Executive Summary

In September 2000, member states of the United Nations gathered at the Millennium Summit to affirm commitments towards reducing poverty and the worst forms of human deprivation. They adopted the Millennium Declaration which embodies specific targets and milestones in eliminating extreme poverty worldwide. The Millennium Development Goals (MDGs), set within 2015, affirm and reinforce the agreements on the goals and targets reached at the global conferences of the 1990s.

The MDGs include the following:

Goal 1. Eradicate extreme poverty and hunger

Target 1:
Halve the proportion of people living in extreme poverty between 1990-2015

Target 2:
Halve the proportion of population below the minimum level of dietary energy consumption and halve the proportion of underweight children (under five years old)

Target 3:
Halve the proportion of people with no access to safe drinking water or those who cannot afford it by 2015

Goal 2. Achieve universal primary education

Target 4:
Achieve universal access to primary education by 2015

Goal 3. Promote gender equality

Target 5:
Eliminate gender disparity in primary and secondary education, preferably by 2005, and all levels of education not later than 2015

Goal 4. Reduce child mortality

Target 6:
Reduce children under-five mortality rate by two-thirds by 2015

Goal 5. Improve maternal health

Target 7:
Reduce maternal mortality rate by three-quarters by 2015 (half by 2000, half by 2015)

Target 8:
Increase access to reproductive health services to 60 percent by 2005, 80 percent by 2010, and 100 percent by 2015

Goal 6. Combat HIV/AIDS, malaria, and other diseases

Target 9:
Halt and reverse the spread of HIV/AIDS by 2015

Target 10:
Have halted by 2015, and begun to reverse the incidence of malaria and other major diseases

Goal 7. Ensure environmental sustainability

Target 11:
Implement national strategies for sustainable development by 2005, to reverse loss of environmental resources by 2015

Target 12:
By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers

Goal 8. Develop a global partnership for development

Target 13:
Develop further an open, rule-based, predictable, nondiscriminatory trading and

> Poverty eradication has emerged as a top priority of the Philippine government from the late 1980s.

financial system; include a commitment to good governance, development and poverty reduction – both nationally and internationally

Target 14:
Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long-term.

Eradicating extreme poverty and hunger

The Philippine government has consistently and explicitly committed itself towards achieving the overarching goal of poverty eradication and protecting the vulnerable groups. Consequently, this has paved the way for the formulation and implementation of various policy reforms and strategies for the improvement of the quality of life of the Filipinos, especially the poor. The administrations of Corazon Aquino and Fidel Ramos have helped reduce poverty incidence of the population to 36.8 percent in 1997 from 49.3 percent in 1985.

Since 1990, the Philippines has made significant improvements in reducing extreme poverty and child and maternal mortality rates; enhancing gender equality; and increasing school participation rate and access to safe water. However, the effects of the 1997 Asian financial crisis compounded by the El Niño and La Niña weather phenomena temporarily crippled the country's improving situation.

Major improvements were observed in reducing extreme poverty. Subsistence poverty declined from 20.4 percent in 1991 to 16.7 percent in 2000. But this issue remains to be addressed as the magnitude of food-poor families increased from 2.4 million families in 1991 to 2.5 million families in 2000. About 78.8 percent of these families live in the rural areas.

Gaps across regions and sectors must also be addressed, especially since rural poverty remained high between 1991 (55.1%) and 2000 (54.5%). Urban poverty has been reduced by almost one third as of the year 2000, from 35.6 percent in 1991.

Achievements in reducing malnutrition need to be sustained, in view of the mixed results. The prevalence of moderately and severely underweight preschoolers 0-5 years old decreased from 34.5 percent in 1989-90 to 28.9 percent in 1996, but rose again to 32 percent in 1998 and decreased to 30.6 percent in 2001. Figures for stunted growth also dipped from 40 percent in 1989-90 to 31.8 percent in 1996, but rose to 34 percent in 1998.

The percentage of people with adequate and safe water supply steadily rose since 1988 after the government launched the Water Supply, Sewerage and Sanitation Sector Master Plan, until the year 2000. By this year, about 78.5 percent of Filipino households already had access to safe drinking water compared to 73.7 percent in 1991.

