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EN FILIPINAS



PHILIPPINES-SPAIN COUNTRY PARTNERSHIP FRAMEWORK FOR DEVELOPMENT COOPERATION 2014-2017



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EXECUTIVE SUMMARY

The Philippines CPF (Country Partnership Framework) is the **strategic and geographical planning tool** for the Spanish Aid in the country. It sets out the priorities and guidelines for our cooperation over the coming years (2014-2017) and is defined together with the authorities of the partner country, with the participation of other Spanish Aid stakeholders and donors. It concurs with the objectives of the Master Plan in contributing towards human development, poverty reduction and the full exercising of rights. It also integrates the cross-cutting focus identified in the effectiveness agenda.

The CPF is **supported by the signing of the VI Joint Commission Meeting (COMIX)**, hereby added as an ANNEX, and therefore has both regulatory and political backing.

The aim of this CPF is to articulate the operational programming of the different SC stakeholders in the Philippines in accordance with the guidelines set forth in the **IV Master Plan 2013-2016**, and with the Development Strategy of the partner country (**Philippines Development Plan 2011-2016**).

The elaboration of the Country Partnership Framework with the Philippines was reactivated in February 2013, taking into account the previous work already completed since December 2010, in which the PO 2010 was addressed, which allowed for an initial reduction in the sectors and the sectoral concentration. Throughout this period, the possible future make-up of the CPF (guidelines and strategic areas of concentration) has been discussed with different stakeholders from within the SC and other donors in the country.

The regulation of cooperative relations was first agreed upon in 1991, during the 1st Joint Commission, which was followed by the creation of the Technical Cooperation Office (TCO) in 1992 and, later, the signing of the 1st Friendship and Cooperation Agreement in 1994. Currently upstanding, the V Joint Commission, signed in Madrid on 30th November 2005 and originally foreseen only until 2008, has been extended in order to align itself to the political cycles of the Philippine administration and the Spanish Aid's Master Plan 2013-2016 (MP).

The IV Master Plan of the Spanish Aid defines the Philippines as a "country of association" (a priority country, which gives a more relevant role to the partner country in terms of defining and prioritizing sectors and geographical areas for intervention).

As a result of a detailed analysis, and after completing the participatory process, the Spanish Aid in the Philippines has opted to focus on two guidelines, and three respective Lines of Action.

- **Strategic Guideline 1. Consolidating democratic processes and the rule of law.**
Line of Action 2: We will strengthen public sector structures and management systems;
Line of Action 3: We will work to promote the Rule of Law and to safeguard Human Rights
 - Development result that the Spanish Aid aims to achieve: "***The population in the priority areas of the Spanish Aid exercises its rights as active citizenship and is able to access justice***"
- **Strategic Guideline 2: Reducing Inequalities and vulnerabilities to extreme poverty and economic crises** Line of Action: Prevention Policies
 - Development result that the Spanish Aid aims to achieve: "***The population in the priority areas for the Spanish Cooperation increases their resilience to natural disasters and improves their living conditions***"

INTRODUCTION

1.1. Country Context

The Philippines, situated in the south-east Asian region, has a great linguistic, ethnic and religious diversity (although the majority of the population are Catholic, it also has a large Muslim presence in Mindanao). The country has a population of approximately 92.3 million inhabitants (making it the 14th most populated country on earth, and the 9th in Asia), and is spread across 300,000 Km² and 7,107 islands. 33.5% of the population is aged between 0-14 years, 62.2% between 15-64 and 4.3% above 65 years old. Its rapid demographic growth (1.9% annually) indicates that by 2050 the country will have a population of 145 million, potentially causing a burden on the ability to implement public social policies. 49% of the population live in urban areas.

In 2013, the economically active population or labor force stood at about 41 million and the unemployment rate was 7.1%, with Manila registering the highest rate of unemployment (10.3%). The agriculture industry accounted for 31% of total employment, with agriculture representing 10.4% of GDP in 2013. It is important to highlight that the underemployment rate stands at around 19.3%. About 3 of every 5 unemployed persons in the Philippines (62.6%) are men, and 48.5% are between the ages of 15 and 24. On the other hand, the percentage of women (>15 years) with employment is 46.5%, whilst that of men reaches 72.4%.

The **Human Development Report** (UN 2013) placed the Philippines in 114th position, below the global average as well as that of the Asia Oriental-Pacific region, having lost several positions in recent years. Although the **Gini coefficient** has recently come down (0.43, HDR 2013), the high level of inequality (the richest 10% possess 33.6% of the income, the poorest 10% just 2.6%) continues to pose a serious problem owing to the population's rapid growth rates. The **national poverty incidence** in 2012 based on official poverty line was 25.2% (26.3% in 2009 and 26.6 % in 2006). The **poverty incidence for women**, meanwhile, was 25.1% in 2009, which in absolute terms represents more than 11 million Philippine women living in poverty. The **Gender Inequality Index** is 0.418. The infant mortality rate has been reduced and today stands at 29/1000, the maternity mortality rate at 99/100 thousand (data from 2010). **UN Women** estimates that a maternal mortality rate of 80/100 thousand will not be reached until 2015, far from the goal of 55/100 thousand. On the other hand, efforts must be intensified to reduce the prevalence of HIV and AIDS (20 cases/100 thousand). The **literacy rate**, for members of the population above 15 years old, is 95.4%. 5.2 million children have received no schooling while the average number of years of schooling is 8,9.

The Philippines' economy has been consistently growing in recent years (6.8% in 2012 and 7.2% in 2013), sustained largely by domestic consumption (buoyed in part by remittances) in tandem with the growth in (especially domestic) investment. On the supply side, growth was mainly contributed by the industry and services. The acceleration of manufacturing activities was the main reason behind the increased contribution of industry while services growth was underpinned by strong performances of retail and wholesale trade, real estate, renting and business activities (which includes business process management) and a healthy financial and banking system. Nonetheless, this growth will not be maintained unless structural reforms are introduced. The main structural deficiencies are the relatively low revenue effort of the government, the high cost of electricity and weak levels of FDI (Foreign Direct Investment), which, despite a growing tendency on a global level, has been stuck at around 1,300 million \$.

SOCIAL INDICATORS	
Health	
Average Life Expectancy	69.0 years
Adult Death Rate For every 1.000 inhabitants	
Women	130/1.000
Men	240/1.000
Maternal Mortality Rate for every 100 thousand births (objective 55/100 mil). Data from 2010	99/100.000
Infant Mortality Rate (< 5 years/ 1.000 births). Data from 2010	29/1.000
Teenage Pregnancy rates Pregnancies/1.000 women between 15 and 19 years	46,5/1.000
Public Health Expenditure/ GDP. Data from 2009. (Reference 5%).	3,80%
Education	
Rate of Matriculation %	
Primary	106
Secondary	85
Tertiary	28,9
Years of Schooling, average (reference 11,9 years)	8,9 years
Adult literacy rate (% above 15 años)	95,4%
Number of un-schooled children (United Nations 2010)	5,2 mill.
Public Expenditure on Education / GDP. Data 2009. (Reference 5%).	3,80%

Source: Human Development Report 2013

The main factors which condition development are: governance issues, where the country is amongst the poorest performing countries in the region in terms of transparency, legal security and the fight against corruption. The WGI index 2010-2012 (the World Bank's *World Governance Indicator*) notes that the Philippines has shown marked improvements in 5 out of 6 indicators, but relative to other ASEAN countries ranks particularly low in political stability, control of corruption and rule of law.. The ongoing internal conflict, which has lasted many years (with two types of insurgency, one composed of groups pertaining to communist ideology, the other Muslim groups-MILF and MNLF), has drained resources and slowed down growth

1.2. Effectiveness Agenda

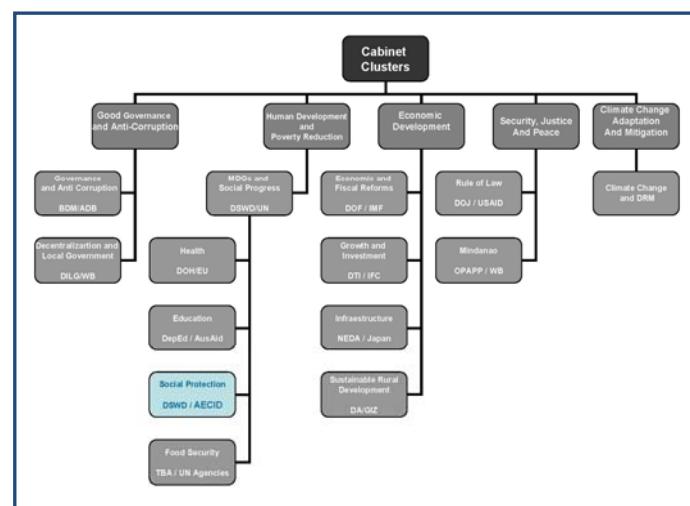
The Philippines has subscribed to the Paris Declaration (2005),to the Accra Agenda for Action (2008) and to the Busan High Level Forum (2011). The fulfilling of these commitments is overseen by the Philippine Harmonization Committee (PHC), formed in 2003 with the support of donors, and composed of representatives of supervisory organizations (DOF - Finance, NEDA – planning, the Department of Budget and Management and the COA– internal audit). In terms of the implementation in the Philippines of the commitments made in the Paris Declaration (PD), NEDA conducts periodic monitoring surveys of the 10 PD indicators (Global Partnership Monitoring Framework, GPMF Indicators).

According to the latest survey conducted in 2013, the mutual accountability indicators stands out most of all 10 indicators, where the vast majority of donors possess strategies which are aligned with those of the country, as well as mechanisms for their monitoring. In addition, the use of national public management systems (72%) and tendering (64%) are quite widespread, as is the use of tied aid (85%). The area in which there has been least progress is the lack of information provided regularly by donors, as well as the lack of information to parliament regarding financing (only 30%).

Spain, meanwhile, has made significant progress in recent years in fulfilling these indicators, especially in the use of national public management systems and tendering, in the elimination of tied aid and in accountability.

