



Development and Reform Agenda for 2010-13

October 2009

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Executive Summary

This Development and Reform Agenda is organized along four basic pillars -- (a) Ensuring Empowerment and Democratization, (b) Reducing Poverty and Inequality, (c) Building Peace and (d) Promoting a Sustainable Economy.

This Agenda crafts a development and reform framework and identifies a few vital actions that the next Administration should implement in its first three years in office (2010-13) in order to decisively move the country towards democratization and development. In selecting these actions, emphasis was placed on the positions and concerns of the basic sectors. Also, these proposed actions address the most urgent concerns that affect most, if not all, sectors of our society and lay the foundation for other much needed reforms.

This Development and Reform Agenda is the product of a 6-month process (May – October 2009) that included discussions by a 7-person multi-sectoral committee and by a focus group composed of leaders of national PO/NGO networks and other civil society organizations (CSOs) and by seven (7) regional multi-sectoral consultations. It was also discussed and finalized at a national conference on October 2-3, 2009 in Manila.

Summary of Recommendations

I. Ensuring Empowerment, Democratization, and Good Governance

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| A. Transparent and Merit-based Appointments and Civil Service Reform | <ul style="list-style-type: none">• Limit the presidential power of appointment with respect to the Executive branch only to the positions of Cabinet Secretary and Undersecretary.• Ensure that the appointments to the Cabinet, government owned and controlled corporations, the Constitutional Commissions and the Judiciary are done in a transparent manner and are based on a set of clear criteria which stress integrity and competence• Monitor and decisively implement equal representation of women and men in the civil service |
| B. Transparency, Anti-Corruption, and Government Accountability | <ul style="list-style-type: none">• Appoint a competent and credible Ombudsman• Certify as urgent the Freedom of Information Bill• Institute and/or strengthen existing citizens' charters in all national and local government offices• Identify and regulate the role of the Philippine National Police (PNP) and the Armed Forces of the Philippines (AFP) during the elections. |
| C. Constitutional Reform and Federalism | <ul style="list-style-type: none">• Push for the election of delegates to a constitutional convention during the next midterm elections. |
| D. People's Participation | <ul style="list-style-type: none">• Ensure that the National Anti-Poverty Commission, local development councils, and other special bodies have genuine NGO/PO representatives, at least forty percent (40%) of whom should be women.• Revoke Administrative Order No. 187 and reinstate the previous AO on the basic sectors of NAPC. |

II. Reducing Poverty and Inequality

A. Asset Reform

- 1) Agrarian Reform
 - Decisively Implement CARP Extension with reforms.
 - Recognize, respect, and support the rights of women farmers and fishers.
- 2) Fisheries
 - Issue a new Department Administrative Order (DAO) based on the total adoption of DAO No. 2001-17 of the DENR, setting aside 15 kilometers of municipal coastal waters for the exclusive use of marginalized fisherfolk
 - Adopt a Joint Administrative Order on fisherfolk settlements
 - Institute policies that will clearly define “women in fisheries” and require at least 40% women’s representation in all special bodies related to fisheries
 - Have an empowered body with a clearly defined function to ensure the effective implementation of the Fisheries Code.
- 3) Housing
 - Decisively create and implement a comprehensive shelter plan
 - Ensure transparency and accountability in housing
 - Institute mechanisms for the strengthened implementation of the Urban Development and Housing Act (UDHA)
 - Work towards the creation of a Department of Housing
 - Increase the budget for housing from 0.5 to 2% of the total budget
- 4) Indigenous Peoples
 - Fast-track delineation and titling under the Indigenous Peoples Rights Act
 - Enforce the a priori right of IPs within the lands covered by Certificates of Ancestral Land Title (CALTs)

B. Social Safety Nets for the Poorest of the Poor

- Implement an expanded conditional cash transfer program for the poorest of the poor

C. Social Services

- 1) Health
 - Increase PhilHealth coverage among the poorest and most vulnerable sectors
- 2) Education
 - Institute measures to strengthen local school boards and community involvement in basic education.

D. Population Policy

- Institute a clear and rational population policy

E. Effective Coordination of Anti-Poverty Programs

- Take an active role in the National Anti-Poverty Commission

III. Building Peace

- Pursue and sustain the peace process with the Moro Islamic Liberation Front (MILF), the Communist Party of the Philippines/New People’s Army/ National Democratic Front (CPP/NPA/NDF), and the Rebolusyonaryong Partido ng Manggagawa-Mindanao (RPMM)
- Continue to develop and promote paradigms and frameworks for the peaceful settlement and transformation of conflicts among the Bangsangmoro, the Lumads, and the settlers

- Address the issue of unregulated proliferation of small arms especially in Mindanao as a peace and security concern.

IV. Promoting a Sustainable Economy

- A. Environment
 - 1) Climate Change
 - Certify as urgent the Disaster Risk Management Act
 - Work towards the full and speedy implementation of the Climate Change Act of 2009
 - 2) Mining
 - Bring back mining within the framework of national sustainable development
 - Revoke EO 270-A (Revitalization of the Philippine Mining Industry), shelve the National Minerals Action Plan (NMAP), implement a nationwide moratorium on the approval of new large-scale mining operations and certify the Alternative Mining Bill (AMB) as an urgent legislative proposal
- B. Strengthen the Local Economy
 - Support Micro, Small, and Medium Enterprises to improve the competitiveness of domestic firms and spur job generation
 - Push for the enactment of the Security of Tenure Bill (HB2453) and direct the Secretary of Labor to ensure the effective enforcement of existing labor laws and compliance with labor standards.
- C. Sustainable Agriculture and Agri-processing
 - Adopt sustainable agriculture and organic farming as the framework for the Department of Agriculture's programs.
 - Promote agri-processing.
- D. Regulation of Public Utilities
 - Provide for effective and appropriate regulation with multi-sectoral representation of public utilities
 - Conduct a comprehensive study of the transportation industry
 - Invest in and support alternative energy sources.
- E. Fiscal and Tax Reform
 - 1. Discretionary Funds and Internal Revenue Allotment
 - Direct the funds that would otherwise be allocated to the President's and legislators' "discretionary funds" (PDAF, President's Social Fund, etc.), to local governments to supplement the Internal Revenue Allotment (IRA)
 - Support measures that propose the inclusion of magnitude and incidence of poverty in the determination of the IRA.
 - 2. Increasing Government Revenues
 - Increase and index "sin" taxes, impose higher luxury taxes, simplify the income tax system to minimize loopholes and leakages, and ensure effective collection of taxes and other fees, including an effective program to go after "big time" tax evaders.
 - 3. Budget Impoundment
 - Support the enactment of the Budget Impoundment Control Act
 - 4. Debt Audit
 - Form a Congressional Debt Audit Commission that will scrutinize all public debt and contingent liabilities

Development and Reform Agenda for 2010-13

This Development and Reform Agenda is organized along four basic pillars -- (a) Ensuring Empowerment and Democratization, (b) Reducing Poverty and Inequality, (c) Building Peace and (d) Promoting a Sustainable Economy.

This Agenda builds on existing policy positions being pursued by Caucus of Development NGO Networks (CODE-NGO) member networks and base organizations, and by other civil society networks/organizations on key electoral, political, and socio-economic issues.

However, this Agenda does not aim to integrate all the positions and recommendations of the different sectoral and cause-oriented organizations, ending up with a long list of policy recommendations. Instead, it crafts a development and reform framework (the four pillars mentioned above) and identifies a few vital actions that the next Administration should implement in its first three years in office (2010-13) in order to decisively move the country towards democratization and development. In selecting these actions, emphasis was placed on the positions and concerns of the basic sectors, a bias of development non-government organizations (NGOs) and people's organizations (POs). Also, these proposed actions address the most urgent concerns that affect most, if not all, sectors of our society and lay the foundation for other much needed reforms.

This Development and Reform Agenda is the product of a 6-month process (May – October 2009) that included discussions by a 7-person multi-sectoral committee and by a focus group composed of leaders of national PO/NGO networks and CSOs and by seven (7) regional multi-sectoral consultations. It was also discussed and finalized at a national conference on October 2-3, 2009 in Manila.

I. Context: Triple Crisis - Governance, Economic, and Climate/Environmental Crisis

The Philippines currently faces the triple crisis of mal-governance, global economic crisis, and climate and environment change.

In the political arena, we are in a “democratic recession” characterized by widespread corruption, abuse of power (appointment, budget/fund release, etc.), lack of transparency and accountability, inefficiency, constricting space for people participation, and weakening of democratic institutions (COMELEC, Ombudsman, Judiciary, check and balance between the Executive and the Legislative, etc). This crisis in mal-governance stems from our profound lack of sense of national culture that has impeded our progress as a nation since time immemorial.

