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Quarterly Performance Report January - March 2012

Investment Enabling Environment (INVEST) Project

Submitted to:

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Office of Economic Development and Governance
U.S. Agency for International Development/Philippines
under Contract No. AID-492-C-11-00005
(Output No. 4.2, Deliverable 4, Component 3)

April 30, 2012

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BOSS	Business One-Stop Shop
BPLS	Business Permits and Licensing System
CDI	Cities Development Initiative
CDP	Comprehensive Development Plan
CLUP	Comprehensive Land Use Plan
COTR	Contracting Officer's Technical Representative
CSC	Civil Service Commission
DCA	Development Credit Authority
DILG	Department of the Interior and Local Government
DOT	Department of Tourism
DTI	Department of Trade and Industry
GAP	Gender Action Plan
GIC	Working Group on Growth and Investment Climate
INVEST	Investment Enabling Environment
LEIPO	Local Economic Investment Promotion Officer
M & E	Monitoring and Evaluation Plan
NERBAC	National Economic Research and Business Assistance Center
NGAs	National Government Agencies
OIDCI	Orient Integrated Development Consultants, Inc
PBR	Philippine Business Registry
PDF	Philippine Development Forum
RFP	Request for Proposal
SEC	Securities and Exchange Commission
SME	Small and Medium Enterprises
STTA	Short-term Technical Assistance
SWG-LIR	Sub-Working Group on Local Investment Reforms
USAID	United States Agency for International Development
ZO	Zoning Ordinance

I. INTRODUCTION

The Investment Enabling Environment (INVEST) Project is a two-year technical assistance initiative of the United States Agency for International Development (USAID) to help the Philippines attract more private investments, both domestic and foreign, to pursue its goals of progressive, sustainable, and inclusive development. Specifically, it assists selected first-class cities in: (1) lowering the transaction costs and reducing the cost of doing business in their respective jurisdictions; and (2) increasing their competitiveness as investment destinations. Thus, it is both governance and a city development effort which seeks to increase efficiencies in government operations, while enhancing the role of cities as development hubs. The management of INVEST was awarded to Orient Integrated Development Consultants, Inc. (OIDCI) on September 29, 2011.

In January 2012, USAID officially announced the choice of three cities - Batangas, Iloilo, and Cagayan De Oro - as recipients of its assistance. It also revealed a major shift in policy direction where the recipient cities will be provided with a comprehensive package of assistance under a program to be known as the **Cities Development Initiative (CDI)**, covering health, education, environment, economic growth and investments. INVEST will be part of the CDI, focusing on the latter two areas. CDI was launched by USAID on March 2, 2012 in Iloilo City.

The official announcement of the INVEST partner cities triggered the start of INVEST activities in the cities, though most of these were low-key until CDI has been/will be officially launched by USAID.¹ Consistent with the project work plan, the activities during the quarter of January-March 2012 focused on (1) introducing the project to the city governments and business groups; (2) establishing the institutional set-up and legal mechanisms for project implementation at the city level; (3) ascertaining the level of compliance to BPLS standards in business renewals attained by the partner cities, the state of automation of their business permitting process, the management of business one-stop shops (BOSS) during renewal period, as the presence and quality of development plans and investment programs, and capacity levels in investment promotion; (4) establishing baselines against which project performance will be assessed; and (5) identifying stakeholders in the areas of business registration and investment promotions within the partner cities and throughout the country to determine their degree of engagement in the ongoing reform processes related to the Project.

At the national level, INVEST was actively involved in providing technical assistance to the Department of Trade and Industry (DTI) and the Department of the Interior and Local Government (DILG) in organizing two policy-making committees under the Philippine Development Forum (PDF) – the Sub-Working Group on Local Investment Reforms (SWG-LIR) and the Working Group on Growth and Investment Reforms (GIC). USAID sits as co-convenor of the SWG-LIR. INVEST also engaged the Department of Tourism (DOT) and the Civil Service Commission (CSC) as government partners in the conduct of two activities under the project.

¹As of the end of March, CDI was still to be launched in Batangas and Cagayan de Oro cities.

At the project management level, INVEST focused on the renovation of the office space that would be its Project Management Office (PMO) and in securing the necessary permits required by the Pasig City government for its operation. At the same time, it completed its manpower complement except for two positions and started hiring nine (9) short-term technical assistance (STTA) to undertake its studies.

Overall, INVEST remains on track with most of its commitments under the project as explained in the report, which is based on the work plan submitted to USAID as of January 9, 2012.² It is divided into six sections. The first section is the introduction, which is followed by the accomplishments of the Project by component (second section) and by city (third section). The fourth and fifth sections discuss project management concerns and the status of the project budget, respectively. The report ends with a summary of implementation challenges that the Project, on the whole, faced during the second quarter.

² This version of the work plan has since been revised to address and incorporate USAID comments on the report. The third version of the work plan will be resubmitted in May 2012.

II. ACCOMPLISHMENTS BY PROJECT COMPONENT

INVEST has two technical components and a cross-cutting third component. Component 1 seeks to get INVEST partner cities to streamline their business registration and permitting processes and thereby lower the transaction costs borne by investors located within their jurisdictions. The lowering of transaction costs will encourage the entry of new business ventures that will generate employment and increase revenues for the partner cities. Component 2 meanwhile focuses on improving investment planning and promotion in its partner cities. The third component addresses concerns that cut across the two components: (1) the identification of the target cities, including the launching of the CDI; (2) technical support to government committees on investment policies and business permits and licensing systems (BPLS); and (3) formulation and implementation of the Project Management Plan and Gender Plan.

This chapter presents the key accomplishments and plans for the next quarter (April-June) by component, program area, deliverable and outputs. The accomplishments are compared with project plans, which were submitted as part of the first quarter report of the project.

In general, most of the planned activities were undertaken during the second quarter. The project focused on the conduct of the different assessments or diagnostic activities under the two components in the three cities. The project also provided support to national level agencies through the GIC and the SWG-LIR, where the policy agenda for investments and business permitting for the next two years was presented and commented on.

A. Component 1: Streamlining Business Registration Processes and Lowering Transaction Costs

Component 1 is mainly focused on three program areas: (1) enhancing BPLS reforms in the partner cities; (2) strengthening national government support to BPLS reforms; and (3) supporting regulatory reforms in priority sectors of government.

1. Program Area 1.1: Enhancing Streamlined Business Permits and Licensing System (BPLS) in Target Cities

This program area will assist the partner cities comply and even exceed the standards set by the Upscaling BPLS Reform Program of the national government, expand their respective business one-stop shops (BOSS), and improve their inspection systems. It will likewise strengthen the engagement of all stakeholders in the BPLS reform process. INVEST will provide its partner cities with technical assistance in the diagnosis, analysis, design, and implementation of their BPLS reforms.

a. Key Accomplishments

The assessment of BPLS in target cities is an important first step in the reforming the business permitting processes of local government units (LGUs). Hence, soon after the cities were identified in mid-December 2011, the Project immediately mobilized its resources to ensure that the business renewal

activities, which are undertaken in the first 20 days of January, would be assessed. Despite contracting problems, the Project was able to undertake the diagnostics for the BOSS, the business renewal process, and the state of BPLS automation in each of the cities. There were delays in the assessment for the new business registration process and inspections-related processes due to contracting difficulties but these will commence in the third quarter.

Despite some delays in implementing a few of its planned activities for the quarter, the Project more than made up for the slack by exceeding targets in one activity and undertaking some of the activities which were originally scheduled for next quarter. Of eight target activities, it exceeded one, completed four, partially completed one, and failed to complete two. It also undertook activities that were not scheduled for the quarter but are vital for the completion of the two outputs under Deliverable 4. The activities of the project under program area 1.1 are described below.

Outputs	Plans for the 2 nd Quarter ³	Accomplishments for 2 nd Quarter
<i>Deliverable 1: Ensured Compliance with BPLS Standards</i>		
<p><u>Output 1.</u> Assessment Report on the current status of BPLS Reforms, including the state of BPLS automation in target cities (target completion date (TCD): end-May)</p>	<ol style="list-style-type: none"> 1. Customization of standardized diagnostic templates for field work 2. Start of assessments on the renewal of, and new, business registrations, including exit interviews 	<ul style="list-style-type: none"> • Prepared a guide for the time and motion study for assessing the business renewal procedures of the cities. The use of a common diagnostic template ensures comparability of results and analysis. • Formulated a survey design and a survey questionnaire for the exit interviews to be conducted <hr/> <ul style="list-style-type: none"> • Divided the assessment into 2 parts: (1) the assessment of the renewal processes and the BOSS, which had to be undertaken in January 2012 to coincide with the annual renewal period; and (2) the assessment of the processing of new business applications and the inspection process, which will be subcontracted and to be undertaken in April or May.⁴ • Contracted an STTA for the assessment of business renewals in Cagayan de Oro and deployed INVEST staff members

³ The entries were based on the First Quarter Report submitted by OIDCI on January 30, 2012.

⁴ Originally, the assessment of BPLS procedures for processing applications for new permits and renewals, as well as for inspections, was contained in one request for proposal (RFP) for each city, which was planned to be subcontracted to a firm. However, the bidding failed because it did not generate any proposal.

