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Report on the Assistance Provided by the Project to Relevant Inter- Agency Committees of the National Government

Investment Enabling Environment (INVEST) Project

Submitted to:

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LIST OF ACRONYMS

ARTA	Anti-Red Tape Act
BPLS	Business Permit and Licensing Systems
CDI	Cities Development Initiative
COMPETE	Advancing Philippine Competitiveness Project
COR	Contracting Officer's Representative
DILG	Department of the Interior and Local Government
DOST	Department of Science and Technology
DTI	Department of Trade and Industry
FSIC	Fire Safety Inspection Certificate
HLTRD	High-Level Roundtable Discussion
ICTO	Information and Communication Technology Office
IFC	International Finance Corporation
INVEST	Investment Enabling Environment Project
JDAO	Joint Administrative Department Order
LGA	Local Government Academy
LGU	Local Government Unit
LIIC	Local Investment Incentives Code
LIR	Local Investment Reforms
LOE	Level of Effort
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
NCC	National Competitiveness Council
NGA	National Government Agency
OIDCI	Orient Integrated Development Consultants, Inc.
PBR	Philippine Business Registry
PDF	Philippine Development Forum
SWG-LIR	Sub-Working Group on Local Investment Reforms
STTA	Short-Term Technical Assistance
TWG-eBPLS	Technical Working Group on BPLS Automation
USAID	United States Agency for International Development
WG-GIC	Working Group on Growth and Investment Climate

I. INTRODUCTION

The Investment Enabling Environment (INVEST) started as a two-year initiative to improve the business enabling environment and the competitiveness of Philippine cities to attract investments. The Project was awarded by USAID to the Orient Integrated Development Consultants, Inc. (OIDCI) on September 30, 2011 and was launched on November 3, 2011. On April 10, 2013, USAID extended the Project to another year through a Preliminary Notice of Intent to Exercise of Option.

INVEST has two key reform components: (1) streamlining business registration processes and lowering the business transaction costs of compliance with rules and regulations; and (2) improving investment planning and promotion in partner cities. The Project has three partner cities: Batangas in Luzon, Iloilo in the Visayas, and Cagayan de Oro in Mindanao.

The Project also undertakes activities that fall under cross-cutting concerns, i.e., support activities to improve the competitiveness of partner cities, and provision of assistance to USAID on CDI related activities and relevant inter-agency committees of the national government. This is often considered as the third component of INVEST.

This report focuses on the assistance provided by the Project to inter-agency committees or bodies of the national government that have direct supervision on the implementation of reforms and initiatives at the city level in the areas of: (a) streamlining and automation of business permitting and licensing processes; (b) ensuring connectivity and functionality of the Philippine Business Registry (PBR) at both the national and local levels; and (c) instituting other relevant regulatory and policy reforms to establish an environment conducive to business and investment. For Year 2, the Project assisted the following inter-agency committees: (a) Working Group on Growth and Investment Climate (WG-GIC) under the Philippine Development Forum (PDF); (b) Business Permit and Licensing System (BPLS) Oversight Committee; (c) Sub-Working Group on Local Investment Reforms (SWG-LIR); (d) Technical Committee on the Philippine Business Registry (PBR) of the Department of Trade and Industry (DTI); and (e) Technical Working Group on BPLS Automation (TWG-eBPLS).

This report is in compliance to Output 3.1, Deliverable 3 (Provision of Support to the Government's Inter-agency Committees) under Component 3 (Cross-Cutting Concerns) of the Project, as contained in its Year 2 Work Plan approved in May 2012.

II. ASSISTANCE PROVIDED TO RELEVANT INTER-AGENCY COMMITTEES OF THE NATIONAL GOVERNMENT

For Year 2, the Project continued to provide technical support to the inter-agency committees responsible for instituting policies on investment and business-permitting reforms. In summary, its participation were in the following areas:

(1) *assistance to the secretariats of these committees in identifying agenda items for meetings.* This kind of assistance led to more focused, directional and productive discussions during meetings. Issues and concerns were thoroughly discussed leading to their resolution. Agreements and recommendations were generated and drawn up which eventually resulted to the achievement of intended results and desired outcomes;

(2) *sharing of knowledge products of the Project,* which served as guide for concerned agencies in instituting relevant policy and regulatory reforms at the local level.

(3) *provision of STTA Experts to assist concerned agencies in undertaking technical components of proposed undertakings.* This enabled the generation of concepts and ideas in addressing reform issues, as well as in implementing proposed solutions and interventions; and

(4) *participation and attendance to meetings.* This enabled the Project to provide advice, directions and technical inputs; hence, helping out the committees in the delivery of their mandated tasks.

The summary of the meetings participated in by the Project are given in Table 1 below.