1.3. Dialogue with the Partner Country

Philippine Development Forum is the privileged harmonization platform between the government, CSOs and the International Community. This mechanism conducts the monitoring of the Philippine Development Plan (PDP). In order to improve the internal coordination between the different stakeholders, a **clusters**¹ system, composed of 5 Working Groups and 10 sub-groups, each led by a high-ranking Filipino institution (government departments) and in partnership with the international community. The main focus of this exercise has been to make improvements in terms of operations effectiveness and to give greater coherence to the decision making process.



¹ The Clusters are: 1.- **Governance and anti-corruption**. This is the only group which is led by the President himself, with the Budget Department taking the role of secretary. 2.-**Human Development and Poverty education**. Led by the Department of Social Welfare. 3.- **Economic Development**. Led by the Department of Finance. 4.- **Peace, Justice and Security**. Led by the President's executive secretary, and guaranteed by the National Security council. 5.- **Climate Change Adaptation and Mitigation**. Led by the Department of Natural Resources, with the Climate Change Commission taking up the role of secretary.

Seven Forums have already been held, and count upon the participation of the majority of the Government cabinet (including the President), the relevant public sector institutions for economic and social affairs, CSOs and national experts. Bilateral development agencies, the Embassies of donor countries, UN agencies and IFIs also attend.

The February 2013 PDF “*Moving Forward to Achieve Inclusive Growth and Good Governance*”, held in Davao, paid particular attention to the Mindanao region and the development situation within the region’s new political context, following the signing of the Bangsamoro Framework Agreement (October 2012). This new approach has introduced a high-quality technical debate with the abundant participation of civil society, donors, and both national and international institutions and renowned experts.

Following this same organizational framework, this process has established the international community – in particular, the principle bi-lateral donors –as co-leaders of the clusters or sub-clusters. In the process, the donor community has adapted its previous system of coordination to the new governmental framework, leaving a total of 10 groups and 12 sub working groups. AECID has replicated a **system of half-yearly monitoring** (*Steering Committees*) with the authorities (NEDA and relevant sector departments) for each one of the projects (bilateral, multilateral and Development NGOs).

The **tripartite coordination and monitoring mechanism** of the Spain-UNDP MDG Fund, which includes NEDA, the Resident Representative Office of the UN and the TCO/Embassy, has been made an example of good practice by the Filipino authorities.

AECID’s participation in the group known as “**ODA GAD Network**²”, a permanent coordination group between donors and the Philippine government, aims to ensure the integration of a gender focus both in the ODA.

In **Human Rights**, AECID participates actively in the KaSaMa initiative, a multidonor initiative to promote innovative projects in the field of Human Rights.

The Spanish Aid maintains a permanent dialogue with **civil society and Philippine Development NGOs**. Of the latter, the most important players in Human Rights and gender, as well specialized civil society groups, are the main project counterparts for the Spanish Cooperation.

1.4. Philippine Development Strategy and Policies

In May 2011, the Philippine Government launched the **Philippine Development Plan 2011-2016** (PDP) in order to strengthen the economic, political and social development of the country, as well as to intensify efforts to achieve the MDGs. The Plan defines the development agenda of the country until 2016, inserts the Development Goal of “inclusive and sustainable growth” and forms the basis of the agendas and planning documents which the international donor community has elaborated in the Philippines. In February 2013, a monitoring forum was held in Davao which confirmed a series of successes in terms of economic growth, and yet highlighted a few key areas which need to be improved, such as the need for reforms which will facilitate economic activity and FDI, the gravity of poverty statistics (which rose slightly) and the need to create more jobs.

The **PDP** is divided into ten different chapters or working sectors, which correspond to the Cross-Cutting, Sectoral Development Objectives of the Philippines.

1. Macroeconomic Policy
2. Competitive Industry and Services Sectors
3. Competitive and Sustainable Agriculture and Fisheries Sector

² **ODA GAD Network Members:** Asian Development Bank (ADB), Embassy of Spain - Agency for International Cooperation for Development (AECID), Australian Agency for International Development (AusAID), Canadian International Development Agency (CIDA), Delegation of the European Union to the Philippines, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), United States Agency for International Development (USAID), International Labour Organization (ILO), Joint United Nations Programme on HIV/AIDS (UNAIDS), United Nations Development Programme (UNDP), United Nations Population Fund (UNFPA), United Nations Children's Fund (UNICEF), United Nations Entity for Gender Equality and Women's Empowerment (UN Women) Philippines Project Office, The World Bank, World Health Organization (WHO), **Philippine Government Partners:** National Economic and Development Authority (NEDA), Philippine Commission on Women (PCW) **International NGO Partners:** OXFAM International, Paz y Desarrollo

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- 4. Accelerating Infrastructure Development
 - 5. Towards a Dynamic and Resilient Financial System
 - 6. Good Governance and the Rule of Law
 - 7. Social Development
 - 8. Peace and Security
 - 9. Conservation, Protection and Rehabilitation of the Environment and Natural Resources Towards Sustainable Development

In 2012 the **PPP Program (Public-Private Partnership)** was presented, the aim of which was to attract greater levels of foreign direct investment (FDI) as a means of attracting technology, generating jobs and modernizing the country, making the commitment, at the same time, to protect potential investors from regulatory risk.

Sector Strategies:

- 1. **Social public policy**, in the hands of the Department of Social Welfare and Development (DSWD), is based largely on a policy of family incentives linked to the effective schooling of their children, and a monitoring system for women's health.
- 2. The **Magna Carta of Women** is a law on women's human rights, approved in August 2009 and whose objective is to eliminate discrimination against women.
- 3. In terms of **peace building**, the PAMANA initiative, developed by the Office of the Presidential Adviser on the Peace Process (OPAPP), pursues the strengthening of local government and poverty reduction in areas affected by conflict.
- 4. **Philippine Human Rights Plan** (PHRP) continues to be updated since 2000, which has prevented it from becoming a reference document for stakeholders in this sector. The Annual Strategy of the Human Rights commission aims to make up for this deficiency.
- 5. In the **environmental** sector, the Philippines reckons with a new public policy in terms of adaptation to climate change, headed by the Presidential Office on Climate Change.
- 6. The **National Disaster Risk Reduction and Management Plan** is the ambitious national plan (2011-2028) for the DRR sector. This plan has a highly strategic foundation, but lacks a certain practical ambition, since it foresees the coordinated participation of numerous government departments and needs a great injection of funds.
- 7. The **health sector** is immersed in an active policy dialogue even the high demographic growth makes the extension of this dialogue difficult. On an institutional level there exists no adequate allocation of tasks between central level and regional offices which leads to certain dysfunctions, even though the great majority of competencies, even those related to budgeting, are delegated to local government.

1.5. Achievements of the Spanish Aid

Following more than twenty years of permanent presence in the Philippines, the Spanish Cooperation (SC) has a significant and specific role in the country, offering a rich and diverse panorama in terms of development modalities and tools. The 2010 Operational Planning implemented an initial reduction in sectors and sector concentration.

From 2001 to 2012, Official Development Aid (ODA) for the Philippines reached a total of 245 million Euros, of which 25 million has been directed towards humanitarian aid between the years 2006-2012.

The **priority sectors** in which the Spanish Cooperation (SC) has been working in recent years, in partnership with the Filipino authorities, have been: promoting economic growth for the extreme poor (18%), health (14%), governance (14%) and environmental sustainability: the battle against climate change and habitat (12%). It is also worth highlighting the amount destined for Humanitarian action (7%) which will have certainly risen following the recurring interventions during the year 2013.

On a bilateral basis, and through AECID, activities have been carried out with Philippine institutions in the areas of governance, support for the peace process, education and health,

which have incorporated a focus on aspects such as the training of human resources, social participation, and modification of existing facilities or the development of infrastructures. In addition, there is the Escuela Taller, as well as different activities involving scientific and university cooperation. All of these activities afford the SC in the Philippines a rich and diverse track-record, in terms of both modalities and instruments.

The **Development NGOs** have an important role to play in the Spanish Aid to the Philippines, managing around 25-30% of funds (channelled via Agreements, the yearly call for projects and the CAP). Currently, 12 Development NGOs (there were 14) are engaged in projects alongside their Filipino counterparts. 10 of them have a permanent presence in the country.

After the passing of Typhoon Haiyan across the Philippines, the number of Development NGOs with a presence in the country has increased with the arrival of new NGOs which have channelled largely private funds.

On a **multilateral basis**, large amounts of resources have also been channelled, largely through UN Agencies. During recent years, Spain has been the principal bilateral donor to the UN in the Philippines, with a contribution of around 22 million Euros. The Spain-UNDP Fund, for the implementation of the MDGs, is currently evaluating and coordinating the role of the TCO with the Philippine authorities and the UN, which has been very systematic and successful. Four projects were approved (climate change and environment, Youth, Employment and Migration, Economic and Democratic Governance, Childhood, Food Security and Nutrition) within the 8 thematic windows, for a total of 23 million dollars (18 million Euros).

In terms of **Humanitarian Aid**, emergency response actions have been implemented (mainly due to typhoons and tropical storms) nationwide (paying particular attention to the needs of the population in terms of water, nutrition and shelter).

The Spanish Aid has **focused geographically** in recent years on the region of Bicol (Luzon) and Mindanao (especially Caraga and Zamboanga)

ANALYSIS

1.6. Alignment

The Spanish Aid has opted to align itself with national strategies, prioritizing policy dialogue on development policies, especially in the sectors where there is a presence and concentration of our assistance (poverty reduction and social exclusion, governance, social protection and DRR). Indeed, in some of these areas Spain is the donor of reference and has been chosen to represent the international community (social subgroup for the Social Protection cluster, and the Country Coordination Mechanism for the Global Fund to Fight AIDS, Tuberculosis and Malaria). It is important to highlight our support to CSOs, key players in the policy dialogue – particularly through the KaSaMa initiative with human rights' NGOs.

The Spanish Aid has encouraged the use of national procedures and the integration in the Philippines' planning, management and budgetary systems. The volume of ODA channelled through Philippine public organizations has grown considerably over recent years, reaching 25% of the total disbursed during the period 2011-13. Currently, Spain is one of the few international partners which conduct all of its activities (both bi-lateral and through NGOs) through Philippine public sector organizations and which become, therefore, subject to management and accountability procedures.

NEDA, as the leading entity responsible for coordinating the country's economic and social development, is our principal partner with the Government, allowing for a constant and fluent dialogue. It is, in fact, the national partner which intervenes in the elaboration of the MAP and in the definition of the Development Results of our performance during the period 2014-2017.