Outputs	Plans for the 2 nd Quarter ³	Accomplishments for 2 nd Quarter
	3. Start of assessment of BPLS automation in target cities	<p>to conduct the assessment for Iloilo and Batangas cities.</p> <ul style="list-style-type: none"> • Conducted exit interviews on 50 business renewal applicants per city thru service contracts for 2 interviewers. • Issued an RFP for each city for the assessment of business permitting processes for new applications to a total of 18 institutions. Four bids were received but bids for the conduct of the assessment in two of three cities were deemed unqualified. The project therefore resorted to the procurement of the services of STTAs for the conduct of the assessment in Iloilo and Cagayan de Oro cities. Negotiations are underway with Batangas City's 2nd ranked firm. • Contracted an STTA to undertake the assessment of BPLS automation, which was completed for the three cities during the quarter.
<u>Output 2.</u> Action Plan of Target Cities to further enhance their BPLS (TCD: end-July)	No plans for the quarter	<ul style="list-style-type: none"> • No activity during the quarter
<i>Deliverable 2: Improved Business One-Stop Shop (BOSS)</i>		
<u>Output 1.</u> Assessment Report on the BOSS in Target Cities (TCD: end-April)	<p>1. Customization of standardized diagnostic templates for field work</p> <p>2. Conduct of BOSS assessment</p>	<ul style="list-style-type: none"> • Prepared an assessment guide for BOSS which was used by the same assessment team that conducted the assessment of the renewal processes in the 3 cities in January 2012 • Completed the BOSS assessment for the 3 cities • Prepared an RFP for the conduct of the Client Satisfaction Survey which was approved by USAID

Outputs	Plans for the 2 nd Quarter ³	Accomplishments for 2 nd Quarter
<p><u>Output 2.</u> Report on the Conduct of a Client Satisfaction Survey (TCD: end-May)</p> <p><u>Output 3.</u> Action Plan of Target Cities in BOSS Reforms (TCD: end-May)</p> <p><u>Output 4.</u> Institutional Study on NERBAC, BOSS & the Philippine Business Registry (PBR) (TCD: end-May)</p>	<p>Conduct of a Client Satisfaction Survey</p> <p>No plans set for the quarter</p> <p>No plans set for the quarter</p>	<p>on March 20, 2012 and which was issued on March 22, 2012 to 7 possible offerors. A lone proposal was received and is currently being assessed.</p>
<i>Deliverable No. 3: Improved System of Business Inspection</i>		
<p><u>Output 1.</u> Assessment Report on Inspection Processes in the Target Cities</p> <p><u>Output 2.</u> Study on Risk-Based Inspection (TCD: end May)</p> <p><u>Output 3.</u> Study on Benchmarking of Inspection Fees (TCD: end-May)</p> <p><u>Output 4.</u> Action Plan of cities on inspection reforms to be implemented (TCD: end-June)</p>	<p>1. Customization of standardized diagnostic templates for field work</p> <p>2. Start of assessments on inspection systems in target cities</p> <p>No plans set for the quarter</p> <p>No plans set for the quarter</p>	<ul style="list-style-type: none"> • Not undertaken due to the delay in the conduct of the assessment brought about by the failure of bids for the conduct of the assessment of the business-related inspections in the partner cities • Searched for STTAs to conduct the inspection assessment for Iloilo and CDO and submitted requests for contracting of 3 STTAs to USAID • Prepared counter-proposal for Batangas State University, the second ranked bid to undertake study for Batangas City <p>No activity during the quarter</p> <ul style="list-style-type: none"> • Prepared Statement of Work (SOW) and identified qualified STTA

Outputs	Plans for the 2 nd Quarter ³	Accomplishments for 2 nd Quarter
<i>Deliverable 4: Engaged Stakeholders on BPLS Reforms</i>		
<u>Output 1.</u> Conduct of Workshops (TCD: end-June)	No plans for the quarter	<ul style="list-style-type: none"> Organized meeting of different private sector business groups in Batangas City to introduce the project and generate views on the project including needed BPLS reforms in the city Invited private sector representatives to the Orientation Workshop in Iloilo City (March 15)and to the Coordination Meeting in Cagayan de Oro City (February 22)
<u>Output 2.</u> Report on City Engagement of the Private Sector in BPLS Reforms (TCD: end-August)	No plans for the quarter	<ul style="list-style-type: none"> Included private sector representatives in the proposed TWG on the INVEST to be signed by the city mayors of target cities

b. Plans for the Next Quarter

For the next quarter, the project will continue to assess the city processes for new business applications and the permitting-related inspections. The project will start reporting to USAID, the cities and selected National Government Agencies (NGAs) the initial results of the assessment reports. These reports will also be used in designing the local study tours that will showcase good practices in business permitting and investment promotion and lead to a series of workshops that will generate the reform agenda on BPLS for each city. Given the nearing election period, the project intends to organize action planning and capacity building activities in the next two quarters of the project. The specific target activities under this component are described below.

Outputs	Plans for the 3 rd Quarter
<i>Deliverable 1: Ensured Compliance with BPLS Standards</i>	
<u>Output 1.</u> Assessment Report on the current status of BPLS Reforms, including the state of BPLS automation in target cities (target completion date (TCD): end-May)	<ul style="list-style-type: none"> Presentation of preliminary findings to USAID Presentation of findings to cities Finalization and submission to the cities and USAID of the assessment reports on the business renewal process and BPLS automation
<u>Output 2.</u> Action Plan of Target Cities to Further Enhance their BPLS (TCD: end-July)	<ul style="list-style-type: none"> Conduct of local study tour to showcase good practices in BPLS Design and conduct of a self-assessment workshop on BPLS processes for new & renewal applications

Outputs	Plans for the 3 rd Quarter
	<ul style="list-style-type: none"> • Preparation of action plans for BPLS reforms in the processes for new and renewals applications
<i>Deliverable 2: Improved Business One-Stop Shops (BOSS)</i>	
<p><u>Output 1.</u> Assessment Report on the BOSS in the Target Cities (TCD: end-April)</p> <p><u>Output 2.</u> Report on the Conduct of a Client Satisfaction Survey (TCD: end-May)</p> <p><u>Output 3.</u> Action Plans of Targeted Cities on BOSS Reforms (end-May)</p> <p><u>Output 4.</u> Institutional Study on NERBAC, BOSS & the Philippine Business Registry (PBR) (TCD: end-June)</p>	<ul style="list-style-type: none"> • Presentation of preliminary findings to USAID • Presentation of findings to cities • Finalization and submission to the cities and USAID of the assessment reports on the BOSS • Mobilization of a firm to undertake the Client Satisfaction Survey • Design and conduct of a self-assessment workshop on BPLS processes for new & renewal applications • Preparation of action plans for BPLS reforms in new and renewal applications • Preparation of the SOW for the STTA, contracting of the STTA, and undertaking of the study
<i>Deliverable 3: Improved System of Business Inspection</i>	
<p><u>Output 1.</u> Assessment Report on Inspection Processes in the Target Cities (TCD: end- May)</p> <p><u>Output 2.</u> Study on Risk-Based Inspection (TCD: end-May)</p> <p><u>Output 3.</u> Study on Benchmarking of Inspection Fees (end-May)</p> <p><u>Output 4.</u> Action Plans of the Target Cities for the Implementation of Inspection Reforms (TCD: end-June)</p>	<ul style="list-style-type: none"> • Contracting of STTAs and firm to conduct the assessment • Conduct and completion of the report • Presentation of findings to USAID and the cities • Mobilization of STTA for the study and commencement of the conduct of the study on risk-based Inspection • Mobilization of STTA for the study and commencement of the study • Design and the conduct of a workshop on setting-up of business-friendly inspection reforms in the cities
<i>Deliverable 4: Engaged Stakeholders on BPLS Reforms</i>	
<p><u>Output 1.</u> Conduct of Workshops (TCD: end-June)</p> <p><u>Output 2.</u> Report on City Engagement of the Private Sector in BPLS Reforms (TCD: end August)</p>	<ul style="list-style-type: none"> • Setting-up of meetings for the organization of the business sector in Batangas City • Ensuring of the inclusion of the private sector in the NIVEST technical working groups in the

Outputs	Plans for the 3 rd Quarter
	partner cities

2. Program Area 1.2: Strengthening National Government Support to BPLS Reforms

Policies and program initiatives from NGAs impact on the nature, speed, and sustainability of the reform processes that would be undertaken in the partner cities. Hence, INVEST will devote resources in assisting concerned NGAs implement needed policy directives that would reduce the regulatory burden of businessmen and provide capacity building programs to local government units (LGUs) on BPLS reforms. Project support to these agencies will take the form of policy studies and knowledge management (KM) materials to be used in BPLS capacity building programs.

a. Key Accomplishments

This program area is intended to assist four oversight agencies – the DTI, the DILG, the National Computer Center and the Local Government Academy. Most of the activities during the quarter focused on fulfilling the procurement requirements for hiring a consultant that will assess the first phase of the Philippine Business Registry (PBR). Since the operationalization of the PBR is one of the commitments of the DTI Secretary to the President, this activity was given priority over others in the Project Work Plan. However, the search, evaluation, and selection of the consultant to assist the DTI with the assessment and conceptualization of the PBR was constrained by the lack of interested IT consultants, the pace inherent in a joint DTI-INVEST evaluation process, and the difficulty that the selected consultant experienced in meeting USAID requirements on rate justifications. The PBR review, which was scheduled to be finished by March, had to be moved to May-June 2012.

The same difficulty in finding an interested, appropriate consultant for the survey design on computerization delayed the submission to USAID of procurement related documents. The lack of interested consultants also affected the issuance of the Request for Proposal for what was originally intended to be the administration of the Client Satisfaction Survey, as the design needed for the scope of work was supposed to have come from the statistician expert. Since INVEST had difficulties in recruiting a statistician, the option left to it was to include the design of the Survey in the scope of work of the prospective winning bidder for the conduct of Client Satisfaction Survey.

As suggested by USAID, the Project also reviewed the third deliverable on the updating of BPLS Knowledge Products. Instead of the original set of outputs, the Project is proposing the following outputs: (1) issuance of a Memorandum Circular by DILG, DTI and the National Computer Center disseminating the knowledge products prepared by LINC-EG to LGUs; (2) assessment of BPLS standards contained in the DTI-DILG Joint Memorandum Circular No. 1, series of 2010; (3) a workshop on the use of the BPLS Automation Guides; and (4) one workshop on setting-up Business Friendly Inspection Systems.