The global economic crisis is affecting our exports, foreign investments, overseas Filipino worker (OFW) remittances, and ultimately, the jobs and incomes of Filipinos. This is the worst economic crisis since the 1930s and recovery from it will take several years.

Climate change and other environmental problems (forest denudation, coastal degradation, etc.) have now combined to worsen our “natural disasters” brought about by typhoons, heavy rains, and drought.

The program of the next Administration must clearly address these three crises.

II. Ensuring Empowerment, Democratization, and Good Governance

The people are the primary force of development. Development cannot be separated from empowerment and democratization. At the most basic level, this means that development is founded on the respect for human rights and the promotion of human security. It also includes the practice of good governance through the strengthening of institutions and processes for transparency and accountability, as well as meaningful people's participation in decision-making, implementation, monitoring and evaluation with regard to development policies, programs, and projects.

The new Administration is faced with the challenge of taking the country out of one of the darkest periods in our history. The current President has been consistently marked by low approval and trust ratings in the last four years, by Filipinos in all geographical areas and social classes. This is not at all surprising given that the President has been hounded by a string of high-level scandals. Other top government officials have not fared better in the court of public opinion. Constitutional bodies such as the Commission on Elections and crucial agencies for accountability such as the Ombudsman have been weakened. The principles of separation of powers, check and balance and government transparency have been damaged by a President determined to hold on to power thru whatever means.

The country's new leaders must be at the helm of the renewal of our political institutions. The new Administration must commit itself to the cause of upholding transparency, civil service reform, constitutional reform and genuine people's participation.

- A. Transparent and Merit-based Appointments and Civil Service Reform: Professionalize and depoliticize the civil service by limiting the presidential power of appointment with respect to the Executive branch only to the positions of Cabinet Secretary and Undersecretary. Ensure that the appointments to the Cabinet, government owned and controlled corporations, the Constitutional Commissions and the Judiciary are done in a transparent manner and are based on a set of clear criteria which stress integrity and competence. Promote women's participation in governance by monitoring and decisively implementing equal representation of women and men in the civil service.**

While the power of the President to fill up offices created by law is acknowledged, the presidential power to appoint is circumscribed by applicable laws. In other words, the power to appoint is not absolute. It is limited not only by the Constitutional requirements as to qualifications but also by law as to the number of offices that may be filled up.

In recent years, the current President has repeatedly abused this power of appointment in the Executive department. Former Civil Service Commissioner Karina David, in a speech delivered to the Makati Business Club in 2008, said that about 3,500 out of 6,000 managerial positions in government are appointed by the President, and more than half of those appointed are not eligible for their positions. An example of such was the appointment of a Commissioner of the Commission on Higher Education who was not even a college graduate. She also noted that there are 60 Assistant Secretaries and Undersecretaries in excess of what is provided for by law. Political patronage based appointments on such a scale severely undermines the effectiveness of the bureaucracy.

A professionalized and depoliticized civil service would create a more transparent and accountable working environment within the government system. Improved selection of department heads and commissioners would promote a more credible government. Government officials should be appointed based on their proven competence and ability to effectively and efficiently lead a government

agency or institution, taking into consideration whether they are appropriate for the sector affected by such government agency or institution. Professionalization and depoliticization would also pave the way for a working environment that is less prone to undue influence from corrupt government officials.

We call upon the new President to professionalize and depoliticize the civil service by limiting the presidential power of appointment with respect to the Executive branch only to the positions of Cabinet Secretary and Undersecretary. We also ask that the next Administration ensure that the appointments to the Cabinet, government owned and controlled corporations (GOCCs), the Constitutional Commissions, and the Judiciary are done in a transparent manner and are based on a set of clear criteria which stress integrity and competence. We also call upon our leaders to promote women's participation in governance by monitoring and decisively implementing equitable representation of women and men in the civil service, especially at the higher levels of the service, where women are under-represented.

- B. Transparency, Anti-Corruption, and Government Accountability: Appoint a competent and credible Ombudsman who will pursue unresolved cases of corruption and human rights abuses committed by public officers. Certify as urgent the Freedom of Information Bill which gives life to the constitutional mandate for transparency in government (or, if this will be passed into law by May 2010, ensure the effective implementation of the Freedom of Information Act). Institute and/or strengthen existing citizens' charters in all national and local government offices. Clearly identify and strictly regulate the role of the PNP and the AFP during the elections.**

The Office of the Ombudsman is mandated to act promptly on complaints filed against officers or employees of the government, or of any subdivision, agency or instrumentality thereof, including GOCCs, and enforce their administrative, civil, and criminal liability when warranted by the evidence. The Ombudsman is also required to prioritize complaints filed against high-ranking government officials and/or those occupying supervisory positions, complaints involving grave offenses as well as complaints involving large sums of money and/or properties.

In recent years, the independence of the Office of the Ombudsman and the people's trust in the incumbent's ability to perform her constitutional mandate have been diminished by the close relations between her and the Palace and her questionable actions or inaction on many major scandals. The people have questioned the Ombudsman's ability to prosecute high-ranking officials who have allegedly been involved in much-publicized acts of graft and corruption, and misappropriation of public funds.

The new President must restore the integrity of an institution that is designed to bridge the gap between the people and the government. We call upon the new Administration to appoint a competent and credible Ombudsman who, true to the mandate of her/his office, will pursue unresolved cases of corruption and human rights abuses committed by public officers during their tenure.

We also call upon our new leaders to certify as urgent and effectively implement the Freedom of Information Bill which gives life to the constitutional mandate for transparency in government. A working right to information likewise gives flesh to the fundamental principles that "public office is a public trust" and that "public officers and employees must at all times be accountable to the people, serve them with utmost responsibility, integrity, loyalty, and efficiency, act with patriotism and justice, and lead modest lives." We call upon the next Administration to institute and/or strengthen existing citizens' charters in all national and local government offices in line with the Anti-Red Tape Law of 2007.

The role of the PNP and the AFP during the election period should also be strictly regulated. The rules on security deployment should be reviewed and tightened due to the tendency of some politicians to use the PNP and the AFP to engage in partisan politics and serve as their personal bodyguards.

C. Constitutional Reform and Federalism: Push for the election of delegates to a constitutional convention during the next midterm elections.

Most progressive civil society and political parties believe that constitutional reform is necessary to substantially expand political, economic, and cultural democracy. Many of them believe that a federal-parliamentary government would be a better system in the Philippines. It has been argued, for instance, that there is a need to include the proposal for “decentralized governance” in the discourse on conflict-resolution in Mindanao because the political process will be better managed under a federal set-up where accountabilities are clear and decentralized, and government institutions are made more accessible and brought closer to the people. However, it has also been observed that good governance and broader implementation of asset reforms do not necessarily need an immediate charter change.

Should there be an eventual shift to a federal system from the current unitary system, basic sector leaders have identified the following factors that must be taken into consideration: 1) the breadth of implementation of asset reform legislations, 2) ensuring the highest values such as social justice and human rights competencies lodged at the federal or national government, and 3) an asymmetric (i.e., giving greater autonomy to specific regions given some conditions including asset reform) rather than a symmetric transition system.

The role and functions of the Commission on Elections (COMELEC) also need to be reviewed and reformed. The role of the COMELEC in our political democracy cannot be over-emphasized. There have been observations that the COMELEC’s election administration and adjudication roles tend to work against each other. Some groups have recommended that the COMELEC focus only on the holding of elections.

Many quarters also believe that the anti-political dynasty provision in the Constitution should be clarified and made effective without need for an enabling legislation.

It is clear that there is a need for a mechanism for thorough and meaningful debate and public education on key constitutional reform issues for the people to form informed opinion and positions. The next Administration must support a meaningful constitutional reform process that would ensure broad-based participation of our citizens. We call upon the next President to push for the election of delegates to a constitutional convention during the next midterm elections in 2013.

D. People’s Participation: Ensure that the National Anti-Poverty Commission, local development councils, and other special bodies are functional and have genuine NGO/PO representatives, at least forty percent (40%) of whom should be women. Also, revoke Administrative Order No. 187 and reinstate the previous AO on the basic sectors of NAPC.

NAPC is mandated to enhance the programs, approaches, and strategies to strengthen the partnership between the government and the basic sectors. Specifically, it is tasked to act as the coordinating and advisory body that exercises oversight functions in the implementation of the Social Reform Agenda and ensures that it is incorporated into the formulation of the national, regional, sub-regional, and local development plans.