**Table 1. Summary of Meetings of Inter-Agency Committees Supported by INVEST
In Year 2**

Title of the Meeting	Date	Participants		
		Male	Female	Total
<i>Working Group on Growth and Investment Climate (WG-GIC)</i>				
2 nd WG-GIC Meeting 201	December 7, 2012	19	14	34
<i>Sub-Working Group on Local Investment Reforms (SWG-LIR)</i>				
3 rd Meeting of the SWG-LIR	October 22, 2012	13	13	26
4 th Meeting of the SWG-LIR	June 10, 2013	11	16	27
<i>BPLS Oversight Committee</i>				
6 th BPLS Oversight Committee Meeting	October 22, 2012	14	15	29
7 th BPLS Oversight Committee Meeting	June 10, 2013	12	17	29

Title of the Meeting	Date	Participants		
		Male	Female	Total
<i>Technical Working Group on eBPLS</i>				
TWG Meeting	November 16, 2012	2	5	7
Meeting No. 1	July 8, 2013	3	7	10
Meeting No. 2	July 19, 2013	3	9	12
Meeting No. 3	July 30, 2013	4	7	11
Meeting No. 4	September 4, 2013	2	5	7

For this year, there were significant strides achieved in these committees, which can be attributed to the Project. These achievements, which are explained in greater detail below, led to (1) the formulation of a data collection system that strengthened local data collection for competitiveness; (2) improvement in the regulatory environment for business permitting thru the promotion of automation of local processing of business permits and the development of the vision for the next generation PBR; (3) addressing the gap that led to the inconsistency between national laws and local regulations thru the preparation of the development of the LIIC template and compendium of incentives provided in national laws.

The specific Project interventions in the different committees are described below.

A. Working Group on Growth and Investment Climate (WG-GIC) under the Philippine Development Forum (PDF)

In Year 2, the Project continued to assist DTI in managing the WG-GIC. The working group met on December 7, 2012 where the main agenda was the status of BPLS streamlining in local government units (LGUs) and the planning for the generation of the working group's inputs to the PDF. As part of the preparations for the PDF in February 2013, the project was responsible for suggesting the following three themes to improve the country's competitiveness and attain inclusive growth.

1. Reducing transaction costs in doing business;
2. Improving sector competitiveness; and
3. Removing impediments to the inflow of investments, especially, investment that is socially inclusive and environmentally friendly.

These themes were presented and favorably accepted during the 2013 PDF held in Davao City on February 4-5, 2013. After the PDF, the Project provided assistance to DTI in formulating the concept paper for the conduct of a workshop, which would formulate the agenda of the WG-GIC for 2013-2015, based on the direction set in the PDF. A meeting among the co-conveners, DTI and the International Finance Corporation (IFC), with USAID, was organized to discuss the concept for the proposed work planning workshop of WG-GIC set on May 3, 2013. During this meeting, it was agreed that a two-part workshop will be conducted. The first workshop that will initially formulate the work plan around the abovementioned three themes, will be supported by USAID thru its various programs, e.g. INVEST, COMPETE. The second workshop to be funded by the IFC will validate the work plan, which will be formulated in the first workshop. The two

workshops, however, had to be postponed until after the implementation of the rationalization plan at DTI tentatively scheduled in July 2013. Since then, the working group has not been convened following changes in assignments of key officials of the agency.

B. Business Permit and Licensing System (BPLS) Oversight Committee (BOC)

The BOC, which was created on August 6, 2011 through DTI-DILG Joint Administrative Department Order (JDAO) No. 1, series of 2010, was envisioned “to provide policy direction in the nationwide up scaling of the BPLS reforms.” Co-chaired by two undersecretaries of DTI and DILG, the committee has been the clearinghouse of reforms related to business permitting.

The Project assisted DTI, which acts as the secretariat to the BOC, in mounting two meetings during the year - the 6th meeting held on October 22, 2012 and the 7th meeting on June 10, 2013. Specifically, the contribution of the Project was in the formulation of the agenda, presentation of project recommendations and in the preparation of discussion guides for the Committee chairpersons.

Three of the five agenda items presented during the 6th BOC meeting were provided by the Project. These included: (1) the BPLS Communications Plan; (2) results of the Forum on BPLS Automation which adopted the theme “Moving Forward: From BPLS Streamlining to Automation *Sustaining Partnerships for BPLS Reforms*”; and (3) Study on Inspection Fees. The BPLS Communication Plan, which was presented by the Local Government Academy (LGA), was based on a USAID-commissioned study conducted by the Local Implementation of National Competitiveness for Economic Growth (LINC-EG) in 2011 aimed at addressing the need to disseminate the BPLS reforms to a wider LGU audience.. The second agenda item reported the results of the forum, which launched the BPLS Automation Project through a Memorandum of Agreement (MOA) among DTI, DILG and the Department of Science and Technology (DOST). The forum was also the opportunity to turn over knowledge products on BPLS automation produced by USAID thru the LINC-EG project. The third agenda item was a presentation of the INVEST study that examined the inspection fees imposed by LGUs.

