing programmes.

2. <u>External assistance</u>

386. A number of international agencies have assistance programmes for the housing sector in the Philippines. Such programmes augment available resources for housing. They take the form of technical assistance grants or loans from agencies like the World Bank, the United Nations Development Programme and the United Nations Centre for Human Settlements.

387. Urban I, II, III and IV loans are a series of World Bank loans involving construction and finance of housing projects in Metro Manila and several other urban centres throughout the Philippines. Specifically, Urban I was a US\$ 16.8 million loan for the slum improvement of Tondo and phase I of the *Dagat-Dagatan* Project signed on 9 June 1976. Urban II was the phase II of the *Dagat-Dagatan* Project including slum improvement and resettlement in three urban areas (Davao, Cebu and Cagayan de Oro) with a total amount of US\$ 26.3 million; it was signed on 26 January 1979. The Urban III loan is the Metro Manila Zonal Slum Improvement and Resettlement (SIR) Programme signed on 2 June 1980 with a total budget of US\$ 29.4 million. Urban IV is a US\$ 4.2 million loan for the SIR in Bacolod, Iloilo, Davao and Cebu signed on 10 June 1983.

388. The technical assistance programmes are aimed at improving the institutional capabilities of those engaged in housing delivery, enabling them to address effectively the housing needs of low-income groups.

389. From 1988-1993, two technical assistance programmes were extended by UNDP-UNCHS to the Philippine housing sector:

(a) Formulation of regional shelter strategies towards the development of the Philippine National Shelter Strategy, and

(b) Formulation and implementation of housing policies for the lowest income groups.

390. Basically, the first programme is concerned with developing comprehensive shelter strategies for the regions with the aim of providing inputs into the National Shelter Strategy. The second programme, on the other hand, concentrates more on the implementation of individual approaches to the housing problem. Both, however, focus on the major supply elements in housing such as land, finance, and appropriate building materials and technology, and the means of delivering these elements.

391. Similarly, a World Bank shelter sector loan for the same period was utilized to rehabilitate the country's housing mortgage institution. A portion of it funded the Community Mortgage Programme which was launched in 1988 as an innovative programme to enable squatters and slum dwellers to own the lands they occupy.

392. Likewise, the German Government provided a loan amounting to DM 22.3 million. The loan was utilized for the development of *Dagat-Dagatan* phase II A and B and the Dasmariñas Resettlement Project (area E).

E. Government programmes and projects on housing

393. The umbrella National Shelter Programme initiated during the Marcos administration was continued by President Aquino and President Ramos. Most of the programme components managed by the defunct Ministry of Human Settlements were retained intact, including:

(a) The sites and services, slum upgrading and resettlement programmes of the National Housing Authority (NHA);

(b) The private sites and services programme of the Bliss Development Corporation, which was later turned over to Home Insurance Guaranty Corporation;

(c) Land use planning, real estate management, enforcement of regulations and adjudication of cases by the Human Settlements Regulatory Commission, now the Housing and Land Use Regulatory Board (HLRB);

(d) Housing guarantees of the Housing Finance Corporation, now the Home Insurance Guaranty Corporation (HIGC); and

(e) The individual housing loan and group housing programmes of the PAG-IBIG Fund.

394. The present Government's National Shelter Programme, which was launched in 1987 and incorporated in the 1987-1992 Medium-Term Philippine Development Plan and the 1993-1998 Successor Plan, is primarily geared towards assisting homeless urban families with their housing needs. The guiding principle of the programme is that the level of assistance to be extended should be based on need while cost recovery should be based on affordability.

395. The NSP incorporates all the programmes/projects developed and implemented by the different housing and support agencies as presented in annex PP. New subprogrammes were created and subsequently implemented. These are the Unified Home Lending Programme and the Community Mortgage Programme.

396. Sites and Services Development entails the acquisition and development of raw land into serviced home plots which shall serve as catchment areas for in-migration and population growth. This approach is ideal in urban centres outside the Metropolitan Manila area where population growth is anticipated. The programme provides an affordable housing site as an alternative to squatting and allows planned housing, especially due to new household formation.

397. The *Slum Upgrading Programme* entails the acquisition by the Government of occupied land and the on-site improvement of such land through the introduction of basic urban services. The land tenure issue is resolved through the sale of home lots to *bona fide* occupants. The concept was introduced to provide an alternative to slum clearance and resettlement which until the late 1960s was the principal approach of the Government in addressing the slum and squatter problem in urban areas, particularly in Metropolitan Manila. The basic strategy is reblocking or the regularization of home plots to allow the introduction of roads and pathways as well as utility lines and drainage systems. The housing consolidation aspect is undertaken through self-help supported by a Home Materials Loan Programme. Over and above these is the provision of social services in terms of health centres, schools and day-care centres and a livelihood programme including the provision of small business loans.

398. The Resettlement Programme involves the acquisition of large tracts of raw land for site development to generate serviced home plots for families displaced from sites earmarked for government infrastructure projects or those occupying projects or those occupying dangerous areas such as waterways, railroad tracks and the like. This is a non-cost-recoverable programme and relies on full subsidy support, considering that the beneficiaries are marginal income earners and displaced from whatever source of livelihood they have. The relocation and resettlement of families are initiated through a series of consultations with the affected families. Under the law, beneficiary families are to pay a minimum of P 30 to P 50 a month for 25 years, without interest, for a 60-square-metre home plot, regardless of the cost of generating the serviced plot. As a completely new community is being established, the Programme entails heavy inputs in terms of the provision of social services as well as opportunities for employment. The viability of the Programme is contingent upon the availability of funds, the level of cooperation generated from allied agencies and those engaged in the provision of employment opportunities from both the governmental and the private sectors. Until 1986 (when its mandate was recast and focused), the NHA implemented directly a livelihood programme whose aim was to provide employment opportunities and other income-generating activities to its housing project beneficiaries. Livelihood assistance includes small business loans, skills training, job placement, subcontracting arrangements with manufacturers and cooperatives development. At present these activities are being implemented through an inter-agency approach which harnesses the resources of agencies mandated to undertake livelihood activities under Cabinet Resolution 29.

399. The Community Mortgage Programme (CMP) is a mortgage financing programme designed to enable the landless urban poor to acquire land, facilitate the provision of basic services and construct or improve their dwelling units. Ιt is a programme of the National Home Mortgage Finance Corporation (NHMFC), which operates through originators - such as local government units, national government agencies, bureaux or corporations, and non-stock, non-profit private organizations. The CMP is a community-based housing scheme which was launched in 1988 as an innovative strategy to facilitate the delivery of housing assistance to the lowest 30 per cent of the urban population. The CMP in a way serves as an alternative to slum upgrading where intervention is phased in accordance with the readiness of the community in terms of organization and financial capability. The CMP covers two types of projects: (i) on-site, where land occupied by squatters is purchased by the concerned community and formally organized into an association, subdivided and sold to the occupants; and (ii) off-site, where a parcel of vacant land is purchased by a community association, subdivided and sold to its members. Financial assistance is granted in three phases: (i) land acquisition and the provision of land tenure to the beneficiaries through community ownership of the land, (ii) additional loans made available by the association or cooperative for land development or the introduction of basic services, and (iii) individual housing loans made available for additional home improvement. The mortgage is payable in 25 years at an interest rate of 9 per cent.

400. The Emergency Housing Assistance Programme caters to the housing needs of families who are rendered homeless due to natural calamities. This entails the provision of temporary shelter for immediate relief or the development of new settlements and/or the provision of Home Material Assistance for housing reconstruction. The other programme jointly undertaken with the Social Security System (SSS) is the Dormitory and Apartment Housing Programme which provides loans or financial assistance for dormitory and apartment construction.

401. The Completed Housing Construction Programme involves the acquisition of raw land, land development and construction of housing units. It provides a complete house and lot package designed to match the affordability of the programme's target market consisting mostly of low-salaried government and private employees. The completed housing construction projects are mostly undertaken through joint ventures with the private sector. Other projects are also being undertaken with the local government units. Resources, expertise, risks and profits are shared by the partners in proportion to their investments. NHA contributes a maximum of 40 per cent of total project costs

in the form of land and/or finance. To make it affordable to socialized housing beneficiaries, NHA requires that 60 per cent of completed units be priced at a maximum of P 150,000 each.

402. The Unified Home Lending Programme seeks to provide long-term home buyer's finance to the lowest 30 per cent of the population, a reversal of the previous policies which were directed to upper income groups. The programme's loan packages have reduced interest rates for low-income borrowers through a system of cross-subsidy. Big borrowers pay higher interest rates to support the loans extended to small borrowers who are charged reduced or lower interest rates.

403. There is also a special focus on women's needs in the development of housing programmes. The Philippine Development Plan for Women 1989-1992, the government blueprint for integrating women in development, has the following major implementing programmes and projects:

(a) Consciousness-raising and education in housing needs assessment, housing finance, housing production, housing regulation, housing research and studies;

(b) Popular information dissemination on housing programmes and projects;

(c) Women organizing for education and training in housing, organizational development and institution-building for housing cooperatives, and housing loan guarantee groups; and

(d) Data improvement on women in housing.

F. Accomplishments in the housing sector

404. The Government's Natonal Shelter Programme (NSP) posted significant accomplishments from 1976 to 1993 (annexes QQ and RR).

1. <u>1976-1985</u>

405. Annex LL presents the comparative production figures for the periods 1976-1980 and 1981-1985. A total number of 85,476 units were constructed from 1976-1980 while some 204,064 units were completed from 1981-1985, an increase of 138 per cent. From a level of P 2.5 billion in the period 1976-1980, the total housing fund reached some P 12.7 billion during the period 1981-1985. This may be attributed to the setting up of a housing finance system integrating savings, secondary mortgage trading and credit insurance. This system gave access to housing finance by low- and middle-income groups through the channelling of savings for housing in long-term mortgage funds.

406. Of the total government construction in 1981-1985, NHA accounted for about half (47 per cent). This consisted of the following:

(a) Development of 21,704 lots for sites and services;

- (b) Construction of 35,728 resettlement units;
- (c) Upgrading of 33,441 slum home lots;

(d) Construction of some 5,154 units of economic housing projects through joint ventures with the private sector.

407. Some 11,132 units were likewise constructed in the regions through urban and rural housing projects.

408. The fabrication of standardized housing components, the most notable of which is the Flexihome Models Programme, was also undertaken. Its basic concept is the standardization of housing materials and the introduction of the modules design system in order to avoid waste. The concept, however, failed to gain acceptance from housing developers and resulted in a huge inventory pile-up.

2. <u>1987-1992</u>

409. For the 1987-1992 period, the National Shelter Programme extended assistance for the completion of 484,195 units valued at P 45 billion benefiting 358,720 households, encompassing construction, individual mortgages, development financing and community programmes (see annex RR). This represents 139.74 per cent of the target set for the period, which was 346,444 units. The target was surpassed due to the high accomplishments registered by the Individual Mortgages and Development Financing components. However, for the six-year period NSP could only meet 14.8 per cent of the 3.4 million needed units due to inadequate financial resources.

410. Under the construction component of the NSP, actual accomplishment totalled 110,637 units or 89.63 per cent of the target for the period. Housing production was primarily undertaken through the NHA's sites and services, resettlement, new units/joint ventures and medium-rise housing programmes and the managed assets programmes of the HIGC. These accomplishments can be broken down as follows:

(a) 19,204 serviced home lots under the sites and services development programme;

- (b) 19,818 house and lot units under the completed housing programme;
- (c) 2,873 housing units under the medium-rise housing programme;
- (d) 23,054 serviced home lots under the resettlement programme;

(e) 21,107 units under the emergency housing assistance programme in the form of serviced lots only, housing materials loans or the construction of temporary shelters;

(f) 24,581 units under the managed assets programme.

411. Under the Individual Mortgage Programme, 174,925 mortgages were released. In value terms, housing assistance for individual mortgages amounted to a total of P 31.02 billion.

412. Mortgage taken out under the Unified Home Lending Programme (UHLP) accounted for the main bulk of the housing loans. UHLP mortgages are priced at various interest rates in direct proportion to loan values and through a cross-subsidy scheme. The programme is entirely funded by borrowings at fixed cost from the Social Security System (SSS), the Government Service Insurance System (GSIS), and the Home Development Mutual Fund (HDMF).

413. Out of the 98,414 units assisted by the UHLP for the period 1987-1992, over half (51 per cent) went to lower income families. This is the socialized housing package with units costing P 150,000 and below.

414. Complementary individual mortgage programmes of the three funding institutions (HDMF, SSS and GSIS) also contributed to the sector's accomplishments.

415. To further enhance the affordability of housing programmes on the part of low-income families, Republic Act No. 6846, also known as the *Abot-Kaya Pabahay* Fund was implemented in 1991. The P 2.5 billion Fund, is to be constituted over a period of five years through continuing annual appropriation of P 500 million from the national Government. The Fund will be used to provide amortization support, expedite the development of land into suitable sites for social housing by providing development financing to developers of low-cost housing programmes, and establish a strong cash guarantee system for the funding agencies involved in housing.

(a) <u>Development financing</u>

416. A total of 111,143 units of assistance were provided under the government housing development loan assistance programme for the period 1987-1992.

417. In 1987, HDMF launched the Group/Corporate Housing Programme to encourage employers to participate directly in the provision of housing facilities for their employees. Under the programme, employers commit seed money for home lot subsidies and site development while HDMF provides financing either on a turn-key basis or in the form of advances against borrowers' financing. In addition, the Social Housing Development Loan Programme and Joint-Venture Programme were also launched in 1989 to implement HDMF's direct involvement in the production of low-cost housing units.

(b) <u>Community programmes</u>

418. A total of 87,491 beneficiaries were provided under the Community Mortgage Programme (CMP), the Group Land Acquisition Programme/Rental Housing Programme (GLAD) and the Cooperative Housing Programme (CHP).

419. While much potential was seen in the CMP as a major government housing programme, decline in its performance may be attributed to a number of administrative as well as funding problems.

420. HDMF's Group Land Acquisition and Development (GLAD) Programme was introduced in 1990 to provide financial assistance to PAG-IBIG members who wish to acquire raw or developed lands on which to construct their own houses.

421. The CHP aims to encourage the non-traditional production of houses by the homeowners themselves through a Community Housing Association (CHA) organized for the purpose. The Home Insurance Guaranty Corporation (HIGC) extends financial assistance to the CHAs and assists the group in the preparation of project studies. The Corporation also acts as project manager and guarantees the loans available for development.

422. With respect to housing development regulation, the HLURB eased the housing rules and standards to make lots and housing units affordable to more families in the lower income bracket and to further encourage the private sector to participate in the National Shelter Programme. The amendments provide the guidelines for the establishment and sale of subdivisions with minimum development, leaving the homeowners responsible for further development of the areas.

423. Total development permits issued during the period reached 892,277, averaging 148,713 per year. Development permits are applications by developers with the HLURB indicating their intent to develop residential subdivisions. Licences to sell, on the other hand, totalled 447,614, averaging 74,602 licences per annum. Licences to sell authorize developers to start and complete development within an approved work programme.

3. <u>1993</u>

424. The first year of the Ramos administration saw major strides in the housing sector. Under the National Shelter Programme (NSP) housing assistance was extended to 101,580 households or 85 per cent of its overall target of 118,670 households for 1993. In terms of units of housing assistance, 98.6 per cent of the total or 133,326 units of assistance were administered by the housing agencies through their various programmes. This translates to some P 18,132,000,000 pumped into the economy by the shelter sector.

425. Specifically, the programme's performance for 1993 consisted of the following:

(a) 7,653 households were provided serviced home lots/housing units by the National Housing Authority under its Resettlement Programme;

(b) 10,369 households were able to acquire homelots under the Community Mortgage Programme of the National Home Mortgage Finance Corporation (NHMFC);

- (c) 51,567 households were provided new housing units through the:
 - (i) Unified Home Lending Programme administered by NHMFC with funding from SSS, GSIS and HDMF;
 - (ii) Regular programmes of the HDMF;
 - (iii) Special projects;

(d) 31,991 households were indirectly provided housing assistance through the guaranty programme of the Home Insurance Guaranty Corporation and PAG-IBIG's direct development loan programme and its other housing related programmes; and

(e) An additional 10,774 households were assisted under the Social Housing Development Fund of NHMFC.

426. The shortfalls in the target were due to various reasons, foremost of which was lack of funds. For instance, the fully subsidized Resettlement Programme of NHA suffered budgetary cuts upon implementation of cost cutting measures. On the other hand, the Community Mortgage Programme, while institutionalized through Republic Act No. 7279, has no firm funding support. Original programme funding was obtained from the shelter sector loan facility extended by the World Bank which is no longer available. Thus, for 1993 the programme had to rely on the interim funds of NHMFC which were only sufficient to serve 10,369 households out of 28,177 applications.

427. Significant programme and policy developments occurred in 1993 which improved housing delivery. Among these were: proposed legislation on increasing funding for housing, capability-building programmes and encouraging private sector participation (see annex 00).

G. Issues and challenges on housing

428. Provision of housing continues to be a major challenge despite the accomplishments of Government in instituting a comprehensive housing programme and the impressive growth in private sector construction. The institutions that have a role in housing have a long way to go in solving the housing problem. The existing capacity of Government is able to meet only about 30 per cent of the identified housing need.

429. For the period 1987-1992, the accomplishment target set by the Government in the housing sector was 22 per cent of the urban housing need; this was fully attained. However, with respect to total housing needs, only 15 per cent of the target was reached. While housing need estimates include rural and urban areas, the Government's housing programme is focused on the needs of the urban centres in view of the acute shortage of housing there. Metropolitan Manila's share was the biggest because of its large population.