Fourteen basic sectors are represented in NAPC. Representatives must come from genuine NGOs and POs that espouse issues and concerns that are relevant to the basic sectors. Similarly, provincial, city, and municipal development councils are required by law to include local NGO representatives. Under the Local Government Code, each LGU shall have a comprehensive multisectoral development plan to be initiated by its development council and approved by its sanggunian. For this purpose, the development council at the provincial, city, municipal, or barangay level, shall assist the corresponding sanggunian in setting the direction of economic and social development, and coordinating development efforts within its territorial jurisdiction. No less than one-fourth of the members of the fully organized local development councils must be comprised of representatives selected among themselves by NGOs operating in the area.

However, the President has not appointed all the basic sector representatives of the NAPC more than 3 years after this was due. The NAPC en banc has also practically not met in the past four years. The new AO 187 makes the accreditation of sectoral organizations by the Office of the President a prerequisite before becoming members of NAPC. Under the AO, the President may also appoint the organizations that will act as secretariat for the process of accreditation. The Order also states that “any accredited organization may be eligible for membership in the sectoral councils except those which directly or indirectly espouse armed struggle” and allows the President to recall the basic sectoral representatives even when they have the support of their basic sectoral councils.

AO 187 has been called unjust and discriminating as it has made the OP a virtual “clearing house” for organizations with access to programs under NAPC. Members of the NGO Sector Council of NAPC have called for the withdrawal of AO 187.

The mechanisms for popular participation in local governance, particularly through local development councils and special bodies, have not been fully maximized. Few local development councils meet regularly and even fewer reflect genuine LGU/NGO/PO partnership. Most local development councils and special bodies are either inoperative or nominal.

The new Administration must encourage genuine basic sector participation in planning, policy formulation, and implementation of government, policies affecting the respective sectors not only at the national level but in the local sphere as well. We call upon the next Administration to ensure that NAPC, local development councils, and other special bodies are functional and have genuine NGO/PO representatives, at least forty percent (40%) of whom should be women. We also call upon it to revoke AO 187 and to reinstate the previous AO on the basic sectors in NAPC.

III. Reducing Poverty and Inequality

Poverty continues to hound our people and is a major concern for development NGOs and POs as it affects the well-being and limits the potentials of the people.

Government data show that at least 30% of Filipinos continue to be mired in poverty. Studies on self-rated poverty would show much higher poverty rates. Also, even with continued economic growth from 2003 to 2006, government poverty statistics prove that poverty incidence has been increasing. The situation would expectedly be worse now with the global economic crisis and its effects on Philippine society, especially the loss of jobs, decreased incomes, and increased government budget deficit.

Poverty in the Philippines is closely linked to inequality. Inequality in the country, as indicated by the Gini ratio (0.4822 at the start of the MTPDP), is one of the highest in the region. Inequality is marked between socio-economic classes and also between geographical regions. The Human Development Index of the bottom province (Sulu, 0.35) is less than half of that of the top province (Bulacan, 0.76). Eight of the 10 provinces with the lowest HDI are in Mindanao while all the 10 provinces with the highest HDI are in Luzon, including seven in the two regions nearest Metro Manila. Based on the 2006 figures of the National Statistical Coordination Board (NSCB), the fisherfolk, farmers, children and women comprised the poorest sectors with poverty incidence of 50%, 44%, 41% and 30%, respectively.

It is imperative that the new Administration address the issue of poverty by immediately and adequately implementing the four existing asset reform laws in our country – the Comprehensive Agrarian Reform Law, the Fisheries Code, the Urban Development and Housing Act, and the Indigenous Peoples Rights Act.

Implementing these asset reform measures will also help expand the domestic demand as more people will get to own production and other assets, and increase their income.

The new Administration should also provide safety nets for and facilitate access to social services by the people, particularly the poorest of the poor, and ensure effective coordination of the anti-poverty programs of government, the business sector, and civil society.

A. Asset Reform and Sustainable Rural Development

1) Agrarian Reform: Decisively Implement CARP Extension with Reforms. Recognize, respect, and support the rights of women farmers and fishers.

We call on the new Administration to provide adequate funds for and decisively implement CARPER.

The new President should appoint and fully support an Agrarian Reform Secretary who is committed to complete the land acquisition and distribution component of CARP within five years.

Related to this, the new Administration must guard against the opening up of vast tracts of agricultural lands to foreign ownership and control, resulting in the dislocation and/or deprivation of Filipino farmers and farm workers.

We also ask that the new Administration recognize, respect, and support the rights of women farmers and fishers to own and have access to land and other assets of production, and to participate in governance and decision-making.

2) Fisheries: Issue a new Department Administrative Order (DAO) based on the total adoption of DAO No. 2001-17 of the Department of Environment and Natural Resources, setting aside 15 kilometers of municipal coastal waters for the exclusive use of marginalized fisherfolk, and ensure the immediate delineation of municipal waters. Adopt a Joint Administrative Order on fisherfolk settlement (with the various national government agencies concerned) and clearly identify the government agency to implement it. Institute policies that will clearly define “women in fisheries”, recognize their contributions to the sector and industry, and require at least 40% women’s representation in all special bodies related to fisheries. There should be an empowered body with a clearly defined function to ensure the effective implementation of the Fisheries Code.

Studies have confirmed that commercial fishing ruins coastal fishing grounds. The heavy, destructive gears of commercial fishing outfits have heartlessly raked the corals and damaged the marine ecosystem, the fertile breeding grounds of fish. Over the years, the income of fisherfolk has continued to shrink. Their families, especially their children, suffer malnutrition, even brain damage that results from serious protein deficiency. The government's unclear policy on municipal waters has caused the catch and, concomitantly, the income of fisherfolk to dwindle to dangerously low levels.

The DENR's DAO 2001-17 was hailed as a landmark action for its use of the Archipelagic Principle in delineating municipal waters. With the strong lobby of commercial fishers, DAO 2001-17 proponents in the Cabinet were replaced and the Order was revoked. With the revocation of DAO 2001-17, there now remains an unclear process of delineation of municipal waters. The present policy, DAO 2004-1, is a watered down version of DAO 2001-17 that does not address the situation of municipalities with offshore islands. We call upon the new Administration to issue a new DAO based on the total adoption of DAO 2001-17 of the DENR. We also call upon it to put into place other policies that would institutionalize the application of the Archipelagic Principle in the delineation of municipal waters, and to ensure the immediate delineation of municipal waters.

The Philippine Fisheries Code provides that there should be spaces allotted for fisherfolk settlement areas in the coastal zone, but this provision of the law has not been enforced due to lack of implementing guidelines as regards fisherfolk settlement. As a result, the recent years have seen the rising threat of displacement of the small fishers in the coastal areas due to many factors such as tourism and beach resort development, coastal infrastructure, industrial zones, and real estate development. These have put the small fishers and other coastal dwellers into conflict with beach resort developers/operators, government agencies doing coastal infrastructure (such as the Philippine Ports Authority and local government units), factories located in coastal zones, as well as private claimants and beach estate developers. We ask the new President to adopt a Joint Administrative Order on fisherfolk settlement with various national government agencies concerned and to create a clearly mandated agency to implement it.

Women fishers likewise believe that aside from the need to make the reference to fishers gender-neutral and to require significant women representation in Fisheries and Aquatic Resources Management Councils (FARMCs), the Fisheries Code has a weakness in recognizing the contribution and role of women in fisheries, in ensuring meaningful women participation in decision-making processes, and in enhancing women's access and control of the resources and benefits of fisheries. We call upon the next Administration to institute policies that will clearly define "women in fisheries", recognize their contributions to the sector and industry, and require at least 40% women's representation in all special bodies related to fisheries.

3) Housing: Decisively create and implement a comprehensive shelter plan that will explore and study other alternative mechanisms for delivery of housing services and products. Ensure transparency and accountability in housing, from budget preparation to project implementation, by implementing regular performance review of the Social Housing Finance Corporation (SHFC) and the National Housing Authority (NHA), and by instituting other relevant safeguards. Institute mechanisms for the strengthened implementation of the Urban Development and Housing Act (UDHA). Work towards the creation of a Department of Housing that would integrate all of the GOCCs, offices and other agencies working for housing concerns. Increase the budget for housing from 0.5 to 2% of the total budget, prioritize socialized housing and ensure the efficient utilization of these funds.

The MTPDP targets have been set to conform to the existing capabilities and expected level of resources of the housing agencies rather than to meet the housing backlog. The Community Mortgage Program (CMP), for instance, is capable of producing more output given a bigger budget. Yet the SHFC had to downgrade the CMP's yearly targets to adjust to its projected budgetary appropriations. The presidential proclamations which have the biggest potential of providing housing security to large numbers of urban poor families face a similar constraint.