The discussions in October 2012 led to three instructions with important policy implications. The first involves the streamlining of permitting procedures of the Social Security System (SSS) that led to the signing of a Memorandum of Agreement (MOA) between SSS and DILG, a reform that the Project initiated thru a meeting organized by the Project for DILG and the President of SSS in November 2012. The second agreement of the meeting was the formulation of a Memorandum Circular (MC) on inspections that would incorporate the findings of the INVEST recommendations on inspection fees and USAID’s *Guide on Setting a Business-Friendly Inspection System* (refer to Annex 1 for the copy). The third important action of the committee was the preparation of a directive that would promote BPLS automation, including the use of the knowledge products developed by USAID on the topic. A draft memorandum circular was prepared by the Project, which has been discussed at the TWG on eBPLS (Annex 2).

The 7th BOC Meeting again included agenda items from the Project’s activities. These included:(1) the results of the Survey on e-Readiness of LGUs which was presented by the DOST; (2) the INVEST lessons learned from technical assistance to the three cities supported by USAID’s Cities Development Initiative (CDI); and (3) lessons learned from INVEST’s International Study Tour in Singapore and Malaysia.

INVEST supported the DOST in designing the e-Readiness Survey that was conducted in July 2011. In addition, the Project also provided technical advice to DOST in formulating an e-readiness index that was used as basis for ranking 54 cities and 222 municipalities according to their level of computerization. This ranking would be the basis of DILG for determining which LGUs will be provided training on BPLS automation. The initial results of the ranking were presented to the committee for comments (refer to Annex 3)..

The 7th BOC meeting was an opportunity to share the experiences of the Project in two of its major activities – the BPLS streamlining in three cities and the study tour. The presentation materials on these two agenda items are provided in Annexes 4 and 5.

C. Technical Working Group on BPLS Automation (TWG-eBPLS)

Since the Project played a key role in the signing of a MOA that launched the BPLS Automation Project in July 2012, it organized a meeting of senior officials from the Information and Communication Technology Office (ICTO) of the Department of Science and Technology (DOST), the DILG and DTI to re-activate the TWG-eBPLS held on May 6, 2013, the meeting agreed that: (1) concerned agencies will assign permanent representatives to the TWG; (2) the web-based BPLS program will be promoted to LGUs; (3) the USAID-sponsored Guidebook on BPLS Automation and Baseline Design will be circularized; (4) the e-readiness survey will be conducted nationwide; and (5) training on BPLS automation will be given to LGUs.

Following this agreement, the organizational meeting of the TWG- eBPLS was held on July 8, 2013. There were three meetings held since then.

In addition to the assistance provided by the Project in mounting these meetings, it also assisted the DOST,, which acts as the committee secretariat, in the analysis of the BPLS e-readiness survey and formulation of the criteria for ranking LGUs according to their readiness to automate. Two meetings with DOST staff were convened by INVEST on May 30 and June 5, 2013 to review the survey results, which were presented to the BPLS Oversight Committee on June 10, 2013.

The Project likewise provided assistance in the preparation of the TWG work plan, the revision of the e-readiness survey questionnaire to be conducted in 2013 nationwide by DILG and DOST (refer to Annex 5) and the drafting of a Joint Memorandum Circular (JMC) to promote the use of computerization in business processing (Annex 1). The JMC is currently being commented on by the oversight agencies.

D. Sub-Working Group on Local Investment Reforms (SWG-LIR)

The Project assisted in organizing two meetings of the SWG-LIR in Year 2 – the 3rd meeting held on October 22, 2012 and the 4th meeting on June 10, 2013. During the 3rd meeting, the Project contributed two out of the five agenda items, to wit: (1) the Study on “Consistency Between National Laws and Local Regulations”; and (2) the draft study on “Developing a Framework for Local Economic Development and Competitiveness Indicators.” On the first agenda item, the meeting requested the Project to prepare a template for formulating the Local Investment Incentives Code. To comply with this request, additional LOE was requested and approved by USAID for the preparation of the template, which was presented in the 4th meeting of the LIR (described below).

The framework for assessing competitiveness was approved during the meeting. After this presentation of the INVEST study, the National Competitiveness Council (NCC) in November 2012 decided to adopt the proposed framework for competitiveness nationally and to use the corresponding indicator system as basis for collecting local data by the 15 Regional Competitiveness Councils (including the National Capital Region). Competitiveness indices were computed for 285 local government units (LGUs) consisting of 122 cities and 163 municipalities (mostly capital towns) and later used for ranking the sample LGUs. The results of the ranking were presented to the public in July 2013.

The 4th meeting of the SWG-LIR was basically a follow-thru to the 3rd meeting of the committee. Three out of the four agenda items in the meeting were provided by the Project : (1) the proposed template of the Local Investment Incentives Code (LIIC); (2) the final framework for assessing local economic and competitiveness; and (3) lessons learned from the INVEST experience in promoting investment planning and promotion at the local level. On the first agenda item, the LIIC template was adopted by the DILG and rolled out to its regional offices on September 19, 2013.