430. The main problems affecting Government's efforts to address housing needs have to do with land acquisition and finance. There is a lack of cheap land available for housing, due primarily to speculation which is exacerbated by competing land uses and the need to preserve agricultural land within a developing economy. Likewise, the increasing concentration of population in urban areas creates additional demands for residential land. Land is one of the most vital components and, for the urban poor, the most expensive element of housing.

431. The problem of finance is seen mainly as one of shortage of supply. Because of high-debt servicing, the Government has limited financial resources. Its annual appropriations for housing are not sufficient to fund the full implementation of critical programmes, especially those that require subsidies. Projections indicate that a total of P 42,169,000 is necessary to fund the housing needs of the lowest 30 per cent of the total urban population within a period of six years. A number of government financing institutions (GSIS, SSS, HDMF) have been tapped to earmark their investible funds for housing, but such funds are also limited.

432. The magnitude of investments that is necessary to meet housing requirements is huge considering that a substantial portion of the population needs major financial assistance. This critical group is the lowest 30 per cent of urban families who have little or no access to the formal financing system.

433. As stated above, there are existing programmes that are specially focused on this group. Such programmes, however, require huge subsidies from the Government and the need far outweighs the available financial resources.

434. Efforts to secure additional funding sources (i.e. private funds) have been initiated but are hampered by a number of factors. First, there is no real capital market in the Philippines. Most funding is short-term. Second, the economic and peace and order situations in recent years have not been conducive to long-term investments.

435. Other factors which serve to hinder the responsiveness of the country's housing programmes to the needs of its targeted beneficiaries are the following:

(a) The escalating costs of labour and construction materials;

(b) Complex administrative systems and procedures in the delivery of land and housing have had the effect of unduly delaying and making more costly access by the urban poor;

(c) Certain socio-cultural characteristics of Filipinos, such as inordinate attachment to land and the premium placed on home ownership, have posed barriers to accessing of land for housing by the urban poor:

- (i) There is a very high value attached to land ownership among Filipinos which makes it difficult for other tenurial arrangements like usufruct to become accepted;
- (ii) The value placed on home ownership has the effect of committing parcels of land solely for the use of the homeowners. This limits the use of the land and excludes other options like rental housing or perpetual-lease housing which benefits a greater number of people.

436. The complexity of the housing problem presents a continuing and formidable challenge to Government. The current initiatives of the Ramos administration and the implementation of the Urban Development and Housing Act provide strong reasons to be hopeful about the National Shelter Programme's target of 1.2 million housing units for the period 1993-1998. In particular,

the Ramos administration is committed to giving priority housing to households displaced from calamity areas, and families relocated from dangerous areas and sites earmarked for priority infrastructure projects.

437. The greater challenges, however, are to enable the national housing agencies, local governments, NGOs and the urban poor to prevent arbitrary demolitions, to obtain available and affordable land for socialized housing and resettlement and to address the issue of squatting. Republic Act No. 7279 is less than two years old and the more salient features of the law have yet to be felt. It is expected that by 31 July 1994, registration of potential socialized housing beneficiaries shall have been completed.

438. The Ramos administration also recognizes that adequate funding support will remain a key element around which successful implementation of housing programmes will revolve because actual housing access involves a combination of availability and affordability. Thus, it is working on how to develop and sustain a long-term housing finance programme through the operationalization of a secondary mortgage market that will mobilize the capital market and infuse more funds into housing. Likewise, it has certified as a priority the bill on the Comprehensive and Integrated Shelter and Urban Development Financing Programme. This seeks to increase and regularize the yearly appropriations of the major components of the National Shelter Programme and mobilize other fund sources for housing. Among the salient features of the bill are: automatic appropriations for the resettlement programme, the medium-rise housing programme and the community mortgage programme, and implementation of a nationwide district housing programme.

439. Other initiatives include the creation of the appropriate monetary and fiscal environment, strengthening private sector participation, inter alia through granting of incentives increasing national government investment in housing and building the capability of local governments to implement their own housing programmes. The latter is crucial because of the devolution of substantial powers to the local government units in the implementation of the socialized housing strategy of the Government. This calls for the upgrading of the skills and further enhancement of the local government officials' attitudes and knowledge. There is also a need to ensure the local governments' financial capability to effectively undertake their activities. Finally, the need to operate within a comprehensive urban development framework which looks into population growth and distribution, the impacts of related policies and complementary programmes on land use allocation and conversion, the industrialization programme and the informal sector is seriously being looked into. The development of identified regional agro-industrial centres outside of Metro Manila for the period 1993-1998 is expected to stem the influx of migrants to existing mature urban centres. Likewise, the free port/economic zones will further boost the desired dispersal of development to the countryside.

ARTICLE 11.2

I. FOOD PRODUCTION, CONSERVATION AND DISTRIBUTION

A. <u>Basic legislation on food production</u>, <u>conservation and distribution</u>

440. The 1987 Constitution requires that the State shall provide support to agriculture through appropriate technology and research, and adequate financial, production and marketing infrastructure, transportation and other support services (art. XIII, sect. 5).

441. The State is required to protect the rights of subsistence fishermen, especially of local communities, to the preferential use of inland and offshore communal marine and fishing resources. Support to such fishermen through appropriate technology and research and adequate financial, production and marketing assistance is enjoined. Protection, development and conservation of such resources shall extend to offshore fishing grounds of subsistence fishermen, even in cases of foreign intrusion. In addition, fish workers shall receive a just share from their labour in the utilization of marine and fishing resources (art. XIII, sect. 7).

B. <u>Implementing agencies</u>

442. The Department of Agriculture (DA) and its allied agencies (Fertilizer and Pesticide Authority, Fibre Industry Development Authority, Livestock Development Council, National Agriculture and Fishery Council, National Food Authority, National Meat Inspection Commission, National Nutrition Council, National Post-Harvest Institute for Research and Extension, Philippine Fisheries Development Authority, Philippine Rice Research Institute) are responsible for policy guidance, monitoring and research on food production and conservation. Together they prepare policy recommendations and monitor production and conservation of food products, specifically agricultural crops, fish and other marine products, fresh meat, fresh poultry and dairy products, and fertilizers and other farm inputs. The DA institutes measures to ensure equitable supply and distribution of agricultural produce; issues suggested reasonable prices; recommends price ceilings to the President; procures supplies and stocks for buffer stocking; and arrange storage, transport and distribution of such produce.

443. The Government, in its Medium-Term Development Plan, envisions a technology-based agro-industrialization. In pursuance thereof, the Department of Science and Technology undertakes research and development activities, and renders scientific and technological services available to support the agricultural and the marine fisheries sector.

444. In particular, the Department of Science and Technology, through its councils, namely the Philippine Council for Agriculture, Forestry and Natural Resources Research and Development (PCARRD) and the Philippine Council for Aquatic and Marine Research and Development (PCAMRD), coordinates research and development activities to enhance production through the sustainable use of sea- and land-based natural resources.

445. PCARRD is committed to building and sustaining an efficient and effective National Agriculture and Resources Research and Development Network (NARDDN). This network aims to undertake quality research and development activities and test appropriate technologies for the improvement of the livelihood of the small Filipino farmer and his family. Every year the NARRDN selects and identifies socio-economically important technologies during the in-house reviews and research and development symposia. Selection of technologies is based on technical feasibility, economic viability, social acceptability, environmental soundness and relevance to science and technology goals of countryside agro-industrialization. It is the thrust of PCARRD to transfer and promote technology appropriate for specific locations through various strategies/schemes (annex SS).

446. PCAMRD, on the other hand, is the coordinating agency for research and development in the marine and fisheries sector. PCAMRD, through the National Aquatic Resources Research and Development System (NARRDS), a network of national and regional centres, cooperating stations and collaborating specialized agencies organized by PCAMRD, contributes to the fisheries industry by providing research-based aquaculture technologies.

C. <u>Government policies and programmes and overview on food</u> conservation and distribution: 1970-1985

447. Ensuring food sufficiency in the country has always been among the Government's top priorities, as shown in the extensive effort exerted for national food production programmes as early as the 1970s. These include the *Masagana* 99 Rice Production Programme, *the Maisan* Programme, *Gulayan sa Kalusugan, Maisagana*, and the Multiple Cropping Programme. Under these programmes, agricultural components such as packages of technology, including extension services, irrigation, fertilizer, supervised credit with easy repayment schemes, price supports, procurement and storage facilities were provided to farmers (annex TT).

1. Agricultural crops

(a) <u>Rice</u>

448. *Masagana* 99, which was launched on 21 May 1973, aimed to increase the harvest from the previous national yield of 35 to 80 <u>cavans</u> per hectare. A complete machinery was established to implement the programme. A package of technology of high yielding variety seeds, fertilizer, agricultural chemicals and modern agricultural practices was introduced. Financing in the form of farmer loans, mass media coverage, marketing schemes, general management coordination and evaluation services were also introduced as support services. After the first year of implementation, the average yield in *Masagana* 99 programme areas increased by 21 per cent.

449. The drive to intensify rice production was successful. The harvest of 8.81 million tons in 1985 was the largest ever, surpassing by 5.66 per cent the 1982 production, and by 12.47 per cent the 1984 harvest of 7.83 million tons. The increase over the 1984 crop was due largely to the bumper harvest of 3,535,000 tons during the dry season, representing an 11.7 per cent increase over the 1984 dry season harvest. The bulk of this increment in the dry season harvest came from the 20 provinces under the Intensified Rice Production Programme (IRPP), which was supported by the National Productivity Fund. The combined output of the 20 IRPP provinces amounted to 42 million <u>cavans</u> of *palay* (unhusked rice), representing an increase of 31.6 million cavans. Non-IRPP provinces registered an increase of 2 million <u>cavans</u> or 7.7 per cent over their 1984 dry season output.

450. In 1985, the National Food Authority (NFA) imported 538,100 metric tons of rice to augment the country's buffer stocks and flush out hoarded supplies that jeopardized market stability. The rice inventory at the end of 1985 was 15.9 million metric tons, exceeding the 90 days' supply buffer stock requirement by 20.38 days, based on the 15,900 MT daily requirement.

(b) <u>Corn</u>

451. *Masaganang Maisan*, launched on 7 March 1974, was as important as *Masagana* 99. It was an agricultural programme geared towards food self-sufficiency, covering white and yellow corn, sorghum and soybeans.

452. Corn production in 1985 totalled 3.86 million metric tons, representing an increase of 18.8 per cent over the 1984 harvest of 3.25 million metric tons.

453. The yellow corn production of 1.3 million metric tons accounted for about 33.7 per cent of the total corn output. This volume represents an increase of 15 per cent over the 1985 yellow corn harvest of 1.13 million metric tons. Likewise, white corn production increased by 20.8 per cent from 2.12 million metric tons in 1984 to 2.56 million metric tons in 1985.

(c) Fruits and vegetables

454. The Fruits and Vegetable Programme was launched in 1971, in line with a massive food production campaign. It focused on the proper timing of planting, harvesting and marketing of produce to minimize the adverse effects of seasonality of production and faulty marketing.

(d) Other food crops

455. The *Gulayan sa Kalusugan* (GSK) promoted garden crops such as beans, garlic, cabbage and onions. High protein legumes like mungbeans and peanuts were promoted as second crops after rice. With 22 provinces involved, some 12,050 hectares were financed under this programme, benefiting 99,369 farmers.

2. Livestock and poultry

456. The Bakahang Barangay Programme, launched in September 1977, extended loans amounting to more than P 1 billion to more than 200,000 small farmers between that year and 1985. In 1985, some 1,359 farmers acquired 3,667 heads of cattle for fattening with funding support from the programme worth P 18,340,000. Another P 550,000 was loaned out to 110 farmers under the cow-calf component of this programme.

457. The Kambingang Barangay Programme, launched in December 1979, financed the purchase of about 90,000 goats for some 16,000 farmers between 1979 and 1985 through loans totalling P 24 million. In 1985, P 1.1 million was loaned out to 472 farmers for the acquisition of 2,225 goats.

458. The Kalabaw ng Barangay Programme launched in May 1983, financed the purchase of carabaos. Between 1983 and 1985, some 802 farmers borrowed P 3,270,000 to acquire their own work animals. The repayment rate in 1985 was 83 per cent, a relatively high rate, though lower than the 95 per cent repayment rate in 1984, which was the highest among all government-supervised credit programmes.

459. In 1985, hog and poultry production took a downturn by 2.2 per cent and 0.5 per cent, respectively. This was due mainly to two factors: (i) lower demand for these products; and (ii) higher prices and scarce supplies of feed which makes up 70 per cent of production costs. To sustain the growth of the hog and poultry industries, short-gestation crops like corn, soybean, cassava and sweet potatoes were given priority under the National Productivity Programme. Since most of the feed ingredients were imported, it was necessary to ensure a steady and cheap supply of feed for the livestock industries and ensure the competitiveness of pork and poultry products for the export markets.

460. Backyard dairy production was also intensified in 1985. Under the Dairy Production Programme, some 1,006 dairy cows were dispersed to 22 cooperatives in northern Mindanao and southern Tagalog. This programme was geared to produce 15 per cent of the country's dairy requirements within 10 years. About 1,500 litres of milk per day were produced and processed under the initial phase of the programme implemented by the Philippine Dairy Corporation (PDC).

3. Fisheries

461. The Expanded Fish Production Programme was launched in 1971 to accelerate the pace of fish production to meet the demand for fish, bridge the protein gap, and expand export potentials of fishery products. In 1985, fishery products were considered as the cheap source of protein and as a promising area for generating export revenues. To supplement the municipal fish catch, incentives for greater private sector involvement were given. Sea farming went on full steam in 40 demonstration centres nationwide, producing oysters, mussels, seaweed, crabs, shrimps, pearls, lobsters and fin fish.

462. In 1985, to maintain production gains, an agenda for action in agriculture was drawn up along the following policy directions:

(a) Expand production and step up productivity to increase agriculture's contribution to the balance of payments through export expansion;

(b) Attain self-sufficiency in all basic food items including grains, fish and meat products; and ensure the availability of requisite food supplies at reasonable prices, with special emphasis on indigenous high nutrient value food products, for the nutritionally vulnerable population groups; (c) Improve and stabilize farmers' income and welfare through higher productivity, better marketing, and a more efficient system of pricing subsidies and incentives;

(d) Enhance landless rural workers' welfare by providing better access to agricultural resources and securing a bigger share of national income through higher returns, intensified resettlement activities, and provision of more on-land and off-farm employment; and

(e) Carry out a land management policy fostering the retention of land suitable for agriculture in the agricultural sector, prevent diversion of such land to other uses, and enhance the security of land tenure.

D. <u>Agricultural policies, strategies and performance</u> for the period 1987-1992

463. During the period 1987-1992, the Government intensified the implementation of various policies and measures towards improvement of farm productivity and profitability. During the period, crop diversification was encouraged, an integrated pest management programme was implemented, tax reforms and other cost reduction measures were instituted, and import restrictions were lifted when necessary.

464. The agricultural sector continued to play a major role in the Philippine economy. During the period, the sector employed about 45.88 per cent of the total labour force. The average share of the sector's gross value added to gross domestic product was 23.02 per cent. It managed to grow at an annual average growth rate of 2.5 per cent, net of forestry. This modest growth of the sector is attributed to the substantial improvements in the livestock and poultry subsectors as well as in land and labour productivity. In terms of contribution to real gross value added, the crops subsector had the biggest share of 53.63 per cent, followed by the fisheries subsector of 19.46 per cent, livestock and poultry subsector of 17.23 per cent and the forestry subsector of 5.05 per cent (annexes UU and VV).

465. Improvements in land and labour productivity contributed greatly to the output growth of agricultural crops. Land productivity posted an average growth of 3.13 per cent as a result of the intensified utilization of fertilizers and high-yielding varieties and the implementation of the crop diversification programme, among others. Employment in agriculture declined by an average of 1.41 per cent while agricultural production increased by 2.38 per cent, indicating that labour productivity improved during the period.

1. Promotion of crop diversification and ensuring food security

466. To strengthen production systems in the agricultural sector, the Government continued to promote the diversification of agriculture. This strategy supported the objective of ensuring food security, generating employment opportunities, increasing farm income, and reducing dependence on traditional export commodities, which were facing declining demand in the world market. For the period 1987 to 1992, the DA extended appropriate technologies and extension services for crop diversification, such as multi-storey cropping and inter-cropping, to about 136,931 farmers cultivating a total of 78,679 hectares.

(a) <u>Rice and corn</u>

467. The Government implemented special programmes to ensure food security, namely, the Rice Production Enhancement Programme (RPEP) I and II, from November 1987 to December 1990; the Corn Productivity Enhancement Programme (CPEP) I and II, from June 1989 to February 1990; and the Rice Action Programme (RAP) I and II implemented from May 1990 to April 1991. These production-related programmes were designed to sustain output growth and address the food requirement of an increasing population.

468. Specifically, the Rice Production Enhancement Programme (RPEP) was designed to maximize rice production to meet the national food requirement and maintain a stable buffer stock. The programme featured the following: (i) a fertilizer-*palay* exchange scheme; (ii) a seed assistance programme; (iii) provision of post-harvest facilities; (iv) irrigation development activities; (v) provision of credit; (vi) price stabilization; and (vii) information dissemination.

469. The Rice Action Programme (RAP) was launched as a government-wide action programme to attain self-sufficiency in rice production and to promote rice productivity and price stability over the long term. The programme had similar production and post-production components to the RPEP. During the programme's implementation in 1990-1991, rice production grew by 3.80 per cent. This growth, however, was not sustained in 1992 due mainly to a shortage of irrigation water resulting in the reduction by 6.63 per cent of the total harvested area during the year.