Executive Order No. 20 dated May 28, 2001 reaffirmed mass housing as a centerpiece program in the poverty alleviation efforts of the government. However, statistics show that the targets of the programs that have the biggest impact on the housing backlog were not met. The presidential proclamations showed the weakest performance despite the drastically reduced targets. The NHA's resettlement programs are performing reasonably well in quantitative terms but there are problems attendant to relocation that have a detrimental impact on the affected families. The CMP's performance is relatively good vis-à-vis its targets but the level of its output is quite low (averaging less than 14,000 units a year in the last four years) to have a significant impact on the housing need. The performance of the Home Development Mutual Fund (Pag-IBIG) is commendable, averaging about 43,000 units a year, but at this annual rate, it will still fall short of its target of 372,150 units for the six-year period 2004-2010. Moreover, socialized housing constitutes a smaller proportion of its lending portfolio.

Republic Act No. 7279 (Urban Development and Housing Act) respects the rights of informal settlers. Unfortunately, the same law is used to violate such rights. Specifically, Section 29 providing for Resettlement is being used and abused to take away the rights provided by Section 28 (Eviction and Demolition) of the same law. There is also a lack of an enforcement body that will go against the violators of RA 7279. The new Administration should work towards the creation of a Department of Housing that would integrate all of the GOCCs, offices and agencies working for housing concerns. The "unclear" provisions of UDHA should be amended and a Resettlement Action Plan should be incorporated for all government infrastructure projects.

We call upon the new Administration to decisively create and implement a comprehensive shelter plan that will explore and study other alternative mechanisms for delivery of housing services and products. We ask it to ensure transparency and accountability in housing, from budget preparation to project implementation, by implementing regular performance review of the SHFC and the NHA and by instituting other relevant safeguards. We also call upon the new President to increase the budget for housing from 0.5% to 2% of the total budget, prioritize socialized housing and ensure the efficient utilization of these funds.

4) Indigenous Peoples: Fast-track delineation and titling under the Indigenous Peoples Rights Act. The government should enforce the a priori right of IPs within the CALTS (over state security and economic development)

An estimated five million hectares of ancestral domains exist based on combined pending claims for direct application for Certificates of Ancestral Domain Title and claims for conversion of Certificates of Ancestral Domain Claim into CADTs. According to April 2009 statistics of the National Commission on Indigenous Peoples (NCIP), close to 2.7 million hectares of land are actually covered by CADTs and Certificates of Ancestral Land Titles (CALTs).

Despite these gains, an increasing number of IP communities continue to be dislocated from their ancestral domains due mainly to intrusion of large development projects, overlaps with actually existing and/or potential claims of property rights, and conflicts in the implementation of policies on land

tenure and resource use. To alleviate this situation, we call upon the next Administration to fast-track the processing and issuance of CADTs/CALTs.

From the creation of NCIP, no real reorganization of the merged Office of Northern Cultural Communities and Office of Southern Cultural Communities ever took place. When these two agencies were formed to create NCIP, the bureau directors, regional directors and rank and file personnel should have followed in earnest the civil service rules on government reorganization e.g courtesy resignation so that vacancies be opened to the best applicants to run the agency. Because of the failure to implement proper reorganization, they have displayed arrogant ignorance more than the service expected of them, sowed division in the communities they are supposed to protect by becoming party to the double- dealing- and- wheeling and issuance of false titles to innocent IP claimants. False claimants have also obtained ancestral land titles and the Free and Prior Informed Consent (FPIC) provision of IPRA have been circumvented to favor large scale extractive industries. The technical survey proceedings are done more as a requirement of their monthly wage. This is but an acknowledgement of indigenous peoples' rights with a nod but with little substance. It also seems that NCIP chairman and commissioners are endorsed by traditional politicians and get the appointment from the president through the 'backdoor'. It is therefore imperative that the NCIP be re-organized and re-oriented. The NCIP as a commission should be independent, empowered and have sufficient budgetary allocation.

- B. Social Safety Nets for the Poorest of the Poor and the Marginalized: Implement an expanded conditional cash transfer (CCT) program for the poorest of the poor and integrate this with supply-side reforms in health care and education, in order to avoid policy inconsistency and resource wastage, ensure that all policies, including monetary, fiscal, trade, as well as industrial and agricultural policies, are cohesively geared towards increased employment.**

According to a study by the Asian Development Bank, CCT programs have been regarded as an effective way to reconcile safety nets -- or more generally, social assistance policies -- with investments in human development benefiting the poor. Simply handing over cash to poor families will not be sufficient to tackle poverty in the long run. Hence, the idea is to transfer cash to the poor "on condition" that the poor will commit to empower themselves and help bring future generations of poor families out of poverty. One of the key characteristics of CCT programs is their positive gender bias, since the cash benefits are usually addressed to the female head of the recipient households.

The main requirement of CCT programs is that recipients commit to undertaking certain behavioral changes in return for the transfers, such as enrolling children in school and maintaining adequate attendance levels, getting prenatal and postnatal health care treatments, and encouraging young children to undergo growth monitoring, immunization, and periodic checkups. A presumption embedded in the CCT approach is that the supply of social services for education and health is in place and that stimulating demand through income transfers is necessary to induce major changes in human capital investment. This explains why the success of CCT programs in some countries is no guarantee that they can be reproduced in others with the same performance. For instance, in many developing countries, children, particularly in rural areas, face supply-related problems, i.e., there are not enough schools, classrooms, or teachers to offer adequate education to those who need or want them. In such circumstances, pouring resources into a CCT program may not be able to achieve the educational objective.

We call upon the next Administration to implement an expanded CCT program for the poorest of the poor and to integrate this with supply-side reforms in health care and basic education, in order to avoid policy inconsistency and resource wastage. We also call upon it to ensure that all policies,

including monetary, fiscal, trade, as well as industrial and agricultural policies, are cohesively geared towards increased employment.

C. Social Services

1) Health: Increase PhilHealth coverage among the poorest and most vulnerable sectors, work towards universal PhilHealth coverage, and institute reforms to ensure affordable and quality health care.

Financial barriers seriously hamper access to health care by the poor and there is clear evidence that falling ill is a leading cause of chronic poverty. This is due both to the costs of obtaining treatment and the loss of income resulting from an inability to work. The high cost of care provided in the many private hospitals across the country and the high prices of essential medicines are contributing factors.

The National Health Insurance Program (NHIP) aims to mitigate these problems. According to PhilHealth figures, the Program currently covers 77 million beneficiaries as of March 2009 or 82% of the 2010 projected population of 94 million Filipinos. Of these, most beneficiaries are from the formal labor sector. Insurance coverage among households operating in the informal economy could still be improved. While it is estimated that at least 50% of the Philippine labor force is in the informal economy, PhilHealth's coverage of this sector is estimated to be only 44% as of December 2008. The priority of the government should thus be to increase coverage of informal economy workers, both those who can afford to contribute to the NHIP and those who cannot.

We call upon the next Administration to work towards universal PhilHealth coverage and to institute reforms to ensure affordable and quality health care coverage. Specifically, PhilHealth must be enabled to both extend coverage among informal economy workers and strengthen financial protection for members, including the incorporation of preventive health measures in the benefit package. This may be achieved through innovative and sustained partnerships with groups such as cooperatives, POs, NGOs, and micro-finance institutions, changes in the design of the benefit package, and in the way that PhilHealth deals with and pays providers.

2) Education: Institute measures to strengthen local school boards, promote a culture-sensitive education system, and community involvement in and improved access to basic education.

Education reform advocates and policy makers alike have bewailed the deteriorating quality of education in the Philippines for decades. According to a 2008/2009 Philippine Human Development Report by UNDP, although there have been significant improvements in pupil performance, drop-out rates remain significant and have persisted for more than four decades since the 1960s. In terms of completion rate, about 28% to 34% of the population do not complete the Grade 6 level or if they manage to reach Grade 6 they fail to graduate. With regard to high school completion rate, for children who enroll in Grade 1, less than 50% of these students finish high school. In the Autonomous Region of Muslim Mindanao (ARMM), only 10% reach their senior year.

It does not help that the allocation for the education sector is less than 3% of the gross national product, much less than the 6% prescribed by the United Nations Educational, Scientific and Cultural Organization. The P2 billion allocated for the construction of 3,636 classrooms in 2008 is just 1.72% of the national government's infrastructure program total of P115.959 billion. The DepEd estimated the backlog of classrooms to cost P13.9 billion. With these figures, the country will most likely miss its target of universal primary education in 2015.

A highly centralized Department of Education has hampered serious efforts to initiate, scale up, and sustain truly meaningful education reform. At the local level, the DepEd maintains schools divisions and districts corresponding to the three biggest local government units – the provinces, cities, and municipalities. The divisions and districts in turn supervise elementary schools (Grades I to VI) and high schools (1st to 4th year) that comprise the basic education system in the country.

