

Data Sheet

USAID Mission:	Philippines
Program Title:	Economic Governance
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	492-002
Status:	Continuing
Planned FY 2006 Obligation:	\$3,311,000 DA; \$8,677,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2007 Obligation:	\$2,835,000 DA; \$7,400,000 ESF
Year of Initial Obligation:	1995
Estimated Year of Final Obligation:	2009

Summary: USAID's integrated economic growth and democratic governance objective focuses on two major challenges that contribute to sluggish economic growth and political instability: conflict and corruption. In FY 2006, USAID is continuing to assist the Government of the Republic of the Philippines (GRP) in its efforts to contain the fiscal deficit, address corruption, and implement legislative reforms. Improved economic governance contributes to the private sector investment and job growth needed to reduce poverty and helps create an economic environment conducive to conflict reduction in Mindanao. The program thus furthers U.S. interests in combating terrorism, promoting stability, and enhancing trade and investment opportunities.

Inputs, Outputs, Activities:

FY 2006 Program:

Improve Economic Policy and the Business Environment (\$466,000 DA; \$2,677,000 ESF). USAID's program seeks to build local ownership for economic policy reform through collecting, analyzing, and disseminating information; providing assistance with policy formulation; helping new civil society organizations develop sector expertise; and strengthening government institutions responsible for implementing or enforcing reform. USAID is focusing on key policy issues and government agencies, specifically in the areas of tax administration, and transport and telecommunications regulation. Principal Implementers: Carana Corporation/Nathan Associates (CC/NA), Ateneo de Manila University (Ateneo), De La Salle Angelo King Institute (De La Salle), and The Asia Foundation (TAF).

Increase Trade and Investment (\$500,000 DA; \$1,000,000 ESF). USAID is supporting GRP efforts to reduce impediments to trade; improve customs administration; develop an improved policy implementation framework to protect intellectual property rights; promote greater competition; and increase private sector involvement and investment in the information and communications technology and transportation sectors. Principal Implementers: CC/NA, Ateneo, and De La Salle.

Promote and Support Anti-Corruption Reforms (\$1,000,000 DA; \$3,000,000 ESF). USAID is assisting the Office of the Ombudsman, Anti-Money Laundering Council, Civil Service Commission, Commission on Audit, and other organizations to increase prosecutions of corrupt officials and reduce opportunities for corruption. USAID is promoting transparency and honest governance, increasing community participation in decision making by local government units in Mindanao, and supporting anticorruption activities, including work with media and the business community. Principal Implementers: Management Systems International (MSI) and TAF.

Reduce Trafficking In Persons (\$500,000 ESF). USAID is supporting activities that increase the effective prosecution of traffickers, protect victims, and prevent trafficking of vulnerable persons. Principal Implementers: MSI and Visayan Forum Foundation.

Strengthen The Financial Services Sector and Increase Access to Capital (\$345,000 DA; \$500,000 ESF). USAID is continuing policy support for financial sector development, including creating an environment that will encourage growth of microfinance institutions. Principal Implementers: CC/NA, Ateneo, the World Council of Credit Unions, Development Alternatives Inc., and Chemonics International.

Strengthen the Justice Sector (\$1,000,000 DA; \$1,000,000 ESF). In order to assist the Philippine Supreme Court's reform and modernization plan, USAID is continuing to support its successful interventions to increase access to justice for individuals and businesses. These interventions include helping to gain release for prisoners who overstayed their sentences due to administrative backlog, promoting alternative dispute resolution, promoting continuous trial in the anti-graft and other courts, and computerizing case flow management to reduce case backlog. Principal Implementers: MSI, TAF, the American Bar Association, and the Gerry Roxas Foundation.

FY 2007 Program:

Improve Economic Policy and the Business Environment (\$934,000 DA; \$901,000 ESF). USAID will continue to support economic policy reform in the areas of tax administration and transport and telecommunications regulation. New implementers may be added to those mentioned above.

Increase Trade and Investment (\$500,000 ESF). USAID will continue existing programs that increase trade and investment, and promote greater competition and efficiency in selected sectors. New implementers may be added to those mentioned above.

Promote and Support Anti-Corruption Reforms (\$250,000 DA; \$4,500,000 ESF). USAID will expand assistance to support anti-corruption activities at the national and local levels. New implementers may be added to those mentioned above.

Promote and Support Credible Elections Processes (\$651,000 DA; \$249,000 ESF). The program will provide assistance to the Commission on Elections in reforming the management and administration of Philippine elections. Principal Implementer: To Be Determined.

Reduce Trafficking In Persons (\$250,000 ESF). USAID will expand programs that increase the effective prosecution of traffickers, protect victims, and prevent trafficking of vulnerable persons. New implementers may be added to those mentioned above.

Strengthen the Financial Services Sector and Increase Access to Capital (\$1,000,000 DA; \$1,000,000 ESF). USAID will continue policy support for financial sector development, including microfinance. New implementers may be added to those mentioned above.

Performance and Results: In FY 2005, USAID provided technical assistance in the drafting of the implementing rules and regulations of the Lateral Attrition Act of 2005, a law designed to improve performance of personnel in the major revenue collection agencies. USAID assisted the National Telecommunications Commission in drafting regulations that are expected to result in greater competition such as lower prices, more choices, and innovative offerings to consumers in the telecom sector. Support for the GRP's anti-corruption efforts resulted in an increased conviction rate of the Office of the Ombudsman to 30% and the dismissal of 19 GRP officials. With USAID's expanded technical assistance to judicial reform, a total of 24,774 cases were referred to mediation to help ease the heavily clogged dockets of the courts. USAID support of mediation at the community level resulted in a total of 5,292 cases mediated with an average of 70% being resolved. USAID also assisted the jail decongestion program that resulted in the release of 1,575 prisoners who overstayed their sentence due to administrative backlog. USAID's FY 2005 election assistance supported voter education and domestic monitoring of the August 2005 elections in the Autonomous Region in Muslim Mindanao. When this program is completed, USAID expects that GRP revenue collections will have increased along with trade and investment in the Philippines, corruption will be reduced, access to capital will be improved, the justice sector will be strengthened, and more trafficking victims will be assisted and rescued.

US Financing in Thousands of Dollars

Philippines

492-002 Economic Governance	DA	DCA	ESF	MAI
Through September 30, 2004				
Obligations	39,918	1,001	21,316	60,244
Expenditures	25,850	493	15,944	60,244
Unliquidated	14,068	508	5,372	0
Fiscal Year 2005				
Obligations	10,784	0	5,000	0
Expenditures	7,003	395	4,465	0
Through September 30, 2005				
Obligations	50,702	1,001	26,316	60,244
Expenditures	32,853	888	20,409	60,244
Unliquidated	17,849	113	5,907	0
Prior Year Unobligated Funds				
Obligations	0	0	0	0
Planned Fiscal Year 2006 NOA				
Obligations	3,311	0	8,677	0
Total Planned Fiscal Year 2006				
Obligations	3,311	0	8,677	0
Proposed Fiscal Year 2007 NOA				
Obligations	2,835	0	7,400	0
Future Obligations	33,030	0	16,745	0
Est. Total Cost	89,878	1,001	59,138	60,244