1.7. Quality of Dialogue with the Philippines

NEDA (the National Economic Development Authority), which holds ministerial rank, is the principal entity responsible for coordinating the country's economic and social development, leading the adaptation process between international donors and Philippine public sector organizations. Its board of directors is headed by the President himself. The long tradition of the Spanish Aid in the country, as well as the effective functioning of the bi-lateral monitoring and planning mechanisms, facilitates fluent communication with NEDA. In fact, there is a monitoring mechanism for each one of the projects with NEDA and the different stakeholders which is judged by NEDA to be the model to follow. In this sense, the tripartite monitoring mechanism together with the United Nations of the 4 projects of the Spain-UNDP Fund in the Philippines. In addition, exchanges are maintained with Spanish stakeholders present in the country, and with other donors such as the EU Delegation and the Members States, UN Agencies, ADB, WB and other relevant partners in the country.

The quality of dialogue between the government, civil society and the Spanish Aid in the Philippines is very fluid and based on trust. The different mechanisms and harmonization forums allow for an effective exchange of technical information under the leadership of the member country. These same mechanisms are often integrated in the main civil society organizations.

1.8. Comparative Advantage

The study of the sectors in which the SC has a comparative advantage has been conducted taking into account the following:

- Conclusions from **periodic meetings and workshops** of the TCO with other Spanish stakeholders (development NGOs, Spanish development professionals, the internal, stable coordination group – including the Spanish Commercial offices and the Cervantes Institute), other international donors present in the country and with NEDA.
- Support for the **previous work** already completed since December 2010 for the preparing of the 2010 MP, which allowed for an initial reduction in the sectors and the sectoral concentration.
- To complement this, **bi-lateral exchanges** have been maintained with Spanish stakeholders present in the country (Chamber of Commerce) and with other donors such as the EU Delegation and Member States, UN Agencies, the Asian Development Bank, the World Bank and other relevant partners in the country.

The consolidation of this entire process indicates comparative advantages in three of the specific objectives analysed (selected according to a relevant criteria, or those which have been given a particular recent focus in the country), and four lines of action relating to these same specific objectives.

SG 1. Consolidating democratic processes and the rule of law. Line of Action 2: We will strengthen public sector structures and management systems; Line of Action 3: We will work to promote the Rule of Law and to safeguard Human Rights

In both lines the SC has a long tradition of working in the country, possessing sufficiently specialized stakeholders with high credibility. The Spanish Aid already allotted a high percentage of actions towards this particular Sectoral Goal through bi-lateral, multilateral and development NGO-led projects.

The three phases of the “Strengthening Local Government” Project are worthy of mention, having been recently completed and implemented with the Local Government Academy (LGA) of the Department of the Interior and Local Government; the project with the Department of Social Welfare and Development (DWSD) for the strengthening of capacities of Local Government Units for poverty reduction, local governance and the Community Driven Development (CDD); the project to strengthen the institutions of the Philippines Commission on Women for the implementation of public policy to mainstream gender equality as well as the AECID contribution to UN Women for their Gobal Safe Cities in Manila; and the institutional support provided to the

Commission on Human Rights (CHR) in the area of the rule of law. All these bilateral projects grant the SA a clear leadership and great credibility, and they allow for the maximizing of possibilities to implement delegated cooperation with the EU.

A special mention should be afforded to the Spanish Aid for the institutional support it has given to the Office of the Presidential Adviser on the Peace Process (OPAPP), fruit of a pilot intervention between AECID and OPAPP in Sorsogon in 2010, which aims to promote livelihood opportunities in communities affected by conflict. The success of this project provoked the implementation of a project supporting the OPAPP and, in particular, the PAMANA initiative (public policy for the building of peace). In the framework of the peace process, the financing through the UN has also been important ("Act for Peace", with the UNDP) and the actions in terms of Human Rights and International Humanitarian Law implemented by development NGOs. The Spanish Aid has been the prime stakeholder in supporting the initiatives of the OPAPP. This has provided us with an important leadership role in this sector.

For the Spanish Development NGOs this has been a traditional sector for intervention with the barangays (rural communities) and municipalities in issues related to local development planning and the improvement in community organization. In this sense it is worth highlighting the importance that the Spanish development NGOs have given to reinforcing regional and local governments as spaces in which the citizen should fully participated.

The World Bank recognizes the role of the Spanish Aid, together with that of Australia, the US and the Asian Development Bank, as one of the key partners in one of the most important programmes for Governance and support to Local Government Initiatives. In this sense, the World Bank, the Asian Development Bank and the United States mainly focus their activities on providing support to public financing systems and to institutional reforms in the public sector, while Australia, together with Japan, focus on providing support to the decentralization process through the trust fund administered by the World Bank.

Various interventions relating to the protection and enjoyment of women's rights have been addressed through the strengthening of institutions, especially through the project implemented in partnership with the Philippine Commission on Women, which has enabled for the continued collaboration with Local Government and other government agencies, focusing on guaranteeing the effective implementation of the provisions of the Magna Carta on Women. Amongst many other aspects, it is worth bringing attention to the elaboration by each entity of a gender development plan to which at least 5% of the annual budget must be apportioned in order that the Budget Department approves the budget drawn up for that particular entity. The projects implemented with the Human Rights Commission and with OPAPP (both with competencies on the subject of gender) also help incorporate a specific gender focus to the interventions.

SG 2: Reducing Inequalities and vulnerabilities to extreme poverty and economic crises

Line of Action 1: Prevention and preparation Policies; Line of Action 2: Social Protection Programs

This is one of the sectors in which the Spanish Aid has been financing interventions in recent years. In the L1, the Spanish Aid is one of the donors of reference. It already has a consolidated track record in the sector (particularly in disaster risk reduction) and its partnership with the Philippine authorities is fluid and solid. It maintains interventions both on a national, provincial and local level, which provides a coherent approach. It is a player which has demonstrated credible results in the sector, both for national stakeholders and for the UN agencies and other international institutions. Of these interventions, it is worth highlighting:

- Interventions financed by the Spanish Aid in **Province of Albay** (Bicol Region), which have enabled the implementation of a provincial prevention and protection system which has become a national reference.
- The project implemented in the Province of **Nueva Écija**, where the capacity for the awareness, prevention and mitigation of recurring emergencies has not only been strengthened amongst local and regional authorities, but on central level too, with the implementation of the first NDRRMC logistical bases (National Disaster Risk Reduction and Management Council headed by the Office of Civil Defence).

- The “**SUMACORE Project** – the Sustainable Management of Natural resources” (2007-2010) or the **MDG Achievement Fund in Environment and Climate Change** (2008-2011) which enabled the implementation of a public policy on the subject.

SG.7. Quality Response to humanitarian crises (without a specific line)

The TCO has gained a significant and specialized role in a country which is highly vulnerable to natural disasters, promoting the use of early warning protocols and security for the stakeholders of the Spanish Aid. The Spanish Aid stakeholders present in the country have a high technical specialization and are highly efficient and solvent stakeholders, with a long track-record in humanitarian affairs, enabling the Spanish Aid not to be overly dependent on administrative procedures in a sector where a rapid and efficient response is vital.

On the other hand, the work of this Spanish Aid is evidently vital in one of the most vulnerable countries in the world to deadly natural catastrophes.

STRATEGIC DECISIONS

1.9. Strategic Guidelines and sectors of concentration

As a result of a detailed analysis, and after completing the participatory process, the Spanish Aid in the Philippines has opted to focus on two guidelines, and three respective Lines of Action. The two guidelines which will be defined through Development Results are:

- **Consolidating Democratic Processes and the Rule of Law**
- **Reducing inequalities and vulnerability to extreme poverty and to economic crises.**

a) SG1: *Consolidating Democratic Processes and the Rule of Law*

The State must count upon transparent, efficient and representative institutions if it is to implement policies for the eradication of poverty. Also vital is an active, organized, participatory and democratic civil society in which fundamental rights are guaranteed and enforced.

In terms of its alignment to Philippine development strategies, this Guideline is fully in line with what is stated in chapter 7. *Good Governance and the Rule of Law* and 9. *Peace and Security*, of the Philippine Development Plan for the period 2011-2016.

Of the three possible Lines of Action that the IV Master Plan outlines for this Guideline, the Spanish Aid will focus upon the following two:

Line of action 2: We will strengthen public sector structures and management systems.

In the Philippines, these decentralized authorities have multiple competencies (including, in part, those of health and education), although certain weaknesses remain in terms of human resource capacities. We will continue to work on reforming and strengthening and building up of the capacities of Local Government Units (LGUs) at the provincial and municipal levels, as a basic means of territorial organization in priority areas for the Spanish Aid through our bilateral projects with the Department of Social Welfare and Development (DWSD) and the Department of Interior and Local Government (DILG/LGA), whilst at the same time continuing to strengthen key institutional authorities for egalitarian development, such as the Philippine Commission on Women (PCW).

Meanwhile, we will continue to support Philippine Civil Society Organizations through projects with Spanish Development NGOs and, on a bi-lateral basis, through other initiatives such as KaSaMa (initiative to support NGOs and organized civil society in the field of human rights). In terms of mutual accountability, we will maintain our commitment towards mutual transparency and sharing of information with Philippine supervisory bodies (NEDA, DBM, COA, etc) as well as

the use of national management and accountability systems within the framework of our projects.

Line of action 3: We will work to promote the Rule of Law and to safeguard Human Rights

This will focus on the strengthening systems for their protection and promotion, and through safeguarding the respect and fulfilment of upstanding regional and universal legal instruments. Future interventions could be directed towards further supporting mechanisms for full engagement of citizens in governance.