Achieving universal primary education

Universal access to primary education by 2015 is attainable, assuming enough resources are devoted to this end and reforms are pursued with determination. This can be shown by participation rate in the elementary level in both private and public schools, which improved from 85 percent in 1991 to 97 percent in 2000. However, many of the children who enroll do not complete the school year as evidenced by the low cohort survival rate. Further, the cohort survival rate has declined from 68.4 percent to 67.1 percent over the same period.

Eliminating gender disparity in schools is one MDG target that can be attained. Education is one area in Philippine society where women and men have almost equal status. In School Year (SY) 1999-2000, girls had higher participation rates both in the elementary (97.1%) and high school (68.3%) levels than boys with 96.8 percent and 62.6 percent, respectively. The enrolment data for SY 2000-01 show that there were almost an equal number of girls and boys in the elementary level where the ratio of girls to boys was around 96:100. This ratio was higher in the secondary level, with 105 girls to 100 boys.

Reducing child mortality

Government efforts have paid off in reducing infant and under-five mortality rates. Under-five mortality rate was significantly reduced from 80 per 1,000 live births in 1990 to 48 in 1998. Infant mortality rate was also reduced from 57 per 1,000 live births in 1990 to 35 in 1998.

Improving maternal health

Immunization coverage goals were largely attained. The Maternal and Child Health Survey reported that in 2000, 65 percent of all children aged 12-23 months were fully immunized before turning 1 year old. This shows an improvement from the survey of 1997 where only 58 percent were fully immunized. There are more immunized children in the urban areas (68%) than in the rural areas (63%).

The reduction in maternal mortality rate was substantial. The maternal mortality rate (MMR) in 1991-97 is 172 per 100,000 live births as estimated by the 1998 National Demographic and Health Survey (NDHS). This is slightly lower than the estimated MMR of 209 per 100,000 live births in 1987-93 based on the 1993 National Demographic Survey (NDS).

Care for mothers is a big challenge, considering that a low percentage of women get pre- and post-natal checkups, iron and iodine supplements and tetanus toxoid immunization.

Combatting HIV/AIDS, malaria and other diseases

With regard to HIV/AIDS, the HIV/AIDS Registry has recorded 1,441 HIV AB seropositive cases (1984-2000), 486 of whom had AIDS; with 218 deaths. Majority of the cases were in the 20-49 years age group. Most cases were male. Of the 1,441 HIV cases, 371 or 26 percent are Overseas Filipino Workers (OCWs). The predominant mode of transmission is sexual intercourse.

Between 1984 and 1992, the reported annual number of confirmed cases remained below 100. However, in the last seven years, 1993-99, the number of cases per year had exceeded 100, but remained below 200. The number of cases each year has been increasing but there seems to be no indication that such increse will be significant.

While the number of confirmed cases of HIV/AIDS is low and the rate of increase in the number of cases is slow, the potentials for a full-blown epidemic continue to exist. Thus, the country cannot be complacent on this.

The challenge with other major diseases like malaria and tuberculosis is daunting, though. TB incidence in the country remains one of the highest in the world, with 75 Filipinos dying daily from the disease.

Ensuring environmental sustainability

The country's natural resource base continues to be under threat. Total forest cover has decreased from 6 million hectares in 1990 to 5 million hectares in 1997, consequently reducing its share to total land area from 21 percent to 18 percent. The state of the country's forests requires attention due to systemic degradation attributed mainly to fire, logging, kaingin, pests, diseases, mining activities and population encroachment in critical areas.

An alarming rate of biodiversity loss has also been reported. Being one of the 17 megadiversified countries in the world, the Philippines is among those with the highest concentration of endemic plants and wildlife. Ironically, however, the country has also been identified by the Conservation International as one of the "eight hottest spots in the world" where exceptional concentrations of endemic species are undergoing continuous loss of habitat. Priority species facing extinction increased by 97 percent while threatened species, by 180 percent.

According to the Medium-Term Philippine Development Plan (MTPDP) 2001-04, the Philippines arrested resource depletion, but at the cost of slowing down economic activities, i.e., in municipal fishery, mining and forestry resources.

Improving the lives of 100 million slum dwellers continue to be an uphill effort. Housing requirements remain high: for 2000-04 alone, an estimated 3.4 million units are needed. The housing backlog stands at 1 million units.

From 1990 to October 2001, the total number of informal settler-families provided with security of tenure through the Community Mortgage Program (CMP) and Resettlement Program in the country totaled 250,231 households.