470. As a result of these efforts, production costs were reduced through the removal of tariffs on fertilizer. Crop diversification and expanded farming were promoted for efficiency in land use. Farm technology was improved as a result of better research and extension and information services. Greater access to credit and vital agricultural support services was made available.

471. The Corn Productivity Enhancement Programme (CPEP), on the other hand, was geared towards increasing corn production by at least 10 per cent by providing improved corn variety (open-pollinated or hybrid) seeds and fertilizer assistance to farmers. The programme, however, failed to achieve its target as actual growth in production from 1989 to 1990 was only 7.34 per cent. Only 88 per cent of the target areas were planted with corn during this period.

472. To meet the market demand and ensure enough buffer stock, the National Food Authority (NFA) resorted to rice and corn imports during the period. The country imported some 181,198 metric tons of rice from China, Australia, Spain and the United States in 1988 to meet the 90-day buffer stock requirement for the year. The low buffer stock was a result of the poor first harvest during the year, which was brought about by the drought that hit the country in 1987. Imports of rice continued until 1990. Corn was imported in 1987, 1988 and

1990 to ensure stable supply and prices. For the entire period, NFA's imports of rice and corn totalled 1,020,861 and 144,791 metric tons, respectively.

473. To rehabilitate damaged agricultural farmlands affected by the Mt. Pinatubo eruption in 1991, Oplan Sagip-Bukid was launched to recover agricultural productivity in the affected areas, provide immediate sources of income and generate employment opportunities. The total area rehabilitated under the programme reached 78,432 hectares. Assistance was provided in lahar clearing and ploughing about 63,651 hectares or 74 per cent of the total rehabilitated or planted areas. Some 53,929 farmers benefited from the assistance.

474. The production of major crops reached only 96.6 per cent of the target for the 1987-1992 period. This is attributed to the sluggish performance of *palay*, corn, and coconut which are the major sources of growth of the crops subsector. The increase in *palay* and corn production was minimal because of the calamities which beset the Philippines during the period. Aside from the natural calamities which severely hit the subsector, lack of budget gave rise to inadequate supply of farm incentives like credit support, irrigation and post-harvest and marketing facilities, and the inefficient marketing system contributed to the slow growth of the subsector.

475. *Palay* production increased only by an annual average of 1.44 per cent, from 8,540 metric tons in 1987 to 9,129 metric tons in 1992. Similarly, corn production grew only by 1.36 per cent from the 1987 level of 4,278 metric tons. In spite of the calamities which beset the country, the *palay* and corn subsectors managed to achieve 94.41 and 97.60 per cent of their respective targets.

476. The factors contributing to the increase in corn production were the intensive use of hybrid varieties; the spill-over effects of simultaneous increases in the demand for livestock and poultry products, which in turn triggered growth in corn feed demand; and the expansion of the areas planted to corn by 140,000 hectares from 1987 to 1990, which may be attributed primarily to the farmers' reaction to improved corn prices. In 1991, however, the depressed farmgate prices of corn prompted a shift to other crops like *palay* and other cash crops such as vegetables and root-crops. The area planted was reduced by as much as 230,000 hectares from its 1990 level, resulting in a 4.10 per cent decrease in production. This trend continued up to 1992 with production decreasing by 2.06 per cent.

477. Sugar production, on the other hand, registered a relatively good performance by posting an average increase of 10.37 per cent in production annually. The increase in production was due to an upsurge in the domestic demand for sugar during the period and an increase in quota allocation for imported sugar by the United States in 1989. These developments resulted in a revived interest of the sugar growers to replant abandoned sugar lands.

478. Production of other crops exhibited increasing trends with an average growth rate of 1.46 per cent. Production improved from 11.13 million metric tons in 1987 to about 11.96 million metric tons in 1992, as most of the crops under this category posted positive growth rates, i.e., cassava, onions, cabbage and eggplant. The following crops even exceeded their production

targets: tomatoes, garlic, onions, cabbage, eggplant and *calamansi* (a local citrus variety). Crop diversification and development of new markets for non-traditional exports were some of the factors which gave rise to these positive developments.

479. Policies and measures related to the development and strengthening of the market delivery system for agricultural products were also implemented to ensure that the farmers were able to market their produce and receive reasonable prices. During the period, farmgate prices per kilogram increased by an annual average of 61.26 per cent for *palay*, 86.67 per cent for corn, 63.25 per cent for coconut and 41.86 per cent for sugarcane.

480. The performance of the crops subsector may be considered below par considering that a number of production-related programmes were implemented during the period. These were specifically designed to sustain output growth to address the continuing increase in population as well as to offset the negative results of the different disasters that the country experienced during the period. Among these were the frequent droughts, strong typhoons in 1988 and 1991, the earthquake in 1990, and the Mt. Pinatubo eruption in 1991. It should be noted, however, that had it not been for these programmes, the production situation could have been worse resulting in the need for massive imports of rice and corn.

(b) Livestock

481. Substantial improvement was recorded for livestock and poultry production during the period, as shown by these subsectors' combined annual average growth rate of 6.7 per cent. From 1.7 million metric tons in 1987, production increased to 2.3 million tons in 1992. This comprised 116 per cent of the production target for the same period. The positive growth in these subsectors resulted mainly from an increased demand for livestock and poultry products, and a favourable investment climate. Measures to improve the investment climate for lowering production cost included liberalization of importation of feed ingredients; lifting of the ban on importation of breeder and feeder cattle; lifting of the ban on interprovincial transport of carabaos; and duty-free importation of grandparent and parent poultry stocks (annex VV).

482. Pork continued to be the major source of growth for the livestock subsector, registering an average annual growth rate of 6.7 per cent from 1987 to 1992.

483. Beef production grew at an annual average of 0.8 per cent during the period. The ban on the importation of breeder and feeder cattle was lifted in 1987. In 1989 the monthly allowable importation of breeder and feeder cattle was increased from 3,600 to 4,800 head per month under Administrative Order No. 99. Importation, however, was not sustained despite the issuance in 1991 of Executive Order No. 470 which reduced the tariff rate for the importation of bovine meat from 50 to 30 per cent. Nevertheless, 124,356 head of cattle were imported from 1987 to 1992.

484. Dairy production continuously declined from 1988-1992. This can be attributed to the reduction in the number of dairy animals raised by one of

the biggest commercial dairy producers in the country and the drought in 1992. It should be noted, however, that actual dairy production during the period amounted to 17,000 metric tons which exceeded the target of 3,000 metric tons.

485. Carabeef production attained an average growth rate of 2.6 per cent. This was a result of the lifting of the ban on the interprovincial movements and slaughter of carabaos, and the intensification of the livestock dispersal programme of the Government.

486. Expansion of poultry operations was encouraged through the importation of day-old chicks and hatching eggs subject to approval by the Bureau of Animal Industry (BAI). However, with the acute shortage of broilers and table eggs in 1992 due to production and disease problems, the DA deregulated the importation of hatching eggs. From 1987 to 1992, about 6.6 million day-old chicks and 31 million hatching eggs were imported.

487. Poultry production posted an annual growth rate of 9.2 per cent for the period, due largely to the advances in production technology (i.e. shorter fattening or growing-to-market days, and higher egg setting) and incentives enjoyed by large commercial producers (i.e. duty-free importation of grandparent and parent poultry stock).

488. In addition, duck egg production increased during the period, with more cooperatives and organizations engaging in duck farming.

(c) <u>Fisheries</u>

489. Production in the fisheries subsector increased by about 3.4 per cent from 1987 to 1992, with aquaculture as the major source of growth. The considerable strides achieved in aquaculture through the years were attributed to the favourable demand for its products in the international market and the application of more efficient and effective technologies in the area of nursery and grow-out management systems. Commercial fisheries exceeded their production target for the period by 3.5 per cent largely due to the sustained operations of commercial fishing enterprises in off-shore waters. Municipal fisheries production registered a slight increase during the period. Its relatively poor performance was attributed to the increasing pressure on municipal fisheries resources due to the increase in yearly entrants and the use of illegal methods.

490. Average annual fisheries production during the period 1987-1992 stood at 2,430 metric tons. This is 99.6 per cent of the average production target of 2,440 metric tons for the period. Fisheries production had an average annual growth rate of 3 per cent (annex WW).

491. Municipal fisheries production accounted for the bulk of total fisheries production during the period. The average volume of production during the period was posted at 1,100 metric tons. However, it registered the lowest average annual growth rate of about 0.4 per cent among the fisheries subsectors.

492. The dismal performance of the subsector may be attributed to the depletion of coastal fishery resources due to overfishing and illegal fishing

activities. Furthermore, the incidence of red tide and typhoons also resulted in the generally low catch rates for municipal fisheries. In addition, the implementation of core strategies of the ADB-funded Fisheries Sector Programme (FSP) involving the establishment of fish sanctuaries and marine parks wherein certain restrictions in fishing operations (e.g. no fishing and limited-entry fishing zones) also contributed to the decline in municipal fisheries production.

493. Commercial fisheries posted an average annual production of 682,000 metric tons from 1987 to 1992, registering an annual growth rate of 4.7 per cent. The average production level exceeded the production target for the period by 3.5 per cent. The achievements in commercial fisheries may be attributed primarily to the sustained operations of commercial fishing enterprises in off-shore waters, particularly in the 200-mile exclusive economic zone. Furthermore, the increase in the number of commercial fishing boats in operation also contributed to the production gains of the subsector.

494. Increments in commercial fisheries production may also be attributed to the operationalization of private and government-operated fishing ports in Navotas, Metro Manila; Barangay Tanza, Iloilo City; Barangay Dalahican, Lucena City; Camaligan, Camarines Sur; and Sual, Pangasinan. This has resulted in the reduction of turn-around time of fishing boats, thus increasing fishing time and, consequently, the volume of landed catch.

495. The leading growth area during the period for the fisheries sector is aquaculture. Aquaculture production grew at an annual rate of 6.2 per cent. Actual aquaculture production from 1987 to 1992 averaged at 648,000 metric tons, exceeding the target of 643,000 metric tons by 0.8 per cent. Production figures exceeded targets particularly in 1987 and 1988 due to favourable market conditions and efficient and effective culture technologies. The proliferation of processing plants and new processing technologies also provided an incentive to increase production for export.

496. Aquaculture production, however, slackened in the succeeding years, initially due to the glut in the Japanese market in 1989 to 1990, and subsequently, due to the widespread occurrence of disease among cultured species, notably prawns. The high cost of production for aquaculture products likewise was a contributory factor to the gradual slowing down of production growth rates. In addition, bivalve culture, which also contributed to total aquaculture production, suffered greatly from the intermittent occurrence of red tide phenomenon.

497. By 1992, aquaculture production picked up due to the increase in demand and the corresponding rise in the production trend of other aquaculture products, such as seaweeds and groupers cultured in fish cages. Moreover, efforts to increase fishpond productivity have been initiated. None the less, actual production figures fell short of the 1992 target by 1.2 per cent.

2. Lowering of cost of inputs

498. In line with efforts to boost agro-based economic activities, preferential treatment under the Philippine tax system was provided to the sector. Agricultural inputs such as fertilizers, pesticides, seeds, animal

feeds, breeding stocks as well as agricultural outputs in their original form were exempted from the Value Added Tax (VAT). Likewise, tariff duties on agricultural inputs were also lowered to reduce the cost of production of major agricultural outputs.

499. Fertilizers being an important input in farm production, the Government undertook a complete import and marketing liberalization of non-phosphatic fertilizers in 1986. Subsequently, the Government decreased the duties imposed on phosphatic fertilizers to increase agricultural productivity in the country. A uniform tariff rate of 5 per cent (down from 20 per cent) was imposed on all types of fertilizers under Exective Order No. 364 which was approved in July 1989. This allowed farmers to buy fertilizers at lower prices. At the same time, the deferred tax payment scheme which effectively allows duty-free importation of fertilizer not produced locally continued to be implemented. The Government, through the Fertilizer and Pesticide Authority (FPA), also implemented the institutionalized procurement plan under a deferred tax payment scheme which encouraged organized or collective selling by farmer groups.

500. The 5 per cent duty on all fertilizer imports was later lowered to 3 per cent when Executive Order No. 413 was issued on 19 July 1990. Its effectivity was, however, suspended due to several controversies. Meanwhile, Executive Order No. 443 which imposed a 9 per cent levy on all importations, including fertilizers, was also issued in July 1990. This was later revoked by Executive Order No. 475 issued in 1991 which lowered the import levy to 5 per cent. Import levies were, however, altogether removed on 30 April 1992 with the issuance of Executive Order No. 517. Executive Order No. 470 issued on 20 July 1991 reduced tariff rates on nitrogenous fertilizers from 5 to 0 per cent while maintaining those on phosphates at 5 per cent. This effectively provided for the removal of any duty on urea and other critical fertilizer inputs which are not produced locally in substantial quantities.

501. In the livestock and poultry subsectors, Executive Order No. 470 reduced the import taxes of livestock and poultry breeders to 3 per cent in 1991. Bovine semen and animal biologics were imposed a tariff of 10 per cent while veterinary medicaments were imposed a tariff of 20 per cent. In July 1992, however, Executive Order No. 8 was issued providing for the alignment of tariff rates on five poultry species with those of similar types of breeding animals. Duties on ducks, geese, chickens, turkeys and cocks for breeding were reduced from 40 to 3 per cent.

502. To modernize commercial fishing, new incentives were provided for the industry in 1989. To reduce the problem of overfishing in near shore waters, incentives for companies to engage in distant water fishing were introduced. Tariffs and duties for fishing vessels (above 40 gross tons) were reduced from 10-50 per cent to 0-10 per cent <u>ad valorem</u>. This enabled commercial fishing enterprises to replace their old vessels with units of bigger gross tonnage for redeployment in waters further offshore.

503. Likewise, in 1990, the reduction of tariff rates for prawn feed from 30 to 20 per cent <u>ad valorem</u> and of ingredients from 10 per cent <u>ad valorem</u> to zero was imposed under Executive Order No. 413. Considering that feeds comprise at least 60 per cent of the total cost of production, this cost

reduction move enhanced the competitiveness of Philippine prawns, which fetched the highest export price in the Japanese market. It was also aimed at improving the acceptance of Philippine prawns in the United States and West European markets.

3. <u>Protection of long-term sustainability of agriculture</u>

504. Vital programmes to protect the long-term sustainability of agriculture were vigorously pursued during the period. The implementation of the Integrated Pest Management Programme (IPM) was further intensified to encourage the efficient and judicious use of pesticides. The IPM approach integrates chemical, biological, cultural and other measures for pest management in a mix that achieves significant control at the least cost. Health hazards to farmers were minimized through its adoption. During the 1988-1992 period, 7,837 training courses on IPM were conducted for 456,611 farmers.

505. The Department of Agriculture (DA), through agricultural production technologists, encouraged the use of organic fertilizer. In 1991, the National Programme on Rapid Composting and Use of Compost as Fertilizer was implemented.

506. To further protect fishery resources, effort was exerted to strictly enforce Presidential Decree No. 704 banning dynamite fishing and Presidential Decree No. 1219 prohibiting the exportation of corals. In 1987, under the Community Employment and Development Programme, some 200 artificial reefs were constructed in coastal waters to provide sanctuaries for fish in the face of the rapid depletion of marine resources. The removal of import duties on fish caught in international waters also helped minimize the depletion of coastal fishery resources. A total of 10.5 million fingerlings were distributed to fishermen in fresh and brackish water areas. In addition, inland communal waters were stocked with 270,000 fingerlings.

507. The enforcement of relevant laws on illegal fishing was intensified through the creation in 1989 (Executive Order No. 114) of the Presidential Committee on Illegal Fishing and Marine Conservation which is spearheaded by the Philippine Fisheries Development Authority (PFDA). The intensified enforcement of fishery laws was bolstered with the nationwide launching of the Bantay Dagat Programme in February 1989.

508. Rehabilitation of marine resources was accelerated under the component activities of the Fisheries Sector Programme (FSP). In 1991, additional artificial reefs were installed in at least 50 *barangays* within the three priority bays of Calauag, Carigara and Panguil. In 1992, several hectares of mangrove trees were planted in line with the objectives of the FSP, while resource and ecological assessments were conducted in priority bays to obtain scientific information needed in designing a sound management plan for the fisheries sector.

4. Effecting price stability

509. Measures to regulate the prices of basic commodities were also instituted during the period. Price control was imposed in December 1989 on selected

commodities, such as well-milled rice, regular-milled rice, dressed chicken, pork, and refined sugar to prevent unwarranted price increases. This was one of the various actions taken by the President when the country was placed under a state of emergency as a result of the attempted <u>coup d'état</u> during that year. Price controls continued to be imposed on the same commodities in 1990. This time, price controls were imposed to avert undue price increases resulting from the calamities that hit the country (i.e. the second quarter drought, the 16 July earthquake and the typhoon of late 1990) and the Middle East crisis. This action was also undertaken by the Government to prevent hoarding and profiteering. Price controls effectively remained throughout the whole of 1992.

510. Consistent with the policy of privatization and minimum government intervention, the National Food Authority's (NFA) participation in maintaining price stability was limited to that of a buyer and seller of last resort. NFA established support mechanisms for *palay* and corn when and where there is an oversupply and releasing them when and where there is limited supply.

511. From 1987 to 1992, *palay* purchases by the NFA totalled 2,591,380 metric tons, with an average annual procurement of 431,896 metric tons. Based on an average annual production of 9,527,820 metric tons for the duration, NFA was able to absorb about 4.53 per cent of the total *palay* production, or around 6.98 per cent of the marketable surplus. On the other hand, NFA's procurement of corn totalled 588,049 metric tons in the last six years, which accounted for only 2.12 per cent of the total production. Annual procurement fluctuated sharply due to the volatility of farm prices and the effect of natural calamities. Meanwhile, the volume of rice and corn distributed totalled 2,678,496 metric tons and 794,074 metric tons posting a market participation rate of 7.33 per cent and 14.33 per cent, respectively.