The matrix below summarizes the activities under this program area.

Outputs	Plans for the 2 nd Quarter	Accomplishments for 2 nd Quarter
<i>Deliverable 1: Enhanced Connectivity of Philippine Business Registry</i>		
<u>Output 1.</u> Report on the Assessment of PBR Phase 1,	Commencement of the assessment of the PBR	<ul style="list-style-type: none"> Prepared the SOW for the STTA in coordination w/ the

Outputs	Plans for the 2 nd Quarter	Accomplishments for 2 nd Quarter
<p>including recommendations on future design of the PBR (TC D: end-March)</p> <p><u>Output 2.</u> Web-service design for SEC connectivity to PBR (TCD: end-May)</p> <p><u>Output 3.</u> Web-service design for LGU connectivity to PBR (TCD: end-May)</p>	<p>Procurement of services for the development of software for web-service design or File Transfer Protocol for SEC</p> <p>No plans set for the quarter</p>	<p>DTI Evaluation Committee</p> <ul style="list-style-type: none"> • Encountered delays in the evaluation of prospective candidates which were not acceptable to DTI. DTI took 3 months to submit recommendations to the INVEST management • Submitted to USAID the request to contract DTI-PBR consultant • Delayed; need to wait for the assessment of PBR, Phase 1 • Started assessment of city readiness to PBR connectivity (included in BPLS automation assessment)
<i>Deliverable 2: Enhanced Information & Policy Support to BPLS Computerization</i>		
<p><u>Output 1.</u> Survey Design on BPLS Computerization (TCD: end-March)</p> <p><u>Output 2.</u> Report on Assistance on eBPLS Re-Development</p>	<p>No plans set for the quarter</p> <p>No plans set for the quarter</p>	<ul style="list-style-type: none"> • Organized a meeting with Undersecretary Casambre of the Department of Science and Technology (DOST), DILG's Undersecretary Panadero and DTI Undersecretary Maglaya on February 28, 2012 to discuss the assistance of INVEST in promoting the automation of BPLS. • Delayed: difficulty in getting consultants; submitted to USAID request for approval of STTA survey specialist for automation (still pending approval) • Will no longer be pursued due to information from the DOST that the e-Gov Fund for 2012, which is being eyed as the

Outputs	Plans for the 2 nd Quarter	Accomplishments for 2 nd Quarter
		source of funding for the e-BPLS redevelopment, has already been allocated to specific activities.
<i>Deliverable 3: Updated Knowledge Products on BPLS Reforms⁵</i>		
<u>Output 1.</u> Updated BPLS Manuals <u>Output 2.</u> Toolkit on BPLS Computerization <u>Output 3.</u> Workshop on Use of BPLS Computerization Toolkit <u>Output 4.</u> Toolkit for Setting-Up A Business-Friendly Inspection System <u>Output 5.</u> Training of Trainors for Conducting Business-Friendly Inspection System <u>Output 6.</u> Report for Enhancing the BPLS Help Desk and Helpline	No plans set for the quarter	<ul style="list-style-type: none"> • Assisted USAID in presenting the knowledge products produced under LINC-EG project in the meeting of the SWG-LIR on March 19, 2012 • Reviewed the proposed outputs to address USAID concerns
<i>Deliverable 4: Strengthened Monitoring of the Anti-Red Tape Act</i>		
<u>Output 1.</u> Conduct of CSO Training on the Report Card Survey (TCD: end- March)	Procure for the training of civil society organizations on the Report Card Survey	<ul style="list-style-type: none"> • Delayed due to the need to wait for the operational details of the Memorandum of Understanding (MOU) between the DILG and CSC under which the latter has agreed to conduct the Report Card Survey for 2012. There is a need to determine whether the Project needs to undertake the activity. • Met with CSC officials (Director Victoria Esber) on March 12, 2012 to determine scope of INVEST assistance in the conduct of the Report Card Survey required by the Anti-Red Tape Act (ARTA)

⁵ COTR advised “removing Updated Knowledge Products on BPLS Reforms – or if not remove, perhaps prioritize those that are most in demand/need by our partner cities.” Further to this, in the meeting with the COTR and alternate COTR, it was agreed that the activities related to the dissemination of the knowledge products on BPLS automation and the setting-up of business friendly inspection system will be retained but downscaled.

Outputs	Plans for the 2 nd Quarter	Accomplishments for 2 nd Quarter
<p><u>Output 2.</u> Report on the Results of the Report Card Survey in Target Cities (TCD: end-July)</p>	<p>No plans set for the quarter</p>	<ul style="list-style-type: none"> • The Project may not need to conduct the survey which will be undertaken by DILG. However, in view of the need to strengthen the role of CSOs in partner cities, the project will explore with DILG and CSC other modalities where CSOs can participate in ARTA implementation in areas consistent with INVEST project goals.

b. Plans for the Next Quarter

More activities are expected in the next quarter as the BPLS reforms take center stage among the oversight agencies on BPLS, i.e. DTI, DILG, NCC and National Competitiveness Council. The BPLS Oversight Committee will likely be meeting in the next quarter, and this will give the project an opportunity to present some of its general findings in the city assessments. A Memorandum of Agreement (MOA) is also being drafted among the oversight agencies that will delineate responsibilities in promoting BPLS automation in LGUs. The BPLS survey design is also being awaited by the oversight agencies since its conduct is a commitment of DTI to the Office of the President. The commitments of the project in the next quarter are presented below:

Deliverables/Outputs	Plans for the 3rd Quarter
<i>Deliverable 1: Enhanced Connectivity of Philippine Business Registry</i>	
<p><u>Output 1.</u> Report on the Assessment of PBR Phase 1, including recommendations on future design of the PBR (TCD: end-March)</p> <p><u>Output 2.</u> Web-service design for SEC connectivity to PBR (TCD: end-May)</p> <p><u>Output 3.</u> Web-service design for LGU connectivity to PBR</p>	<p>Submit request for approval to contract STTA & start the conduct of the study</p> <p>Study the need for web service design for SEC, which will be part of the PBR study</p> <p>Determine timing of the connectivity thru the BPLS automation study</p> <p>Prepare the SOW for the hiring of an IT consultant to undertake the connectivity</p>
<i>Deliverable 2: Enhanced Information/Support to BPLS Computerization</i>	
<p><u>Output 1.</u> Survey Design on BPLS Computerization</p> <p><u>Output 2.</u> Report on Assistance on eBPLS Re-Development</p>	<p>Submit to USAID request to hire a statistician to assist in developing the survey design</p> <p>Develop the survey design on BPLS Automation</p> <p>For deletion in the work plan based on explanation above</p>
<i>Deliverable 3: Updated Knowledge Products on BPLS Reforms</i>	
<p><u>Output 1.</u> Updated BPLS Manuals</p> <p><u>Output 2.</u> Toolkit on BPLS Computerization</p> <p><u>Output 3.</u> Workshop on Use of BPLS Computerization Toolkit</p> <p><u>Output 4.</u> Toolkit for Setting-Up A Business-Friendly Inspection System</p> <p><u>Output 5.</u> Training of Trainers for Conducting Business-Friendly Inspection System</p> <p><u>Output 6.</u> Report for Enhancing the BPLS Help Desk and Helpline</p>	<p>For deletion in the work plan</p> <p>For deletion in the work plan</p> <p>Organize a forum in June to disseminate the BPLS Computerization knowledge product developed under LINC-EG</p> <p>For deletion in the work plan</p> <p>Design a workshop for the cities on the setting-up of business friendly inspection system to be part of the self-assessment workshop on the cities' inspection systems</p> <p>For deletion in the work plan</p>
<i>Deliverable 4: Strengthened Monitoring of the Anti-Red Tape Act</i>	
<p><u>Output 1.</u> Conduct of CSO Training on the Report Card Survey (TCD: end- March)</p> <p><u>Output 2.</u> Report on the Results of the Report Card Survey in Target Cities (TCD: end-July)</p>	<p>Determine need for the activity in coordination with CSC and LGA</p> <p>For deletion in the work plan</p>

3. Program Area 1.3: Supporting Regulatory Reforms in the Priority Sectors and Areas of Government

INVEST will undertake three studies that will be useful in the business registration reform process in its partner cities. These are on the streamlining of: (1) the construction permitting process; and (2) special permitting in agribusiness and tourism.

a. Key Accomplishments

Despite it not having any scheduled activities during the quarter under this program area, the Project took advantage of opportunities and conducted unscheduled activities that would facilitate the accomplishment of its targets. It met with the Department of Tourism to identify the particular industries in the tourism subsector whose permitting processes would be the focus of the study it would conduct next quarter. It also started the process of procurement for an STTA expert by drafting the scope of work (SOW) for the study on reforms in the processing of applications for construction permits.

Outputs	Plans for the 2nd Quarter	Accomplishments for 2nd Quarter
<i>Deliverable 1: Streamlined Construction Permitting System</i>		
<u>Output 1.</u> Recommendations on Construction Permit Reforms (TCD: end-July)	No plans set for the quarter	<ul style="list-style-type: none"> Drafted SOW for the construction permitting study
<i>Deliverable 2: Assisted Policy Formulation & Institutional Mechanisms for Alternative Dispute Resolution</i>		
<u>Output 2.</u> Recommendations on the Application of ADR to Investment-Related Disputes	No plans set for the quarter	<ul style="list-style-type: none"> No activity undertaken due to COTR advice to delete this from the work plan
<i>Deliverable 3: Supported National Government Reforms on the Streamlining of Special Permits in Tourism and Agribusiness</i>		
<u>Output 1.</u> Recommendations on the Streamlining of the Permitting Processes in Agribusiness and Tourism Sectors (TCD: end – September)	No plans set for the quarter	<ul style="list-style-type: none"> Engaged the DOT (thru Undersecretary Victoria Jasmin) in the conduct of the permitting process for hotels and tourist transport facilities (Meeting of March 12, 2012)

b. Plans for the Next Quarter

It is expected that the contracting for the three studies under this program area will be started in the next quarter, as shown below.