Developing a global partnership for development

The continuing unilateral trade reforms appear to have removed much of the distortions of past protectionist policies. It has started to make the economy become more outward-oriented, open, and globally competitive just in time for the international trade changes created by the World Trade Organization (WTO). The WTO, with strengthened rules and discipline, brought about greater transparency and restored order in global trading.

The outstanding debt of the National Government has increased from Php768.5 billion in 1991 to Php 2,648.8 billion in 2000. It was evident that during the years of fiscal surplus from 1994 to 1996, total debt either declined (1994) or grew at a much slower rate (1995 and 1996). As fiscal deficits became larger since the 1997 Asian financial crisis, the debt burden has increased significantly.

Since the start of President Gloria Macapagal-Arroyo's administration, the government has committed itself to achieving growth and poverty reduction. The MTPDP and the government's antipoverty agenda envisions to "win the war against poverty within the decade" essentially through:

1) Macroeconomic stability with equitable growth based on free enterprise;
2) Agriculture and fisheries modernization with social equity;
3) Comprehensive human development and protecting the vulnerable; and
4) Good governance and the rule of law.

Other priority measures to fight poverty include: enhancing competitiveness in the industry and services sectors; implementing regional development programs and targeted social development programs including population management; and monitoring poverty.

Given the country's socioeconomic performance, Table 1 shows the probability of meeting the goals and targets. Table 2, which provides the basis for the assessment in Table 1, shows the current rate as well as the required rate of progress to meet the targets by 2015. Table 1 shows a high probability of meeting the goals and targets related to eradication of extreme poverty; improving access to basic amenities, universal primary education, gender equality; and wiping out child mortality, and HIV/AIDS.

There is medium probability in attaining the goals and targets on maternal health care. The target on hunger have been accorded with low probability.

What it takes to meet MDGs

Meeting the resource requirements of the MDGs will entail collaborative effort of the national and the local government units (LGUs) as well as the private sector. The national government will support the MDG financial requirements mainly by: (a) raising tax collection efficiency through improved tax administration and new tax measures; (b) improving efficiency of government operations, especially in procurement; and (c) encouraging LGUs to increase their spending for basic social services.

These measures will continue and will be broadened to help meet the country's MDG commitments by 2015.

Monitoring the MDGs can be supported by expanding and regularly updating the Social Development Management Information System (SOMIS), a database of social development indicators, housed at the National Economic and Development Authority (NEDA).

Table 1. Status at a Glance
Summary of Progress Towards Meeting the Millennium Development Goals

Goals/Targets	What is the probability of meeting the goal/target given the current rate of progress				State of Supportive Environment 1/			
	High	Medium	Low	No Data	Strong	Fair	Weak but improving	Weak
EXTREME POVERTY Halve the proportion of people living below the national food threshold by 2015	x					x		
HUNGER Halve the proportion of underweight among under-five years old by 2015			x			x		
BASIC AMENITIES Halve the proportion of people without access to safe drinking water	x					x		
UNIVERSAL PRIMARY EDUCATION Achieve universal primary education by 2015	x				x			
GENDER EQUALITY Achieve equal access for boys and girls to primary schooling by 2015	x				x			
CHILD MORTALITY Reduce under-five mortality by two-thirds by 2015	x				x			
MATERNAL HEALTH Reduce maternal mortality ratio by three-quarter by 2015		x					x	
HIV/AIDS 2/ Halt and reverse the spread of HIV/AIDS by 2015	x					x		

Note: The criterion used in determining whether the target will be met is the ratio, λ between the the annual rate of change needed to reach the target and the current annual rate of the progress. The ratings corresponding to ranges of λ are given below:

Rate needed to reach target/Current rate of progress

<1.5	High
1.5 to 2.0	Medium
>2.0	Low

1/ The criteria used in assessing the state of supportive environment are the following:
1. Formulation of appropriate policies
2. Presence of effective programs
3. Availability of budgetary support
4. Capacity to implement policies and programs

2/   Given the current progress where the number of confirmed cases of HIV/AIDS is low and the rate of increase in the number of cases is slow, there is high probability of meeting the MDG goal/target. However, in view of its highly explosive potential, our country cannot be complacent. Efforts will be continued and strengthened to halt and reverse the spread of HIV/AIDS by 2015.