512. The NFA did not have to defend the support prices for *palay* and corn as average farm prices were generally below the NFA support prices during the period. The lower farm prices of *palay* and corn compared to the NFA support prices were due to the NFA's inability to procure at least 10 per cent of the total volume of *palay* and corn. Lack of funds and delayed fund releases hampered NFA's ability to influence farm prices.

513. The Price Act of 1992 (Republic Act No. 7581) was also passed to provide protection to consumers by stabilizing the prices of basic necessities and prime commodities and by prescribing measures against undue price increases during emergency situations. It is being implemented by the Department of Agriculture together with the Departments of Trade and Industry (DTI), Health (DOH), and Environment and Natural Resources (DENR).

5. <u>Production-market linkages</u>

514. Policies and measures related to the development and strengthening of the market delivery system for agricultural products were also implemented to ensure that farmers could market their produce and receive reasonable prices for their commodities.

515. Access to livestock and poultry markets by both sellers and buyers was facilitated during the period. Livestock auction markets were established which provided for the marketing of farm animals and produce at fair prices, thus ensuring remunerative returns to the farmers.

6. Empowerment of small farmers and fisherfolk

516. The increase in the number of cooperatives peaked after the enactment of Republic Act Nos. 6933 and 6939 in March 1990 which created the Cooperative Code of the Philippines and the Cooperative Development Authority (CDA), respectively. The development of farmers' organizations and cooperatives was further encouraged through the provision of incentives such as accreditation in the procurement programme of the NFA, group lending schemes of the Land Bank of the Philippines and the training and management support of the CDA. Training programmes and activities of the CDA and its recognized non-governmental organizations generally focused on capability building (i.e. trainers' training, training in accounting and bookkeeping).

517. In the past administration, the Government directly undertook the organization of cooperatives. Under the Aquino administration, Government assumed a facilitative role in their organization and development. The private sector, through the non-governmental organizations, was encouraged to take the lead in the formation of farmers' organizations and cooperatives. The Government provided training and technical and financial assistance to help cooperatives develop into viable and self-reliant organizations.

518. A significant increase of 508 per cent in the total number of cooperatives was noted: from 3,478 in 1987 to 21,136 in 1992. About 85 per cent of the cooperatives registered and reregistered during the period were of the multipurpose type, while 7.2 per cent were credit cooperatives. Meanwhile, the number of Cooperative Rural Banks and Area Marketing Cooperatives, as well as the number of marketing, producer and consumer cooperatives, registered a decline. This trend may be attributed to the conversion of these cooperatives into the multipurpose type with most of them expanding their business activities from production to marketing.

519. However, with the proliferation of cooperatives due to credit schemes of the Land Bank of the Philippines, their management capability became questionable. More institutional strengthening and training were needed to ensure the sustainability of their operations. As early as 1988, there was a move to establish a cooperative apex bank to enable the cooperative sector to pool their resources in assisting new and fledgling cooperatives in their economic activities. Such a move is currently being pursued, particularly by the various cooperative groups and foundations in the country.

7. Credit access and delivery

520. To increase the flow of credit to the rural sector, the Government adopted a three-fold strategy consisting of the following: (i) improving farmers' credit-worthiness and bankability; (ii) reducing bank risk and monitoring costs; and (iii) increasing investment in rural infrastructure and post-harvest facilities. To implement the strategy, the Government adopted various programmes and projects which included, among others, the Comprehensive Agricultural Loan Fund Programme and the promotion of organization-based financial schemes such as the Development Assistance Programme for Cooperatives and People's Organizations (DAPCOPO) and the Grameen Bank Replication Programme (GBRP).

521. The Comprehensive Agricultural Loan Fund is a pool of funds resulting from the consolidation of various credit programmes of the Government implemented in the past. This fund is currently being used to finance the Government's cost- and risk-reducing programmes, viz: Philippine Crop Insurance Programme, Guarantee Fund for Small and Medium Enterprises, Quedan Guarantee Fund Board, and *Bagong Pagkain ng Bayan*. The DAPCOPO and the GBRP, on the other hand, were aimed to increase the flow of funds to the small farmers who were not served by the banks and to strengthen their capacity for savings mobilization.

522. Despite efforts by the Government to encourage banks to lend to the agriculture sector, the ratio of agricultural loans to total loans granted by the banking system decreased from 7.2 per cent in 1987 to 4.1 per cent in 1992. The ratio of agricultural loans to total loans provided by governmental financial institutions, e.g. the Land Bank of the Philippines and the Development Bank of the Philippines, also decreased, from 6.7 per cent in 1987 to 6.5 per cent in 1992. This trend could be attributed to the shift to financing farmers' post-harvest activities due to the frequent occurrence of calamities. It may be noted that in 1989 to 1991, the ratio of agricultural loans to total loans granted by the government financial institutions increased from 11.4 per cent to 31.7 per cent. The ratio of agricultural loans to total loans granted by rural banks decreased from 61.2 per cent in 1987 to 55.2 per cent in 1992. The private banking sector, meanwhile, is still generally averse to lending to the rural sector. These institutions view agricultural projects and enterprises as risky and unattractive. The ratio of agricultural loans to total loans granted by the private banks decreased from 7.2 per cent in 1987 to 3.1 per cent in 1992. In terms of volume of loans, however, private commercial banks continued to provide the bulk of production loans. During the period, the private commercial banks provided an average of 67 per cent of such loans. Specialized government banks and rural banks, on the other hand, each accounted for 13 per cent of the loans granted for the past seven years.

523. In general, the credit requirements for production of agricultural commodities for the period 1987-1992 were not met. While the plan's target loan releases for the period was P 267,651,000,000, actual releases reached only 81 per cent of the target.

524. In 1990, the Monetary Board lifted bank branching restrictions to further promote rural savings mobilization and to increase capital funds for credit and gave incentives to banks which opened branches in three poor towns. To further enhance agricultural productivity, the Quedan Guarantee Fund Board was reorganized in April 1992. It was renamed Quedan and Rural Credit Guarantee Corporation (QUEDANCOR) with an expanded mandate and resources. QUEDANCOR prioritized financing for agrarian reform beneficiaries and did not include financing support for the acquisition of farm equipment and post-harvest facilities.

8. <u>Magna Carta of small farmers</u>

525. The enactment of Republic Act No. 7607, otherwise known as the Magna Carta of Small Farmers, on 4 June 1992 has greatly influenced agricultural policies since it cuts across a wide range of macroeconomic concerns such as government expenditure, trade policies and finance. The Act spells out the rights and responsibilities of farmers, including: (i) the right to organize and conduct their activities in an atmosphere guaranteed by a support price programme; (ii) empowerment of farmers and their representation in policy-making bodies in agriculture; and (iii) making available credit at minimal interest rates with minimum collateral requirements. Republic Act No. 7607 also directs Government to restrict the importation of agricultural products which are produced locally in sufficient quantities; ensure the continuous availability of appropriate and affordable seeds; and ensure an adequate supply of fertilizers at reasonable prices.

9. <u>Provision of rural market infrastructures and post-harvest</u> <u>facilities</u>

526. The Government continued to provide small farmers access to post-harvest facilities such as warehouses, ricemills, driers and threshers through the implementation of various facility assistance programmes. The Government, through the National Post-harvest Institute for Research and Extension (NAPHIRE), also conducted studies on the generation of improved post-harvest technologies and practices to help reduce post-harvest losses. One important result of these studies was the successful development of the mobile flash dryer. The technology has been made available to end users and NAPHIRE has accredited 13 manufacturers for its mass production.

527. As part of its infrastructure development programme, the NFA established basic facilities that include 347 warehouses (with a total capacity of 1.6 million metric tons), 71 ricemills, 461 dryers, 75 silos, 39 threshers and 45 cornshellers during the period. The NFA likewise implemented the National Food Authority-Japan International Cooperation Agency Facility Assistance Programme which enabled farmers to obtain financing for post-harvest facilities on soft terms under a JICA grant. The programme awarded 57 threshers, 27 dryers, 33 ricemills and 15 portable warehouses to 79 qualified farmers' organizations. Farmers' groups were also able to avail themselves of the Cooperative Incentive Fee of the agency to acquire some P 26.3 million worth of post-harvest equipment.

528. Through the National Agricultural and Fishery Council, the Government constructed and turned over 13 farm level grains centres to 13 farmers' organizations benefiting more than 3,387 farmer-members. Moreover, as part of the provision of extension services under the Comprehensive Agrarian Reform Programme, the Government distributed 800 pieces of post-harvest equipment to some 19,195 agrarian reform beneficiaries. Two warehouses were constructed in Pangasinan and Isabela through the *Barangay* Marketing Centre Programme under the Quedan Rural Credit and Guarantee Corporation.

529. In general, the total number of threshers distributed all over the country (including NFA- and privately owned facilities) decreased from 1,949 units in 1987 to 1,811 units in 1992. Threshing capacity also declined from 1,545 to 1,436 metric tons per hour during the same period. The decline may be attributed to the deterioration of a number of facilities and the increasing costs of maintenance and operation. There was also a 5 per cent decline in the number of rice mills from 14,417 in 1987 to 13,659 in 1992. However, there was a 25 per cent increase in the capacity of rice mills arising from the acquisition of modern rice milling complexes by the private sector for large-scale commercial purposes. Most of these mills, however, became inoperative by 1990, again because of the high cost of maintenance and the unavailability of spare parts in the local market. None the less, despite the decline, the country had a surplus milling capacity of 1,942 metric tons per hour by the end of 1992.

530. On the other hand, the national warehouse capacity stood at about 5.1 million metric tons in 1992, or an 18 per cent increase over 1987. Of the total warehouse capacity, an average of about 77 per cent was owned by the private sector during the period. Approximately 35 to 40 per cent of the total capacity of these warehouses was found in the major rice-producing areas, namely central Luzon, Cagayan Valley and southern Tagalog.

531. In the livestock and poultry subsectors, market assistance was provided through the establishment of livestock auction markets and improved slaughterhouses/abattoirs. Of the 120 existing livestock auction markets as of December 1992, 22 were established during the period; 154 abattoirs were established during the period, bringing the total number of accredited and non-accredited slaughterhouses in the country to 899.

532. Meanwhile, more fishery post-harvest facilities and services were also made available through the rehabilitation and expanded operation of fishing port complexes and government-owned ice plants and cold storage in various parts of the country.

533. The full operation of the Iloilo Fishing Port Complex in 1987 significantly improved the processing and marketing operations of the aquaculture sector in the Visayas and enabled small fishermen to have better access to export markets. During the period, three new fishing port complexes commenced operation: the Camaligan Fishing Port Complex in Barangay Dugcal, Camaligan, Camarines Sur (1991); the Lucena Fishing Port Complex in <u>Barangay</u> Dalahican, Lucena City (1992); and Sual Fishing Port Complex in Sual, Pangasinan (1992). The Philippine Fisheries Development Authority (PFDA), which is mandated to ensure that the needed fisheries post-harvest infrastructure facilities are in place in major fishing centres of the country, administer these ports. Pre-construction activities for Phase I of Nationwide Fishing Ports Project Package II were also carried out in 1992 in Cebu, Davao and General Santos under the 17th Yen Credit Package of the Overseas Economic Cooperation Fund (OECF).

534. The rehabilitation of commercial and municipal fishing ports in selected fishing centres in the country was likewise pursued to provide improved basic services to small- and large-scale fisheries. Under the Fish Marketing and Infrastructure Component of the Fisheries Sector Programme, rehabilitation works were completed in 1992 in commercial fishing port complexes located in Iloilo and Zamboanga. In addition, major repairs were also completed in the premiere fish trading centre of the country, the Navotas Fishing Port Complex.

535. The rehabilitation of government-owned ice plants and cold storage facilities was continued throughout the period to augment the supply of ice for commercial and small-scale fishermen. During the period, 17 out of 35 government-owned ice plants and cold storage facilities were rehabilitated. All of the 21 rehabilitated ice plants and cold storage facilities were leased to the private sector in consonance with the current policy to privatize government-owned cold storage, warehousing and market facilities at fishing ports.

536. In addition, preparatory activities on the formulation of a regional master plan for a fish transport system were started with the completion of a feasibility study in 1988 by a team of experts from the Japan International Cooperation Agency. The fish transport system aims to rationalize the fish marketing system by linking fish surplus areas with fish deficit areas. It involves the transport of fish from commercial/municipal fishing ports to consumers in landlocked areas.

537. With the implementation of the Local Government Code in 1991, operational strategies for the Municipal Fishing Ports Development Project (MFPDP) were refocused. The direct involvement of the local governments in the management and operation of municipal ports (formerly administered by the Philippines Fisheries Development Authority) was ensured. In view of this, the PFDA now only operates the Estancia Municipal Fishing Port while it has turned over five municipal fishing ports in the following sites: Libas, Roxas City; Sogod, Leyte; Mercedes, Camarines Norte; Atimonan, Quezon; and Fatima, Albay. Meanwhile, site validation works were also completed by the PFDA in 1992 to determine the viability of operating municipal ports jointly with the local governments in Bulan, Sorsogon; Cabadbaran, Agusan del Norte; and Orani, Bataan.

10. <u>Support to agricultural mechanization</u>

538. The Medium-Term Philippine Development Plan 1987-1992 explicitly adopted a farm mechanization policy which emphasized the optimum use of labour rather than its displacement, and encouraged the domestic production of farm tools and equipment suitable to local conditions.

539. The Government adopted a general policy favouring selective mechanization to support agricultural development. Selective mechanization involves the adoption and promotion of farm mechanization technology which increases agricultural production; is economical and affordable to farmers; and improves labour efficiency and productivity without necessarily displacing labour.

540. During the period 1987-1992, several policies and programmes were implemented in support of agricultural mechanization, including tax exemptions and export incentives to local manufacturers under the Omnibus Investment Code and the Agricultural Development Incentive Act of 1985. Similarly, credit facilities were continuously extended to users and manufacturers of agricultural machinery, particularly for four-wheel tractors, power tillers, rice mills, threshers and irrigation pumps.

541. In response to the promotion of appropriate farm mechanization technology and the incentives given to the sector, market demand for some

agricultural machinery generally increased during the period. Statistics from the Agricultural Machinery Manufacturers and Distributors Association show that sales of selected agricultural machinery and equipment increased by 170 per cent from 19,344 units in 1987 to 52,166 units in 1992. In response to the government thrust on the utilization of appropriate post-harvest technology and machinery to reduce post-harvest losses, sales of post-harvest equipment i.e. rice mills, threshers, dryers, corn shellers, also increased by 82 per cent from 342 in 1987 to 624 units in 1992. However, in 1990, there was a marked decrease in the sales of all types of agricultural machinery and equipment due to the occurrence of major calamities which severely affected the performance of the agriculture sector. Starting in 1991, however, sales of agricultural machinery began to increase again.

11. <u>Improvement of research, extension, information, and other</u> support/services

542. The Medium-Term Plan specified the strengthening of research and extension in the country in recognition of the crucial role it plays in enhancing the productivity of the sector. Thus, the Plan envisioned to increase research and development investments, improve the agricultural information services at both the national and local levels and restructure the whole R & D system towards greater decentralization and more effective client orientation. In spite of continued underinvestment in the R & D system, substantial gains were still attained over the Plan period. Breakthroughs were made by the different research stations in the country in the fields of crop variety improvement, tissue culture, embryo transfer, crop protection, cost-efficient land preparation and planting techniques, agroforestry, and intercropping and processing of specific commodities into high valued products. Among the technologies developed were high-yielding and disease-resistant rice and corn varieties and other crops; open pollinated corn varieties; embryo transfer technology for carabao production and breeding; sloping agricultural land technology; and hand-made paper from rice straws. To improve coordination in R & D efforts in the sector, the National Agriculture and Resources Research and Development Network (NARRDN) was strengthened.

543. To optimize the use of limited resources among the different members of the research network and to attain greater decentralization in the prioritization of research programmes, member agencies of the NARRDN adopted the location/client-based R & D consortium approach. The regional consortium serves as a mechanism for integrated planning, evaluation and sharing of resources by members in the conduct of regional R & D. There are presently 14 regional R & D consortia nationwide. Agricultural extension in the country continued to be undertaken by the Department of Agrarian Reform (DAR), the Department of Agriculture (DA), and the Department of Environment and Natural Resources (DENR). Under the Local Government Code, the local government units are now involved in extension activities.

544. Greater research investments were targeted during the Plan period to bring the level of government funding support for R & D on a par with other developing countries. Specifically, the Plan target was to raise R & D investments from the 1987 level of 0.22 per cent of gross value added for agriculture and natural resources to 1 per cent by 1992. On the average,

R & D investments as a proportion of gross value added for agriculture and natural resources from 1987 to 1992 were only 0.26 per cent or an equivalent of P 417.5 million per year.

545. To improve coordination in R & D efforts in the sector, the National Agriculture and Resources Research and Development Network was strengthened (annex SS). At present, the network consists of some 52 stations of the Department of Agriculture (DA), 13 regional stations of the Department of Environmental and Natural Resources (DENR), 31 State colleges and universities, 3 research institutes of the Department of Science and Technology (DOST) and 4 other institutions of the Department of Agrarian Reform, and 3 private institutions. The NARRDN is coordinated and managed by the Philippine Council for Agriculture, Forestry and Natural Resources Research and Development (PCARRD) and the Philippine Council for Aquatic and Marine Resources Research and Development (PCAMRD).