Outputs	Plans for the 3rd Quarter
<i>Deliverable 1: Streamlined Construction Permitting System</i>	
<u>Output 1.</u> Recommendations on Construction Permit Reforms (TCD: end-July)	<ul style="list-style-type: none"> Search for STTA, request USAID for approval and undertake the study

<i>Deliverable 2: Assisted Policy Formulation and Institutional Mechanisms for Alternative Dispute Resolution</i>	
<u>Output 1.</u> Recommendations on the Application of ADR to Investment-Related Disputes	For deletion in the work plan
<i>Deliverable 3: Streamlined Special Permits in Agribusiness and Tourism</i>	
<u>Output 1.</u> Recommendations on the Streamlining of the Permitting Processes in Agribusiness and Tourism Sectors (TCD: end – September)	<ul style="list-style-type: none"> • Search for STTA, request USAID for approval and undertake the studies in coordination with the DOT • Engage the appropriate bureaus of the Department of Agriculture on the permitting study for the agribusiness sector • Prepare the SOW and search for the STTA for the study

A. Component 2:

If these are to attract more and better investments, INVEST’s partner cities must create an enabling environment for such investments. Under this component, therefore, the Project will assist its partner cities (1) strengthen the linkages among planning and investment programming and budgeting in their respective operations; (2) build up their capacity in investment planning and promotion; and (3) improve their competitiveness. In all these efforts, the participation of the private sector – business and civil society – will be mobilized as a critical partner of the city governments in creating the environment that is conducive to business and investment.

1. Program Area 2.1: Strengthened Planning and Investment Programming and Budgeting in Partner Cities

The presence and quality of city plans are important in attracting investments as these plans are the bases of many local regulations, including those on investment. The Project will thus assist its partner cities: (1) revisit and enhance their vision for business and investment growth, update their local investment incentives codes based on national policies related to incentives, and ensure consistency between their respective local investment incentives codes and local revenue codes; (2) strengthen their participatory process in plan formulation, investment programming and prioritization as well as in plan implementation; and (3) deepen understanding of the roles, responsibilities and accountabilities of both local governments and private sector so that they can manage relationships in investment programming and joint implementation of priority development projects.

a. Key Accomplishments

The Project exceeded all its targets under this program area. It completed all the tasks it set out to do and undertook activities that were not scheduled for the quarter but are nonetheless vital in accomplishing its targets for the coming quarter. It was able to assess the planning documents and processes of all of its three partner cities, procured the services of an STTA expert for the conduct of an inventory of the investment incentives provided by law and policy in priority sectors, and assessed the relationships between the city governments of its partner cities and local business chambers.

Meanwhile, it explored the possibility of it using the modules of the Local Government Academy in the review and reformulation by its partner cities of their respective Local Investment Incentives Codes, while preparing the SOW of the STTA who would prepare the design and content of the training on public-private –partnerships. Both activities were unscheduled for the quarter.

Outputs	Plans for the 2 nd Quarter	Accomplishments for 2 nd Quarter
<i>Deliverable 1: Enhanced Required Local Planning Documents</i>		
<p><u>Output 1.</u> Assessment Report on Planning Documents and Processes</p> <p><u>Output 2.</u> Conduct of international study tour</p> <p><u>Output 3.</u> Shared vision for economic and investment growth and direction</p> <p><u>Output 4.</u> List of Programs, Projects and Activities (for various funding) – an updated and doable investment program for CY 2013</p>	<ul style="list-style-type: none"> • Formulation of an assessment tool for planning documents and processes • Conduct of assessment on planning documents and processes • Preparation of SOW for STTA expert to prepare the design and content of training on the integration of planning documents and processes • Conduct of training on the integration of planning documents and processes (to generate an investment program for CY 2013) 	<ul style="list-style-type: none"> • Prepared assessment tool for planning documents and processes in partner cities • Conducted assessment on planning documents and processes • Prepared SOW for STTA expert to prepare the design and content of training on the integration of planning documents and processes (waiting approval of SOW from USAID)
<i>Deliverable 2: Enhanced and Updated Local Investment Incentive Codes (LIIC) and Local Revenue Codes (LRC)</i>		
<p><u>Output 1.</u> Inventory of investment incentives and recommendations for local applications</p> <p><u>Output 2.</u> Requirements of the cities in relation to the reformulation of the LIIC</p> <p><u>Output 3.</u> Inventory of investment incentives and recommendations for local applications</p>	<ul style="list-style-type: none"> • Preparation of SOW for STTA expert to conduct an inventory Prepared assessment tool for planning documents and processes in partner cities • Conducted assessment on planning documents and processes • Prepared SOW for STTA expert to prepare the design and content of training on the integration of planning documents and processes 	<ul style="list-style-type: none"> • SOW for STTA expert to conduct an inventory of investment incentives as provided by national laws and policies for priority sectors has been signed and approved by USAID. Conduct of the study has commenced.
<i>Deliverable 3: Strengthened Involvement of the Private Sector in Investment Programming and in the Implementation of Public Sector Projects</i>		
<p><u>Output 1.</u> List of Programs, Projects and Activities (for PPP)</p> <p><u>Output 2.</u> Project Documents for PPP (Concept Design, pre-FS, FS, Business Cases) List of</p>	<ul style="list-style-type: none"> • Preparation of SOW for STTA expert to prepare the design and content of training on PPP 	<ul style="list-style-type: none"> • Prepared SOW for STTA expert to prepare the design and content of training on PPP

Programs, Projects and Activities (for PPP)		
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b. Plans for the Next Quarter

In the period April to June, INVEST will build on its accomplishments in this quarter and push for the completion of the deliverables under this program area.

For the first deliverable, it will finalize the individual reports on the assessments it conducted on the planning documents and processes in each of the partner cities. It will then make each of these available to the partner city involved for the investment planning and promotions officials of these cities to consider in their own review of their respective plans and processes and in their identification of the areas they would need to reform to achieve better streamlined business permitting processes. The Project will then conduct the training on plan integration for these officials and personnel. The training will enable the city officials to formulate plans, processes, and systems that would be more supportive of the inflow of investments into their city at the right amount and into the right areas. Finally, INVEST will bring key officials of the partner cities to a study tour of a city in another country whose growth approximates that which they envision for their respective cities. This tour would enable the city officials to observe how investment promotion, among other functions, is carried out in the city being visited, while interacting with officials in that city to gain insights into the governance aspects of interest to them. The experience should improve and expand the perspective of the officials of the partner cities, making them better able to formulate plans and implement policies, programs, and projects to gain increased competitiveness for, and promote investments in, their cities.

For the second deliverable, the Project will finish its inventory of the investment incentives for priority sectors provided for in laws and policies and present it to the partner cities for their officials to use in reviewing and updating their Local Investment Incentives Plans.. For the third deliverable, the Project will prepare the concept design for the training on PPP schemes. The design will be based mostly on the output to be submitted by the STTA expert mobilized for the purpose.

Outputs	Plans for the 3rd Quarter
<i>Deliverable 1: Enhanced Required Local Planning Documents</i>	
<u>Output 1.</u> Assessment Report on Planning Documents and Processes	Finalization and submission of assessment report on planning documents and processes Conduct of training on plan integration
<u>Output 2.</u> Conduct of international study tour	Conduct of international study tour
<u>Output 3.</u> Shared vision for economic and investment growth and direction	
<u>Output 4.</u> List of Programs, Projects and Activities (for various funding) – an updated and doable investment program for 2013	

<i>Deliverable 2: Enhanced and Updated Local Investment Incentive Codes (LIIC) and Local Revenue Codes (LRC)</i>	
<u>Output 1.</u> Inventory of investment incentives and recommendations for local applications	Conduct of inventory of investment incentives provided under national policies and laws for priority sectors
<u>Output 2.</u> Requirements of the cities in relation to the reformulation of the Local Investment Incentives Code	
<i>Deliverable 3: Strengthened Involvement of the Private Sector in Investment Programming and in the Implementation of Public Sector Projects</i>	
<u>Output 1.</u> List of Programs, Projects and Activities (for PPP)	Preparation of concept design for the conduct of training on PPP
<u>Output 2.</u> Project Documents for PPP (Concept Design, pre-FS, FS, Business Cases)	

2. Program Area 2.2: Enhancing Capacity Building Support in Investment Planning and Promotion

Investment planning and promotion at the local level has been enhanced by the recent creation of the positions of Local Economic and Investment Promotion Officers (LEIPOs). The activities in this program area will strengthen the capacity of LEIPOs in the partner cities to plan activities that will promote investments, use existing programs and mechanisms available at the national and regional government agencies (DTI, DILG, BOI, and NEDA) in the pursuit of the cities' investment goals, and harness support from stakeholders for the cities' investment-related activities.

a. Key Accomplishments

During the start-up phase of the Project, it was found out that the partner cities do not have duly designated LEIPOs. In Batangas City, there was no LEIPO, either designated or merely assigned. In Iloilo City, two persons are discharging the functions of a LEIPO; while in Cagayan de Oro, a planning staff member has been verbally assigned to act as LEIPO. To strengthen investment promotion in these cities while improving the sustainability of reforms that it would introduce and support, the Project advocated for the more permanent designation of LEIPOs in the partner cities. In Batangas City, it succeeded in having the mayor issue a letter to the *Sangguniang Panglungsod* (City Council) asking for the creation of a permanent position for the LEIPO. In the meantime, the mayor has designated a permanent staff member of the city government as LEIPO on a temporary basis. Advocacy efforts were also exerted for the clearer and more permanent designation of a LEIPO in Iloilo City. Because the Project was unable to secure USAID approval for the designation of a City Program Adviser for the city, no such efforts were expended in Cagayan de Oro.