In this way, support will be given to peace-building efforts in a country which has suffered a long and painful conflict, but where notable progress has recently been made with the signing of a peace agreement between MILF and the Philippine government. The national authorities charged with promoting human rights and facilitating the peace process will continue to be strengthened. In addition, we will support development projects which contribute to the correction of structural factors which may sustain this conflict and be obstacles to overcoming it in the medium to long term. We will continue to support the Peace Process on a bi-lateral basis through our projects with the Philippine Commission on Human Rights and the Office of the Presidential Adviser on the Peace Process (OPAPP). The possibility will be explored to install new financing mechanisms for the implementation of more ambitious projects together with relevant partners such as the European Union.

b) SG 2: Reducing inequalities and vulnerability to extreme poverty and to economic crises

The Philippines is a country which, despite being considered a middle-low income country due to its economic growth, continues to demonstrate high levels of poverty and inequality (26.7% of the population lives below the poverty line and 10% live in extreme poverty). These demographic groups are also most affected by recurring natural disasters in a country which is one of the most vulnerable in the world to disasters of this type. The recent tragedy caused by Typhoon Haiyan has placed this aspect at the forefront of the concerns of the Philippine government and the donor community, even though the Philippine Development Plan (PDP) had in fact already been increasingly prioritizing this area in recent times. Indeed, the Spanish Aid has a long tradition of cooperation in this field, both on a provincial, national and especially local level, all of which offers it an important comparative advantage. In terms of prevention policies, we have been guided by the Philippine Development Plan 2011-2016, in which **chapter 5**. Accelerating Infrastructure Development and **chapter 10**. Conservation, Protection and Rehabilitation of the Environment and Natural Resources, will help us to mainstream the focus on Risk Reduction to our interventions in the country. This priority is also aligned with the country strategy on CCA/M and DRRM of the PDP. Under this Guideline, we will focus on the following Line of Action:

Line of Action 1: Prevention Policies as the most effective tool in the fight against vulnerability.

Given that the Philippines is one of the most vulnerable countries in the world to natural catastrophes, DRR and the strengthening of local, regional and national defence mechanisms is one of the priorities for the Spanish Aid in the Philippines. Actions will be conducted to strengthen the prevention, preparation and coordinated response to disasters through bilateral and multilateral actions, and partnership with NGOs, with special focus to address the needs of most vulnerable groups.

With a clear advantage in the field of Humanitarian Aid and Natural Disaster prevention, the Spanish Aid will maintain its commitment to supporting the most vulnerable communities in the country through our Projects and Agreements with NGOs, aimed at strengthening their prevention and response capacities and the development of livelihood opportunities. Meanwhile, we will continue to offer our bilateral support to Local, Regional and National Systems and Strategies for the attention and prevention, which have obtained excellent results in Albay and Nueva Ecija. Similarly, coordination will be deepened amongst humanitarian stakeholders in the country and our development NGOs with a focus on humanitarian affairs.

The continued support for Philippine public policy in terms of DRR, requested by numerous Philippine institutions on both a national (continuing previous activities in this area) and on a provincial level (replicating the successful experiences of Albay - unanimously considered to be a model to follow in the Philippines, and Nueva Ecija in other disaster-prone provinces) and on a local level extending training and support to Local Government – LGUs both through the Department of Social Welfare and Development (DWSD) as well as Local Government Academies-) can be carried out through FONPRODE. In this way it will also be possible to channel aid through other multilateral organizations such as the World Bank and the Asian Development Bank, and in other cases create associations with other United Nations agencies which have a clear added value, such as OCHA and WFP.

1.10. Exit Guidelines

As far as exist guidelines are concerned, the utmost priority is given to defining certain Exit Sectors in which we have been Active Partners until now. These sectors are Education, Health and Social Protection Programs where a change of direction is being realised.

- In the **Education Sector**, an ordered, progressive and responsible exit has been taking place over the past two years, following the finalization of our projects with DepEd. There are other donors, such as USAID and AusAid, which have been very active in this field and which will now assume leadership.

Some of the most important aspects of a responsible exit are the following:

- The “Introduction of Spanish in Secondary teaching”, a bilateral Project, is still active, with AECID contributing a State Grant of 180,000 Euros - through the Management of the Cultural and Scientific Relations - to the beneficiary, the Philippines Department of Education – DepEd -.
- Due to the special characteristics that Spanish has in the Philippines, this **may continue to be considered a strategic action**. This project is part of the framework Memorandum of Understanding signed on the 23rd February 2010 as well as the Memorandum of Agreement signed on the 23rd October 2012 which gives it continuity. It was signed by DepEd in the Philippines and, from a Spanish perspective, by the Ministry of Education, Culture and Sport, the Cervantes Institute and AECID. Both parties will study possible lines of financing for this strategic action.
- In another educational field, the “Escuela Taller de Intramuros” has been running since 2008, in partnership with the NCCA (the equivalent to the Ministry of Culture). This program is currently being transferred (part of an exit and sustainability strategy), which will allow for the greater involvement of local institutions and authorities, and its ownership by Filipino institutions. For this reason, a Foundation has been created which involves the main Filipino stakeholders, which have signed the Collaboration Framework Agreement (10th July 2013) establishing a progressive reduction in AECID funds until their definitive expiry in 2018.
- The possibility of future bilateral partnerships between different local departments and their Spanish ministerial counterparts (through consultancy of the MECD at the Embassy in Manila) will be promoted

- **Health Sector.**

In the Health Sector, a long period of support has contributed to increasing the quality and laying the foundations for its reform. The entry into force of the Sin Tax law, which taxes alcohol and tobacco in order to finance health cover, will give the Philippines greater capacity to sustain health policy and ensure access to the most marginalized. For this reason, both the Delegation of the European Union as well as our cooperation do not have plans to continue operating in this field beyond what has already been scheduled (2014).

A first evaluation of the performance of program-based aid (budgetary support) in the Philippines has been carried out. This mission has ratified the decision for a responsible exit, although a more detailed technical evaluation can be undertaken to provide lesson-learning for future program-based aid in the Philippines.

Important guidelines for a responsible exit:

- Future bilateral partnerships between national departments and their Spanish ministerial counterparts will be promoted (Ministry of Health, Social Policy and Equality), that allow dialogue and assistance on the model which is to be implemented in the Philippines, without the need for AECID to allocate resources for this purpose.

▪ **Social Protection Programs.**

The Spanish Aid has been working on these programs as the most effective policy in the country for the eradication of extreme poverty and inequalities, whilst at the same time setting the basis for the social structure of the State, focusing on the most marginalized layers of society.

Solid, bilateral support has been given to DSWD since 2005 in its poverty eradication programs (through the PODER project), consolidating a close partner relationship both on a central and regional level (especially in the regions of Bicol, Caraga and Zamboanga). This strategy to strengthen community and local government, implemented in collaboration with DSWD, has enabled close relations to be formed with beneficiary communities and local authorities (barangays and municipalities), establishing the Spanish Aid as a donor which is close and committed to local development.

Considering that inclusive growth is one of the prime development objectives of the current Philippine government, the social protection strategy has acquired a greater significance in the intermediate revision of the PDP. This strategy is based on the principal poverty-eradication program, *Pantawid Pamilia (Conditional Cash Transfer)*, the extension of Social Security and community empowerment and planning of participative development, (*Kalahi-CIDSS* and *Bottom-up Budgeting*) as well as the livelihood program aimed at the poorest families.

Notable Guidelines:

- Support for these strategies might come through reimbursable cooperation, in line with the interventions of other donors.

1.11. Cross-Cutting Priorities

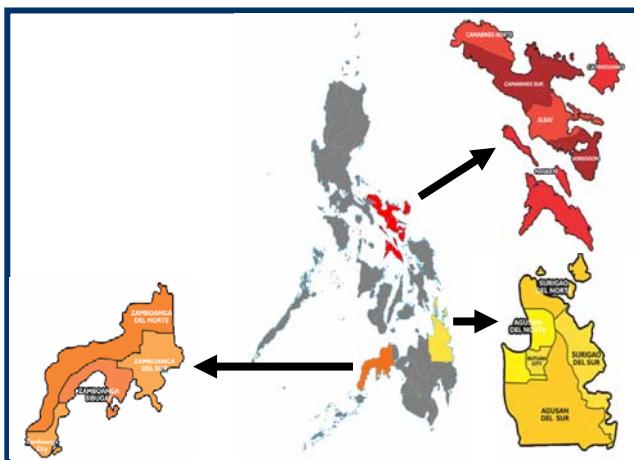
It was considered appropriate to make a brief analysis of the cross-cutting priorities of the Spanish Aid in relation to the preparation of this Framework Partnerships.

- **Social Inclusion and the fight against poverty:** Considering that all actions must have poverty alleviation as their objective, the activities of the Spanish Aid will pay particular attention to those groups that find themselves particularly vulnerable and that suffer most from social exclusion and marginalization.
- **Gender Development:** the CPF for the Philippines will include specific gender indicators for all of the interventions of the Spanish Aid in the country, whether the interventions themselves have a gender focus or not, and whether or not the prime beneficiaries are women. The implementation of the provision of the Magna Carta on Women will be specially considered in every intervention.
- **The Promotion of Human Rights and Democratic Governance:** The governance focus, as a cross-cutting priority, will require us to orientate all of our actions in the Philippines

towards the deepening of democratic rule and the Rule of Law, and must have as its overall objective the promotion and guarantee of Human Rights. This will likewise require the incorporation of a human-rights' focus to the Spanish Aid's programs and projects.

- **Environmental sustainability:** all actions of the Spanish Aid in the Philippines integrate environmental variables into their planning, Impact Studies, and are approved by the corresponding competent authorities. They will be promoted in all interventions, and will contribute to the sustainable management of natural capital.
- **Respect for Cultural diversity.** The development process is inseparable from culture and, for this reason, the success of any development policy is to recognise and consider the principles of cultural diversity as an inalienable imperative for a person's dignity. This is especially true in an ethnic and cultural context as complex as in the Philippines. A deep knowledge and a particular sensitivity of these aspects is of utmost importance in all of the projects and initiatives we implement in this area. Special attention should be paid to the national legislation related to the IPs

1.12. Geographical Areas



Similarly, it is necessary to define certain geographical areas of concentration in order to be more effective. In this sense, the opinion of the Philippine authorities, which suggests that the Spanish Aid in the Philippines continues to operate in the same areas it has prioritized thus far, has been instrumental:

- The region of Bicol (Island of Luzon), one of the most vulnerable areas in the country.

- The island of Mindanao, which has the highest levels of poverty in the country and which, historically, has been neglected in the past. It has since become a priority area for the Government following the signing of peace agreements and the recent natural catastrophes which have hit the region hard. Special attention will be given to the Region of Caraga (an area with the highest levels of poverty in the country and, historically, an area of concentration for our cooperation) and the Zamboanga Peninsula. Both areas have poverty indicators which are below the country average, and have historically counted upon the presence of the Spanish Aid.
- This does not exclude the existence of nationwide projects in the areas of public policy strengthening, or projects in the case of disasters and emergencies.