546. To improve research, extension, information and other support services, the DA undertook the following: (i) consolidated its various training units into the Agricultural Training Institute in order to improve its efficiency in the training of extension workers; (ii) formulated a National Agricultural Research and Extension Agenda through its Bureau of Agricultural Research to make R & D more location-specific; and (iii) launched the Livelihood Enhancement for Agricultural Development (LEAD) Programme, which is aimed at harnessing the entrepreneurial skills of farmer and fisher groups and enabling them to set up their own agro-business.

547. The Science and Technology Agenda for National Development, or STAND for Philippines 2000 (annex XX), contains a priority list of products for both export and domestic use. STAND also provides strategies consistent with the Science and Technology Master Plan to be implemented by the Department of Science and Technology concerning the identified sectors.

548. The Philippine Council for Agriculture, Forestry and Natural Resources Research and Development's (PCARRD) goal is to provide the technological base for equitable, efficient and ecologically healthy growth. Its objectives are to achieve production targets, increase the income of the poorer agricultural households, and achieve global competitiveness through the use of superior technologies.

549. Technology development in agriculture sought to increase rural productivity and farm profitability. The thrust of implemented programmes under this area were the development of low-cost, high local resource input technologies and agricultural diversification.

550. The R & D activities implemented under the crop subsector dealt with the development of varieties and hybrids for commercial planting (i.e. rice, cowpeas, tomatoes, pickling cucumbers, soybeans and coconut, among others). Attached as annex YY is the list of the major research projects conducted during the period.

551. R & D in the livestock sector, on the other hand, focused on the following: (i) improvement of the performance and genetic make-up of the Philippine carabao; (ii) production through a new process of feed supplement

which would increase the productivity of mature carabao and cattle; (iii) use of dried manure as a feed supplement for dairy cattle, which was found to be more profitable at the backyard than at the commercial level; and (iv) duck egg production.

552. Increased productivity and profitability were also the thrusts of R & D in the aquaculture and marine fisheries sector. The technologies developed are attached as annex ZZ.

553. To assess the status of the country's aquatic and fisheries resources, the following were developed: rapid appraisal approach to fish stock assessment, manta board tow technique for broad area survey of coral reefs; fish visual census techniques for community structure of reef fishes; and the use of purse seine-caught tuna in tuna tagging experiments. A number of assessment studies were also conducted including: the assessment of several bays; the regional stock assessment project which generated information on reproductive trends, seasonality, distribution and abundance of commercially important species; the generation of resource-based information on six commercially important species of tuna in selected areas; and the inventory, assessment, management and utilization of agrophytes and alginophytes in selected provinces/areas.

554. High density polyethylene (HDPE) fish containers were also introduced in the fishing industry to reduce the post-harvest losses. Post-harvest handling practices on board commercial fishing boats were assessed. The formulation and standardization of convenience food from fish and shellfish were undertaken. The National Red Tide R & D Programme was also conducted.

E. Agricultural policies for 1993-1998

1. <u>The Medium-Term Agricultural Development Plan (MTADP): 1993-1998</u>

555. The MTADP for 1993-1998 seeks to enable farmers and fisherfolk to increase their incomes and realize for themselves a better quality of life. The plan adopts the Key Production Area (KPA) development approach to enable the sector to achieve its basic objectives and contribute to fulfilling the goals of people empowerment and global competitiveness.

556. The KPA approach identifies and focuses government support on certain priority areas whose agro-climatic features and market conditions are favourable for producing, processing and marketing specific products. Government support is also most critical in these areas. Thus, the KPA approach encourages farmers and fisherfolk to produce specific crops, livestock and fishery products only in areas that have a comparative advantage in producing such commodities.

557. The plan provides for the necessary support to the identified KPAs, such as Project Self-Reliance (PSR), which seeks to turn over the warehouses of the National Food Authority to qualified farmer cooperatives and federations, technology assistance, post-harvest and marketing facilities, and market matching.

558. Under the Grains Production Enhancement Programme (GPEP), the DA has identified some 1.2 million hectares for rice in 34 provinces and about 700,000 hectares for corn in 17 provinces as Key Grain Areas (KGAs). These KGAs will be the focus of government support for the rice and corn subsectors under GPEP.

	93/94*	94/95	95/96	96/97	97/98
Area (mil. has)	0.75	1.03	1.09	1.15	1.20
Yield (MT/ha)	3.50	4.00	4.50	4.85	5.00
Production (mil. MT)	2.63	8.24	9.77	11.11	12.00

Table 1. GPEP: Targets for Rice Key Grain Areas (KGA), CY 1993/94-1997/98

* Dry season only.

Table 2.	GPEP:	Targets for	Corn Key	Grain Areas	(KGA), CY	1993/94-1997/98
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	93/94*	94/95	95/96	96/97	97/98
Area (mil. has)	0.27	0.50	0.55	0.65	0.70
Yield (MT/ha)	3.25	3.75	4.25	4.38	5.00
Production (mil. MT)	0.90	3.88	4.68	5.88	7.00

* Dry season only.

559. The Grains Production Improvement Programme (GPEP) will:

(a) Implement a certified seed subsidy scheme; procure and distribute certified rice and open-pollinated variety and hybrid corn seeds; encourage production of foundation, breeder and certified rice and corn seeds; and strengthen the seed certification service;

(b) Encourage efficient fertilizer use by advocating the retention of the deferred tax payment scheme, which exempts imported fertilizer grades not locally produced from a 5 per cent duty and promoting the use of organic fertilizers;

(c) Make irrigation water available at required levels in KGAs through the Irrigation Support Component by the construction of new and the rehabilitation of existing irrigation systems, and improving the efficiency of irrigation systems; (d) Ensure that the incremental yield targets of the programme are achieved through the production technology development and dissemination component;

(e) Make available more credit for farmers in priority provinces to procure more and better production inputs and post-harvest equipment and facilities;

(f) Facilitate farmers' acquisition of and training on post-harvest facilities and technologies;

(g) Ensure, through the transport infrastructure support component, that essential transport infrastructure and handling facilities in the KGAs are available;

(h) Provide marketing support to include market-matching activities linking producers with buyers with the NFA continuing its rice and corn procurement and distribution activities to help stabilize farmgate, wholesale, and retail prices; and

(i) Provide public information support to generate awareness of, acceptance of and support for the programme.

560. Under the Key Commercial Crops Development Programme (KCCDP), priority commercial crops suitable to specific areas with comparative advantage and progressive and viable markets will be promoted and their production intensified. The general objective is to increase the income-generating capacity of 1.3 million hectares of marginally suitable rice and corn areas and 1.2 million hectares of existing commercial crop areas. The programme will be implemented in all provinces.

2. The Medium-Term Livestock Development Programme (MTLDP): 1993-1998

561. The Key Livestock Development Areas (KLDAs) are located in 44 provinces, with priority clients that are not covered by GPEP. The Medium-Term Livestock Development Programme aims to achieve the following by 1998:

(a) Increase the cattle population to 3 million;

(b) Stabilize the carabaos population at 2.5 million, with measures to improve the quality of the herd for meat and milk production;

(c) Increase the population of small ruminants, i.e. goats and sheep, to 3.4 million;

(d) Increase the hogs population to 10.8 million and the chicken population to more than 100 million;

- (e) Increase overall production of livestock;
- (f) Increase the income levels of livestock farmers; and

(g) Institutionalize approaches to the industry's growth, with the private sector in the lead.

562. The MTLDP seeks to develop the livestock sector by component industries featuring:

(a) Private-sector leadership;

(b) Integrated production and post-production;

(c) Projects to be funded by loans;

(d) DA's leadership in the implementation of a National Breeding Programme for Beef and Dairy Cattle in the various stock farms;

(e) DA-supplied support services, through regulatory functions, training and extension services, organization, management and technical assistance;

(f) Local government units' (LGUs) leadership in the implementation of the various projects in their respective areas; and

(g) Projects geared towards increased productivity, profitability, sustainability and self-reliance of the participating cooperatives.

563. The programme has the following additional components:

(a) The Beef Cattle Development Programme, covering 38 provinces, addresses the alarming decline in the population of local cattle herds and seeks to attain self-reliance in beef supply in six years;

(b) The Carabao Programme seeks to improve the production potentials of the Philippine carabao through cross-breeding, and thereby increase the number of breeders, by conserving superior germplasm and developing technologies aimed at increasing productivity;

(c) The Small Ruminants Programme integrates goat and sheep production into farming systems, thereby requiring the introduction of improved breeds, design and implementation of credit schemes and training and extension programmes and the provision of animal health and related technical services;

(d) The Poultry Programme requires the Government to promote macroeconomic policies governing poultry and animal feeds;

(e) The Swine Programme supports current initiatives using existing DA resources to increase the swine population to 10 million by 1998;

(f) The Post-Production and Market Support Programme aims to achieve efficiency and improve the quality of livestock products and make them acceptable to the consumer;

(g) The Stockfarm Development Programme requires the DA to maintain its own top-quality animals for production, breeding, research and development;

(h) *Quarantine Station and Animal Health* will draw up a list of animals to be imported under MTLDP, their sources and desired qualities;

(i) The Feed Production and Support Component;

(j) The Credit Support System advocated by the National Livestock Programme Management will institutionalize the Multi-Livestock Loan Dispersal Programme.

3. <u>Medium-Term Fisheries Management and Development</u> <u>Programme (FMDP): 1993-1998</u>

564. This programme is designed to enhance the productivity of the country's fisheries resources. The development efforts will be directed to the management of specific coastal resources and aquaculture and lake areas. Specifically, the plan aims to:

(a) Double aquaculture productivity from 1.2 to 2.4 million tons per hectare per year;

(b) Double the number of Coastal Resource Management (CRM) priority bays and gulfs from the current 12 to 24;

(c) Improve the operating efficiency of commercial fishing fleets by 7 per cent in line with international standards;

(d) Organize fishery law enforcement and provide support facilitiesto 50 per cent of coastal municipalities;

- (e) Reduce post-harvest losses by 5 per cent; and
- (f) Promote value-added products.

565. The FMPD focuses on improving and developing aquaculture, marine fisheries management for nearshore and offshore areas, post-harvest technologies and infrastructure services. The programme components include: (i) aquaculture development which involves various projects for brackish water (milk-fish and shrimps) and freshwater fisheries, seaweeds and crabs; (ii) marine fisheries management which involves a package of projects for nearshore fisheries and another for offshore fisheries; (iii) credit; (iv) law enforcement; (v) a national fisheries information system; and (vi) programme management.

566. In support of the vision under MTPDP and the major strategies and priorities of the Science and Technology Agenda for National Development (STAND for Philippines 2000), PCARRD set the following objectives for the period 1993-1998:

(a) Facilitate identification and packaging of appropriate and new technologies for adoption and commercialization by farmers and the private sector;

(b) Set directions in the formulation of R & D programmes at the various centres and consortia;

(c) Improve the monitoring and evaluation system for R & D projects;

(d) Assess the functionality and actual utilization of resources for R & D and support continuing institutional development programmes geared to satisfy the requirements of the next century;

(e) Strengthen the rewards and incentive system for R & D;

(f) Pursue a more active collaboration with government agencies and other NGOs/POs engaged in research training and extension for more effective delivery of technologies in the countryside;

(g) Develop and promote strategies of sustainable agricultural and rural development, striking a balance between increased productivity, farmers' income, and the proper conservation and management of the soil, the environment and natural resources;

(h) Strengthen the management of scientific and associated information on agriculture, forestry, natural resources and the environment;

(i) Programme the allocation of all government and external funds earmarked for agriculture, forestry and the environment;

(j) Generate external resources for R & D; and

(k) Formulate policies for development of science and technology and pursue the active involvement of R & D sectors in policy-making.

567. PCARRD shall continue to promote cooperation and ensure harmony and cost-effectiveness in managing the National Agriculture Resources Research and Development System (NARRDS) by strengthening R & D regional consortia. Furthermore, it will strengthen efforts on the R & D activities related to environmental protection and management.

II. DISSEMINATION OF KNOWLEDGE OF THE PRINCIPLES OF NUTRITION

A. <u>Government policies and programmes on dissemination of</u> knowledge of the principles of nutrition

568. A major policy development in the subsector during the period was the issuance and adoption of a nutrition policy in 1987, which underscored the importance of nutrition in achieving an economically productive and socially active citizenry. This policy emphasized that the permanent solution to the nutrition problem requires not only direct interventions to alleviate the condition of the malnourished, but also long-term developmental approaches aimed at solving the root causes of malnutrition. The policy statement was translated into strategies which stressed the need for complementing the delivery of nutrition services with long-term nutrition programmes laid out along other socio-economic development schemes. These strategies include: nutrition in development, nutrition interventions, nutrition communications,

support strategies and planning coordination and surveillance. For the period, 1987-1991, these strategies were revised and updated to respond to new challenges.

569. An important institutional development was the transfer of the National Nutrition Council (NNC) from the Department of Social Welfare and Development (DSWD) to the Department of Agriculture under Administrative Order No. 88 issued on 28 August 1988. The transfer was initiated in recognition of the relationship between the nutritional needs of the population and food production and agricultural development. The move was also in recognition of the need to adopt a unified policy direction and a national approach to the problem of malnutrition and inadequate food production.

570. Meanwhile, to effect a more integrated, coordinated and focused implementation of the various programmes under the Philippine Food and Nutrition Programme (PFNP), the NNC Governing Board revived the lead agency system in 1989 for specific strategies and component programmes and created corresponding Technical Working Groups. This facilitated the review and assessment of the existing nutrition and nutrition-related policies and programmes and ensured their effective implementation and coordination.

571. In recognition of the need to continually upgrade the level of programme effectiveness of the PFNP, the NNC Governing Board issued instructions to coordinate nutrition services, particularly intervention measures to avoid duplication. The coordination of basic nutrition services became the very heart of the PFNP. Thus, the mechanism for the implementation of the concept was developed by the NNC Technical Working Group on Nutrition Interventions and adopted in 1990.

572. The policy of integrating nutritional considerations into multisectoral and multi-level development plans and programmes was given impetus by the NNC Governing Board decision to focus programme resources in priority areas to achieve more impact. One of the major approaches to implement this policy was the adoption in 1989 of the <u>Lalakas ang Katawang Sapat sa Sustansiya</u> (LAKASS) Programme in the 115 most nutritionally depressed municipalities (NDMs) in the country. The programme was expanded to 30 more NDMs after two years. A similar package was also prepared for 23 municipalities and 2 cities affected by the 1990 Luzon earthquake under the Nutrition Support for Earthquake-Stricken Areas (NSESA) Project.

573. In view of the need to create a more conducive policy environment responsive to nutrition improvement, the NNC Technical Working Group on Nutrition in Development (TWG-NID) in 1990 developed an analytical framework and completed an inventory of the various policies and programmes of NNC member agencies as an initial step in assessing and analysing the nutritional implications of existing sectoral policies and programmes. To assess the potential effects and identified policy gaps and issues, a series of policy dialogues was conducted from 1990 to 1992, involving various governmental and non-governmental sectors, academicians, researchers, policy makers and programme planners.

574. After the International Conference on Nutrition (Rome, 1992) and the formulation of the World Declaration and Global Plan of Action for Nutrition

in 1992, the Philippine Plan of Action for Nutrition (PPAN) was formulated in 1993. The Plan was adopted through Proclamation No. 311, "Proclaiming the Adoption of 1993-1998 Philippine Plan of Action for Nutrition", which was issued by President Ramos on 14 December 1993.

575. The Plan focuses on two major objectives: attainment of home food security, and prevention and virtual elimination of micronutrient malnutrition, particularly vitamin A and iodine deficiency disorders. The PPAN calls for six operational strategies: (i) micronutrient supplementation, (ii) food fortification, (iii) home and community food production, (iv) credit assistance for livelihood, (v) nutrition education, and (vi) food assistance. Five enabling mechanisms have been put in place: (i) manpower development, (ii) nutrient advocacy, (iii) resource generation, (iv) research, and (v) overall planning, management, coordination and surveillance.

B. Accomplishments in the dissemination of the principles of nutrition

576. During the period, nutritionally depressed and at-risk communities all over the country were identified for intensified nutrition action. Area-specific nutrition action programmes were designed and implemented for disadvantaged groups which included small and upland farmers, marginal fishermen, highland tribes, and the urban poor beneficiaries of the Comprehensive Agrarian Reform Programme. Meanwhile, direct services were extended to target beneficiaries under the Nutrition Intervention Programme which included food assistance, nutrition-related health services and incremental food production. These direct services were complemented by nutrition information, education and advocacy, as well as other development programmes to ensure a more permanent solution to the malnutrition problem.

577. A more detailed picture of the accomplishment, particularly in the delivery of nutrition interventions for the period 1987-1992, shows that the following were extended assistance: 102 per cent of the targeted 11.6 million moderate and severely malnourished pre-schoolers; 99 per cent of the targeted 8 million schoolchildren; 98 per cent of the targeted 2.4 million pregnant and lactating women; and 17 million other individuals. The Programme trends indicated drastic improvements in reaching out to pregnant and lactating women. However, in 1990 to 1992 a lower target was set for schoolchildren, from 1.8 million in 1987 to 1.3 million in 1992, as a consequence of inadequate government resources allocated for nutrition and other social services.

578. With regard to nutrition-related health services, activities included nutrient supplementation, rehabilitation in malnutrition wards or nutrition rehabilitation centres, immunization, de-worming, control of diarrhoeal diseases, clinical services for under-six children and the promotion of sanitary environmental conditions. The highest coverage for the period 1987-1992 were for preschoolers (98 per cent) and families (93 per cent). It was noted that the coverage for nutrition-related health services were not as high among schoolchildren, pregnant/lactating women and other target groups. Only 57 per cent of schoolchildren, 82 per cent of pregnant/lactating women and 84 per cent of other individuals were reached. DOH reported that by the end of 1992, 72 per cent of Filipino households had sanitary toilets. 579. The provision of a potable water supply as an important nutrition component was recognized in 1991. Eighty three per cent or 8.7 million households out of the targeted 10.5 million households received assistance in this area in 1991. By the end of 1992, DOH reported that 83 per cent of Filipino households had a potable water supply.