Despite misgivings about their appointment, the Project assessed the qualifications and capacities of the LEIPOs of its partner cities. This assessment gave the Project indications of the training needs of the LEIPOs to enable them to fully and effectively discharge their mandated functions. Based on the results of this assessment, a training program for the LEIPOs will be crafted and then conducted to capacitate

the LEIPOs. Such training will be conducted in close coordination with DILG-LGA and the LGSP-LED as these two entities already have training modules specifically designed for LEIPOs.

In the meantime that the training for LEIPOs has yet to be conducted, the Project, through its CPA, started assisting the newly-designated LEIPO in Batangas City formulates a detailed work plan for the fulfilment of latter's functions. Among the focus points of this plan is the conduct of activities in preparation for the Batangas City Business Forum which is scheduled in June 2012.

During the quarter, the Project likewise initiated its efforts to strengthen the links between the National Economic Research and Business Assistance Center (NERBAC) and local systems to enhance the competitiveness of the partner cities. More specifically, it prepared the SOW for the STTA expert to do a study on the subject matter. It also discussed the conduct of the study with experts who may be mobilized to do the said study.

In all, the Project achieved all its targets for the quarter under this program area.

Outputs	Plans for the 2nd Quarter	Accomplishments for 2nd Quarter
<i>Deliverable 1: Enhanced Capacity of the Local Economic and Investment Promotion Officers in the Partner Cities</i>		
<u>Output 1.</u> Assessment report on the LEIPO <u>Output 2.</u> Detailed work plan for the LEIPO in generating more investments <u>Output 3.</u> Partnership arrangements with relevant national agencies, local chambers and business groups	<ul style="list-style-type: none"> • Formulation of assessment tool for LEIPOs • Conduct of assessment on LEIPOs 	<ul style="list-style-type: none"> • Conducted the assessment of LEIPOs in partner cities • Facilitated the designation of LEIPO in Batangas City • Conducted the orientation and work planning of the designated LEIPO of Batangas City
<i>• Deliverable No.2: Conducted City Business Forums</i>		
<u>Output 1.</u> Report on the conduct of the City Business Forum <u>Output 2.</u> Commitments for additional investments	None planned	None accomplished
<i>Deliverable No. 3: Strengthened NERBAC Support to Target Cities</i>		
<u>Output 1.</u> Recommendations for strengthening the links between NERBAC and local systems	<ul style="list-style-type: none"> • Preparation of SOW for STTA expert to conduct the study on the strengthening of links between NERBAC and local systems 	<ul style="list-style-type: none"> • Prepared SOW for STTA expert to conduct the study on the strengthening of links between NERBAC and local systems • Conducted initial discussions with possible STTA experts to conduct the study

b. Plans for the Next Quarter

Next quarter, the Project will implement the next steps toward the attainment of the three deliverables under this program area. To enhance the capacity of the LEIPOs in its partner cities, it will finalize its assessment reports on the qualifications and capacities of these officers and then provide technical assistance to enable them to formulate detailed work plans for the strengthening of investment generation and promotion in their respective cities. It will also start helping the LEIPOs reach out to NGAs, local business chambers, and other business groups in order that partnership arrangements may be forged for the enhancement of the cities’ capacity to generate investments.

Towards the aim of the partner cities each holding a Business Forum to draw in investments, the Project will help the LEIPOs and the cities themselves engage in preparatory activities, including the identification of the resources needed and the mobilization of support for the activity. Finally, the Project will conduct the study on To strengthen NERBAC linkages with local systems, the Project will conduct the study on the strengthening of the links between the NERBAC and local systems so that investment generation can be enhanced.

Outputs	Plans for the 3rd Quarter
<i>Deliverable 1: Enhanced Capacity of the Local Economic and Investment Promotion Officers in the Partner Cities</i>	
<u>Output 1.</u> Assessment report on the LEIPO	Finalization and submission of assessment report on LEIPOs of partner cities
<u>Output 2.</u> Detailed work plan for the LEIPO in generating more investments	Formulation of detailed work plans for LEIPOs in all partner cities
<u>Output 3.</u> Partnership arrangements with relevant national agencies, local chambers and business groups	Conduct of exploratory meetings and discussions with key stakeholders
<i>Deliverable 2: Conducted City Business Forums</i>	
<u>Output 1.</u> Report on the conduct of the City Business Forum	Conduct of preparatory activities for the Business Forum
<u>Output 2.</u> Commitments for additional investments	
<i>Deliverable 3: Strengthened NERBAC Support to Target Cities</i>	
<u>Output 1.</u> Recommendations for strengthening the links between NERBAC and local systems	Conduct of study on the strengthening of links between NERBAC and local systems

3. Program Area 2.3: Enhancing the Performance of the Target Cities towards Competitiveness.

Studies have shown that the future growth of cities will partly be driven by good governance and a culture of innovation. This program area thus aims to support efforts to provide incentives for good governance and establish a culture of excellence and innovation in the target cities through the activities described below.

a. Key Accomplishments

The Project focused its efforts under this program area on the conduct of a study on the financing gaps of SMEs as well as of priority sectors and industries in the partner cities. The study looked into the magnitude of SMEs in relation to the number of registered business establishments in the cities, and reviewed their needs for financing from all possible, locally available and accessible sources.

The study was intended to mobilize available funds at the local level to create more investments, especially for public sector projects, for priority sectors and industries, as well as for thriving SMEs needing funding assistance. The results of the study will serve as guide for USAID in crafting possible mechanisms or schemes to improve borrowing and lending policies and regulations.

Toward the achievement of the three other deliverables under this program area, the Project prepared the SOW of the STTA experts that would conduct the studies called for. These studies were on business incubation schemes; a system of measuring economic performance in cities, particularly in the partner cities, so that competitiveness levels can be monitored; and on engendering industry growth in the partner cities. Finally, the Project supported the Arangkada 2012 conference of the American Chamber of Commerce and Industry.

Outputs	Plans for the 2nd Quarter	Accomplishments for 2nd Quarter
<i>Deliverable 1: Enhanced Mechanisms in Promoting Innovation in Pilot Cities</i>		
<u>Output 1.</u> Concepts on business incubation developed	<ul style="list-style-type: none"> Preparation of SOW for STTA experts to conduct the study on possible business ideas and other related innovations for development and incubation 	<ul style="list-style-type: none"> Prepared SOW for STTA expert to conduct the study on possible business ideas and other related innovations for development and incubation
<i>Deliverable 2: Enhanced Capacity to Measure the Economic Performance of Target Cities towards Competitiveness</i>		
<u>Output 1.</u> Recommendations for the development of a system to measure economic performance and competitiveness of cities	<ul style="list-style-type: none"> Preparation of SOW for STTA expert to conduct the study in coming up with a system of measuring economic performance of partner cities towards sustained competitiveness 	<ul style="list-style-type: none"> Prepared SOW for STTA expert to conduct the study in coming up with a system of measuring economic performance of partner cities towards sustained competitiveness Conducted initial discussions with NSO on possible partnership arrangements
<i>Deliverable 3: Enhanced Positioning of Industries in Partner Cities</i>		
<u>Output 1.</u> Recommendations to enhance industry growth	<ul style="list-style-type: none"> Preparation of SOW for STTA experts to conduct industry studies in partner cities 	<ul style="list-style-type: none"> Recommendations to enhance industry growth in targeted cities
<u>Output 2.</u> Participation in Arangkada 2012	<ul style="list-style-type: none"> Participation in Arangkada 2012 	

<i>Deliverable 4: Enhanced Credit Availment in the Partner Cities</i>		
<u>Output 1.</u> Study on financing gaps	<ul style="list-style-type: none"> Preparation of SOW for STTA experts to conduct the study on financing gaps for SMEs in partner cities Conduct the study on financing gaps in the 3 cities 	<ul style="list-style-type: none"> Prepared SOW for STTA experts to conduct the study on financing gaps for SMEs in partner cities Conducted the study on financing gaps in the 3 cities

b. Plans for the Next Quarter

For the next quarter, the Project will conduct the three studies on increasing the competitiveness of the partner cities.

Outputs	Plans for the 3rd Quarter
<i>Deliverable 1: Enhanced Mechanisms in Promoting Innovation in the Partner Cities</i>	
<u>Output 1.</u> Concepts on business incubation developed	Conduct of study on possible business ideas and other related innovations for development and incubation
<i>Deliverable 2: Enhanced Capacity to Measure the Economic Performance of Target Cities towards Competitiveness</i>	
<u>Output 1.</u> Recommendations for the development of a system to measure economic performance and competitiveness of cities	Conduct of study for the development of a system to measure economic performance and competitiveness of cities
<i>Deliverable 3: Enhanced Positioning of Industries in Partner Cities</i>	
<u>Output 1.</u> Recommendations to enhance industry growth	Conduct of industry studies in the 3 cities
<u>Output 2.</u> Participation in Arangkada 2012	
<i>Deliverable 4: Enhanced Credit Availment in the Partner Cities</i>	
<ul style="list-style-type: none"> Study on financing gaps for SMEs 	Finalization and submission of the study on financing gaps for SMEs

C. Component 3:

The Project undertakes activities that cut across its two components. These activities are organized under Component 3.

a. Key Accomplishments

With the identification of the cities to be assisted under CDI, the project devoted time in laying the groundwork for establishing institutional linkages with key officials of the city. As a project under CDI and being the first USAID project in the target cities, INVEST was in a good position to assist USAID in the launching of CDI in the target cities. Hence, for the first quarter, the project assisted in organizing

meetings for the USAID assessment missions in Iloilo and Cagayan de Oro cities and in the launching of the CDI in the former.