1.13. Multilateral Cooperation

The presence of a great number of multilateral stakeholders in the Philippines favours the opportunity for cooperation with them.

The experience of the **Spanish UNDP Fund**, for the implementation of the Millennium Development Goals, has enabled the effective implementation of some public policies (particularly those for climate change adaptation and mitigation, and the prevention of youth emigration) and the development of a successful collaboration between government, United Nations agencies and the Spanish Aid.

In terms of the guideline relating to governance, the agencies which offer greater added value are: **UNDP** (which includes the office of the Resident Coordinator and plays an active role in

aspects related to the peace process and the strengthening of a new Bangsamoro authority through **FASTRAC** –the fund of the World Bank to cover the technical assistance needs and the institutional strengthening of authorities in the autonomous region, to which other donors have been invited), **UNICEF** (which safeguards the rights of children), **UNWOMEN** for all gender-related issues (and which counts upon the support of AECID in the Global Programme on Safe Cities) and the **UNFPA** (which incorporates technical assistance to the maternity-child healthcare component).

Meanwhile, AECID also works with **UN-Habitat**, a relevant partner for AECID and one with whom we are currently engaged in the ASUD (Achieving Sustainable Urban Development) project. This project has been implemented in 8 pilot cities in the Philippines.

In terms of the Disaster Risk Reduction and emergency response guideline, the agencies which offer the greatest added value are **OCHA** (which leads coordinating efforts during emergencies), **WFP** (which accompanies the government in humanitarian food aid and leads the Logistics Cluster) as well as **UNICEF**, and **UNHCR** (which tackles the challenges of refugees and, especially, persons who have been internally displaced due to violence and long-term conflict). The Spanish Aid, via the AECID Office of Humanitarian Action, has provided resources to these organizations in recent years and there exist permanent coordination mechanisms with them (based around joint projects for the strengthening of national emergency systems).

In terms of the other National Development Agencies, it is worth highlighting the Asian Development Bank (ADB), which has its headquarters in Manila. The ADB is a dynamic player which receives Spanish funds from the Ministry of Economy, and maintains a fluid communication with the Spanish Commercial Office of the Embassy (OFCOMES).

1.14. Delegated Cooperation

Delegated Cooperation must develop significantly in the Philippines. Given that the Rule of Law and Strategic sectors of great potential (renewable energies linked to DRR) coincide with those of the DEU, this opens up real possibilities for collaboration on priority areas as highlighted in the Master Plan 2013-2016.

The interest of the DEU in utilizing our presence and leadership in Mindanao (particularly in light of the new Bangsamoro authority) has furthered the possibilities for establishing a joint project in the Rule of Law sector, an area in which the DEU can delegate its development cooperation to AECID. This agreement should be reached shortly.

The specific content of the eventual joint program is currently being exchanged between both parties, the outcome of which will form a Concept Note so that the DEU can request formal approval. It is expected that this option will be approved during 2014, and will become operative from 2015.

The Lines of action prioritised in this CPF allow the concentration of resources of the Spanish Aid at the same time that will permit the strengthening of its structures and capacities putting them eventually at the disposal of other donors interested in AECID and the general Spanish Aid to implement any of their programs.

1.15. Program-based Aid

In the Philippines, in addition to offering the ideal conditions to put this into practice, this instrument has been prioritized by a number of leading donors and our cooperation has previous experience in this area, notably in health sector.

For this reason, the Spanish Aid in the Philippines will set out this baseline, which will coincide with the CPF and will monitor it, establishing wherever possible an objective or goal.

Within the Reimbursable Cooperation approach, this focus could be given to projects financed with a potential loan from the Philippine State.

1.16. Reimbursable Cooperation

The Fund for the Promotion of Development (FONPRODE) is an instrument made available for the use of the Spanish Aid system. It is set up as one of the main financial instruments of the Spanish Aid, managed by AECID to ensure responsiveness to the needs and objectives set by our development policy, making it one of the main channels to implement development aid.

Reimbursable financial cooperation through FONPRODE is a particularly appropriate modality for the Philippines, through all of its tools but, primarily, through State- to-state loans. The Philippines is a country which complies with its international financial commitments and has managed its debt responsibly, and the demand for this kind of development cooperation resource lessened during a period of excess cash, it has recently regained strength in light of the need for reconstruction following Typhoon Haiyan. In addition to State to state loans, there are possibilities of undertaking operations to participate in private equity funds, as well as operations in the field of microfinance.

The connection and commitment of the partner country will also increase as a result of reimbursable cooperation, while it will enable our Cooperation to align itself with other donors which have been playing a growing role in developing this form of cooperation (in addition to the IFIs – the World Bank and the Asian Development Bank-, France, Germany, Japan and Korea predominantly use reimbursable aid).

The Asian Development Bank, the main provider of reimbursable funds in the Philippines, as well as the French Development Agency (AFD), stand out as a potential partner of the Spanish Aid in this field. In addition, the Spanish Aid's implementation of reimbursable/financial cooperation mechanisms may enable for the mobilization of non-reimbursable financing coming from regional investment facilities of the European Commission ("blending" facilities) which would complement investments financed by FONPRODE. Similarly, reimbursable financial cooperation generates a natural space wherein public-private partnerships for development could attract the participation of the Spanish private sector.

Within the framework of Prevention Policies highlighted in the Strategic Guideline - *Reducing inequalities and vulnerability to extreme poverty and to economic crises* – financing opportunities of this type can be identified. Indeed, the Spanish Aid has an important comparative advantage in this area compared to other donors, with the possibility, as requested by the Philippine authorities, of reproducing and spreading successful practices in the field of DRR and the strengthening of local, provincial and national resilience mechanisms. The remaining sectors which are highlighted in this concept note may also become subject to financing via this means.

PARTNERSHIP STRATEGY

1.17. Resources

Spanish ODA in the Philippines must continue to improve both in terms of its quality, as well as its efficiency and strategic value and, however complex these may be, this should not prevent the involvement of a variety of stakeholders and tools. It will be necessary, therefore, to mobilise additional resources which can serve for the development of the Philippines via collaboration strategies with private authorities, or through financial cooperation mechanisms.

Improvements in efficiency are also related to the sectoral concentration of resources. Owing to the sectoral concentration process implemented in 2010 through Operational Programming, Spanish ODA in the Philippines has reached a level of concentration above 50% in the three majority sectors. However, the CPF 2014-2017 sets the objective for the concentration of more than **80% of Spanish ODA in two strategic areas**, setting aside a minimum percentage for areas of cooperation with ongoing actions, unfinished commitments, or other aspects which

need to be considered. It is necessary to exclude humanitarian aid from this percentage of aid provided.

The resources made available by the Spanish Aid in the Philippines for the period 2014-2017, channelled via the different stakeholders and tools, may reach the total of **50 million euros**. To this amount will be added the funds for humanitarian aid provided to the Philippines whenever the situation will require it.

Each Strategic Guideline, as well as each line of action and intervention, shall establish a specific budget allocation for **gender mainstreaming**. Each intervention must include specific budgets for the monitoring and evaluation which may reach **a maximum of 5% of the budget for the overall intervention**.

As an indication, these resources are structured in the following way:

S.G.	L. A	2014	2015	2016	2017	TOTAL	%
SG1.	1	1,50 M€	1,50 M€	1,50 M€	1,50 M€	6,00 M€	12 %
	2	2,00 M€	2,00 M€	2,00 M€	2,00 M€	8,00 M€	16 %
SG2.	3	1,50 M€	11,50 M€	11,50 M€	11,50 M€	36,00 M€	72 %
TOTAL*		5,00 M€	15,00 M€	15,00 M€	15,00 M€	50,00 M€	100 %

*Does not include money spent on humanitarian aid. In this regard every year will be prepared an Operational Plan (OP) according to the needs.

*these figures do not include FONPRODE funds, beginning in 2015

1.18. Policy Coherence

An initial analysis conducted by the TCO, and endorsed by both the SCG and by consulted stakeholders via participatory mechanisms, has not detected inconsistencies between general Spanish policies and the Philippines' development policies.

Thus, in the field of economic relations, Spain is the destination for 0.33% of Philippine exports (2011), of which Europe receives less than 25%; and provides 0.32% of the imports, from an overall volume of less than 20% of imports coming from Europe. Commercial exchanges, and the presence of Spanish companies, are relatively weak compared to other EU members, although the tendency is towards an increase. It is worth remembering that Spanish commercial policy towards the Philippines is set out in the European framework. From a Spanish perspective, no inconsistencies relating to bilateral policies have been found in this area.

In terms of the possible use of loan tools (FONPRODE), it appears without doubt that the appropriate use of this instrument will bring benefits to the country, especially considering the reasonable forecasts for debt sustainability in the Philippines.

In terms of migratory flows between Spain and the Philippines, this is not an area in which Spanish policy has had particular difficulties in terms of coherence in the past, and it will most probably remain this way in the future.

In short, since the signing of the last Mixed Commission between both countries in 2005, a reasonable policy coherence has existed and been appreciated by both sides. Nonetheless, this should not prevent the planning of a more systematic monitoring process in this regard, especially in aspects relating to the introduction of the Spanish language into the Philippines' education system or the impact of credit concessions for the financing of national and provincial DRR policies. Therefore the SCG and the Mixed Coordination Group, which will monitor the CPF, will prepare a deeper reflection as well as the production of a report which will deal with these specific aspects during the period of the CPF.

1.19. Monitoring and Evaluation Systems

As the IV Master Plan already indicates, the Philippines CPF 2013-2017 aims to move from a monitoring focus centred on confirmation of the effective fulfilment of commitments taken on by both parties, to a monitoring and evaluation focus centred upon the impact and effect that the achievement of these commitments has brought to each country, partner or territory in which Spanish aid is concentrated. This fact gives rise to a change of focus, as well as a change of monitoring and evaluation tools, which will allow for the fulfilment of these objectives.