Technical support was also extended to the COR who sits in the committee as one of the Co-Conveners representing the development partners. Through the presentations, the Project shared its experiences that may be useful for DILG and other national government agencies in preparing policies and interventions supportive of local investment reforms.

E. Technical Committee on the Philippine Business Registry (PBR) of the Department of Trade and Industry (DTI)

In response to the request of the DTI Secretary, the Project deployed a consultant – an STTA expert - to assist DTI in: (1) preparing a roadmap for PBR; (2) organizing a high-level visioning workshop on the medium-term PBR architecture; (3) streamlining the PBR organization; and (4) preparing an advocacy program for PBR. For the first quarter of Year 2, the consultant started the assessment of the PBR leading to the formulation of a roadmap, in coordination with the technical consultants of DTI on the PBR.

Throughout the second Year, the Project focused on assisting DTI in accelerating the implementation of the PBR. A key accomplishment for Year 2 is the organization of a High-Level Roundtable Discussion (HLTRD) on March 18, 2013, which was attended by the heads of six partner agencies of the DTI who defined the vision for the next-generation PBR. Prior to this, a preparatory meeting of PBR partner agencies was held on February 22, 2013 to get the consensus of relevant technical staff on the PBR technical infrastructure, a draft Memorandum of Understanding (MOU) and Executive Order re-defining the institutional responsibilities for the implementation of the PBR, as well as a draft PBR roadmap, all of which were prepared with assistance from the Project.

After the HLTRD, a PBR TWG workshop was conducted on May 28-29, 2013 to operationalize the vision of the next generation PBR and formulate plans for its implementation. The outputs of the workshop were incorporated in the PBR roadmap, which the STTA commissioned by the Project, had developed for DTI.

III. IMPACT OF THE ASSISTANCE PROVIDED

In the process of providing technical assistance to the inter-agency committees, the following lessons were learned by the Project.

- (1) *The Committees are important venues for policy reform.* The committees were purposely organized to vent issues pertaining to sector topics and to find solutions that will promote development. The committees, with high-level chairmanship from the agencies, have the potential of moving forward needed reforms. As witnessed by the Project, the studies it produced were utilized by the agencies once these were made aware of their value through the inter-agency committees mentioned above.
- (2) *Secretariat support is a critical to managing committees.* The Project was handholding some of the agencies as they performed secretariat functions to the committees. While the usual logistical requirements of organizing committee meetings can be ably executed by the agencies, the technical inputs to committee meetings, which should be provided by the secretariat, have been enhanced by the Project. Policy recommendations that need to be validated and endorsed by the committees usually emanate from the secretariat, including the legal instruments to implement the policies. The Project, thru its participation in the planning of committee meetings, was able to assist the partner agencies in addressing the technical requirements of the committees.
- (3) *Strong committee leadership determines the "life" of the Committee.* While good secretariat support will result in the efficient management of a committee, it is the leadership or chairmanship that provides direction in the discussions and shapes the agreements in any committee. Based on the experience of the Project, it is important to find a reform-minded chairperson that will have the time, patience and dedication to attend meetings and provide direction to the secretariat and the committee in general.
- (4) *Development partners are catalysts for reforms.* The activities of development partners are purposely designed to support government policy-making. Some of the Project's studies and activities in Year 2 led to reforms that would not have been possible without the Project. These knowledge products were made available at the time that government needed them, e.g., competitiveness indicators, LIIC template. Hence, development partners like USAID are important catalysts in promoting reforms in the Philippines.

Annex 1. JOINT MEMORANDUM CIRCULAR ON INSPECTIONS

DRAFT (v2;08.29.13)
REPUBLIC OF THE PHILIPPINES

Joint Memorandum Circular No. __, Series of 2013
— _____ **2013**

TO: THE REGIONAL AND PROVINCIAL DIRECTORS OF THE DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT AND THE DEPARTMENT OF TRADE AND INDUSTRY, THE BUREAU OF FIRE PROTECTION, THE BUREAU OF LOCAL GOVERNMENT FINANCE, AND MEMBERS OF THE SANGGUNIANG PANLUNGSOD AND SANGGUNIANG BAYAN

SUBJECT: GUIDELINES FOR IMPLEMENTING A BUSINESS-FRIENDLY INSPECTION SYSTEM IN ALL CITIES AND MUNICIPALITIES

1.0 Purpose

- 1.1 To provide the guidelines for conducting business-friendly local inspections in the Philippines that will complement the service standards for processing business permits in cities and municipalities set in the DTI-DILG Joint Memorandum Circular No. 01, series of 2010 issued on August 6, 2010;
- 1.2 To clarify the roles and responsibilities of the Department of the Interior and Local Government (DILG), the Department of Trade and Industry (DTI), the Bureau of Local Government Finance (BLGF), the Bureau of Fire Protection (BFP) and the various cities and municipalities in the country in ensuring the implementation of business inspection reforms.