In addition, the project also contributed in reviving the SWG-LIR, the committee under the PDF that will ascertain policy issues on investment and economic growth and in assisting the DTI in the GIC. Technical support was provided to USAID which is a co-convenor of the former.

The Project formulated its Monitoring and Evaluation (M&E) Plan which will be used to monitor the progress of the project and measure its contributions to its defined target results. The M & E Plan was crafted in compliance with the INVEST project contract and contains a (1) project framework; (2) performance monitoring plans with indicators; (3) baselines and life-of-project targets; and (4) key evaluation questions.

INVEST has started to collect baseline data in the three target cities as part of its M & E activities. The baseline data will be used to establish annual targets as basis for the periodic performance assessments of the project and later. During this quarter, the Project conducted a series of orientation workshops in Batangas, Iloilo and Cagayan de Oro cities to orient stakeholders in these areas on the scope of the Project's M & E framework and the ways on how the project will be assessed. Further, the workshops highlighted the role of M & E as an important and practical tool for project implementation. As part of the M & E Plan, the Project has also considered gender-disaggregation in most of its project activities.

Deliverables/Outputs	Plans for the 2nd Quarter⁶	Accomplishments during the 2nd Quarter
<i>Deliverable No. 1: Provision of Assistance in the Selection of the Target Cities</i>		
<u>Output 1.1</u> Criteria and procedures for the selection of target cities and short-list of Possible Target Cities ⁷	<p>1.1.1 Launching of the INVEST Project per City</p> <p>1.1.2 Conduct of INVEST Orientation workshop per city</p>	<ul style="list-style-type: none"> • Assisted USAID in the launching of CDI, of which INVEST is a part of, in Iloilo City on March 2, 2012. • Conducted Coordination Meetings in Batangas City (February 16) and in Cagayan de Oro City (February 22) • Conducted Orientation Workshop in Iloilo City on March 15 • Drafted executive orders creating an INVEST interagency committee to oversee the implementation of the project
<i>Deliverable No. 2: Provision of Support to the Government's Interagency Committees on Investment and on Business Registration</i>		
<u>Output 2.1</u> Report on the Assistance Provided to the Relevant Inter-Agency Committees	2.1.1 Provision of assistance to DTI and DILG on the activation of the Sub-Working Group on Local Investment Reforms	<ul style="list-style-type: none"> • Organized a meeting among Conveners of the SWG-LIR on March 13, 2012 to discuss the agenda for the meeting of the committee • Assisted the DTI secretariat in the firming up the agenda for the meeting and the work plan of the committee • Assisted USAID and DTI/DILG as co-conveners of the committee thru the preparation of discussion guide during the meeting which was held on March 19, 2012 • Provided inputs/comments to USAID for the SWG-LITR

⁶ The entries are based on the first quarterly report submitted by OIDCI on January 30, 2012.

⁷ While this deliverable had been completed in the 1st quarter of the Project, INVEST will still assisting USAID in the launching of the Cities Development Initiative (CDI) in each of the cities.

Deliverables/Outputs	Plans for the 2 nd Quarter ⁶	Accomplishments during the 2 nd Quarter
<p><u>Output 4.2</u> Inclusion of gender indicators in the M and E regular reports</p>	<p>No plans set for the quarter</p>	<p>on March 16 for the senior city officials of Batangas City which was attended by no less than the city mayor</p> <ul style="list-style-type: none"> • Designed the sampling of the exit interviews to gather perceptions on the effectiveness and efficiency of business renewal processes in the target cities in such a way that half of the respondents were female. Some gender-related concerns surfaced as a result of this activity

b. Plans for the Next Quarter

For the next quarter, the Project will continue to review and update the M & E Plan based on the revised project work plan, firm-up the baseline data and targets of cities. Preparatory activities for the Year 1 Strategic Assessment of the Project Results shall also be conducted this quarter.

Deliverables/Outputs	Plans for the 3 rd Quarter
<i>Deliverable No. 1: Provision of Assistance in the Selection of the Target Cities</i>	
<p><u>Output 1.1</u> Criteria and procedures for the selection of target cities and short-list of Possible Target Cities⁸</p>	<ul style="list-style-type: none"> • Assistance to USAID in the launching of the Cities Development Initiative in Batangas (in May) and Cagayan de Oro (possibly in June) • Enjoin target city governments to sign the Executive Order creating the INVEST Technical Working Groups (TWGs) • Assistance in the conduct of organizational meetings of the TWGs and agreements on the indicative work plan of the TWG in relation to the INVEST project • Assistance in the conduct of activities and meetings of the TWGs

⁸ While this deliverable had been completed in the 1st quarter of the Project, INVEST will still assisting USAID in the launching of the Cities Development Initiative (CDI) in each of the cities.

<i>Deliverable No. 2: Provision of Support to the Government's Interagency Committees on Investment and Business Registration</i>	
<u>Output 2.1</u> Report on the Assistance Provided to the Relevant Inter-Agency Committees	<ul style="list-style-type: none"> • Submit comments on the GIC Work Plan • Assist the DTI & DILG Secretariats in identifying the follow-up work arising from the 2nd Meeting of the SWG-LIR • Participate in the newly-organized TWG on BPLS Automation which will put together an MOU among DTI, DILG and NCC on BPLS Automation
<i>Deliverable No. 3: Formulation and Implementation of the Project Management Plan</i>	
<u>Output 3.1</u> Monitoring and Evaluation Plan	<ul style="list-style-type: none"> • Update the PMP/M&E Plan (including the PIRS), based on the revised project work plan • Review and consolidate baseline data of cities • Formulate a template for setting M & E targets at the city level
<u>Output 3.2</u> Quarterly M and E Report	<ul style="list-style-type: none"> • Prepare inputs to the third quarterly report of the project . • Prepare monthly reports of project performance
<i>Deliverable No. 4: Formulation and Implementation of a Gender Action Plan</i>	
<u>Output 4.1</u> Gender Plan	<ul style="list-style-type: none"> • Conduct of Gender Orientation for INVEST Staff • Ensure women's participation and involvement in all activities of INVEST and integrate gender inputs into training modules and other knowledge materials of the project
<u>Output 4.2</u> Inclusion of gender indicators in the M and E regular reports	<ul style="list-style-type: none"> • Assist in disaggregating baseline statistics by gender

III. ACCOMPLISHMENTS BY CITY

INVEST succeeded in establishing strong initial linkages with city officials and stakeholders whose support and cooperation are critical to the project. As soon as the cities were identified by USAID, the project staff organized meetings with the mayors and officials of the partner cities, as well as key officers and members of business groups, civil society groups, and the academe. The networking effort accelerated when the CPAs in Iloilo and Batangas cities were mobilized.

During the quarter, the Project also undertook in its partner cities the various assessments to establish baselines that would enable it, together with its partner cities, to identify more definitively the need, nature, and extent of the reforms that would be necessary for it to achieve its goals. The baselines also provide it with yardsticks against which to measure both the progress of the reform processes it supports, as well as its efficacy as an organization and that of its plans, strategies, undertaking.

A. Batangas City

1. *Start-up Activities*

a. Introduction of the INVEST Staffs to Batangas City Officials

As a follow-up to the letter of USAID Mission Director Gloria Steele to Mayor Dimacuha on January 10, 2012, the project COTR paid a courtesy call to the Mayor (January 18, 2012) to introduce the INVEST team and explore possible areas of assistance can provide the city. In addition to city officials, the project also organized meetings with representatives from the business and the banking sectors as well as the Batangas Port Authority officials. Overall the meetings were opportunities to start the process of engagement for the project.

b. Conduct of the Coordination Meeting

Since the CDI has not been formally launched in Batangas City, the project requested for a “coordination” meeting, a low-key event, with key city officials to explain the goals, components and initial activities of the project. Attended by the City administrator, the Secretary to the Mayor and city department heads, the meeting provided a venue to clarify and level off expectations on the development assistance the Project can provide its target city. The meeting identified the key officer from city which will liaison with the project – the City Planning and Development Officer. Other suggestions raised during the meeting included: (1) the support of the city government in assisting the city business groups to organize into a city chamber; (2) the designation of the Local Economic and Investment Promotion Officer (LEIPO); and (3) the creation of a coordinative mechanism, an INVEST Technical Working Group, composed of key officials, the business sector and the civil society organizations for the implementation of the INVEST Project.

c. Assignment of the City Program Adviser (CPA)

The CPA was formally deployed in the city on March 1, 2012 with his courtesy call to the city mayor and other officials. On March 16, the M&E Start-up Workshop was conducted

with the city mayor and members of the then-proposed City INVEST Project-Technical Working Group (CIP-TWG) in attendance. Essentially, the workshop discussed the key deliverables of the INVEST Project and how the Project's baseline data requirements can be gathered and then submitted by the city.

2. Project Activities

a. Streamlining of Business Permits & Licensing System

In the 3rd week of January 2012, the Project assessed the processing of applications for business permit renewals as well as the BOSS. Interviews with city officials involved in the BPLS and BOSS, and business owners undergoing the renewal process were undertaken. (Pls. refer to the Annex for more details about this assessment.)