580. With regard to the incremental food production intervention, there were increasing accomplishments for the first three years of the Plan period. In 1987, only 103,000 farmers and 102,000 families benefited from the technical assistance and material inputs provided by the programme. By 1989, 925,100 farmers/farm families were reached. In addition, an average of 4.9 million schoolchildren were reportedly reached by these activities in 1988 and 1989. The number of targeted farmers/farm families increased in absolute terms from 761,000 in 1989 to 3.6 million in 1990. However, relative to the target in 1990 only 42 per cent of these were reached. In 1991, improvements were noted with 97 per cent of the targeted 5 million beneficiaries reached while in 1992, 111 per cent of the target number of farm families were served under this project. In general, for the period 1987-1992, 12.8 million farmers/farm families, 17 million schoolchildren, and 391,000 individuals were provided assistance in various forms under the incremental food production programme.

581. The Department of Science and Technology (DOST) has a continuing programme to develop nutrition and food technologies. Attached as annex AAA are those developed by the Food and Nutrition Research Institute.

582. As indicated earlier, the LAKASS programme was also undertaken in the initially identified 115 most nutritionally depressed municipalities (NDMs) in 1989. This was later expanded to 49 more municipalities from 1990 to 1993. Similarly, the Nutrition Support for Earthquake-Stricken Areas (NSESA) project was initiated in 23 municipalities and 2 cities affected by the 1990 Luzon earthquake. Spill-over activities of the NSESA project like community nutrition surveillance, monitoring and assessment, and the terminal report preparation continued until the first few months of 1993.

III. DEVELOPMENT OF THE AGRARIAN REFORM SYSTEM

A. Basic legislation on agrarian reform

583. The State recognizes the right of farmers, farm workers and landowners, as well as cooperatives and other independent farmers' organizations, to participate in the planning, organization, and management of the Agrarian Reform Programme, and provides support to agriculture through appropriate technology and research, and adequate financial, production, marketing, and other support services.

584. From 1904 to the present, there have been various attempts to implement agrarian reform. Attached as annex BBB is the list of laws on agrarian reform.

585. The Comprehensive Agrarian Reform Programme (CARP) was instituted on 22 July 1987 by virtue of Presidential Proclamation No. 131. The CARP aims to promote social justice and industrialization through a more equitable

distribution and ownership of land and the provision of support services. The Programme covers, regardless of tenurial arrangement and commodity produced, all public and private agricultural lands, as provided under Executive Order No. 229 (annex CCC).

586. Specifically, this covers the distribution of 1,054,800 hectares of rice and corn lands, and lands sequestered by and surrendered to the Presidential Commission on Good Government (PCGG); 7,659,800 hectares of public alienable and disposable lands, land under agricultural leases, Integrated Social Forestry (ISF) areas, resettlement areas, and private agricultural lands in excess of 50 hectares; and 1,580,997 hectares of other private agricultural lands; or a total of 10,295,600 hectares.

587. The CARP is being implemented by nine agencies, namely: Department of Agrarian Reform (DAR), Department of Environment and Natural Resources (DENR), Land Bank of the Philippines (Land Bank), Land Registration Authority (LRA), Department of Public Works and Highways (DPWH), National Irrigation Administration (NIA), Department of Agriculture (DA), Department of Trade and Industry (DTI), and Department of Labour and Employment (DOLE).

B. <u>Government policies and strategies, and accomplishments</u> on agrarian reform: 1987-1992

588. The scope of the Comprehensive Agrarian Reform Programme (CARP), as defined under Republic Act No. 6657, has been estimated at 10.29 million hectares benefiting 3.9 million farmer-beneficiaries. 3.8 million hectares (37 per cent) of private and government lands fall within the jurisdiction of the Department of Agrarian Reform (DAR). The 4.6 million hectares (45 per cent) involving mainly public alienable and disposable lands are covered by the Department of Environment and Natural Resources (DENR). The remaining 1.9 million hectares (18 per cent) under the Integrated Social Forestry Programme also fall under the jurisdiction of DENR.

589. The Integrated Social Forestry Programme, which is based on the principle of land stewardship, is designed to enhance ecological stability and to improve the socio-economic conditions of the upland farmers and communities through the application of various agro-forestry methods and technologies. The corresponding financial and technical assistance are to be extended by the Government. Said programme involves the issuance of Certificates of Community Forest Stewardship for a term of 25 years, renewable for the same period.

590. The CARP has achieved modest strides in land tenure improvement activities and provision of vital support services to its agrarian reform beneficiaries during the period July 1987 to December 1992 (annex DDD).

1. Land acquisition and distribution

591. The activities under land acquisition and distribution remain the core of the CARP. These include land survey, land distribution, land registration and titling, and landowners' compensation.

(a) Land distribution

592. The overall land distribution performance of the CARP from July 1987 to December 1992 reached a level of 1,626,241 hectares (58 per cent of its target) benefiting 898,420 farmers. The relatively sluggish performance in land distribution has been attributed to the complex land valuation formula, expiration of the Free Patent Law and the frequent changes in the DAR's leadership, among others.

593. Out of the total lands distributed, DAR transferred 1,069,881 hectares, representing 62 per cent of its target, to 621,751 farmer-beneficiaries. The acquisition of private agricultural lands was slow due to the land valuation problems and the Supreme Court ruling which prevented DAR from distributing titled lands pending the payment of full compensation to landowners. Significant achievements were noted in the distribution of Government-owned lands with the issuance of Executive Order Nos. 407 and 448 which direct all government entities to turn over to DAR their landholdings suitable for coverage under CARP. Furthermore, Executive Order No. 405, which transferred the land valuation function from DAR to the Land Bank, facilitated the distribution of lands and the delivery of support services to CARP beneficiaries.

594. Over the same period, the DENR also distributed 556,360 hectares of the total public alienable and disposable lands (53 per cent of its target for the period) to 276,699 families. The processing and distribution of these lands to qualified beneficiaries was affected by the expiration of the Free Patent Law in December 1988 as reflected by the low accomplishment rate of the DENR between 1988 to 1989. Republic Act No. 6940 was passed in March 1990 extending the period for applications for free patent until 31 December 2000.

(b) Landowners' compensation

595. During the same period, the DAR transmitted to the Land Bank of the Philippines compensation claims covering a net total of 374,039 hectares. Of this total, 284,238 hectares, valued at P 3.3 billion, were approved by the LBP for payment. These include rice and corn lands (under Presidential Decree No. 27 and Executive Order No. 228) covering 58,586 hectares with a net land value of P 322.42 million; and voluntary offers to sell and compulsory acquisition of lands involving 225,652 hectares with a net value of P 2.98 billion. The rather limited accomplishment of the Land Bank in terms of payment of compensation claims was largely attributed to problems encountered in land valuation. In this regard, the DAR issued Administrative Order No. 6 in October 1992 prescribing a new set of guidelines on land valuation which is expected to increase the land values by as much as 30 to 50 per cent.

2. <u>Non-land transfer programmes</u>

596. Included under these programmes are leasehold operations, production and profit sharing, stock distribution options, integrated social forestry and community forestry. The lands covered under these arrangements were exempted

or deferred for distribution; however, these schemes expanded the coverage of the CARP and brought more tenants and farmworkers to the programme. Recognition of ancestral land domain claims was another initiative taken during the year.

(a) Leasehold operations

597. As of December 1992, a total of 560,221 hectares, consisting mostly of lands covered under Republic Act No. 3844 and Republic Act No. 6657, were placed under leasehold benefiting 352,798 farmers. The results of the Benchmark Survey conducted by the DAR in coordination with the Institute of Agrarian Studies revealed that, on the average, leaseholders earned a gross income of P 21,455 per annum for a hectare of land, as compared with the P 7,900 annual income received by a share tenant from the same size of land.

(b) <u>Identification, evaluation, delineation and recognition of</u> <u>ancestral domain claims</u>

598. In recognition of the rights of indigenous peoples to their ancestral domains, the DENR, in spite of the absence of an Ancestral Domains Law, has initiated the delineation and recognition of ancestral land and domain claims. The National Integrated Protected Areas System Act of 1992 (Republic Act No. 7586) was also passed. It recognizes the rights of indigenous people to the land even if it is within a protected area.

599. In addition to the recognition of the rights of indigenous peoples, the DENR from September 1989 to December 1992 issued 118 Rattan Cutting Permits under the Negotiated Contract Scheme to various organized communities. These permits, which legitimize rattan cutting/gathering, serve as the primary alternative livelihood of indigenous peoples.

(c) <u>Production and profit sharing</u>

600. By December 1992, 83 firms covering an aggregate area of 97,710 hectares distributed an estimated P 269.3 million worth of production and profit shares to 82,386 farmworkers. At least 50 per cent of these corporations are located in Mindanao, mostly from Region XI. These corporations are engaged in the production of banana, sugarcane, pineapple, palm oil, ramie, copra, and coffee.

(d) Stock distribution option

601. For the period 1987 to 1992, a total of 88 corporate farms, covering 35,955 hectares with 23,675 potential farmworker-beneficiaries, submitted their applications for the stock distribution option. Of these, 13 applications covering an area of 8,288 hectares, with 8,946 farmworkers, were approved by the CARP. Hacienda Luisita, Inc., the first company to opt for stock distribution, distributed a total of 12 million shares with a par value of P 1.00 per share. Sycip Plantation, Inc. issued in full to its farmworkers the 9,967 shares of stock with a par value of P 100 per share.

(e) Integrated social forestry programme

602. From July 1987 to December 1992, the DENR issued 178,815 Certificates of Stewardship Contracts covering 536,445 hectares to an equal number of upland farmers. This represents 79 per cent of the targeted areas.

(f) Community forestry programme

603. The DENR issued three community forest management agreements covering 3,836 hectares under the Community Forestry Programme launched in 1989. This programme provided a mechanism for joint and shared responsibility in protecting and managing the country's fragmented old-growth and residual forests by the Government and qualified organized communities. The community forest management agreement allows the communities to undertake an integrated approach to resource use and management to ensure their livelihood.

3. <u>Support to farmer beneficiaries</u>

604. The delivery of extension services is being undertaken by the Department of Agrarian Reform (DAR), Department of Environment and Natural Resources (DENR), Department of Trade and Industry (DTI), Department of Labour and Employment (DOLE), Department of Agriculture (DA), National Irrigation Administration (NIA), and the Land Bank of the Philippines (Land Bank).

(a) <u>Extension services</u>

605. The DAR, DA, NIA, DTI and DOLE conducted training activities on improved technology, income-generating projects, entrepreneurial and skills enhancement, leadership, project development and community organization, among others, for 2 million farmer beneficiaries. They also engaged in the dissemination of information on CARP and its various components and programmes. The DENR and DA distributed 80.6 million seedlings during the period. The DA furthermore engaged in livestock dispersal, soil analysis, distribution of production and post-production equipment.

(b) <u>Infrastructure support</u>

606. The Department of Public Works and Highways constructed a total of 1,954 road projects with an aggregate length of 3,459 kilometres, while the DENR constructed 7,754 kilometres of access trails. These projects helped increase the farm-to-market mobility of the farmer beneficiaries in the lowlands and uplands. To increase agricultural production in the rainfed areas, the National Irrigation Administration (NIA) constructed 75 communal irrigation systems covering a service area of 10,497 hectares. Ongoing construction of 81 communal irrigation project areas also generated an additional service area of 21,494 hectares. These were complemented by the construction by the DENR and DA of 110 small impounding dams, with an aggregate capacity of 20,981 cubic metres.

607. In support of rural industrialization, 235 common service facilities and agro-industrial prototype projects were established by the DTI. These provided livelihood opportunities for 14,658 farmer beneficiaries and investment alternatives for 293 landowners.

(c) <u>Credit</u>

608. From July 1987 to December 1992, the Land Bank of the Philippines released P 17.9 billion worth of production loans to 1.73 million farmer beneficiaries. Of this amount, P 14.8 billion were funded from the Agrarian Reform Fund, while P 3.11 billion were financed by the Land Bank.

(d) Legal assistance and adjudication

609. Land acquisition and distribution under the Agrarian Reform Programme involves a complex web of legal problems. The Comprehensive Land Reform Law empowers DAR to extend legal assistance to concerned parties and equipped it with quasi-judicial functions.

610. Out of 342,472 cases of agrarian conflicts filed with the DAR, 292,186 were resolved during the period. Of the 18,507 cases filed with the DAR Adjudication Board, only 9,425 cases were decided. The unattractive government salary scale for lawyers hampered the functions of the Board.

4. <u>CARP special projects</u>

(a) Agro-Industrial Development Areas (AIDA)

611. By December 1992, the DAR implemented 91 agro-industrial development projects in 26 Strategic Operating Provinces. These projects, with an estimated cost of P 591.5 million, are expected to benefit some 46,559 farmer beneficiaries. The majority of these projects had to do with the establishment of post-harvest facilities, crop production and infrastructure support.

(b) Foreign funded projects

612. In order to augment the Government's limited budget, foreign funding was obtained for various projects connected with the CARP. The list of the major projects is attached as annex EEE.

613. The shortage of funds for support services resulted in the discontinuation or deferment of some projects already in the pipeline. From the third quarter of 1992, infrastructure projects of the DENR and extension services of the DA were no longer funded by the Agrarian Reform Fund. The activities under CARP Special Projects were also winding up. To cope with these financial constraints, the DAR started packaging provincial agrarian development plans for foreign funding.

(c) <u>Cooperative development</u>

614. For the discussion on cooperative development, please see the section on Agriculture: empowerment of small farmers and fisherfolk.

5. <u>The Agrarian Reform Fund</u>

615. The CARP is funded by the Agrarian Reform Fund. The total remittances to the Fund during the period, amounting to P 26,880,000,000, came from the following sources: the Asset Privatization Trust (P 18,580,000,000), the Presidential Commission on Good Government (P 3,370,000,000), the Bureau of Treasury (P 3,360,000,000), USAID (P 1,110,000,000) and the Department of Agriculture Rice Production Enhancement Programme (P 170,000,000). The total remittances were below the P 40.1 billion.

616. The total funds released to CARP implementing agencies amounted to P 23.7 billion. The ARF balance as of 31 December 1992 was P 4,220,000,000. The utilization of the Agrarian Reform Fund totalled P 20,930,000,000. This excluded the Land Bank's disbursements of P 10,310,000,000 charged against the collections from its agrarian operations. Of the total P 20,930,000,000, P 2,160,000,000 was utilized for landowners' compensation, P 4,790,000,000 for credit and P 2,650,000,000 for the infrastructure projects of the National Irrigation Administration and the Department of Public Works and Highways.

C. <u>Government policies and strategies</u>, and accomplishments on agrarian reform in 1993

617. The year 1993 ushered in major developments in the implementation of the CARP with respect to its focus, thrusts and strategies and direction. These developments include the formation of agrarian reform communities, which now serve as the loci of all the CARP activities; improvement of procedures as a result of the resolution of major operational and policy issues; and the empowerment of the CARP bureaucracy to make it more responsive to the needs of the Programme's public.

618. The impetus of these developments has improved the policy and operational environment for the implementation of the Programme. While there remain some stumbling blocks, operational measures have been adopted, which lay the groundwork for its implementation.

1. Land acquisition and distribution

(a) Land survey

619. The inventory of public alienable and disposable lands provides information on the extent and location of lands which will be covered under CARP.

620. In 1993, the DENR conducted an inventory of 3,743,317 lots covering 5,787,355 hectares representing 181 per cent of the DENR's target. This year's accomplishments bring to 5,857,670 hectares the total area covered under this activity. These figures do not yet reflect the extent of the total area to be covered under the Programme because the DENR is still processing the results of the inventory.

621. The reconstitution of damaged records provides the needed information to facilitate identification of public alienable and disposable lands for their

inclusion in CARP. In 1993, the DENR reconstituted a total of 18,633 maps and plans bringing to 147,126 the total number that have been reconstituted.

622. From 1993 the DAR assumed the responsibility for surveying idle or abandoned private and Government-owned, sequestered, foreclosed, voluntary offer to sell and compulsory acquisition lands, lands acquired by the DAR under Executive Order No. 47 as amended, as well as lands being voluntarily offered for sale and lands for compulsory acquisition. However, the verification and approval of surveyed areas is still under the jurisdiction of the DENR. For the same year, the DENR completed the survey of 23,917 hectares of private agricultural lands (inclusive of rice and corn lands) and 14,606 hectares of Government-owned lands. In addition, the DENR also completed the survey of 449,098 hectares of public alienable and disposable lands and 30,763 hectares classified under the Integrated Social Forestry Programme areas. A total of 2,762 hectares of public alienable and disposable lands were classified or reclassified. These accomplishments bring to 4.2 million hectares the total area surveyed by the DENR since July 1987.

623. The DAR surveyed a total of 108,188 hectares representing 26 per cent of its target for 1993. The performance of the DAR in land survey was affected by procedural requirements during preparatory activities (e.g. gathering of data, awarding of bids and contracts, etc.). Delays in fund releases were due to budget shortfalls, peace and order situations, adverse weather conditions, and technical impediments such as absence of mother titles and defects in the technical documents.

(b) Land distribution

624. A total of 494,922 hectares were distributed by the DENR and DAR, or around 117 per cent of their combined targets for 1993.

(c) <u>Land registration</u>

625. The Land Registration Authority (LRA) registered a total of 158,902 emancipation patents (under Presidential Decree No. 27), certificates of land ownership awards (under Republic Act No. 6657) and free patents (under C.A. No. 141), with an aggregate area of 506,856 hectares. These represent 99 per cent of the total applications submitted by the DAR and the DENR to the LRA.