A local school board is a special body created by the Local Government Code whose mandate is to allocate the Special Education Fund to meet the supplementary needs of the local public school system. The SEF is an additional 1% levy that is collected together with real property taxes paid to the local government. Local school boards can bring together local communities and key players in the public school system in discussing the state of local education, which can be the basis for positive and informed collective action. They can also serve as entry points for greater and more meaningful stakeholder participation in the delivery of public education services. Regular grassroots consultations are important avenues for multi-level and multi-stakeholder assessment of where a locality is in the journey to build better schools.

In the case of a city like Naga, the Code provides for an eight-person LSB that is chaired by the city mayor, co-chaired by the schools division superintendent, and made up of the following members: the chair of the education committee of the Sangguniang Panlungsod, the city treasurer, a representative of the Sangguniang Kabataan, and duly elected representatives of the city parent-teacher association league, the city teachers' organization, and the non-academic personnel of city public schools. According to Naga City Mayor Jesse Robredo, on paper, the LSB seems well represented; but in reality most of them are not functioning well. Decision making has been confined to this eight-person board where most often, "educational priorities" are being defined by the Board's two most powerful members: the local chief executive and the division superintendent. Because of its limited involvement, the LSB budget is used mostly for discrete and disparate activities, particularly infrastructure (where the possibility of corruption is strong) and regular sports events. Thus, we call on the new Administration to institute measures to strengthen local school boards and community involvement in basic education.

D. Population Policy: Institute a clear and rational population policy that prevents abortions and unwanted pregnancies, fosters the sustainable growth of our economy, alleviates the chronic poverty that besets our people and promotes gender equality and the rights of women.

According to the Asia Pacific Policy Center, 3.6 million Filipinos would have escaped poverty if the government had adopted a clear population policy and controlled the rapid population growth from 1975-2000. Dr. Arsenio Balisacan argues that these 3.6 million Filipinos were "trapped in poverty because of this rapid population growth." His statement is supported by the National Statistical Coordination Board which said that poverty was affecting 26.5 million Filipinos or 34% of the country's population as of 2000.

Balisacan and four other authors measured the impact of high population growth as an independent factor on economic growth, poverty, and social inequity. The study used cross-country data from 1975 to 2000 and employed simulation techniques to quantify the contribution of population growth to the observed difference in the per capita income of the Philippines and Thailand. It analyzed what would have happened if the Philippines had followed Thailand's population growth path.

In the 25-year period, the gross domestic product of the Philippines grew 4.1% while its population expanded by 2.36%. In comparison, Thailand's GDP increased by 8.8% while its population went up

by only 1.58%. Philippine provinces with a high proportion of young dependents were also found to be the provinces with a high level of poverty incidence. It was established that the poverty incidences among households in the provinces with high population growth are all higher than the national average. In Camarines Norte, where the dependency share in 1985 is 47.03%, the poverty incidence among households of 46.10%, 21.7 percentage points higher than the national average. Based on simulated data, the study found that had the 20 provinces slowed down on their population growth in 1985 to a level where the proportion of young dependents is around 36% (average for the lowest 10 provinces), average income per person should have been higher by somewhere between 11% to 19% in 2003. This increase in per capita income translates to lower poverty incidence among households. The Balisacan study shows that, on the average, poverty incidence should decrease by at least 3.6 percentage points under the lower population growth scenario. This reduction corresponds to an average of 156,000 Filipinos taken out of poverty every year beginning 1985, around 2.8 million Filipinos out of poverty by year 2003.

Balisacan admitted that although high population rate is not the main culprit of the Philippines' poor economic performance, "it is a key factor" such that if the Philippine population had grown at the same rate as Thailand's during the period, the per capita income of Filipinos would have increased by at least 0.76% annually. This would have translated to a cumulative increase of 22% on the average income of every Filipino by the year 2000. According to Balisacan, "Economic growth would have been much faster and poverty reduced quicker, if the Philippines had Thailand's population growth path." He also asserted that a slower population growth would have averted a fiscal crisis in the Philippines and the government could have saved P12.8 billion a year on education expenditures for 10 years or a total of P128 billion. An additional savings of P5.2 billion a year for 10 years could have been made on expenses on health or a total of P52 billion.

Furthermore, a rational population policy should be pursued in the interest of promoting gender equality and the empowerment of women.

Thus, we call upon the new Administration to institute a clear and rational population policy that prevents abortions and unwanted pregnancies, fosters the sustainable growth of our economy and alleviates the chronic poverty that besets our people.

E. Effective Coordination of Anti-Poverty Programs: Take an active role in the National Anti-Poverty Commission and ensure that it functions effectively in coordinating and overseeing the anti-poverty programs of government and in partnering with business and civil society organizations.

Various government agencies implement a myriad of anti-poverty programs, but these are not effectively coordinated to maximize their impact. Also, government coordination with the business sector and especially civil society organizations is very weak.

NAPC was established by law in 1998 to serve as an oversight and coordination body of the government and the basic sectors. It functioned well from 2001-2004 with the President taking an active role in the Commission, with competent and committed officials in the NAPC Secretariat and with basic sector representatives chosen by the sectoral councils/assemblies. Since 2004, however, NAPC has merely become a pale shadow of its former self.

We call on the next President to take an active role in NAPC and to ensure that it functions effectively in coordinating and overseeing the anti-poverty programs of government and in partnering with business and civil society organizations.

IV. Building Peace

Clearly define the national peace agenda which capsulizes the local peace agenda and ensures CSO representation in the peace process. Pursue and sustain the peace process with the Moro Islamic Liberation Front (MILF), the Communist Party of the Philippines/New People's Army/National Democratic Front (CPP/NPA/NDF), and the Rebolusyonaryong Partido ng Manggagawa-Mindanao (RPMM), and fully implement previous agreements, including the peace agreement with the Moro National Liberation Front (MNLF) and the Comprehensive Agreement on Respect for Human Rights and International Humanitarian Law (CARHRIHL). Continue to develop and promote paradigms and frameworks for the peaceful settlement and transformation of conflicts among the Bangsamoro, the Lumads, settlers and other IPs, through consultation, dialogue, and massive information campaigns. Address the issue of unregulated proliferation of small arms especially in Mindanao as a peace and security concern.

The national peace agenda should make use of a “bottoms up” process wherein the peace agenda is formulated through citizens’ participation rather than it being dominated by public officials coming from the top. CSO representation in the peace process should also be ensured.

The tri-people of Mindanao have been part of a long struggle to put an end to a centuries-old conflict and the quest for peace in the region. The Moros have been fighting for self-determination for nearly 40 years. The MILF claims legitimate belligerency against the government for the oppression it had allegedly done to the Moro people since the country gained independence from the United States in 1946. Peace talks between the government and the MILF bogged down in August 2008 when the signing of the controversial Memorandum of Agreement on Ancestral Domain was aborted and rogue MILF elements attacked civilians in North Cotabato, Sarangani, and Lanao del Norte.

Despite many attempts at securing peace in Mindanao, the region continues to be the site of much bloodshed, strife, and poverty. Regular eruptions of violence have forced hundreds of thousands of residents from their homes. Many return fairly quickly, only to be displaced again. In total, the various conflicts in Mindanao have displaced up to two million people since 1970. An August 2009 human rights report released by Amnesty International shows that more than 750,000 people have fled their homes during the 17 months of warfare between the army and the MILF. The continuation of the clashes, despite the cease-fire agreement signed July 29 between the army and MILF, closely involves over 200,000 civilians. AI criticized the central government, a member of the UN Human Rights Commission, and blamed it for the abuses committed by the army.

On the other hand, the NPA, the armed wing of the CPP/NDF, has stepped up its armed attacks in recent months, particularly in Southern Mindanao where top military officials acknowledged strong rebel presence. Formal negotiations between the government and the NDF were suspended in 2004 following demands from the rebel group to have their armed organization de-listed from the organizations identified by the United States and some European countries as “foreign terrorist organizations.” The negotiations will reportedly be resumed in late 2009.

There has been an unregulated proliferation of small arms. This should be addressed as a peace and security concern. The licensing process of firearms should be reviewed.

We call upon the new Administration to pursue and sustain the peace process with the MILF, the CPP/NPA/NDF, and the RPMM. We call for the full implementation of the previous peace agreements,

including that with the MNLF and the CAHRIHL. We also ask that it continue to develop and promote paradigms and frameworks for the peaceful settlement and transformation of conflicts among the Bangsangmoro, the Lumads, settlers and other IPs, through consultation, dialogue, and massive information campaigns.