2.0 Statement of Policies

- 2.1 The conduct of inspections is mandated under Section 16 of the Local Government Code of 1991 to ensure compliance with rules and regulations that were formulated to promote and protect public welfare. It is an integral part of the business permitting process, which is currently being streamlined by the government in order to reduce cost of doing business in the country.
- 2.2 Pursuant to Republic Act No. 9485 otherwise known as the Anti-Red Tape Act (ARTA) of 2007 (ARTA), all government instrumentalities and local government units are mandated to provide efficient delivery of services to the public by reducing bureaucratic red tape and preventing graft and corruption, and providing penalties thereof. The ARTA, which provides the legal basis for re-engineering the current business processing systems at the local level, sets benchmarks for processing simple and complex transactions which are applicable to the conduct of business inspections.

- 2.3 While inspections are necessary for the protection of public welfare, their conduct should be as business-friendly as possible, i.e the concerned LGUs should ensure that the inspection processes that are adopted are effective, efficient, fair and transparent, with the minimum disruption of business operations. The DILG, in partnership with the DTI, has prepared the ***BPLS Inspections Guide: Conducting Business-Friendly Local Inspections in the Philippines***, which can be used by cities, municipalities and the BFP in streamlining and designing a business-friendly inspection system.
- 2.4 The regulatory burden of conducting business inspections should be minimized to the extent possible. Inspection fees are imposed to recover the cost of conducting inspections and should not be used as instruments to raise revenues.

3.0 Best Practices for Effective Inspections

As part of the government initiative to make cities and municipalities more competitive, local governments and the BFP are enjoined to review their inspection processes and ensure that these conform to the following principles:

- 3.1 Clarity of Statutory/Regulatory Basis.** The conduct of the inspection must be prescribed and authorized by a national or local law, or both. Moreover, the inspection process must have clear policy objectives and a way to safeguard these objectives. Inspections that do not have legal basis tend to be arbitrary, thus, among other effects, create richer opportunities for corruption.
- 3.2 Prior Inspection Notice.** The applicant must be notified that a particular inspection is to be conducted on its premises and when such inspection is to be conducted. This notification will give the applicant the opportunity to get the assistance of the appropriate professional during the inspection so that technical clarifications can be understood and made and positive findings can be more readily corrected. It will also give the business owner the chance to arrange his/her schedule so s/he could be present during the inspection.
- 3.3 Qualified Inspectors.** Inspections should be conducted by qualified inspectors, in terms of education, training and background.
- 3.4 Formulation and Use of Professional Inspection Checklists.** The inspecting authority must create an inspection checklist that will be used during inspection. Checklists ensure that the parameters used during inspections are standardized, consistent and transparent, thus reducing discretion, which increases the opportunities for corruption. The minimum information that should be contained in the checklist are: (1) the name of the inspector and his/her position together with his/her signature; (2) the time and date of the inspection; and (3) an affirmative statement where the business owner or his authorized representative acknowledges the conduct of the inspection and the receipt of a copy of the inspection report and verifies that s/he has a clear understanding of any positive findings and the measures needed to comply.

3.5 Proper Procedures during Inspections. Inspections should be conducted as efficiently as possible. The following should be observed during inspections:

- (1) The conduct of inspection should be completed within a reasonable period of time without undue delay;
- (2) Except when justified, no more than two inspectors from the same inspectorate group should conduct the actual inspection;
- (3) Inspections should be conducted in the presence of business owner or the authorized representative of the business establishment, preferably a person knowledgeable about the subject of the inspection;
- (4) Inspectors should refrain from asking food, money or any favors from the representative of the business establishment;
- (5) A unified inspection checklist should be used and completed in the course of the inspection, including all positive findings, comments and recommended courses of action for their own reference and that of the business owner;
- (6) The checklist should record the reasons why a business establishment is or is not compliant with each criteria through an indicator system detailing the level of compliance;
- (7) Findings should be explained to the representative of the business establishment;
- (8) A copy of the completed checklist signed and dated by the inspector should be left with the business owner or authorized representative of the business establishment; and
- (9) The checklist should indicate the proposed timeframe for remedying a positive finding and when the business establishment can expect another inspection.

3.6 Prompt Notification of Results. The results of an inspection should be released at the soonest possible time. If there are no positive findings, the certificate, clearance or permit being applied for should be released the day after the inspection. If there is a violation, the applicant must be informed whether (a) the violation can be remedied, what needs to be done to remedy it, and within what period of time; (b) the violation cannot be remedied and that, consequently, the certificate, clearance or permit is not going to be issued; or (c) the violation will result in a fine or other penalties if not remedied.

If a dispute resolution mechanism to resolve disagreements on the outcome of the inspection exists in an LGU, this must be explained clearly and in detail in the notification of the inspection results. This mechanism should enable to applicant to appeal an adverse finding during the inspection.