In light of this focus on development results (widely replicated in current projects), three different areas for monitoring and evaluation have been identified:

- **Bilateral Monitoring and Evaluation**

In terms of the bilateral activities of the Spanish Aid in the Philippines, and their harmonization with the national agenda, AECID will continue with the trimestral monitoring system in partnership with the corresponding competent Philippine authorities (NEDA as well as relevant sector departments) for each one of the projects (steering committees), integrating all activities to national accounting and bidding procedures as well as to overall accountability.

This practice, proposed by the Spanish Aid and assimilated by the Philippine authorities, will also be the main monitoring mechanism during project interventions conducted by development NGOs and via agreements.

With the aim of maintaining a united focus at both a micro and macro level, this monitoring will be conducted according to joint programming. Likewise, a particular emphasis will also be placed on the entire Spanish Aid intervention, without referring to the monitoring activities that the Philippines itself conducts to gauge the progress of its development policies. These are, in general, widely participatory.

Development Results will be analysed according to the improvements made in the aforementioned indicators for the CPF, linking also to the relevant PDP indicators, for which the government will conduct periodic reports to define the operational level, and which will take shape in the biannual operating programs.

In addition, in multilateral actions the tripartite coordinating and monitoring mechanism (NEDA, the Resident Representative Office of the UN and the TCO/Embassy) introduced within the framework of the Spanish UNDP Fund initiative for the achievement of the Millennium Development Goals, will be continued and has already been recognized as an example of good practice for the Philippine authorities.

The regular and systematic sending of information by the TCO, particularly figures from the Annual Plan for International Cooperation (PACI, in Spanish) to the authorities will continue to be a cornerstone of this monitoring. Similarly, the monitoring mechanisms established for the different contributions to Humanitarian aid will also be maintained. In both cases, NEDA will be kept informed, as will the Department of Foreign Affairs (DFA), the Office of the President and, in cases of Humanitarian Aid, DSWD.

Annual ODA portfolio reviews, conducted by NEDA, will be the principal source of overall information provided by our national partners. To complement this, national statistics gathered by the Philippines' National Statistics Office (NSO), as well as by other government departments and public institutions, will be used. This data will be contrasted with independent sampling and analysis of the concentrated specific objectives, which will be promoted within the framework of the Spanish Aid interventions, and in the joint evaluations with other donors (in particular, the EU), in which the Spanish Aid will participate, with the aim of improving the quality of policy dialogue.

At the sector level, data will be incorporated from the annual reviews conducted by the sector clusters in which the Spanish Aid has participated (Governance, Health, Local Governance and Decentralization).

In no case will existing mechanisms be duplicated, something which will not prevent the SCG (both at an internal and external level) from proposing the introduction of additional monitoring and evaluation mechanisms which cover the eventual gaps in information which have been detected. For this reason, these will be analysed and monitored during each specific SCG meeting until 2017.

- **Joint Monitoring and Evaluation with other donors**, within the framework of the processes set out in the joint programming of the EU member states, and of the sector clusters in which the Spanish Aid is a member.
- **Territorial Monitoring in Spanish priority geographical areas**, on both a regional and local scale, which will focus on the joint analysis of the overall intervention of the Spanish Aid in the areas of concentration, promoting participatory processes with local stakeholders (institutions, private sector and civil society), the Technical and Financial Partners and the Spanish Aid stakeholders present on the ground.

The TCO will build up and update the list of Spanish Aid interventions in the Philippines and will gather information on the monitoring indicators relating to the different interventions. This information will be transmitted by the TCO to NEDA, which will include it in their own reports and share it with other local and international partners.

The presence of two offices, staffed by local personnel and which are dependent on the TCO in the main two priority areas, will ease the monitoring of activities and allow for the monitoring of security conditions on the ground. This is an aspect which the TCO will monitor constantly, and which will be transmitted to the remaining Spanish operators (including for the forecasting of natural disasters). This monitoring process is conducted in partnership with the Consulate General. There exists a security plan, conducted by the TCO, which will be revised and, modified according to events, has been shared with NGOs and Spanish operators.

Monitoring Meetings: a Mixed Coordination Group will be established, following recommendations made in the IV Master Plan, in which the (internal) SCG will participate alongside NEDA and the main ministries involved in the CPF, as well as representatives of CSOs in the Philippines.

The monitoring system of the CPF does not aim to overload the agenda of its national or international partners, nor of its own Spanish Aid stakeholders. To this end, one meeting of the Mixed Coordination Group will take place each year, and this will analyse the monitoring report. An Intermediary Monitoring meeting will take place in 2016 and a Final Balance meeting will be conducted at the end of 2017.

1.20. Mutual Accountability

The Philippines Government endorsed the Paris Declaration on Aid Effectiveness as well as the Accra Action Agenda and the Busan High Level Forum. The fulfilling of these international commitments is currently being supervised by the Philippine Harmonization Committee (PHC), an inter-institutional organ composed of representatives of supervisory bodies (the Department of Finance, NEDA, the Department of Budget and Management and the Commission on Audit). It was created in 2003 with the support of donor countries which will help to supervise the harmonization agenda of the government. The different accountability mechanisms will be outlined in relation to this agenda.

Accountability, monitoring and evaluation will be conducted in parallel processes, with the aim of allowing for adequate feedback between both processes. The first two provide quantitative and qualitative information which will be disclosed in a joint process with the Philippines and other

donors. This will involve the use of already existing, operational means in both the Philippines and in Spain (joint platforms, websites, media).

In terms of monitoring and evaluating the implementation of commitments made in the Paris Declaration in the Philippines, NEDA conducts periodic monitoring surveys relating to the 12 indicators of the Paris Declaration. As a result, this mechanism will continue to be used by the Spanish Aid in order to inform the national institutions of the progression of activities financed and supported by the Spanish Aid.

Similarly, the aforementioned Philippine Development Forum is the privileged harmonization platform between the Government, CSOs and the International Community present in the country.

In addition, and without forgetting that the prime objective is to improve internal coordination between the different development stakeholders in the country, the clusters (5 themed groups and 10 sub-groups) represent another important tool in achieving accountability, and will be used by the Spanish Aid to inform of their activities in different sectors in the country, as well as to obtain information on the progress made by the Philippine government in terms of its development initiatives.

The TCO will prepare and update specific documentation surrounding these aspects, in which there will be one section dedicated to accountability, and which will allow for the access of data. In this way, documents generated by the Spanish Aid will appear in their entirety: reports, evaluations, programming, project documents, etc. The document will contain links to the main strategic and monitoring documents pertaining to Spanish Aid, Filipino and major donor stakeholders.

Finally, an annual, informative workshop shall be conducted with CSOs and other organizations involved in gender matters, in which the annual report and the progress made relating to gender equality issues will be jointly analysed.

ANNEX I: THE SPANISH AID IN THE PHILIPPINES

The volume of ODA channelled through Philippine public sector organizations has grown considerably over recent years, reaching 25% of the total disbursed during the period 2011-13. The priority sectors in which the Spanish Aid has been working in recent years, in partnership with the Filipino authorities, have been: promoting economic growth for the extreme poor (18%), health (14%), governance (14%) and environmental sustainability: the battle against climate change and habitat (12%). It is also worth highlighting the amount destined for Humanitarian action (7%) which will have certainly risen following the recurring interventions during the year 2013.

Democratic Governance

A key sector for the Stakeholders of the Spanish Aid, especially in terms of decentralization and the strengthening of institutions through capacity building of the staff of local organizations, improved administrative management and the implementation of transparent criteria. For Spanish Development NGOs, this has been a traditional sector of activity with rural and municipal barangays, especially in terms of local development planning and the improvement of community organization.

In terms of our bilateral engagement, it is worth highlighting the institutional support given to the Commission on Human Rights (CHR) amounting to a total of 2.75 Million Euros, which integrates the multi-donor KaSaMa initiative. Together with the Department of Social Welfare and Development (DSWD), the “PODER” project has been developed, which has already completed its phase VII. This project aims to strengthen governance in the LGUs, increase community participation and alleviate poverty in rural areas through small-scale infrastructure. During these 7 phases, PODER has already reached 10 provinces, 32 municipalities and 348 barangays.

At present, a capacity building project for LGUs is being developed with the DSWD for the reduction of poverty, local governance and Inclusive Community Development, which will give continuity to the accompanying KALAHICIDSS plan. It is equally worth highlighting the three phases of the “Strengthening Local Government” project, recently completed and implemented in partnership with the Local Government Academy (LGA).

Environmental Sustainability, the battle against Climate Change and Habitat

24% of the Philippines' land surface is considered forest, although it is suffering a 1% loss each year, which is affecting the Philippines' rich bio-diversity, and increases its vulnerability to natural catastrophes (for this reason, the priority is to strengthen the cross-cutting approach). In this field it is worth highlighting the “SUMACORE Project – the Sustainable Management of Natural resources” (2007-2010) or the MDG Achievement Fund in Environment and Climate Change (2008-2011) which enabled the implementation of public policy on the subject. Various NGOs have worked in this field, especially IPADE. Within this sector of the MP, particular focus has been given to the following aspect:

Disaster Risk Reduction and Response (DRR)

The Philippines is one of the most vulnerable countries in the world to natural disasters and is, therefore, one of the principal destinations for our Humanitarian Aid. However, we have also led interventions in terms of the prevention and strengthening of the national systems for the awareness, prevention and response before natural disasters (DRR).

The project carried out in the Province of Albay (located in one of the most vulnerable regions, Bicol), where a complete system of prevention and disaster management has been implemented, has become an example to follow in the rest of the country (leading to a drastic reduction in the number of fatalities). In addition to constructing schools which can be adapted for use as evacuation centres, a specialized emergency unit has also been installed in the provincial hospital, and the regional disaster management office has been provided with advanced equipment. Another example to highlight is the project implemented in the Province of Nueva Ecija, where the capacity of the local authorities has been strengthened for the awareness, prevention and mitigation of emergencies.

Through these projects, the SA has made a contribution in strengthening the national capacity for DRR, facilitating capacity building, and the provision of the necessary equipment and infrastructure. This commitment has been publicly recognised by the Philippine government. This has provided the SA with a special leadership, recognition and visibility in the sector, where it is the only EU State with an active presence in the country.