V. Promoting a Sustainable Economy

A sustainable economy means a cleaner and environmentally friendly production and distribution of goods and services. Economic growth cannot be single-mindedly pursued regardless of its cost to the environment even in times of great need such as the present economic crisis.

The new Administration must strike a delicate balance between the needs of our people and the demands of an environment that is rapidly losing its capacity to renew itself. It must enact measures, both legislative and executive, that will protect the environment and conserve our natural resources while ensuring that the gains of a sustainable development also benefit the most vulnerable of our people.

A sustainable economy also requires an integrated, balanced and sustainable industrialized economy. We need to do more with less by the efficient use of resources, increased investments, stronger stability, and greater socially responsive competition. We also need to strengthen the domestic economy through the promotion of industrialization while at the same time maximizing the international markets.

Our country has become dependent on OFW remittances to keep our economy afloat. We believe that we should aim to generate the needed jobs locally so that Filipinos are not forced to be away from their families to better (economically speaking) their lives. At the same time, we recognize the freedom of Filipinos to seek a better life here or abroad, and that we should ensure that our OFWs are adequately supported and protected wherever they are.

Most importantly, we must stress the development of skills and human capital. A sustainable economy requires us to take a long-term view of the economy, rather than adopting short-term fixes.

A. Environment

1) Climate Change: Certify as urgent the Disaster Risk Management Bill, strengthening Philippine disaster management capability by institutionalizing the National Disaster Risk Management Framework to decrease disaster vulnerability, increase capability for recovery, and enhance over-all resilience to disasters. There should also be a full and speedy implementation of Republic Act 9729 or the Climate Change Act of 2009.

Climate change causes shifts in social and economic trends. The stark reality is that the poor are the most vulnerable and will bear the brunt of climate change impacts. Changes in economic systems will affect them, making access to resources more difficult and further complicating the daily struggle for survival. As a whole, climate change will decrease soil potential and lessen produce. Women who prepare food on the table will find it more difficult to ensure nutritious and adequate food for the family. For women in rice-farming communities who are in charge of sowing seedlings during the planting season, drought will mean even less opportunity for them to be employed as farm labor. In general, women augment farm income by getting employed as hired labor and there will be less opportunities

when climate change worsens farming potential. Women can adapt by intensifying backyard food production but this will require more support for basic services like water for the homes and additional nutritional supplements for the children.

The relationship of poverty to natural disasters in the Philippines is both cyclical and cumulative. 34% of all income is agriculture-related. Agriculture accounts for close to 14% of GDP. The science needed to address food security should drive risk management strategies. It should be clear that our capacity to adapt and mitigate lies in understanding the nature, scale and structure of vulnerability in the country, especially of this segment of our society, and in mustering the political will to confront its complexity.

Most of the natural disasters being experienced in the Philippines are climate- and weather-related. Given this context, it is necessary that we relate climate change with management of vulnerability, and respond to this challenge by institutionalizing a comprehensive, all-hazards, multi-sectoral, inter-agency, and community-based approach to disaster risk management. Thus, we call upon the new Administration to certify as urgent the Disaster Risk Management Act which is intended to strengthen Philippine disaster management capability by institutionalizing the National Disaster Risk Management Framework to decrease disaster vulnerability, increase capability for recovery, and enhance over-all resilience to disasters. The bill renames the present National Disaster Coordinating Council as the National Disaster Management Council, and mandates it to develop a National Disaster Risk Management Framework which shall serve as the principal guide to disaster risk management efforts in the country. The bill also mandates the Office of Civil Defense to act as the secretariat of the NDMC and to administer a comprehensive national civil defense and disaster risk management program by providing leadership in the continuous development of strategic and systematic approaches as well as measures to reduce the vulnerabilities and risks to hazards and manage the consequences of disaster. If enacted, the bill shall mandate the creation of a Local Disaster Management Office in every province, city, municipality and barangay which shall assist the Local Disaster Management Councils in setting the direction and development of disaster risk management programs and coordinating disaster response activities within their respective territorial jurisdictions.

Republic Act 9729 or the Climate Change Act of 2009 makes it a policy of the State to systematically integrate the concept of climate change in various phases of policy formulation, development plans, poverty reduction strategies and other development tools and techniques by all agencies and instrumentalities of the government. To initiate this progressive State policy, the Climate Change Commission should be convened as soon as possible and within 60 days from the effectivity of the Act. The three commissioners to be appointed by the President should be in faithful compliance with the requirements provided by law, that the persons to be appointed come from different sectors and are experts in climate change by virtue of their educational background, training and experience. They should also be persons of proven honesty and integrity. The same goes for the appointment of representatives from the academe, business sector and nongovernmental organizations.

The Commission must also come up with a Framework Strategy and Program on Climate Change within 6 months from the effectivity of the law and a National Climate Change Action Plan within one year after the formulation of the aforementioned framework. The Implementing Rules and Regulations of the Climate Change Act of 2009 should also be promulgated within ninety days after the approval of the law. It must be done by the Commission with consultation with government agencies, LGUs, private sector, NGOs and civil society. These are in accordance with Sections 11, 13 and 22 of the law.

We therefore call for the full and speedy implementation of the Republic Act 9729 or the Climate Change Act of 2009.

2) Mining: Bring back mining within the framework of national sustainable development, and in the context of prudent respect, protection and fulfilment of indigenous peoples' right to self-determination and human rights, and sustainable environment. This can only be brought about through the revocation of EO 270-A (Revitalization of the Philippine Mining Industry), rejection of the National Minerals Action Plan (NMAP), implementation of a nationwide moratorium on the approval of new large-scale mining operations and the certification of the Alternative Mining Bill (AMB) as an urgent legislative proposal. The AMB proposes to rationalize the utilization of mineral resources and recognizes shared responsibility and equitable sharing of benefits of the country's mineral wealth among the State and various stakeholders affected by mining.

Deforestation and mining have contributed to the worst food crisis in Philippine history. The country is now the world's biggest importer of rice. In January 2009 alone, the country imported 500,000 tons of rice from Vietnam. This situation will intensify if current mining plans are implemented. Clearly, mining cannot be the engine for sustainable development in the Philippines. In fact, it exacerbates poverty and creates few jobs. It also increases environmental damage, both short- and long-term, and generates conflict and human rights violations. IPs and the poor bear the brunt of such damage and conflict.

Despite the impact of mining on food security and human development, its cumulative economic, social, and cultural impacts have not been adequately assessed or addressed. In fact, the current Administration has even approved an unprecedented number of mining tenements and applications – much more compared to the number of CADTs that were issued in the same period. Large portions of these mining grants are within the ancestral domains of the IPs.

There is a need to shift from a paradigm that sees mineral resources as mere “national wealth” to one that views them as “local wealth” which requires the active participation and decision making of local communities, including IPS, as regards whether and how to exploit such resources. It is also important to determine ways by which economic benefits from mining can be expanded from mere earnings by the national government from the export of mineral ores to generation of downstream industries and real job creation for local communities. Finally, it is necessary to determine how the government can better ensure that the mining industry does not create environmental problems that outweigh the economic benefits it brings.

We call on the new Administration to bring back mining within the framework of national development and in the context of prudent respect, protection and fulfilment of indigenous peoples' right to self-determination and human rights, and sustainable environment. This can only be brought about through the revocation of EO 270-A, rejection of the NMAP, implementation of a nationwide moratorium on the approval of new large-scale mining operations, and the certification of the Alternative Mining Bill as an urgent legislative proposal. The AMB formally recognizes mineral resources within ancestral domains as belonging to IPs, not to the State. While the bill acknowledges that mineral resources outside such domains belong to the State, it requires the State to ensure that benefits from mining these resources accrue first to local communities affected by mining operations. The proposed legislation calls for the national government to have 10% of gross revenues aside from taxes, as a form of royalty fee from the mining industry, and entitles local government units to a share of the net revenues paid directly to the provincial treasurer, taking into consideration the classification of the LGU

as per vulnerability and human development index. The bill also proposes that indigenous peoples be given at least 10% of the gross revenue in royalty fees.

B. Strengthen the Local Economy

1. Support Micro, Small, and Medium Enterprises to improve the competitiveness of domestic firms and spur job generation

MSMEs in the Philippines play a vital role not only in wealth creation but also in dispersing new industries to the countryside and in stimulating gainful employment. They comprise 99.7% of all registered businesses in the Philippines and employ 70% of the workforce. The contribution of MSMEs towards employment generation is significant in a developing country like the Philippines. MSMEs tend to use more labor-intensive production processes than large enterprises, boosting employment and leading to more equitable income distribution. MSMEs provide livelihood opportunities through simple, value adding processing activities in agriculturally based economies, nurture entrepreneurship, and support the building up of systemic productive capacities and the creation of resilient economic systems, through linkages between small and large enterprises.