3.7 Providing Mechanisms for Dispute Resolution. The LGU should be responsible for providing a simple and transparent procedure for disputing findings so that business owners do not view imposed penalties as arbitrary, unjust or unreasonable. There should be a venue for the appeals process, and ensure that disputes are resolved within a reasonable timeframe. The dispute resolution, ideally, should be codified in an inspection ordinance.

3.8 Elimination of Duplicative Inspections. LGUs should consider eliminating conducting inspections for certain types of inspections, such as the following:

- (1) **Commercial Building Inspections.** Building inspections may not longer be needed for individual establishments located in shared premises such as commercial buildings

and malls. The inspection requirements are already covered by the annual building inspection prescribed under the Building Code's Implementing Rules and Regulations.

- (2) Sanitation Inspection for Renewal.** The annual sanitation inspection of business premises may be dismissed as a prerequisite for business permit renewal in the case of businesses that are not subject to such inspection under the Sanitation Code. An initial sanitation permit, however, is still required for new businesses.
- (3) Inspections for Collection of Readily-Available Data.** Inspections may no longer be necessary if the data that can be provided by the inspection process is accessible. The ocular inspection for the issuance of locational clearance is one such activity. There are maps, such as google or the geographic information system, that can ascertain the location of a stated address. Relatedly, inspections usually undertaken by the Treasurer's offices and the Business Permits and Licensing Offices to ascertain the location and lines of activity of the applicant should be coordinated and integrated with those conducted by other departments of the city and/or municipality.
- (4) Zoning and Radial Distance.** Inspections for purposes of zoning and radial distance clearance may be eliminated completely, particularly in the following instances:
 - (a) When the business is clearly within the area authorized for such purpose based on the provision of the LGU's zoning ordinance and various zoning maps;
 - (b) Business permit renewal when there is no change in the address of the business establishment;
 - (c) The business permit sought is clearly within the declared purpose of the building, as may be apparent from the building permit and occupancy permits that were issued for the building; and
 - (d) The business permit applicant owns the building has just secured an occupancy permit not more than a year prior to the date of application for a business permit; and the business is consistent with the declared purpose or use of the building as indicated in the occupancy permit.

4.0 Rationalization of Inspection Fees

- 4.1 Set Reasonable Fees and Charges for Inspection Services.** A fee is defined under Section 131 of the Local Government Code as a "charge fixed by law or ordinance for the regulation or inspection or a business or activity." Section 147 of the Local Government Code provides the measure of reasonable fees which can be charged on businesses and occupations, i.e. "it is commensurate with the cost of regulation, inspection and licensing...." LGUs are therefore enjoined to set inspection fees based on the cost of rendering inspection services using a cost accounting framework. Annex 1 contains the guide for applying this framework in computing for inspection fees. The Bureau of Local Government Finance under the Department of Finance shall provide training programs for LGUs which would require assistance in reviewing their inspection fee schedules.
- 4.2. Repeal of Duplicative Fire Inspection Fees.** Some LGUs have ordinances that require the payment of fire inspection fees above and beyond those collected by the BFP. These ordinances should be repealed and that these personnel enforce other legal requirement based on a legal basis or authority other than the Fire Code.

4.3 Disambiguation of Similar Fees. The simultaneous imposition of closely related fees, particularly those that are not readily distinguishable on the basis of their names, such as “Environmental Protection/Supervision Fee” and “Environmental Protection Office Accreditation Fee” as well as “Sanitation Inspection Fee” and “Sanitation Permit Fee,” should be avoided.

4.4. Proper Application of Fees. LGUs and the BFP should not charge inspection fees for inspections that are not conducted. LGUs should review ordinances that categorically prescribe inspection fees and ensure that inspections are conducted.

5.0 Timing of Inspections

5.1 Synchronizing inspections conducted during building and occupancy permit phases, the business registration phase and annual inspections. LGUs are enjoined to review the objectives and scope of inspection to be conducted in the three phases stated above by differentiating between asset-specific and operations-specific assessments. The former focuses on determining whether an asset, such as a building, is compliant with technical standards and specifications prescribed in the Building Code, among others. Operations-specific assessments ensure that the applicable safety, health or environmental standards are followed by the applicant as it operates its business. Hence, applicants should not be made to undergo inspection for zoning, environment, health and sanitation during the business registration phase if the applicant has already been subjected to and passed the inspection conducted during the phase for securing occupancy permits.

