



**EUROPEAN UNION**  
**Delegation of the European Union to**  
**the Philippines**

**12 August 2014**

**EU AND THE PHILIPPINES SIGN FINANCING AGREEMENT PROVIDING FOR  
€ 30 MILLION GRANT (Php 1.8 BILLION) FOR HEALTH SECTOR REFORM**

The European Union (EU) and the Philippines signed the Philippines Health Sector Reform Contract (PHSRC) on 30 July 2014. This is the third EU funded program to support the Philippine Health Sector Reform Agenda.

Under this agreement, the EU will provide a € 30 million or Php 1.8 billion grant to generally support Philippine Government initiatives in developing the country's health sector. Of the € 30 million, the grant covers a budget support of € 20.5 million directly channelled to the National Treasury, a complementary component of € 9.5 million aimed at funding various technical assistance and capacity building programs to strengthen DOH's health delivery systems.

The signing of the agreement increases the total support of the EU to the health sector to a total of € 118 million or approximately Php 7.2 billion between 2006 and 2018. EU has continuously supported DOH programs that have achieved remarkable progress over the past years. Based on DOH data, noteworthy is the decline in child mortality from 58 in 1998 to 30 deaths per 1000 live births in 2011; the increase in the population's insurance coverage from 62% in 2010 to 83% in 2012 of which 53% come from the poorest and most vulnerable families in the country. Furthermore, 27 provinces have been declared malaria free, and the proportion of people infected with HIV and AIDS has remained below 1% of the population.

The agreement was signed by Europe Aid Cooperation for Asia Director Dirk Meganck, representing the European Union, and Secretary of Finance Cesar V. Purisima, representing the Philippine Government.

European Union Ambassador Guy Ledoux said that out of the € 30 million grant, the European Union is authorising the release of € 10 million to support the "Build Back Better" plan of the Department of Health after typhoon Yolanda.

He said that the grant is an affirmation of the European Union's commitment to ensure that disadvantaged and vulnerable people have access to quality health services through a more effective, efficient and equitable health system.

Finance Secretary Cesar Purisima said, "The Philippine Government is very thankful for the support the European Union has provided the country with over the past decade, particularly for its assistance to the Philippine's health sector. This very timely assistance will not only help strengthen the National Government actions in rebuilding Typhoon Yolanda-hit areas, but also complement the current Government direction towards enhancing Philippine delivery health systems for the Filipino people who are the backbone of this country's strong economic growth and development."

DOH Secretary Enrique T. Ona said that “The Department of Health has continually aspired to strengthen national and local health systems by rationalizing and improving the quality of health services and ensuring better access to these services by the Filipinos, especially the poor and the disadvantaged. The partnership of the Philippines and the European Union provided the much needed boost to further the health sector reforms towards the achievement of Universal Health Care for the Filipinos.”

#### BACKGROUND NOTES:

This third phase of the Health Sector Policy Support Programme succeeds the Support Programme Phase II which was launched in December 2010 and the Health Sector Reform Agenda which was launched in 2005 (also known as FOURmula One for Health) to speed up implementation of critical health interventions.

The Government of the Philippines launched the Aquino Health Agenda highlighting the Universal Health Care Strategy or the UHC. This strategy targets the availability and accessibility of health services and necessities for all Filipinos in pursuit of the following: financial risk protection through expansion in enrolment and benefit delivery of the National Health Insurance Programme, improved access to quality hospitals and health care facilities and attainment of health-related Millennium Development Goals.

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