The Project also assessed the state of automation of the city's BPLS, as well as the IT connectivity of the NERBAC in Region IV-A to the city government, specifically the latter's business registration and investment promotion activities and requirements.

b. Enhancing Investment Planning and Promotion

The Project, through its CPA for Batangas City, conducted two assessments from March 1 to March 15: (1) the evaluation of the city's planning documents and processes;⁹ and (2) a rapid training needs analysis (TNA) of the city's LEIPO. Interviews were also conducted with the City Planning and Development Coordinator, Zoning Officer, and Budget Officer.

a. Mobilizing Partnerships

Key to the success of the Project's efforts is the level of participation by stakeholders, not only city government officials but also the business community, the academe, and civil society. Great efforts were thus exerted to establish linkages with these sectors. In particular, the following activities were undertaken to strengthen the coordination of the project with the private sector in Batangas City:

- On March 28, 2012, the Project conducted the Project Orientation Meeting with the Private Sector where representatives of business and civil society organizations were briefed about the Project's objectives and activities. Ways of strengthening the participation of the private sector in the Project and in the city's governance were also discussed. (Pls. refer to the Annex for a more detailed recounting of this story.)
- The CPA also attended the Batangas Province Chamber of Commerce and Industry (BPCCI) Business Forum and Induction of Officers on March 22, 2012, where he was

⁹ The documents reviewed include 7 types of planning and budgeting documents in addition to local regulations.

introduced to the officers of the different business groups in Batangas City and the Philippine Chamber of Commerce and Industry (PCCI) for Region IV-A (Calabarzon); and

- The INVEST Project Team met with Mr. Faustino ‘Ting’ Caedo, the President of the BPCCI, and Mr. Andrew C. Tan, President of the Batangas Chinese Chamber of Commerce and Industry (BCCCI) on March 26 where insights were gathered on how to effectively mobilize the support and participation of business groups in the city.

C. Iloilo City

1. Start-up Activities

a. Introduction of the INVEST Project to Key Officials

In January 24-25, 2012, representatives from USAID and INVEST met with the key stakeholders in Iloilo City to introduce the Project and to determine the possible areas of support that the latter need to improve the city’s economic growth and competitive position as an investment destination. The USAID-INVEST delegation met with Iloilo City Mayor Jed Patrick Mabilog who expressed, in behalf of the city, gratitude to USAID for choosing Iloilo City a pilot of the INVEST Project. He pledged his support and cooperation to the Project and its objectives.

The delegation also met with representatives of NGAs, business groups, and the cluster of municipalities in the province of Iloilo. It gained from these representatives insights on prioritizing key economic growth drivers, facing development challenges, and sustaining reforms in Iloilo City. More specifically, it was informed that education, information technology/ telecommunications, commerce, agribusiness, and tourism are key industries in the city. It was also made to understand that developing these industries would require addressing issues such as the cost of power, limited water supply, poor infrastructure and transportation network, unemployment, informal settlers and traffic congestion, limited agricultural and industrial integration, limited packaging and promotions, and the need for more efficient and effective business permits and licensing processes. Designating competent people to lead the city’s technical working group for the Project and involving the big private sector players were also proposed as essential in the successful implementation of the project. These insights were used by the Project in shaping its assistance to the city.

b. Provision of Assistance to A3D and CDI Launching

The Project supported the U.S. Embassy’s America in 3D event in Iloilo City, which was held on March 2-5, 2012. Prior to the event, it assisted USAID undertake preparatory activities. USAID sent a mission on February 16-17, 2012 to introduce the Cities Development Initiatives (CDI) Program to the Iloilo City mayor and other local government officials, and representatives of the business sector, the academe, and industry groups such as the health, tourism, information technology, banking and finance industries. The Project provided logistical support to the mission, coordinating with the group to ensure that the meetings would be well attended by the targeted participants. The meetings focused on introducing the USAID units that are currently providing services in the areas of education, health, economic growth, environment and energy in the country and that will provide future assistance to the city. At the end of the meetings, the

participants identified the development needs of the city CDI could assist the city in. All key officials the mission met committed support to the CDI project, including the mayor who committed to sign a Memorandum of Understanding (MOU) with USAID on the implementation of the CDI in Iloilo City.

In preparation for the MOU signing between the CDI and Iloilo City government on the CDI, INVEST coordinated with USAID, the Iloilo Business Club (IBC) and the Iloilo City Mayor's Office and ensured the smooth and successful launching of the event. The launching of the CDI Program was held on March 2, 2012 at Hotel del Rio. US Deputy Chief of Mission Leslie A. Basset and USAID/Philippines Mission Director Gloria Steele signed the MOU with the Iloilo City Government led by Mayor Jed Mabilog before Senator Franklin Drilon, Congressman Jerry Trenas, and more than 40 representatives of the private sector, academe, the Iloilo City government, and civil society groups. INVEST also assisted USAID in holding a press conference. Throughout the event, INVEST was able to introduce itself and establish initial working relationships with the city officials, business group leaders, academic heads, and NGA officials.

c. *Conduct of the INVEST Orientation Workshop*

INVEST further firmed up the initial partnerships it forged while providing logistical support to the launch of the CDI by formally launching the INVEST Project itself. On March 15, 2012, it was formally introduced to key partners during a one-day Orientation Workshop during which city officials, representatives of the business sector, and officials from the regional offices of NGAs were briefed on the objectives, strategies, and activities of the Project, as well as the assistance it can provide the city. The workshop also sought insights and recommendations from the participants on how to move the Project forward. Fifty people attended the event. Mayor Jed Mabilog gave his full support to INVEST, seeing it as a vehicle toward increased economic growth and promotion of the city. (Pls. refer to the Annex for more details on the workshop.)

d. *Advocacy for the Organization of the CIP-TWG*

After its formal launching, the Project advocated the setting up of the institutional support it would need to effectively engage the city. It proposed the creation of a technical working group to be composed of heads or representatives of the departments and other units of the city government that is concerned with the processing of applications for business licenses and permits. Some of the more important functions of this group are to: (1) identify the reform areas in business permitting and investment planning and promotion; (2) formulate an action plan to address inefficiencies in such areas; (3) coordinate the implementation of the action plan; (4) monitor the progress of plan implementation; and (5) serve as a vital venue for the meaningful participation of all stakeholders.

e. *Advocacy for the Designation of the LEIPO*

More than a year had passed after Memorandum Circular 2010-113 was issued by the DILG and yet Iloilo City had not officially appointed a Local Economic and Investment promotions Officer (LEIPO). The LEIPO is a vital partner of INVEST, especially for its Component 2, and thus the locus of Project efforts to strengthen the capacity of the partner city in investment generation and promotion. Because of the importance of this officer to the competitiveness of Iloilo City as an investment destination, the Project launched an intensive advocacy campaign for the city mayor to designate a qualified member of the staff of the city government as the LEIPO.

2. Project Activities

a. Streamlining of Business Permits & Licensing System

i. Assessment of Business Permits and Licensing Procedures for Renewals

The failure of the competitive tender undertaken by the Project to mobilize a service provider for the assessment of business registration processes in Iloilo City made it necessary for PMO personnel, particularly the BPLS Specialist, DCOP and Project Officer, to conduct the assessment themselves. More specifically, they documented the business permits and licensing processes for business renewals, which involved process mapping, a time and motion study, process observation, and the collection of sample forms, with data being recorded through a diagnostic tool specially formulated by the Project. The PMO team also conducted exit interviews to determine the perceptions and attitudes of the registrants towards the services provided during the renewal period. The Project also formulated an exit interview questionnaire for the purpose.

The results of this assessment will serve as important inputs into the review that will be conducted by city officials on the city's BPLS which, in turn, will determine the course of action that the city would take to streamline the system and for which the Project will provide assistance. They also gave INVEST insights into the gaps that the study tour needs to address and thus guided the team in the selection of target study tour areas for BPLS.

ii. Assessment of the State of BPLS Automation in Iloilo City

The Project assessed the state of BPLS Automation in Iloilo City to determine options on how the BPLS can be better streamlined through automation. Among the areas that were assessed were the state of automation of the system, the capacity of the IT units of the city government, and the viability of adopting in Iloilo City the most common IT solutions applied by other Philippine LGUs and by one Southeast Asian regional best practice. The IT consultant's key informants were the IT personnel of the city government, the CPDO and his staff, a representative of the Bureau of Fire, a representative of the National Economic Research and Assistance Center (NERBAC) in Region 6, and the DTI Provincial Director and his staff.

The results of this assessment will serve as inputs to the review that city officials will conduct on the city's own processes and procedures in business registration and on the state of the automation of the city's BPLS. These also gave INVEST insights on the gaps that the study tour needs to address and thus guided it in the selection of possible study tour destinations.

b. Enhancing Investment Planning and Promotion

i. Assessment of Planning Documents

During the quarter, the Project also assessed the planning documents and processes in Iloilo City. Using the framework and set of tools for analysis that were common for all partner cities, the City Program Adviser analyzed about 13 planning and budgeting documents.

Key informant interviews were also conducted to get additional information and to have a better understanding of the planning processes that accompanied the development of these plans. Additional sources of information for the analysis included the presentation of the Assistant Regional Director of NEDA Region VI during the INVEST Orientation Workshop and the regular meeting of the Metro Iloilo-Guimaras Economic Development Council, and documents and records at the City Accounting Office, and Commission on Population.

The results of the assessment reveal that the planning documents (development plans, investment programs and budget) of Iloilo City are internally consistent as individual documents, and are consistent with each other in terms of development directions and goals. Further, these planning documents are supportive of and consistent with higher level plans (provincial, regional and national) and other sectoral plans. Despite these, there are areas where improvements could be introduced such as in the areas of project prioritization and programming, internal coordination among departments and units within the city government to synchronize development activities, and alternative modes for fund sourcing for project implementation.

ii. Training Needs Assessment of LEIPOs

INVEST will be implementing capacity building measures for the LEIPO and a training needs assessment (TNA) is crucial in designing such interventions. A TNA was conducted in March 2012 when there was no officially designated LEIPO. At that time, both Mr. Felix Tiu and Mr. Francis Cruz were acting as external and Internal LEIPOs and were thus the subjects of the TNA.

c. ***Mobilizing Partnerships***

To mobilize enough support among stakeholders for the Project, a series of meetings with key partners was held during the period. Consultations were held with the Iloilo City Trade and Investments Promotion Board (ICTIPB) and Iloilo Business Club (IBC) before and after the CDI and INVEST project launch and an initial working partnership was established with these important groups. Future activities involving these sector representatives are expected in the next quarter. The Project also established linkages with other foreign-assisted projects in the city, in particular, the LGSP-LED, and the academe, among which are the faculty of the Central Philippines University.