5.2 Streamlined Procedure for the Fire Safety Inspection Certificate (FSIC). FSIC issued on newly constructed, reconstructed and/or renovated building or structure to support the grant of an Occupancy Permit can be used as basis for the issuance of new FSIC for Business Permit upon payment of applicable fire code fees, provided all the following requirements are met, to wit:

- (1) The applicant shall submit the documentary requirements specified in section 9.0.4.2 of the IRR of the amended Fire Code, as follows: (a) application for New Business Permit/Endorsement from the Business Permit Licensing Office (BPLO); (b) assessment of Business Permit/Tax Bill for Business Permit; (c) copy of Fire Insurance Policy, if any; (d) copy of the Fire Inspection Certificate for Occupancy Permit issued within six (6) months of application for new business permits;
- (2) FSIC for occupancy permit can only be used by the person who was issued the same, provided that the application for FSIC for Business Permit shall be made within six (6) months from the issuance of the FCIS for Occupancy Permit.

However, the issuance of the said new FSIC will not in any way prevent or diminish the authority of the City or Municipal Fire Marshalls concerned to conduct fire safety inspection to the building or structure where the business is being conducted,

simultaneously or anytime thereafter as may be deemed necessary. Any violation found in the conduct of said inspection shall cause the issuance of Notice to Comply (NTC) and/or Notice to Correct Violation (NTVC) and non-compliance thereof may cause the subsequent cancellation of the FSIC issued.

5.3 Automating the Inspection System

Consistent with government initiative to automate the business permitting system in the Philippines, LGUs are encouraged to integrate the automation of the inspection system with the business permit and licensing system (BPLS), specifically the following aspects: (1) development of a building and occupancy database; (2) computerization of past inspections results; and (3) use of a GIS and other digital maps and searchable text files for zoning clearance purposes.

6.0 Roles and Responsibilities

6.1 Local Government Units (Cities and Municipalities)

- (1) The LGUs, represented by the Local Chief Executive/Mayor, together with the *Sanggunian*, are enjoined to undertake the following:
 - (a) organize Technical Working Groups (TWGs) to oversee the setting up of business-friendly inspection systems in their locality following the **BPLS Inspection Guide**;
 - (b) review local inspection fees and ensure that these reflect the cost of rendering the service by using the cost accounting framework being promoted by the BLGF;
 - (c) ensure that the automation of business permits and licensing system include the inspection processes and the departments involved in the process;
 - (d) ensure the preparation and implementation of the requisite order ordinances and directives relative to conducting business-friendly inspection systems; and
 - (e) allow the participation of LGU representatives in capacity building activities related to these guidelines that will be initiated by the DILG and DTI;
- (2) Provide the enabling environment for inspection reforms, namely, the formulation of an inspection ordinance that will implement these guidelines and other legal instrumentalities, provide the budget and logistical support necessary in instituting inspection standards to include, but not limited to, manpower, organization and activities of joint inspection teams (JIT) and conduct of information, education and communication campaigns (IEC).

6.2 Department of the Interior and Local Government

- (1) The DILG shall act as the overall coordinator for setting business-friendly local inspection systems nationwide following the **BPLS Inspections Guide** and the provisions of this circular in coordination with other agencies and among its regional, local government operations officers, bureaus and attached agencies.

- (2) DILG shall conceptualize and organize capacity building programs for concerned LGUs using the ***BPLS Guide for Inspection***.
- (3) The DILG, as Co-Convener of the Working Group on Decentralization and Local Government under the Philippine Development Forum, shall promote the inspection project and take responsibility in enjoining the development community to support the project.

6.3 Department of Trade and Industry

- (1) The DTI shall assist the DILG in promoting the setting up of business-friendly inspection system thru its regional and provincial offices, which have been providing technical support to LGUs in streamlining their business permitting procedures.
- (2) The DTI, as Co-Convener Of the Working Group on Growth and Investment Climate, under the Philippine Development Forum shall assist the DIILG in securing the support of the private sector and the development partners in promoting streamlined inspection systems at the local level.

6.4 Department of Finance (Bureau of Local Government Finance)

- (1) The BLGF shall provide LGUs with the guidelines for setting reasonable fees and charges for inspection services rendered by LGUs, in coordination with the city and municipal Treasurers' Offices.

7.0 Enforcement Clause

This Joint Memorandum Circular shall enforce all the provisions of Republic Act No. 9485 or Anti-Red Tape Act of 2007 and its Implementing Rules and Regulations.

8.0 Separability Clause

If any clause, sentence or provision of this Joint Memorandum Circular shall be invalid or unconstitutional, its remaining parts shall not be affected thereby.

9.0 Repealing Clause

All orders, rules and regulations inconsistent or contrary to the provisions of this Joint Memorandum Circular are hereby repealed or modified accordingly.

10.0 Effectivity

This Joint Memorandum Circular shall take effect immediately.