While the MSME sector is recognized as the focal point for growth that will ensure that the Philippine economy moves forward despite the threats of an unfavorable global environment, the overall fiscal condition of the country prevents it from being given utmost financial support. Development programs have been laid out but resources are not readily available because of competing demands for government support.

The government has to provide a more conducive business environment for domestic firms. This would include simplifying government processes, improving transportation and communication infrastructure, and lowering the cost of electricity. Addressing the democratic recession and the governance crisis would also contribute greatly to improving the environment for investment and business. Whenever possible, the government must promote job creation in publicly funded public works and other projects by utilizing labor-intensive methods. Government would also need to support labor competitiveness, which is related to reforms in our basic education and technical education system.

We call upon the new Administration to support MSMEs by allocating funds for the full implementation of the National SME Development Agenda to improve the competitiveness of domestic firms and spur job generation. The SME Agenda is a priority strategy to upgrade the SME sector's productivity and value-added through training, marketing, product development, and advocacy for an enabling environment for SMEs. The development of MSMEs can also be strengthened with greater support for the cooperative sector, which also provides financing, training, etc. to start-up MSMEs.

2. Promote regular employment and protect the right to security of tenure of workers by pushing for the enactment of the Security of Tenure Bill (HB2453) and by directing the Secretary of Labor to ensure the effective enforcement of existing labor laws and compliance with labor standards.

The workers' right to security of tenure is recognized not only by the Labor Code but also by the Constitution. Yet despite the guarantee provided by law, rampant violations of security of tenure of workers are still perpetrated by employers by resorting to contractualization, sub-contracting and outsourcing. Through these methods of employment, employers can easily circumvent the law and avoid the regularization of their workers, leaving contractual and sub-contractual employees at the mercy of their employers.

Their rights to organize and to collectively bargain with employers are also affected and threatened because as contractual and sub-contractual employees, the insecure working environment instills in the mind of the workers the constant possibility of termination of their employment.

In order to address this concern of the labor sector, a primary reform that is being pushed is the passage of the Security of Tenure Bill which seeks to protect workers from the prejudice of non-regularization. The bill proposes that principals (the employer who contracts with the subcontractor) can only engage a maximum of 10% subcontracted employees. The bill also proposes to classify the violation of contracting rules and the deliberate misclassification of employees as unfair labor practices. The bill also requires the registration of subcontractors, prohibiting the operation of any unregistered subcontractor.

We call upon the next administration to pass the Security of Tenure Bill to promote regular employment and protect the right to security of tenure of workers. While the bill is not yet enacted, the Secretary of Labor should use his/her powers provided under the Labor Code to effectively enforce labor laws by ensuring compliance with labor standards.

- C. Sustainable Agriculture and Agri-processing: Adopt sustainable agriculture and organic agriculture and natural farming systems as the framework for the Department of Agriculture's commodity programs. Hasten the shift of support services to farmers from subsidy on fertilizers and hybrid seeds, to market support such as information dissemination, organic certification, linkaging, and capacity building. Promote agri-processing through various means including strengthening halal certification in the country.**

Economic growth is as much a necessity as social and environmental development. The country, however, needs a sustainable economy. To have an economy that can be sustained, we have to make better use of our resources. Considering the needs of future generations in the resource decisions we make today can do this.

Currently, most of the funds allocated to the commodity programs of the Department of Agriculture are spent on farm input subsidies such as chemical fertilizers and hybrid seeds which support unsustainable farming practices. The DA should allocate its resources in a way that will help farmers shift to more sustainable farming practices like organic farming, which would make them less dependent on the use of fertilizers and pesticides that harm the environment. Sustainable farming practices have proven to increase land productivity, albeit after a brief period of decline during the transition period. Some resources allocated to farm input subsidies should also be shifted to the provision of greater access to credit for farmers. This allows farmers to have greater freedom in deciding what farming technology and farm inputs to use based on their experience on the ground.

Moreover, the government must support agri-processing enterprises which increase the value of the farmers' products and generate additional jobs. Domestic producers should also be encouraged to tap into the multi-billion dollar international halal market by availing of halal certification, the system of determining what is permissible for consumption of Muslims under Shari'ah or Islamic Law. By food safety standards, halal is considered a quality control system by itself that puts emphasis on critical control points involving hygienic and disease-free preparation of foods from farm to plate.

We call on the new Administration to adopt sustainable agriculture and organic farming as the framework for the DA's commodity programs; hasten the shift of support services to farmers from subsidy on fertilizers and hybrid seeds, to market support such as information dissemination, organic certification, linkaging, and capacity building; and promote agri-processing.

D. Investments in and Regulation of Public Utilities

That the right to water and the right to access electricity are basic human rights has long been settled. With the continuing acceleration of privatization, transnational corporations and traditional local elites, backed by the international financial institutions (IFIs), are closing in to take control of the energy sector, which, in effect, would bolster their dominance and control of the economy. Direct acquisition, concession agreements and management contracts, are among few forms of private monopolies' gaining ownership and control of the privatized power industry.

In recent years, private companies have expressed more and more interest in water privatization in local water districts, which the government has welcomed. In order to guard against potential abuse by these private for-profit companies, we call upon the new Administration to provide for effective and appropriate regulation with multi-sectoral representation of public utilities, including power and water.

Also, a comprehensive study of the transportation industry should be conducted to address issues like monopoly-control/ownership, public safety, among others.

The government must also invest in and support alternative energy sources.

E. Fiscal and Tax Reform

1) Discretionary Funds and Internal Revenue Allotment: Direct the funds that would otherwise be allocated to the President's and legislators' "discretionary funds" (PDAF, President's Social Fund, etc.), to local governments to supplement the Internal Revenue Allotment and at the same time instituting measures that would pave the way for the proper use of discretionary funds. Support measures that propose the inclusion of magnitude and incidence of poverty in the determination of the IRA.

It is common knowledge that the legislators' pork barrel funds consume a substantial amount of taxpayers' money, amounting to P20 billion annually. This is often more than the annual budget of the Department of Agriculture and other major government agencies. The main bulk of what is often referred to as "pork barrel funds" are formally called the Priority Development Assistance Fund and the Congressional Allocation. Legislators themselves identify projects that are to be funded by the PDAF and the CA, based on a pre-approved menu of project options. The President also has similar discretionary funds at her/his disposal such as the President's Social Fund.

However, the public knows little about how these funds are being spent. Pork barrel funds have constantly been a source of graft and corruption in the form of commissions, cuts, percentages, and the like, often resulting in programs and projects that are low-quality, substandard, incomplete, non-priority, nonessential or not in accordance with national and local development plans and the actual needs of the people. These losses are just part of the damage, however, as corruption and inefficiency also lead to reduced investments, worsening poverty, tainted political credibility, dangers to public safety, and weakening of public and social institutions.

We call upon the next Administration to direct the funds that would otherwise be allocated to the President's and legislators' "discretionary funds", to local governments to supplement the IRA, on the condition that these funds should not be used for debt servicing but for social development objectives like health, education, and nutrition and for poverty reduction programs. The government should also set up a monitoring system to ensure transparency in the use of these funds.

The IRA is a local government's share of revenues from the national government. It is largely based on land area and population. While the local government is allowed to derive income from other sources besides the IRA, the latter often accounts for the biggest portion of the LGU's income. Typically, the IRA for municipalities accounts for 90% of total revenues. Since cities have more sources of local revenues, their IRA ranges from 50% to 70% of the total.

It has been observed that there is an inequitable distribution of IRA primarily since poverty incidence is not considered in the formula. We call upon the new Administration to support measures that propose the inclusion of magnitude and incidence of poverty in the determination of the IRA.

2) Increasing Government Revenues: Increase and index "sin" taxes, impose luxury taxes, simplify the income tax system to minimize loopholes and leakages, and ensure effective collection of taxes and other fees, including an effective program to go after "big time" tax evaders.

To raise government revenues, the Alcohol, Cigarettes and Tobacco Tax Bill, more popularly known as the "sin" tax bill, was signed into law in 2004. This measure is expected to raise excise taxes on alcohol and tobacco products and bring in an estimated additional revenue of P15 billion annually. A "sin" tax is a state-sponsored tax that is added to products or services that are seen as vices, such as alcohol, tobacco, gambling, and other non-luxury items. "Sin" taxes are often imposed because they generate an enormous amount of revenue and are usually easily accepted by the public because they are indirect taxes that only affect those who use the products. A luxury tax, on the other hand, is a tax on luxury goods or products that are not considered essential. It is often understood to mean taxes on luxuries that only the wealthy can afford such as expensive cars, jewelry, etc.