D. Cagayan de Oro

1. Start-up Activities

a. ***Introduction of the INVEST Staffs to CDO City Officials***

As a follow-up to the letter of USAID Mission Director Gloria Steele to Mayor Emano on January 9, 2012, the project team joined USAID officials in meeting city officials to request for assistance in conducting the assessment of business renewal activities in January even if the project has not been formally launched in the city. The INVEST officials also organized meetings with the key officials of the Oro Chamber and Promote CDO to gain insights on the issues that can be

addressed by the Project. The meetings provided the group with initial insights on the investment-related issues of the City.

b. *Conduct of the Coordination Meeting*

Similar to Batangas City where CDI still has to be formally launched, the INVEST team also organized a low-key coordination meeting with key department heads of the Cagayan de Oro city government on February 22, 2012. Chaired by the DTI Provincial Director, the meeting: (a) introduced the project to key stakeholders; (b) solicited their participation and support to project activities; (c) discussed the legal procedures and mechanisms to implement the project. Representatives from the two biggest business groups in the city also attended the meeting. (Pls. refer to the Annex for more details on this event.)

c. *Support to the USAID Mission on the CDI Launching*

The project also assisted USAID in holding a meeting with the city government as represented by the mayor and with representatives from national government agencies. The meetings were held on March 22 and were part of the meeting series conducted by the USAID with different stakeholders in Cagayan de Oro in preparation for the cities development initiative (CDI) that USAID will launch in June in partnership with the city.

d. *Advocacy for the Setting-Up of the INVEST Committee*

The INVEST Team assisted the city government in the crafting of an executive order for the creation of interagency committee for the implementation of the project. The interagency committee is envisioned to ensure the participation of all stakeholders most particularly the private sector groups.

2. Project Activities

a. *Streamlining of Business Permits & Licensing System*

The INVEST Team conduct an assessment of the BPLS during the business renewal period in January 2012.

b. *Enhancing Investment Planning and Promotion*

The INVEST Team conducted 3 sets of studies in Cagayan de Oro City, as follows: (a) assessment of planning documents and processes; (b) assessment of LEIPOs; and (c) study of financing gaps for SMEs in Cagayan de Oro City.

c. *Mobilizing Partnerships*

Since the Project was informed of the choice of Cagayan de Oro as one of the recipients of USAID assistance, meetings have been organized with the business chambers and the regional line agencies such as the DTI to gather insights on the priority areas which the project can focus on. The smooth conduct of initial activities such as the mounting of

meetings with city officials, and representatives of private sectors would not be possible without the project's partnership with DTI. They facilitated the meetings of USAID as well as the project consultants who did the financing gap study for the project.

INVEST SUCCESES

Cagayan de Oro City Welcomes Continued USAID Assistance through INVEST

23 February 2012. Local government officials, regional and provincial officials of national government agencies, the business community, and civil society organizations in Cagayan de Oro City welcomed recently the decision of the United States Agency for International Development (USAID) to continue its assistance to the city's efforts at achieving competitiveness as a destination for investments. This sentiment was widely expressed during a coordination meeting held yesterday to introduce the Investment Enabling Environment (INVEST) Project and to discuss and agree with the participants the initial activities of the project in the city.

USAID assistance to Cagayan de Oro City's efforts to create an investment-friendly environment started with the implementation of the Local Implementation of National Competitiveness for Economic Growth (LINC-EG) Project in 2009-2011. It now continues with the INVEST Project which seeks to help the country attract more investments by helping the cities of Batangas, Iloilo, and Cagayan de Oro lower transaction costs and reduce the cost of doing business within their jurisdictions, and increase their competitiveness. The increased inflow of investments is vital in enabling the Philippines to attain progressive, sustainable, and inclusive growth. INVEST is a 2-year project under the Cities Development Initiative of USAID.



Participants in the Orientation Workshop listen intently to the presentation on the INVEST Project.

Among the start-up activities agreed upon during the workshop were the updating of the Department of Trade and Industry compendium of business permit and licensing processes by industries, the compilation of profiles of industries and sectors of economic importance to the city and the distribution of these to potential investors when warranted, and the implementation of capacity-building measures on investment facilitation. To support the INVEST Project, the workshop participants agreed to institutionalization of the same institutional structure that supported the LINC-EG Project, that is, the creation of both a Management Committee which shall oversee and provide policy guidance to the implementation by the city of INVEST-supported projects, and a Technical Working Group that shall be charged with the actual implementation of such project.

Reform Areas in BPLS and Investment Promotion in INVEST Partner Cities Identified; Bases for Technical Assistance Laid

16 March, 2012. Technical assistance to the partner cities of the Investment Enabling Environment (INVEST) Project now has a firmer basis with the recent completion of the assessment of the cities' business registration processes and planning documents and processes. Project interventions will therefore be more relevant and responsive to the needs of the cities.

The assessments revealed that the business permits and licensing systems (BPLS) in the partner cities incorporates some of the best practices done by others or in the past. However, the systems need further streamlining to comply with the national standards in the number of steps required to secure business permits, and to meet best practice standards in the length of processing time and number of signatories. There is also a need to address the extent of 'backroom' processing in the cities and the requirement of multiple copies of the same documents and clearances in every office.



Applicants for renewal of business permits in Iloilo City being interviewed about their experience with the city's BPLS.

Meanwhile, the planning documents of Batangas and Iloilo cities were found to be generally internally consistent as individual documents, and are consistent with each other in terms of development directions and goals. These planning documents were also found to be supportive of, and consistent with, higher level plans (provincial, regional and national) and other sectoral plans. Despite these, there are areas where improvements could be introduced such as in the areas of project prioritization and programming, internal coordination among departments and units within the city government to synchronize development activities, and alternative modes for fund sourcing for project implementation.

The assessments of the BPLS and planning documents and processes in the three INVEST partner cities were conducted during the period 15 January to 15 March, 2012.

Iloilo City Mayor and Business Sector Vows Stronger Public-Private Cooperation, Commits Support for INVEST

March 16, 2012. Iloilo City Mayor Jed Mabilog and business leaders committed yesterday to strengthen cooperation among themselves and vowed full support to the Investment Enabling Environment (INVEST) Project of the United States Agency for International Development (USAID). In the Orientation Workshop held to introduce the project, the mayor promised stronger public-private sector partnership in the governance of the city, especially in economic matters and in the delivery of social services. Meanwhile, business leaders, led by Felix Tiu, Chairman of the Iloilo City Trade and Investment Promotions Board, committed to participate fully. Both local government officials and business leaders vowed to support INVEST in its efforts to help the city become more competitive as an investment destination.

INVEST is a two-year project of USAID under its Cities Development Initiative (CDI). It seeks to help the Philippines attract more investments and thus achieve progressive, sustainable, and inclusive development. More specifically, it helps its three partner cities Iloilo, Batangas, and Cagayan de Oro to lower transaction costs and reduce the cost of doing business within their respective jurisdictions, and increase their competitiveness. The orientation workshop is the first of several steps it will take to ascertain the nature of its assistance to Batangas City.



Mayor Jed Mabilog (seated, center) and INVEST Project Chief of Party Ofie Templo (seated, 1st from right) with the participants in the Orientation Workshop

The workshop also sought insights from its participants on how the INVEST Project is to move forward in Batangas City. Among the measures suggested to improve the business permitting processes in the city are the conduct of an annual audit of the processes and the installation of a monitoring and evaluation system for the purpose, automation of the process, the linking of the city to the Philippine Business Registry, and human resource development. The participants also identified the imperatives for increasing investment inflows into the city. These reforms include improving the peace and order situation in the city, providing better infrastructure, lowering power costs, improving and expanding incentives, and improving investment promotions.

The participants to the workshop also identified the investment areas with the highest potential in the city. These areas are manufacturing and processing enterprises, export oriented industries, tourism related industries, utility services, information and communication technology enterprises, agro-fishery, social services, commercial and industrial enterprises and solid wastes enterprises.

Batangas City Business Groups to Organize for the First Time to Support INVEST



USAID Program Economist Thomas Rojas, INVEST Chief of Party Ofelia Templo, and INVEST Investment Strategies Nicasio Agustin (1st to 3rd from left), respectively) brief representatives of private sector groups in Batangas City on the INVEST Project

March 30, 2012. For the first time, business groups in Batangas City will organize into one group. Motivating this move are the reform initiatives being pushed by the Investment Enabling Environment (INVEST) Project. In a meeting with United States Agency for International Development (USAID) and INVEST officials, representatives from 13 business organizations expressed the desire to participate meaningfully in the said reforms. The meeting, the INVEST Orientation Meeting with the Private Sector in Batangas City, was held on March 28, 2012 in Batangas City.

INVEST, which aims to help the country attract more investments, is a project of USAID under its Cities

Development Initiative Program. It assists three partner cities, namely, Batangas, Iloilo, and Cagayan de Oro, to: (1) lower their transaction costs and reduce the cost of doing business in them and (2) increase their competitiveness as investment destinations.

Among the actions planned by the Batangas City business groups were the conduct of consultations with other business groups in the city; the formulation of protocols for the organization of a chamber, federation or a similar entity to represent all businessmen in the city; and the actual formation of such a group. The business group representatives also agreed that once it is organized, the group seeks recognition as a private sector representative in structures and activities of the city government where private sector participation is required. Finally, the representatives sought for a tripartite meeting among the business sector, the city government, and INVEST officials to better coordinate the mobilization of private sector support for the Project's reform initiatives.

Conducting the orientation of the business sector during the meeting were USAID Program Economist Thomas Rojas, and INVEST Project officials led by INVEST Chief of Party Ofelia Templo.