Humanitarian Aid

Emergency response activities have been developed (mainly for typhoons and tropical storms) throughout the country (with attention on the needs of the population in terms of water, nutrition and shelter). In this field, the Spanish Aid has played a significant role in recent years, contributing more than 24 Million Euros during the period 2007-2012. The UN Humanitarian Action Plan for Mindanao 2011 is a good indication of this, in which Spain appears as the foremost international donor in terms of Emergency Aid in the area.

This position was reinforced following the onset of tropical storm Washi/Sendong (at the end of 2011) and of Bopha/Pablo (end of 2012) and during 2013, where emergencies and humanitarian action have become, without doubt, lead protagonists in the country. In addition to the numerous tropical storms and low-category typhoons, clashes between Armed Forces and the MNLF in Zamboanga (September 2013), the 7.1 Richter Scale earthquake in Bohol (October 2013) and, finally, the *Super Typhoon Haiyan/Yolanda*, which made landfall in the Philippines during the month of November 2013, have all devastated the Philippines' response capacity, and the country has, in turn, been forced to appeal for international solidarity. The SA has had an important presence in all of these crises, offering an important and highly-valued response to Filipino institutions and other Stakeholders.

AECID has Emergency Agreements with three specialized NGOs (Action Against Hunger, Spanish Red Cross, and Save the Children) that are activated if the necessity arises, and allow the rapid channelling of funds for an emergency response. On a multilateral basis, in 2012 1.3 million Euros (mainly through PMA and OCHA) were made available for the victims of Typhoon Bopha, in order to improve the lives of displaced persons and other vulnerable communities situated in conflict areas.

Social Services: Health

This is one of the traditional fields of the Spanish presence, and has been a key sector, especially since the Government established the medium/long-term objective of offering universal health care. The presence of the Spanish Aid on a bilateral level was reinforced in 2008, following adherence to the Sector Focused – SWAp – program of the Department of Health, and which has been further materialized in the provision of health facilities in the rural areas of Bicol and Caraga, with its extension foreseen also for the entire Mindanao region. This support, which concentrates more than 90% of Spanish Aid in the sector, has been carried out in partnership with other donors/particularly with the EU Delegation).

Spanish Development NGOs active in the sector (CRE, ACH, H+D, PyD, etc.) have focused on Bicol and Caraga, with specific activities also having been carried out in Mindanao. Its work has been developed directly in cooperation with local municipalities and communities, and the TCO has continuously pursued its efforts to integrate its activities with Government plans. On a multilateral level, the SA has worked with UNFPA in reproductive health. The other agencies which have intervened (UNICEF, WHO) have focused on humanitarian action.

Peace Building

The armed conflict has had an extremely negative impact on millions of people, debilitating, in particular, growth and suffocating hopes for fair and sustainable development. The SA lends institutional support to the OPAPP and has channelled significant resources into the sector. In 2010, a pilot intervention between AECID and OPAPP in Sorsogon was launched, which aims to promote livelihood opportunities in communities affected by conflict. The success of this project provoked the implementation of a project supporting the OPAPP and, in particular, the PAMANA initiative (public policy for the peace building). The financing through the UN has also been important ("Act for Peace", with the UNDP) and the actions in terms of Human Rights and International Humanitarian Law implemented by development NGOs.

Basic Social Services: Education

This sector presents a major challenge for the country, and the SA has been quite active in recent years. Two support projects for educational reform have been implemented with the Department of Education – DepEd (2006-2010). Spanish Development NGOs (H+D and Intered) have carried out projects and agreements with Bicol, Caraga and Zamboanga (with the aim of improving access to education).

In 2010, a Hispano-Filipino Memorandum was signed between DePED, its Spanish counterpart (Ministry of Education, Culture and Sports), AECID, and the Cervantes Institute for the promotion and improvement of Spanish teaching at secondary level.

In another educational field, the SA has been working since 2008 on the Intramuros “Escuela Taller” (technical and vocational education) Program, together with the NCCA (the local equivalent to the Ministry of Culture). A sustainable exit plan is currently being drawn up which will give a greater focus to the role of local authorities and institutions, and see Filipino institutions progressively assume the lead role.

Basic Social Services: Water, Sanitation and Energy (Electrification)

Despite not having been identified as a priority sector, it has become a sector in which we have concentrated our efforts in recent times. Activities have been channelled through Multilateral means (*MDG Achievement Fund*, support to public policy in the field) and to Development NGOs (AAH, H+D and IPADE), with an overall investment of 4,8 Million Euros.

Economic Growth and Rural Development for the Reduction of Poverty.

This is a key priority sector for the Government and a leading focus of the fight against poverty. A priority sector in the past (21% ODA during the period 2005-2009), the tendency has, more recently, been downwards. In addition to the agro-industry project with the Department of Agriculture (2007-2010), multilateral initiatives have been financed through the FAO, and there are various Spanish Development NGOs which work in the sector.

Gender Development

The absence of this sector in the Spanish Aid planning for the Philippines has not prevented it from becoming a part of our engagements. On a bilateral basis, we work directly with the Philippine Commission on Women (PCW) for the implementation of public policy on gender equality (both on a national level, and with 18 local governments) and we work indirectly, incorporating and strengthening the gender focus in our work with CHR and the OPPAP. On a multilateral level, we have worked with UNFPA and development NGOs (H+D, PyD). This is a field in which Filipino CSOs are particularly active.

Indigenous Populations

Indigenous populations are one of the groups most affected by conflict (as a result of forced displacement due to violence). Although it does not constitute a priority sector, it has had an overall presence in the majority of our projects, and has benefitted from financing via multilateral channels (ILO) and development NGOs (FUNDESO), focusing on the region of Caraga.

Reintroduction of the Spanish Language

In recent years, the Spanish Aid has redoubled its efforts to reintroduce Spanish into secondary education, in accordance with a Memorandum signed between the Philippines' Department of Education and the Ministry of Education, Culture and Sports, the Cervantes Institute and AECID. This strategic action allows the country to reconnect with its recent history and, above all, to offer clear opportunities for personal and professional growth. Spanish was an official language of the Philippines until 1986. As a result, it is widely found in, for example, archives, administrative documents as well as in key works of literature, etc. Nonetheless, very few Filipinos speak Spanish, despite the fact that knowledge of Spanish offers clear opportunities for personal development. A good example of this is found in one of the most significant, emerging sectors in the country today – call centers – which employ almost one million Filipinos.

Most commonly used tools and majority lines of work

On a bilateral basis, and through AECID, activities have been carried out with Philippine institutions in the areas of governance, support for the peace process, education and health, which have incorporated a focus on aspects such as the training of human resources, social participation, and modification of existing facilities or the development of infrastructures. In addition, there is the Escuela Taller, as well as different activities involving scientific and university cooperation. All of these activities afford the SA in the Philippines a rich and diverse track-record, in terms of both modalities and instruments.

Development NGOs have an important role to play in the Philippines, managing around 25-30% of funds (channelled via Agreements, the yearly call for projects and the CAP). Currently, 12 Development NGOs (there were 14) are engaged in projects alongside their Filipino counterparts. 10 of them have a permanent presence in the country.

After the passing of Typhoon Haiyan across the Philippines, the number of Development NGOs with a presence in the country has increased with the arrival of new NGOs which have channelled largely private funds. In particular, three emergency-response NGOs have indicated a willingness to remain in the country. These three reckon with financing from AECID and other donors, in addition to their own resources.

On a **multilateral basis**, large amounts of resources have also been channelled, largely through UN Agencies. During recent years, Spain has been the principal bilateral donor to the UN in the Philippines, with a contribution of around 22 million Euros. The Spain-UNDP Fund, for the implementation of the MDGs, is currently evaluating and coordinating the role of the TCO with the Philippine authorities and the UN, which has been very systematic and successful. Four projects were approved (climate change and environment, Youth, Employment and Migration, Economic and Democratic Governance, Childhood, Food Security and Nutrition) within the 8 themed windows, for a total of 23 million dollars (18 million pesos).

ANNEX II: PARTNERSHIP MATRIX

Sectors of Intervention for the Spanish Aid		Sector Strategy	Main Partners	Map of International Donors				Stakeholders from the Spanish Aid	
According to the PDP	According to the SA MP			Leading Donor	Active Donors	Silent Donors	Other Donors	Coordination/Leadership	Active in the Sector
Good Governance and Rule of Law		The Philippine Development Plan 2011-2016		AECID					
	Consolidate Democratic Processes and the Rule of Law	PAMANA Strategy	DILG/LGA CHR OPAPP PCW NEDA / DBM (Coordination)	Germany (GIZ) Australia (AusAid) World Bank Asian Development Bank Canada (CIDA) Japan (JICA) EU UN USA (Usaid)	GIZ World Bank ADB	International Monetary Fund	AECID	AECID INTERED MANOS UNIDAS FUNDESO ZABALKETA	
Peace and Security		Achieving negotiated political settlements of armed conflicts through: (i) forging of settlements with the CPP/NPA/NDF; and (ii) enactment of Bangsamoro Basic Law							

Sectors of Intervention for the Spanish Aid		Sector Strategy	Main Partners	Map International Donors				Stakeholders of the Spanish Aid	
According to the PDP	According to the SA MP			Leading Donor	Active Donors	Silent Donors	Other Donors	Coordination/Leadership	Active in the Sector
Conservation, Protection and rehabilitation of environment and natural resources	Reducing Inequalities and vulnerabilities to extreme poverty and economic crises	Philippine Development Plan 2011-2016 CCA/M DDRM KALAH - CIDDS	DSWD DILG/LGA DoH NDRRMC/OCD NEDA / DBM (Coordinación) Provincial Governments (Bicol, Nueva Ecija)	AECID JAPAN	AECID Australia World Bank Asian Development Bank Canada EU UN USA			AECID RED CROSS ACTION AGAINST HUNGER PEACE AND DEVELOPMENT SAVE THE CHILDREN	

