

The Challenge

USAID assistance to the Philippines promotes regional stability and security, critical to this region's role in the war against terror, while contributing to improved governance and economic growth. With 60% of development assistance focused on Mindanao, USAID programs counter the appeals of terrorists in conflict-affected areas otherwise vulnerable to exploitation. This U.S. Government investment in Mindanao is important, as terrorists have used Philippine territory as a base of operations, exploiting weak rule of law and armed conflict rooted in Muslim separatist and Communist insurgencies. An estimated 46% of Filipinos live in poverty, and Muslim Mindanao is the most marginalized area of all. As the Philippines struggles to provide sufficient jobs, infrastructure, health services, and education for its rapidly growing population, USAID helps to fight corruption; improve governance, health and education; spur economic growth; and promote the sustainable use of natural resources.

Objectives, Sectors and Workforce

Mission Director: Jon D. Lindborg

MCA Status: Threshold Eligible

PEPFAR Focus Country: No

Provided or Received Services From Other Missions: Provided

Program Budget (Appropriations by Objective)	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07	2005 SO Performance Score		Direct SO Admin. Cost Ratio
	(\$000)	(\$000)	(\$000)	(\$000)				
492-002 Economic Governance	12,143	16,000	11,988	10,235	-15.7%	0.78	Not Met	0.12
492-003 Family Planning and Health	28,850	27,050	24,651	21,072	-27.0%	0.98	Met	0.09
492-004 Environment and Energy	10,060	13,396	9,935	8,035	-20.1%	1.08	Met	0.15
492-010 Conflict Resolution in Mindanao	13,010	0	0	0	N/A	N/A		N/A
492-011 Education	4,000	9,680	12,078	11,233	180.8%	0.88	Not Met	0.12
492-012 Conflict Reduced in Mindanao and Other Areas	0	19,220	11,321	10,100	N/A	1.15	Exceeded	0.08
Country Total	68,063	85,346	69,973	60,675	-10.9%			

Program Budget (Appropriations by Account)	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
	(\$000)	(\$000)	(\$000)	(\$000)	
Child Survival and Health Programs Fund	28,850	27,050	24,651	21,072	-27.0%
Development Assistance	21,568	27,576	25,522	19,603	-9.1%
Economic Support Fund	17,645	30,720	19,800	20,000	13.3%
Total	68,063	85,346	69,973	60,675	-10.9%

Program Budget by Sector and Account		FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
		(\$000)	(\$000)	(\$000)	(\$000)	
Basic Education	DA	2,500	5,000	13,860	10,733	329.3%
	ESF	800	3,080	0	0	N/A
Agriculture and Environment	DA	11,060	10,076	8,351	6,035	-45.4%
	ESF	5,000	7,320	594	1,000	-80.0%
Higher Education & Training	DA	500	0	0	0	N/A
	ESF	200	1,600	1,980	2,000	900.0%
Economic Growth	DA	4,651	8,000	1,311	1,934	-58.4%
	ESF	6,730	8,220	10,726	9,001	33.7%
Human Rights	DA	0	500	0	0	N/A
	ESF	0	0	0	250	N/A
Democracy and Governance	DA	2,857	4,000	2,000	901	-68.5%
	ESF	3,225	6,500	6,500	7,749	140.3%
Conflict Management / Humanitarian Assistance	ESF	1,690	4,000	0	0	N/A
Family Planning / Reproductive Health	CSH	18,500	17,000	15,840	11,720	-36.6%
	HIV / AIDS	CSH	1,500	1,500	990	990
Child Survival and Maternal Health	CSH	4,700	4,550	4,356	4,362	-7.2%
	Other Infectious Diseases	CSH	4,150	4,000	3,465	4,000
Total		68,063	85,346	69,973	60,675	-10.9%

Workforce	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
US Direct Hires	15	15	14	14	-6.7%
US Non Direct Hires	7	5	7	7	0.0%
Foreign Nationals	98	105	105	105	7.1%
Total	120	125	126	126	5.0%

Operating Expense	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
	(\$000)	(\$000)	(\$000)	(\$000)	
Salaries and benefits	1,119	1,046	1,149	1,435	28.2%
Travel	379	323	296	314	-17.2%

Transportation of things	143	78	84	122	-14.7%
Rent	835	814	671	782	-6.3%
Security	48	84	50	54	12.5%
Equipment	3	54	156	120	3,900.0%
ICASS - Operating Expense only	183	172	163	167	-8.7%
Other Operating Expense	403	631	487	488	21.1%
Total OE Budget	3,113	3,202	3,056	3,482	11.9%
US direct hire salary and benefits	2,171	2,286	1,707	1,892	-12.9%
Program Funded Administrative Expenses				3,890	
Country Total Administrative Budget				9,264	
Percent of Bureau OE Total				#REF!	

Mission Summary

	FY 2004	FY 2005	FY 2006	FY 2007
Program per US Direct Hire (\$000)	4,538	5,690	4,998	4,334
Program per All US (\$000)	3,094	4,267	3,332	2,889
Program per Position (\$000)	567	683	555	482
Operating Expense as % of Program Funding				5.7%
Program Funded Admin Expense as % of Total Admin				42.0%
Total Admin Expense as % of Program Funding				15.3%

Other Major Donors:

Bilateral: The major bilateral donors are Japan, China, Germany, United Kingdom, and Australia. Total bilateral donor assistance has averaged \$829 million per year over the last five years, which is less than 1% of Gross Domestic Product. The United States is the largest grant donor.

Multilateral: The major multilateral donors are the World Bank, the Asian Development Bank, the European Union, and the United Nations. Assistance from multilateral donors during the last five years has averaged \$303 million per year and is primarily through loans.