(d) Landowners' compensation

626. At the beginning of 1993, a total of 4,777 claim folders covering 71,135 hectares were being processed by the Land Bank. Within the year, an additional 7,897 claim folders with a corresponding area of 109,361 were transmitted by the DAR. Of the total 12,674 claim folders covering 180,496 hectares, 1,543 claim folders covering 23,957 hectares were returned to the DAR by the Land Bank for various technical reasons. Thus, the net processable claims left with the Land Bank were 11,131 claim folders covering an area of 156,539 hectares.

627. The Land Bank approved for payment a total of 100,900 hectares with a total land value of P 2.26 billion, or 57 per cent more than its performance

in 1992. By land type, most of the lands covered were voluntarily offered for sale (86 per cent), followed by rice and corn lands (14 per cent).

628. It may also be noted that the average cost per hectare amounted to P 22,415 or 80 per cent higher than the previous year's average cost of P 12,472. To some extent, this is a reflection of the net effects of DAR Administrative Order No. 6 (1992). This increased the valuation of land, and thus contributed to the Land Bank's favourable performance.

629. The Land Bank also collected a total of P 202 million from the farmer beneficiaries' amortization or an increase of 29 per cent over the previous year's collection. This brings to P 850 million the total amount collected by the Land Bank since July 1987.

2. Non-land transfer programmes

(a) Leasehold operation

630. In 1993, the DAR placed a total of 123,270 hectares under leasehold arrangement, involving 75,277 farmer beneficiaries or 94 per cent of its target.

(b) <u>Identification, evaluation, delineation and recognition of ancestral</u> <u>domain claims</u>

631. Pursuant to Republic Act No. 7586 which recognized ancestral domains and other customary rights in protected areas and Executive Order No. 192 which empowers DENR to exercise exclusive jurisdiction on the management and disposition of all public lands of the public domain, DENR issued Department Administrative Order No. 02 series of 1993 on 15 January 1993 which defines the coverage of ancestral lands and domains, the method of delineation of such claims and their management. Up to December 1993, a total of 89 Certificates of Ancestral Land Claims were issued, covering 6,137 hectares and benefiting 3,732 families.

632. Between September 1989 to December 1993, the DENR issued 118 rattan cutting permits under the negotiated contract scheme, covering an area of 2.98 million hectares and a yearly sustained yield of 121.54 lineal metres of rattan.

(c) <u>Production and profit sharing</u>

633. By December 1993, a total of 84 corporate farms filed their applications under the production and profit sharing scheme. However, only 57 corporations qualified to distribute production and profit shares to farmworker beneficiaries. The other corporations have either stopped their operations, shifted to other businesses, opted to offer to sell their lands, chose the stock distribution option, or volunteered their landholdings for land distribution under the CARP. The firms that have qualified under this scheme distributed P 321 million worth of production and profit shares to 56,326 farmworker beneficiaries.

(d) Stock distribution option

634. As of December 1993, a total of P 20,181,000 worth of stocks have been distributed to 9,318 farmworker beneficiaries by 13 corporations.

(e) <u>Integrated social forestry projects</u>

635. Latest statistics show that there are 2,715 integrated social forestry projects throughout the country covering a total of 525,600 hectares of forest lands, involving 205,000 family beneficiaries. Most of these areas are now under the supervision or administration of the local government units pursuant to the Local Government Code. Furthermore, the DENR is now in the process of turning over to the DAR public alienable and disposable lands for the issuance of Certificates of Land Ownership Award under the CARP.

(f) <u>Community forestry programme</u>

636. There are now 50 Community Forestry Programme sites covering 48,472 hectares, benefiting 12,581 households.

3. <u>Delivery of support services</u>

637. To showcase the successes of CARP, agrarian reform communities were launched by the DAR in 1993. These serve as the loci of development interventions for the CARP implementing agencies, local government units (LGUs), non-governmental organizations (NGOs), and people's organizations (POs).

638. To date, 257 agrarian reform communities are operational in different <u>barangays</u>. Their 459 support projects with an estimated cost of P 595.1 million are expected to benefit 257,000 persons.

639. The preparatory activities for the implementation of support services within the agrarian reform communities were completed. However, the integration of the various projects which are to be implemented by the CARP agencies in these agrarian reform communities still have to be made fully operational. Lack of funds, coordination problems, inadequate participation of the NGOs/POs in the development of communities and the lack of a monitoring and evaluation system are the problems which have yet to be resolved.

(a) <u>Extension services</u>

640. The decision of the CARP Executive Committee to give priority to land acquisition and distribution over support services in the allocation from the Agrarian Reform Fund resulted in the slowing down of some extension activities in 1993, particularly those of the DENR and DA. Such policy was necessitated by the devolution of these activities to the local government units in accordance with the Local Government Code.

641. The DAR conducted various training programmes for the farmer beneficiaries on basic agrarian reform education, advanced skills training and related training activities for the support groups, i.e., teachers, NGOs and POs. Other training programmes were also conducted in collaboration with the CARP implementing agencies. Under these programmes a total of 50,781 farmer beneficiaries and other clientele of the CARP participated in the training programmes.

642. The DAR likewise conducted several series of consultations with the various farmers' groups to enhance their participation in the implementation of the CARP. These consultations contributed to the ventilation of vital issues such as illegal conversion, certificate of land title cancellation, land valuation and attempts by Congress to amend certain provisions of the CARP. The views of the farmers served as valuable inputs in the formulation of policies and guidelines by the DAR. A total of 215 field consultations were conducted and participated in by 1,479 POs involving 12,358 farmer beneficiaries.

643. For 1993, the DTI conducted a total of 996 seminars and training programmes benefiting 20,417 farmer beneficiaries and 2,730 landowners. The training programmes focused on technology and skills improvement and entrepreneurial management.

644. A total of 21,116 farmers and 201 landowners benefited from 267 pre-feasibility and investment studies conducted by various government agencies preparatory to the setting up of livelihood projects. Some of these projects were endorsed for funding from local and foreign sources.

645. Under its marketing programme, the DTI conducted a total of 953 market linkage activities and trade fairs benefiting 11,214 farmer beneficiaries and landowners. These activities likewise generated a total sales of about P 46.9 million.

646. The DTI likewise provided assistance to 4,063 beneficiaries and 115 cooperatives and associations in the establishment of 326 income-generating projects in food processing, post-harvest facilities, and handicraft, among others.

647. The activities of the Department of Labour and Employment were more limited since it did not receive allocations from the Agrarian Reform Fund. The DOLE assisted in organizational activities of plantation workers in six pilot estates. It was noted that the transfer of estate management and awarding certificate of land ownership to the farmer beneficiaries served as the biggest incentive for their active participation in all the organizational activities. DOLE also conducted 22 training programmes on organizational development, project management, cooperative development and farm management.

(b) <u>Infrastructure</u>

648. The Department of Public Works and Highways (DPWH) completed a total of 341 projects with an aggregate length of 690 kilometres, representing 65 per cent of its target for the year. These accomplishments brought to 2,295 the total number of projects completed, with a total length of 4,149 kilometres.

649. In 1993, the National Irrigation Administration (NIA) constructed a total of 95 communal irrigation systems servicing an area of 16,940 hectares and benefiting 8,470 farmers.

650. During the year, the DTI implemented 59 common service facilities and agro-industrial prototype projects, bringing the total number of common service facilities and agro-industrial prototype projects in operation to 300.

(c) Credit

651. The Land Bank released P 8,150,000,000 worth of production loans to 886,503 farmer beneficiaries and cooperatives. The loan amount is 9 per cent higher than the previous year's release. By December 1993, the Land Bank had released a total of P 26,040,000,000, serving 2.6 million farmer beneficiaries. Most of the loans were made available through farmers' cooperatives programme and rural financial institutions.

652. The DAR provided credit assistance under its direct lending assistance to cooperatives for the implementation of Agro-Industrial Development Area (AIDA) projects within the strategic operating provinces. As of December 1993, a total of 16 projects (amounting to P 91 million) were given loan assistance. Portions of the loan package consisted of grants. Under the Development Bank of the Philippines Window Loan III, a total of 152 projects were funded at a total cost of P 352 million, benefiting more than 7,500 farmer beneficiaries. These projects are all operational, with some already paying their loan amortizations.

(d) Legal assistance and adjudication

653. A total of 43,169 agrarian conflicts out of 56,972 pending newly filed cases were resolved by DAR in 1993. For the same year, the DAR Adjudication Board docketed 8,623 new cases, bringing the total number of cases for resolution to 16,600. It settled 8,872 such cases during the year.

D. Impact of agrarian reform

654. In a study on the socio-economic impact of CARP on the agrarian reform beneficiaries (annex FFF), it was shown that on the overall the CARP had substantial impact on their lives. The study showed that in the upland and lowland areas the quantity of agricultural produce and their value generally increased under the programme. Mechanization of farms in these areas also increased. In the case of coastal areas, the impact of the CARP appears to be dependent on the cropping season. In the three areas the health status and housing conditions of the CARP beneficiaries improved under the programme. Food sufficiency also generally improved. Lowland farmers' income also increased considerably.

E. Concerns and issues on agrarian reform

655. The CARP has achieved modest strides over the last seven years. The following are the areas of concern in sustaining and strengthening the gains from the Programme:

(a) Streamlining of inter-agency coordination and synchronization of activities;

(b) Shortage of funds;

(c) Improvement of the collection rate of funding agencies;

(d) Development and implementation of new strategies to increase the pace of land distribution;

(e) Settlement of ancestral domain claims; and

(f) People empowerment through greater farmer and farmworker participation in the development of agrarian reform communities.

F. <u>Future directions</u>

656. In the next four years the following policy directions are expected to be followed:

(a) Expansion of CARP's financial base through domestic initiatives and foreign funding;

(b) Formulation, through legislative action, of a national land use policy;

(c) Institutionalization of a system for monitoring the long-term impact of CARP;

(d) Forging of a stronger public and private sector partnership;

(e) Continuous improvement of the CARP bureaucracy;

(f) Provision of policy options for the rapid development of empowerment of the farmers;

(g) Establishment of an equitable and affordable valuation of lands;

(h) Establishment of a common strategy in the implementation of CARP; and

(i) Upgrading of the adjudication system.

G. Equitable distribution of world food supplies

657. In order to remedy shortfalls in food production and the lack of certain food products in the Philippines, importations have been allowed. Importation of staple food like rice has also been permitted during periods of insufficient domestic supply. In cases when natural calamities or droughts reduce production, Government intervened in the market in order to limit or prevent speculation detrimental to the general interest.

ARTICLE 12.1

I. BASIC LEGISLATION ON ENJOYMENT OF THE HIGHEST ATTAINABLE STANDARD OF PHYSICAL AND MENTAL HEALTH

658. The Constitution of the Republic of the Philippines enshrines the right to health of every Filipino citizen and enunciates the State's resolve to see to it that this right is exercised and enjoyed by the underprivileged (art. II, sect. 15; art. III, sects. 11, 12 and 13).

II. GOVERNMENT POLICIES AND PROGRAMMES AND OVERVIEW OF THE STANDARDS OF PHYSICAL AND MENTAL HEALTH

659. In working towards the protection and promotion of the right to health, the Government has adopted the World Health Organization (WHO) Primary Health Care (PHC) approach, and a master plan on PHC which was endorsed by the inter-agency Social Development Council of the National Economic and Development Authority bears witness to this commitment. The Philippines was among the frontrunners in the development and implementation of programmes along PHC lines for which its Minister of Health received the Sasakawa Award in 1985.

660. The various measures that have been taken to implement primary health care, permeating not only the public sector but also the private sector, non-governmental organizations (NGOs) and the communities, have been well documented in reports (1988, 1991 and 1994) submitted to WHO as part of the periodic monitoring and evaluation of the implementation of the strategy Health for All by the Year 2000.

661. The Government's commitment to primary health care was recently underscored by the new administration when the current Health Secretary issued an administrative order upholding it as the core strategy in the current programme and streamlining relevant structures to oversee its implementation.

662. In the Department of Health's ten policy statements, primary health care tops the list followed by preventive and promotive health, people empowerment and participation, pesos for health, partnership for consensus and action, peace building and positioning for performance. Health for All by the Year 2000 has been carried forward with the Government's 2020 Vision of Health in the Hands of People.

663. From the time the International Covenant on Economic, Social and Cultural Rights came into force in the Philippines (1978), the state of health of Filipinos has improved steadily although there have been some setbacks in periods of poor economic performance, particularly in the mid-1980s. The health picture as reflected in the WHO-defined vital impact indicators is portrayed in the WHO reports mentioned as well as in the Philippines' initial report on the implementation of the Convention on the Rights of the Child and in the Philippine Country Report on Women: 1986-1995. The tabular summary highlights the most relevant ones:

Indicator	Level	Reference period
Infant mortality rate (per 1,000 live births)	56 61	1992 1983
Population with access to safe water	82% 64	1991 1983
Population with access to adequate excreta-disposal facilities	70% 56	1991 1983
Infants immunized: OPT3 Measles OPV3 BCG Fully immunized	88% 87 89 90 91	1993
Life expectancy at birth	(64.6) 65.2 yrs. M - (63) 63 F - (66) 68	(1990) 1992
Maternal mortality rate (per 100,000 live births)	70/100,000 80 142	1992 1990 1983
Infants with access to trained personnel for care	84%	1992

Selected Health Indicators: Philippines

664. The improved overall health status of the Philippine population does not reflect regional and other subgroup differences. Rural and slum dwellers are a disadvantaged group in this area. There are also wide disparities among regions with respect to malnutrition levels.

665. Females consistently show lower infant and child mortality rates and higher rates of life expectancy. Regional disparities have registered nine-year differences in life expectancy, and some regions have even shown episodes of increasing infant mortality rate despite declines in the national average.

666. The most vulnerable and disadvantaged groups healthwise are people with low incomes and who are poorly educated and marginally employed. Included also in this group are peripheral communities and people living in areas visited by calamities or affected by armed conflict and environmental degradation.

667. In this light, the Government has deemed it necessary to institute appropriate laws, policies and programmes that address equity issues in health care. These initiatives are necessarily taken in the face of competing demands for scarce resources. Overall expenditure for health is only one half

of the WHO-recommended level of 5 per cent of Gross National Product. In 1992, less than 6 per cent of the national government budget was allocated to the Department of Health.

668. The general policy is that all government programmes should be implemented with special focus on the disadvantaged sectors of society.

669. Under the Government health programme, specific enactments and orders call for targeting of disadvantaged areas or population subgroups.

(a) Batas Pambansa No. 702 of 1984 prohibits the demand of deposits or advance payments for the confinement and treatment of patients in hospitals and medical clinics under certain cases;

(b) The adoption of a system of bulk procurement of medicines and medical supplies in the regions and among hospitals in 1987 and in 1988;

(c) The National Drug Policy and its enactment into law (Republic Act No. 6675 of 1988) signalled the shift to generic labelling of drugs and medicines, thereby bringing down their prices closer to the ordinary consumer's ability to pay;

(d) The implementation of the Rural Health Practice Programme for medical and nursing graduates alleviated the problem of uneven health manpower distribution and improved the accessibility to trained personnel even in difficult areas;

(e) The Doctors for <u>Barrios</u> Programme was launched to encourage doctors to serve in difficult areas and communities where there have been no doctors for the past five years or more;

(f) Foreign medical missions are encouraged to go where there are gaps in health services, and donations are channelled to underequipped primary/secondary hospitals whenever appropriate;

(g) Augmentation funds, particularly now that health services have been devolved to the local government units (LGUs) by virtue of the Local Government Code of 1992, are allocated to LGUs based on carefully selected criteria;

(h) Women's health and safe motherhood is one of the five priority impact programmes for the rest of the current decade, and about US\$ 200 million will be poured into the programme from ODA funds for the same period;

(i) The evaluation of these and other pro-poor measures have not been extensively documented to determine their intended impact, but preliminary indications point to positive results.

670. The Aquino administration set medium-term goals (end of 1988) to reduce disparities in health status:

(a) The disparities between local and national health targets with respect to key health indicators will be reduced by 75 per cent;

(b) Doctors will be regularly assigned in all municipalities;

(c) The proportion of reported deaths without medical attention will be reduced by 70 per cent;

(d) Medicare II will be fully implemented;

(e) Access to essential drugs will be increased to 90 per cent;

(f) The access to a safe drinking water supply will be increased by 97 per cent for Metro Manila, 96 per cent in other urban areas and in rural areas while access to household sanitary facilities will be increased to 94 per cent, especially in rural areas;

(g) Budgetary and human resource and logistics augmentation will be prioritized to high-risk or hard-to-reach areas;

(h) No region, province or city shall fall lower than 20 per cent of the national priority programme targets.

671. In line with the Government's thrust to promote a healthy citizenry, the President issued a directive to the DOH (8 March 1993) to look into the basic health requirements of and ensure proper intervention for the urban poor.

672. The Government's policies and strategies for women's health contained in the Philippine Development for Women (PDPW) are the following:

(a) Strengthen basic services for the delivery of health care to meet the needs of the most vulnerable groups;

(b) Enhance the status of women as health workers and programme implementers;

(c) Enforce occupational health and safety standards;

(d) Strengthen preventive, promotive and curative health care among women and girls;

(e) Plan accessible and acceptable health facilities for women;

(f) Encourage use of indigenous resources and technology;

(g) Reduce prevalence of malnutrition among women;

(h) Strengthen promotion of family planning among women and men;

(i) Intensify efforts to eradicate banned goods and drugs;

- (j) Gear health education towards women's needs; and
- (k) Develop gender-specific indicators for women's health.