ANNEX III: DEVELOPMENT RESULTS FRAMEWORK

IMPACT IN THE COUNTRY						CORRELATION MP		CORRELATION WITH THE OBJECTIVES OF OTHER SPANISH AID STAKEHOLDERS.					
OBJECTIVE	D.R OF THE COUNTRY	INDICATOR (WITH GOAL)	Source of Verification	BASE LINE	RISKS	Guideline of the MP	LINES OF ACTION	D.R. of the SA	INDICATOR (WITH GOAL)	Source of Verification	SA Stakeholders	MECHANISMS / MODALITIES	GEOGRAPHICAL AREAS
INCLUSIVE GROWTH AND POVERTY REDUCTION	A more effective and transparent government in practice	The position of the Philippines in the World Governance Index (WGI) improves in the areas of a) Rule of Law, b) Government Efficiency and c) Citizen Participation and Accountability. (Goal: an increase of 30% in all aspects).	WGI Report conducted by the World Bank	2009 WGI and WGI of 2012 as intermediate indicators. A) 2009-35.4. 2012-36.5 B)2009- 50.0. 2012- 57.9. C) 2009-45.5. 2012- 47.9.	Premature Change of Government. The Road Map for the Peace Process with MILF becomes significantly altered due to the emergence of new factors.	Consolidating the democratic processes and the Rule of Law	We will strengthen the structure and management systems of public sector	The population in the priority areas of the Spanish Aid exercise its rights as active citizenship and is able to access to justice	The Number of Government Agencies that give 5% of their annual Budget to the Gender Action Plan (goal: all Agencies dedicate 5% of their budget to the Gender Action Plan) in compliance with the provisions of the Philippine law and the provisions of the Magna Carta of Women	Records and Statistics from DBM. Annual reports of the COA.	AECID	Bilateral Cooperation Multilateral Cooperation Grants to NGOs (Projects and Agreements) Delegated Cooperation FONPRODE	Region of Bicol Mindanao Island
		An increase in The number of Government Agencies and other Public Corporations that develop frequent budgetary consultations with CSOs, the Private Sector and other partners (goal: 22 and 84).	Records and Statistics from the DBM Citizen Satisfaction Index System	6 Government Agencies y 3 Public Corporations	An improvement in the position of the Philippines in the regional ranking for the Rule of Law in the <i>World Justice Project</i> . (goal: above average position)	Annual reports of the <i>World Justice Project</i>	AECID Spanish NGOs in the Philippines		Bilateral Cooperation Multilateral Cooperation Grants to NGOs (Projects and Agreements) Delegated Cooperation FONPRODE				
		An increase in the number of LGUs that are committed to working with Civil Society Organizations (goal: -)	Records and Statistics from DILG Seal of Good Housekeeping	2011 figures	An increase in the number of LGUs, in the areas where the SC operates, which include CSOs in their local planning process (Goal: an increase of 75% in the number of LGUs)	Local Poverty Reduction Action Team (LPRAT) and local development plans	AECID Spanish NGOs in the Philippines		Bilateral Cooperation Multilateral Cooperation Grants to NGOs (Projects and Agreements) Delegated Cooperation FONPRODE				
IMPACT IN THE COUNTRY						CORRELATION MP		CORRELATION WITH THE OBJECTIVES OF OTHER SPANISH AID STAKEHOLDERS.					

OBJECTIVE	D.R OF THE COUNTRY	INDICATOR (WITH GOAL))	Source of Verification	BASE LINE	RISKS	Guideline of the MP	LINES OF ACTION	D.R. of the SA	INDICATOR (WITH GOAL)	Source of Verification	SA Stakeholders	MECHANISMS / MODALITIES	GEOGRAPHICAL AREAS
INCLUSIVE GROWTH AND POVERTY REDUCTION	The causes of all armed conflicts and other related aspects which affect the Peace Process are appropriately tackled	Cases of extrajudicial Killings and other violations of Human Rights are resolved (goal: all cases of extrajudicial Killings and other violations of Human Rights are resolved).	Records, documentation and sentencing data from the DOJ, records of the CHR and the DILG, the Philippine National Police and the Armed Forces.	10 cases and 15 more under investigation	Premature Change of Government: The Road Map for the Peace Process with MILF becomes significantly altered due to the emergence of new factors..	Consolidating the democratic processes and the Rule of Law	We will work to ensure rule of law and Human Rights respect	The population in the priority areas for the Spanish Aid exercise their rights as active citizens with access to justice	The number of LGUs in conflict and priority areas for the SC which have included the concept of 'Human Security' in their local development plans (goal: 90 % of LGUs include it)	OPAPP and DILG Reports.	AECID Spanish NGOs in the Philippines	Bilateral Cooperation Multilateral Cooperation Grants to NGOs (Projects and Agreements) Delegated Cooperation FONPRODE	Region of Bicol Mindanao Island National Projects
		Transparency and accountability mechanisms implemented in communities affected by conflict (Goal: all implemented mechanisms are operational)	DILG, OPAPP and LGUs.	Draft Implementation guide fpr Transparency and Accountability					The percentage of victims of reported Human Rights' violations that see their cases resolved (goal: increased by 30%)	Information system for the Philippine Commission on Human Rights			
		Structures for Peace building and rebuilding established and strengthened in communities affected by conflict. (Goal: Social cohesion and peace framework implemented)	DSWD and OPAPP	Social cohesion and peace framework formulated					Mechanisms created to safeguard access for Rights Bearers to the protection and promotion of Human Rights: the number of Human Rights centres and the rule of Law in Barangays, the number of mobile units for the promotion of Human Rights, the number of Local Education Centres for Human Rights created.	Information System for the Philippine Commission on Human Rights			
		Strengthening of the capacity of Local Governments and other stakeholders in Conflict-sensitivity and peace-building is provided (Goal: Social cohesion and peace framework implemented)	DSWD and OPAPP	Social cohesion and peace framework formulated					The number of Communities Affected by Conflict in the priority areas for the SC which include a gender focus in their Local Development Plans. (Goal: all communities)	PCW, OPAPP and DILG			
		Projects completed and led by communities in areas affected by conflict (Goal: Social cohesion and peace framework implemented)	DSWD and OPAPP	Social cohesion and peace framework formulated									

IMPACT IN THE COUNTRY³

CORRELATION MP

CORRELATION WITH THE OBJECTIVES OF OTHER SPANISH AID STAKEHOLDERS.

OBJECTIVE	D.R OF THE COUNTRY	INDICATOR (WITH GOAL))	Source of Verification	BASE LINE	RISKS	Guideline of the MP	LINES OF ACTION	D.R. of the SA	INDICATOR (WITH GOAL)	Source of Verification	SA Stakeholders	MECHANISMS / MODALITIES	GEOGRAPHICAL AREAS
A REDUCTION IN VULNERABILITIES	Increased resilience to climate change and to Natural Disasters	A loss in damage and material losses due to natural disasters, environmental threats and situations caused by man or by hydro-meteorological causes (goal: reduction in the annual average)	NDRRMC, OCD, OCHA Annual Report y World Risk Index.	An average from 2004 to 2010 of 19.272,70 million pesos for 193 incidents.	The occurrence of a major natural catastrophe which overwhelms the national and international response capabilities.	Reduce inequalities and the vulnerability to extreme poverty and economic crises	Prevention Policies	The population in the priority areas for the Spanish Aid increases their resilience to natural disasters and improves their living conditions	An increase in the number of LGUs that implement Disaster Risk Reduction system in priority areas for the SC (goal: All LGUs have an active DRR system.)	NDRRMC / OCD Reports AECID	AECID Spanish NGOs in the Philippines	Bilateral Cooperation Multilateral Cooperation Grants to NGOs (Projects and Agreements)	National Coverage With special focus in Region of Bicol Mindanao Island
		A reduction in the number of victims and people affected by natural disasters, environmental threats and situations caused by man or by hydro-meteorological causes (goal: reduction in the annual average)	NDRRMC, OCD, OCHA Annual Report, CRED Annual Report and World Risk Index	2.360 deaths in 2012, according to CRED 2012 report.	The priority focus of the Government in relation to disaster risk reduction changes. Premature change in Government.				The number of LGUs that incorporate a gender focus in their DRR systems (Goal: all LGUs in the priority areas for the SC have an active DRR system.)			Delegated Cooperation FONPRODE Blending Instruments with other Donors	

³ This part of the matrix includes the development results of the Philippines Development Plan: objective for the sector, development results for the sub-sector, indicators and sources of verification.

ANNEX IV: FONPRODE

FONPRODE was created by way of Law 36/2010, approving the Regulation from Royal Decree 845/2011, dated 17th June. It has therefore been in operation for less than three years.

Its overall objective is the eradication of poverty, the reduction of inequalities, the defence of human rights and the promotion of sustainable human development in impoverished countries. On a strategic level, it is a results-focused tool which falls within the framework of the strategic objectives of the development policy established in the Master Plan of the Spanish Cooperation, the country partnership framework and sector strategies.

It inherits the rights, obligations, assets and liabilities of the cooperation's Development Aid Fund, as well as the Microcredit Concession Fund. The main innovations it brings are that it relates to untied aid, and that it incorporates the concession of credit, loans and credit lines on concessional terms, as well as the acquisition of investment fund shares aimed at supporting the social productive fabric of these countries, as well as the different small and medium enterprises in the social economy. It offers, therefore, an innovative and relevant approach to reimbursable cooperation.

Within the framework of the demands in terms of Managing of Development results of the Aid Efficiency Agenda, FONPRODE also possesses a Code of Responsible Financing in which the investment criteria is defined which must apply for operations, and a management methodology for development results for Reimbursable Financial Cooperation operations.

Up to 31/12/2013, FONPRODE has invested around 700 million Euros in loans, and around 200 million Euros in equity capital. It is worth noting the fact that there has been no default in the repayment of these loans throughout their history, which began with the FCM in 1998.

The geographic distribution of FONPRODE's refundable portfolio registers 48% in Latin America, 22% in sub-Saharan Africa, 10% in the Middle East and North Africa, 10% in Asia and 10% in Eastern Europe.

Sectoral distribution of the FONPRODE refundable portfolio is structured around financial inclusion (56%), agroindustry and rural development (29.5%), support for SMEs and the social economy (9%), productive infrastructures, renewable energies and the environment (4%) and support for technology improvements and innovation (1.5%).

Collaboration with the private sector has acquired a new dimension due to the possibility of carrying out operations of a reimbursable nature. In fact, in as much as the FONPRODE's potential is fully integrated into development policy, a new dimension of the development agenda will be tackled which is quite pertinent and valid in line with the objectives of Busan or the debates around growth and development post-MDGs, given that this requires a dialogue with new stakeholders, such as the private business sector within partner countries, the financial investment community and local investors, amongst others