Another legislative proposal that has been put forward in Congress to increase revenues is the Simplified Net Income Taxation Scheme for business and professional income earners. The scheme aims to simplify the income tax for self-employed individuals and professionals such as lawyers, doctors, accountants, architects, artists, and athletes but limits allowable deductions. The Senate version of SNITS increases the optional standard deduction from 10% to 40% to encourage professionals and the self-employed to declare their income. However, a presumptive tax regime, where a minimum gross income is assumed for businesses and professionals unless substantiated otherwise, must go hand-in-hand with SNITS in order to prevent abuse and leakages in this scheme.

Despite aggressive measures to improve tax collection by restoring and vigorously pursuing tax audit, enhancing electronic filing of companies, tax benchmarking, and filing charges against tax evaders, there is still much to be desired in improving tax efficiencies and buoyancy of tax collection. In order to ensure that reforms are effectively implemented and institutionalized, it is critical that the Bureau of Internal Revenue is professionalized and depoliticized, beginning with the appointment of its officials.

We call on the new Administration to increase government revenues by increasing and indexing the "sin" taxes, imposing luxury taxes, simplifying the income tax system to minimize loopholes and leakages by limiting the tax deductible expenses of self-employed taxpayers to only those directly arising from such taxpayers' production of goods or rendition of services, and ensuring effective collection of taxes and other fees through the implementation of tax administration reforms and the depoliticization of the BIR.

3) Budget Impoundment: Support the enactment of the Budget Impoundment Control Act, and not resort to the practice of budget impoundment, i.e., withholding the release of fund allocations for political and other reasons, including the generation of savings that the President can use at her/his discretion.

In the United States, the President's power to impound, or prevent the releases of certain budget appropriations, has been recognized since the Budget and Accounting Act of 1921 established a presidential budgetary system. Such power has been subject to compromise between Congressional leaders and the President, until the era tagged as "The Seven Year Budget War." US President Richard Nixon, in an attempt to put a cap on federal spending impounded billions of dollars worth of projects, exercising the power to impound not as an emergency measure to complement economic policy, but to scrap unwanted programs initiated by Congress. This led to the enactment in 1974 of the Congressional Budget and Impoundment Control Act, which curtailed the president's power to defer appropriations.

According to Sen. Edgardo Angara, as a democratic country whose system of checks-and-balances has been modeled after the US, the Philippines has not been immune to such power struggle. The Budget Impoundment Control Act has been put forward as a measure that will limit presidential prerogative over deferring or suspending the release of funds in the General Appropriations Act. It aims to balance the executive's power to veto line items in the budget with congressional oversight to ensure that items which don't get vetoed are actually spent as intended in the law.

We call on the next Administration to support the enactment of the Budget Impoundment Control Act, and not to resort to the practice of budget impoundment, i.e., withholding the release of fund allocations for political and other reasons, including the generation of savings that the President can use at her/his discretion.

4) Debt Audit: Form a Congressional Debt Audit Commission that will scrutinize all public debt and contingent liabilities.

Debt audit is a necessary first step to free our people from the bondage of debt domination. It is both a political tool and a process that must be exercised and used to fundamentally disentangle the web of debt thread by thread -- to scrutinize the historical context and events why the Philippines and many other nations arrived at such a debt quagmire. It will examine not only the figures or sums of money involved concerning the debt; but also evaluate the policies, existing laws and institutions that perpetuated this problem together with the responsibility and culpability of institutions and personalities involved. A debt audit will likewise assess the costs and impacts of the problem and hold accountable those who really benefited from it.

A debt audit is necessary because the majority of the public loans that the Philippines is paying are illegitimate. Illegitimate debts are loans, debts and/or "obligations" that involve any or a combination of the following:

- Fraud and deception;
- Lack of compliance with democratic processes or legal requirements;
- Grossly disadvantageous terms and/or onerous and harmful conditions;
- Financing of failed projects, or projects with damaging effects on people, on the environment, or on the economy;
- Purchasing overpriced, unnecessary goods or services;
- Support of policies that result in the violation of human rights;
- Debt accumulation due to unjust economic relations;

- Aggressive and unscrupulous pushing by lenders to promote their vested interests at the expense of the borrowers or the people who will pay the debts; and,
- Transactions by illegitimate regimes.

Debt audit has two forms: the official Parliamentary Audit and the Independent Citizen's Debt Audit. We call on the new Administration to form a Congressional Debt Audit Commission that will scrutinize all public debt and contingent liabilities.

VI. CONCLUSION

This Development and Reform Agenda is the product of numerous consultations with a broad range of NGOs and POs working in different sectors, both in the national and the provincial level. We subscribe to this Agenda and we will strive to make the Presidential and other candidates in the upcoming 2010 elections study this agenda and adopt its policy recommendations into their platforms of government. We will use this Development and Reform agenda in our various advocacy work and voters' education programs from now until the May 2010 elections, and even after, as we critically and creatively engage the new Administration. We invite other NGOs and POs and other citizens to join us in this endeavor.

Signatory Organizations:

Caucus of Development NGO Networks (CODE-NGO)	KAAGAPAY Occidental Mindoro
Association of Foundations (AF)	Kalipunan ng mga Kababaihan sa Sablayan, Kanlurang Mindoro (KAKASA KAMI) Occidental Mindoro
Central Visayas Network of NGOs and POs (CenVISNET)	Kabinnulig Para Panagdur-as Iti Abra (KAPPIA NETWORK INC) Abra
Coalition for Bicol Development NGOs (CBD)	Koalisyon Ng Katutubo At Samahan Ng Pilipinas (KASAPI) Inc.
Cordillera Network of NGOs & POs (CORDNET)	Lakas ng Kababaihan Magsasaka sa Kanayunan (LAKAMBINI)
Eastern Visayas Network of NGOs and POs (EVNet)	Liwawa ed Asinan Foundation Inc. (LEAF) Pangasinan
National Council on Social Development (NCSD)	Luna Rural Development Center and Tour Farm (The Farm) Nueva Ecija
Partnership of Philippine Support Service Agencies (PHILSSA)	Mindoreno Movement for Good Governance (GO-GO MINDORO) Oriental Mindoro
Philippine Business for Social Progress (PBSP)	Nagkaykaysa nga Mannalón ken Mangngalap ti Sudipen (NAGMASUDI) La Union
Philippine Partnership for the Development of Human Resources in Rural Areas (PHILDHRA)	National Citizen's Movement for Free Elections (NAMFREL)
Mindanao Coalition of Development NGO Networks (MINCODE)	NGOs for Fisheries Reform (NFR)

National Confederation of Cooperatives (NATCCO)	Nutriline Pampanga
Western Visayas Network of Social Development NGOs (WEVNet)	Pagbigyan Naman, Incorporated Occidental Mindoro
Abak na Balen, Inc., Pampanga	Pagtinabangay Foundation, Inc. (PFI) Leyte
Akbayan Citizens' Action Party (AKBAYAN)	Pambansang Kilusan ng mga Samahang Magsasaka (PAKISAMA)
Al-Mujadilah Development Foundation (AMDF) Lanao del Sur	Pambansang Kilusan ng mga Samahang Magsasaka-Mindanao (PAKISAMA-Mindanao)
Ateneo School of Government	Pambansang Kilusan ng mga Samahang Magsasaka-Northern Central Luzon PAKISAMA-NCL/Norte Benguet
Badiangan Multi-Sectoral Initiatives (BMI) Iloilo	People's Alternative Studies Center for Research and Education in Social Development, Inc (PASCRES)
Black and White Movement	PILIPINA, Inc.
Center for Social Concerns & Development (CESCOD) Zamboanga del Norte	Procurement Watch, Inc. (PWI)
Christian Youth for Development (CYD) Occidental Mindoro	Samahan ng Magsasaka sa Kapuluan (SAMASAKA) Laguna.
Citizens' Movement for A Federal Philippines (CMFP)	Simbahang Lingkod ng Bayan (SLB)
Community Organizers Multiversity (COM)	Ugnayan Lakas ng mga Apektadong Pamilya sa Baybaying Ilog (ULAP)
Coordinating Council of Muslim Organization in the Philippines, Inc. (CCMOP) Cotabato City	United Christian Farmers Multi-Purpose Cooperative (UCFMC) La Union
Ifugao Global Entrepreneurs Multi-Purpose Cooperative (IGEMCO) Ifugao	Zamboanga Coalition of Development NGOs Inc. (ZAMCODE) Zamboanga City

Organizations who agree to support this agenda are encouraged to inform CODE-NGO so that we can add you to the list of signatory organizations and inform you of relevant updates. Please write to:

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