ARTICLE 12.2

673. The sectoral gains during the period were achieved through the sustained implementation of policies and programmes adopted by the Government to respond to changing health needs and problems. Efforts were focused on the enrichment and expansion of services, strengthening of coordination among stakeholders in health, mobilization of private and community resources, and reduction of health care costs. Existing laws were amended and ongoing programmes were reviewed and revitalized towards improving responsiveness and reliability of the health care delivery system.

I. PROVISION FOR THE REDUCTION OF THE STILLBIRTH RATE AND OF INFANT MORTALITY AND FOR THE HEALTHY DEVELOPMENT OF CHILDREN

674. Child survival and development has always been a priority programme of the Government and it has been implementing intervention programmes that address the important health risk factors of infant and child morbidity and mortality. Among these programmes are:

- (a) Expanded programme of immunization;
- (b) Control of acute respiratory infections;
- (c) Control of diarrhoeal diseases;
- (d) Promotion of breast-feeding;
- (e) Clinics for children below five years old;
- (f) Growth monitoring;
- (g) Micronutrient supplementation;
- (h) Food fortification;
- (i) Targeted food assistance programme;
- (j) Food production and other self-help projects;
- (k) Mothercraft and nutrition education;
- (1) Maternal care/safe motherhood; and
- (m) Family planning and population education.

675. The Expanded Programme of Immunization (EPI) was launched in 1976 by giving BCG vaccines to school entrants. By 1993, all antigens for the six immunizable diseases (diphtheria, pertussis, tetanus, tuberculosis, polio, and

measles) were made available for all targeted children. In 1986, the Government adopted the goal of universal child immunization with the proportion of fully immunized children climbing to 91 per cent in 1993.

676. A programme to integrate hepatitis B immunization into EPI has been initiated particularly because the majority of infections leading to the state of chronic virus carriage occur during the first five years of life. One major problem that hinders full implementation is logistics, e.g. hepa B vaccines.

677. When the Polio Eradication Project was launched in 1992, the EPI manual was revised and the Field Guide for the National Immunization Days (NID) was developed for the first-ever synchronized mobilization of all sectors in the conduct of mass immunization nationwide.

678. The promotion of the breast-feeding programme was given impetus in 1992 when Republic Act No. 7600 was passed. It provides incentives to all government and private health institutions with rooming-in and breast-feeding facilities. A growing number of hospitals nationwide have already obtained a special stamp of approval as baby-friendly hospitals.

679. Healthy development of the child is largely dependent on proper nutrition. Although there has been overall improvement in nutritional status over the past decade, the major problems of chronic nutrient inadequacy manifested by protein energy malnutrition (PEM) and deficiencies in iron, vitamin A and iodine remain to be solved. Infants, preschool children 1-3 years old, schoolchildren, and pregnant and lactating women are the most seriously affected. Boys consistently had higher prevalence of undernutrition compared to girls. Using nutrient intake data, nutritionally-at-risk occupational groups are the subsistence or hired fishermen, hired/seasonal farm workers, service and related workers (housekeepers, janitors, etc.), hunters and loggers, craftsmen and production workers, and common labourers.

680. In this light, intervention programmes have been sustained. Inexpensive and easy-to-use weighing scales have been made available at the *barangay* level. Food and micronutrient supplements as well as food fortification, the most recent being vitamin A-enriched rice, are continuing programmes. Since food production, availability and pricing are prime factors in getting proper food served on the family table, linkages among concerned agencies have been intensified. With the Food and Nutrition Research Institute taking the lead role, the list of nutrition and food technologies developed since 1976 is attached as annex AAA.

681. The Government's commitment to the containment of malnutrition was reaffirmed with its adoption of the 1987 nutrition policy statement. This commitment was concretized by the Philippine Plan of Action for Nutrition (PPAN) which adopted a two-pronged strategy to curtail malnutrition in the country. It involves the promotion of household food security and the prevention, control and elimination of micronutrient malnutrition.

682. The Home and Community Food Production Programme has been launched and this involves promotion of food production primarily through the establishment of home and school gardens using the Bio-Intensive Gardening (BIG) technology

and other regenerative technologies including small animal raising and agriculture, primarily for home consumption as a means of ensuring household food security.

683. The Credit Assistance for Livelihood Programme is another approach towards providing poor and malnourished households with access to credit to enable them to cope with acute food shortages and to address the problem of malnutrition in the longer term.

684. Safe motherhood and maternal care programmes have shown positive results in terms of child survival and development. With the adoption of a new population policy that gives due attention to health risks associated with childbearing, infant and child mortality are expected to decline significantly in the medium term as compared to the slow and disparate reductions across the country in the past decade.

II. IMPROVEMENT OF ALL ASPECTS OF ENVIRONMENTAL AND INDUSTRIAL HYGIENE

685. The Sanitation Code of the Philippines (Presidential Decree No. 856), promulgated in December 1975, provides for the observation of sanitary standards for industrial establishments in compliance with zoning laws and proper disposal of industrial and other wastes; the review and updating of standards, and promulgation of measures to control noise, radiation and pollution; and the provision of protective barriers and personal protective equipment and adequate ventilation in workplaces; and the control of infectious diseases in industry.

686. The Department of Labour and Employment (DOLE) and the Department of Health (DOH) are the main government instrumentalities through which the intent of the above law is served. Activities geared towards the promotion of environmental and industrial hygiene include:

(a) Adoption of the 1990 Occupational Safety and Health Standards, as amended, which spells out general provisions to safeguard workers' social and economic well being as well as their physical health and safety, particularly for the protection of workers against injury, sickness or death through safe and healthful working conditions;

(b) Development and distribution of training manuals and implementing rules and regulations on existing laws and policies;

(c) Establishment of in-plant health and family welfare programmes including population education and family planning;

(d) Delivery of occupational health and extension services to workers, especially in small-scale industries;

(e) Strengthening surveillance and reporting systems for occupational diseases;

(f) Networking with tertiary hospitals in the private sector relative to occupational health services, particularly for appropriate expertise and services in diagnosis, treatment and rehabilitation;

(g) Strengthening the capability of labour inspectors in monitoring working conditions through the acquisition of measuring instruments to detect and measure the presence of hazardous and toxic substances in all workplaces nationwide;

(h) Establishment of industrial clinics in strategic sites nationwide to intensify the programme on preventive occupational health care;

(i) In-plant training and seminars on occupational health and safety;

(j) Conduct of national tripartite (government, management, labour) consultation workshops;

(k) Implementation of the Mercury Surveillance Programme of the Occupational Health Division of DOH to prevent mercury poisoning.

687. The major challenge continues to be in the area of enlisting the sustained commitment and participation of occupation and industry groups, ensuring compliance with the occupational standards and rules and regulations implementing the Sanitation Code in general, and chapter VII (Industrial Hygiene) in particular.

688. The "Think Health-Health Link" initiative being planned by DOH for implementation beginning in 1995 aims to consolidate and sustain private sector participation in a spirit of shared leadership by putting in place appropriate structures and mechanisms for keeping watch on eating places, workplaces, streets, vehicles, markets, hospitals, schools, prisons, resorts, cities, *barrios*, and other establishments/geographical delineations.

689. One incentive that has been identified is that of providing the DOH stamp of approval or certification to those that comply with the health, environmental and development (HEAD) standards set for their particular group, e.g. a DOH-certified HEALTHY STORE or HEALTHY BARRIO. For example, an industrial establishment that does not meet lighting and ventilation standards, among other HEAD criteria, cannot be certified as a HEALTHY WORKPLACE.

690. With regard to the broader concern of environmental health, the issuance of Executive Order No. 489 institutionalized the Inter-Agency Committee on Environmental Health which was tasked, <u>inter alia</u>, to formulate policies and guidelines, and to develop, coordinate, monitor and evaluate programmes for environmental protection.

III. PREVENTION, TREATMENT AND CONTROL OF EPIDEMIC, ENDEMIC, OCCUPATIONAL AND OTHER DISEASES

691. In the Philippines, the epidemiological burden from infectious and preventable diseases continues even as degenerative diseases have emerged. While pneumonia and tuberculosis remain the major killers together with

diarrhoea, measles and nutrition-related diseases, malignant neoplasms, kidney disorders and diseases of the heart and the vascular system have increased significantly in the last two decades. Malaria and schistosomiasis remain endemic and HIV infection and AIDS cases have doubled every two years over the last five years.

Disease	Year	
	1985-1989	1990
Diseases of the heart	69.6	74.4
Pneumonia	87.1	66.3
Diseases of the vascular system	52.9	54.2
Tuberculosis (all forms)	50.3	39.1
Malignant neoplasms	34.9	35.7
Diarrhoeal diseases	18.0	12.0
Septicaemia	8.0	9.4
Nephritis, nephrotic syndrome and nephrosis	8.7	8.3
Accidents	19.3	б.4
Measles	14.4	5.6

Mortality rates (per 100,000 population) for the ten leading causes of death, Philippines

692. The public health programmes now also deal with diseases of the kidneys, cancer, cardiovascular diseases and AIDs.

693. The Government's responsiveness to epidemics and disease outbreaks, particularly in times of calamities and disasters, has been improved through the establishment of regional epidemiology units in 1992. This was made possible by a continuing training programme for field epidemiologist under a USAID grant.

694. The Government has also worked out two projects, namely the Health, Environment, and Development (HEAD) Zones and Stop D.E.A.T.H. (Disasters, Epidemics, and Accident Trauma for Health) as part of a grand plan to develop a responsive health and emergency service network, with efficient communication and transportation systems and highly capable and dependable manpower.

695. As the epidemiological transition being experienced in the country still exhibits the persistence of communicable but preventable diseases, programmes to control TB, malaria, schistosomiasis and other vector-borne diseases are being strengthened. There are disease control programmes in leprosy, rabies, filariasis, dengue and sexually-transmitted diseases aside from AIDS.

696. The three goals set during the World Summit for Children in 1988 were: polio eradication, measles control and neonatal tetanus elimination. These were adopted by the Philippines in its national plan of action for children (PAC) in 1991.

697. The Department of Health conducted two successful National Immunization Days (NIDs) on 21 April and 19 May 1993. These campaigns were the first of their kind in Asia. A total of 400,000 volunteers including the

32,000 DOH work-force worked together to administer immunizations, specifically oral polio vaccine, to 9 million children below 5 years old in more than 65,000 *Patak* centres or vaccination posts nationwide. Other injectable vaccines such as measles vaccine, diphtheria-pertussis-tetanus vaccines, BCG (anti-tuberculosis) and tetanus toxoid were given in selected *Patak* centres where there were skilled health workers.

698. The primary objective of the NID is to immunize all children below five years old residing in the Philippines with oral polio vaccine regardless of immunization status or date of last OPV dose. The secondary objectives of the NID were: (i) to immunize all 9-24-month-old infants with measles vaccine to complete a maximum of two doses; (ii) to give BCG and DPT vaccines to all children above one year old and below five years old who have not completed their primary immunization series with these vaccines, and (iii) to give tetanus toxoid shots to all women of childbearing age (15 to 44 years old) to complete the five-dose schedule recommended by WHO to confer lifelong protection against tetanus.

699. The 1993 NID was one of the most successful government projects. A post-NID survey was conducted the following month by various international and non-governmental partners of the DOH. The results of the survey indicated that 95 per cent of all children below five years old nationwide were given at least one dose of OPV; 21 per cent of the 9-24-months-old infants received measles vaccine; 75 per cent of children 12-59 months old received 200,000 IU of vitamin A during the second NID; 39 per cent of the interviewed mothers of children below five years old received tetanus shots; and more than 9.8 million mothers with their children trooped to over 60,000 *Patak* centres nationwide.

700. The 1993 National Immunization Day showed that the concerted efforts of over 400,000 volunteers, government agencies and offices, and more than 150 private corporations and civic organizations, made this project successful. *Patak* centres were established in numerous places accessible to the public, even in churches, bus stations, schools, offices and stores.

701. Legislative and political leaders were so impressed with the impact of the DOH campaign that for the first time in Philippine history Government has allocated a budget for the immunization programme. Even before the 1994 NIDs started its social mobilization, numerous pledges and donations had already been received by the DOH.

702. This campaign will continue until 1995. An assessment of the various disease reduction goals and the NID's impact on reducing disease incidence will be made to determine the most effective strategy for controlling vaccine-preventable deaths and disabilities.

IV. CREATION OF CONDITIONS WHICH WOULD ASSURE TO ALL MEDICAL SERVICE AND MEDICAL ATTENTION IN THE EVENT OF SICKNESS

703. The programme Health in the Hands of the People, implies universal access to health care or the elimination of inequities in health service delivery.

704. One important law which was recently enacted, Republic Act No. 7305 of 1992, popularly known as the Magna Carta of Philippine Health Workers, provides for the promotion and improvement of the social and economic well-being of health workers, their living conditions and terms of employment. This singular act of commitment to the plight of health workers is expected to raise their morale and to result in better quality and more personalized health care.

705. A strong policy on social mobilization as well as specific guidelines outlining the areas for collaboration between the Government and the private sector in the field of health has widened the depth and coverage of health services. A first ever national convention of NGOs was held in 1989 and an NGO desk was set up in the DOH. NGO representatives sit in different Cluster Committees of DOH and, under the World Bank-funded Philippine Health Development Project, grants are provided for health projects initiated by NGOs or private organizations in collaboration with community members.

706. The development and promotion of Philippine medicine, one of the 10 guiding principles or policies in health, is geared towards wider use of medicinal plants, intensified scientific research on traditional and indigenous healing methods, and attainment of self-sufficiency in the production of essential therapeutic preparations. Currently, there are three operational herbal processing plants. Integration into the mainstream of the health care delivery system will be pursued in a continuing effort to provide the population not only with safe and efficacious but also acceptable and affordable modalities of treatment. A classic example is the training of traditional birth attendants (*hilots*) for deliveries in the home under aseptic conditions.

707. As early as 1973, government hospitals were authorized to sell medicines and drugs at cost plus 10 per cent margin and the *Gamot sa Presyong* DOH (Drugs at DOH Prices) was implemented for the top 10 most essential and commonly used drugs in the country.

708. Since 1971, Medicare has served the medical needs of millions of Filipinos, and this insurance programme has grown in coverage from 21 million in 1987 to 24 million in 1992. In July 1988, Executive Order No. 365 effected an increase in benefits and monthly contributions as well. Executive Order No. 441 in 1990 directed the Health Insurance Fund, which is administered by the Social Security System (SSS) for Medicare beneficiaries in the private sector and by the Government Service Insurance System (GSIS) for those in the government sector, to further finance the following:

(a) 80 per cent increase in hospitalization benefits;

(b) 87 per cent increase in benefits for the purchase of drugs and medicines required for treatment;

(c) 25 per cent increase in all other Medicare benefits.

709. Although these have resulted in a 58 per cent overall increase in coverage, Executive Order No. 500 was issued in 1991 to further effect a

20 per cent across-the-board increase in benefits. With this, the Medicare support value, based on a study covering private hospitals, stood at 50.5 per cent in 1992.

710. The right of the elderly or senior citizens to health care has been ensured by Republic Act No. 7432, an act to maximize the contribution of senior citizens to nation building. Pursuant to the intent of the law, the DOH has directed its health facilities to provide appropriate medical/dental services to senior citizens free of charge. Furthermore, regardless of their place of residence, a senior citizen shall be accorded appropriate treatment as though he or she were from the catchment area of the receiving health facility or agency.

711. All the above-mentioned initiatives, in tandem with the equity strategies mentioned under article 12.1, work together to make available medical services and medical attention to any Filipino citizen in the event of sickness.

712. With primary health care at the core of health initiatives, measures have been taken to maximize community participation in its planning, organization, operation and control. Among these are:

(a) Orientation and training in primary health care from the national to the *barangay* level involving participants from outside DOH;

(b) Organization of Philippine Primary Health Committees at these various levels, composed of representatives of different government agencies and the private sector;

(c) Launching of a seven-month, multimedia marketing campaign, followed by community extension education, using house-to-house teaching;

(d) Recruitment and deployment of community volunteer health workers (CVHW), recommended by the community leaders and members themselves; and

(e) Federation of CVHW organizations for consultations, planning, assessment and sharing of experiences.

713. An essential national health research programme was developed and implemented beginning 1991 to address key issues and concerns regarding efficient, effective and equitable delivery of health services. Through focused group discussions, multisectoral consultations and consensus building, a prioritized research agenda has been developed to guide all research activities in the medium term. Research institutions and the academe have been major partners in this exercise.

714. Attached as annex GGG are the ongoing programmes and activities of the Department of Health.

715. Much of the gains made towards the full realization of the constitutional provisions and article 12 of the Covenant could not have been possible without the assistance extended by the international community. Multilateral funding, bilateral grants and assistance from international NGOs and private organizations have contributed in no small measure to the Government's health

efforts and achievements. Since the EDSA Revolution in 1986, at least US\$ 500,000 have poured into the health sector, particularly to the Department of Health, not only to strengthen and enrich existing programmes, but also to implement new strategies and approaches to persistent health problems as well as eliminate bottlenecks in the implementation of interventions. Pilot studies, developmental projects, alternative financing schemes and new technologies are developed, utilized and evaluated for possible replication, expansion and/or adoption, always with the end view of ultimately placing health in the hands of the people.

716. For more detailed discussions on the health sector, please refer to the Philippine reports to the World Health Organization (1988, 1991, 1994); the initial, first, second, and third reports on the Convention on the Elimination of All Forms of Discrimination against Women; and the initial report on the implementation of the Convention on the Rights of the Child.

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- NN- Implementing rules and regulations of the Department of Interior and Local Government and the Housing and Urban Development Coordinating Council to ensure the observance of proper and humane relocation and resettlement procedures mandated by the Urban Development and Housing Act of 1992
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