Department of the Interior and Local Government

Department of Trade and Industry

Department of Finance

Annex 2. DRAFT JOINT MEMORANDUM CIRCULAR ON BPLS AUTOMATION

Draft (V2:102513)

REPUBLIC OF THE PHILIPPINES

Joint Memorandum Circular No. ____, Series of 2013_ June 2013

TO: THE REGIONAL AND PROVINCIAL DIRECTORS OF THE DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT (DILG) AND THE DEPARTMENT OF TRADE AND INDUSTRY (DTI), AND MEMBERS OF THE SANGGUNIANG PANGLUNGSOD AND SANGGUNIANG BAYAN

SUBJECT: GUIDELINES IN PLANNING AND IMPLEMENTING THE COMPUTERIZATION OF BUSINESS PERMITS AND LICENSING SYSTEM IN ALL CITIES AND MUNICIPALITIES

4.0 Purpose

- 4.1 To promote the computerization of business permits and licensing system (BPLS) which is essential in ensuring that cities and municipalities comply with, or even exceed, the standards set in the Joint Memorandum Circular No. 1, series of 2010 on the **GUIDELINES IN IMPLEMENTING THE STANDARDS IN PROCESSING BUSINESS PERMITS AND LICENSES IN ALL CITIES AND MUNICIPALITIES (JMC)**;
- 4.2 To provide cities and municipalities with the guidelines for computerizing their business permits and licensing system (BPLS) and the government programs that local government units (LGUs) interested in computerizing their BPLS can avail of;
- 4.3 To disseminate the eReadiness Survey that will be used as basis for identifying LGUs that will qualify for government's training on BPLS automation; and
- 4.4 To define the roles and responsibilities of the Department of Science and Technology (DOST), the Department of the Interior and Local Government (DILG), the Department of Trade and Industry (DTI), and the various cities and municipalities in the country in BPLS Computerization Project (BCP).

5.0 Statement of Policies

- 5.1 The government recognizes the importance of improving the country's growth potential by enhancing its competitiveness at the national and local levels. As shown by the Doing Business Survey conducted by the International Finance Corporation, the cost of doing business in the country is an important factor in the investors' decision to locate in an area. The DTI and the DILG, in the past five years, have been promoting the streamlining of business permit processes to conform to service standards prescribed in the DILG-DTI Joint Memorandum Circular No. 1, series of 2010. More than 670 LGUs have been trained in streamlining their business permits and licensing system (BPLS) to conform to the standards for business processing set in the JMC.
- 5.2 While past efforts towards reforming BPLS concentrated on streamlining and/or process re-engineering, the government would like to promote the automation or computerization of the

BPLS in all cities and municipalities. Based on the experience of many LGUs, automation is a critical element that will facilitate compliance with the minimum service standards set in the JMC and in reaching higher standards in processing business applications comparable with neighboring countries in Asia. Hence, the Department of Science and Technology (DOST), the DILG and the DTI signed a Memorandum of Agreement (MOA) on July 24, 2012, that launched the BPLS Automation Project. The MOA created a Technical Working Group on eBPLS (TWG) that will formulate a framework for implementing the computerization of business permits, coordinate the conduct of an e-Readiness Survey, develop/redesign a system for BPLS automation and prepare a capacity building program for LGUs that would like to computerize their BPLS.

- 5.3 The National Computer Center, whose functions have been transferred to the Information, Communication and Technology (ICT) Office under the DOST, has developed a software that computerizes BPLS known as eBPLS. The eBPLS is an open source software that was further enhanced thru the eGOv4MD project of the Canadian International Agency for Development (CIDA) in cooperation with the League of Municipalities of the Philippines (LMP). This software, now known as eBPLS plus, is available for the use of LGUs.

6.0 Implementing the BPLS Automation Project

- 6.1 All cities and municipalities are enjoined to follow the service standards in processing business permits and licenses contained in the Joint Memorandum Circular No. 1, series of 2010 on the **GUIDELINES IN IMPLEMENTING THE STANDARDS IN PROCESSING BUSINESS PERMITS AND LICENSES IN ALL CITIES AND MUNICIPALITIES (JMC)**;
- 6.2 Cities and municipalities that have streamlined their BPLS in accordance with the above standards are encouraged to computerize their business permitting system. The DOST has produced two knowledge products on BPLS Automation that can be used by LGUs: (1) the *BPLS Planning and Implementation Guide: Computerizing Business Permits and Licensing Systems in the Philippines*; and (2) *BPLS Automation and Baseline Design Guide: Automation System Flows and Baseline Design*. These documents can be accessed in the following websites _____;
- 6.3 The DOST, in partnership with the DILG and the DTI, will be providing training programs to LGUs on the planning and implementation of a computerized BPLS. LGUs that have passed the eReadiness test of the DOST and DILG will be given priority in the training programs to be conducted by the government. LGUs are therefore enjoined to participate in the online eReadiness Survey will be undertaken on _____ by _____. [DOST to provide]
- 6.4 The DOST will be conducting a trainers' training for private sector service providers who might be interested in conducting training programs on BPLS computerization. These contractors will be accredited by the DOST, which will submit a list of service providers that LGUs can contract to provide training in BPLS computerization. Such list will be made available to LGUs by _____ thru the DOST, DILG and DTI websites. The LGUs will be responsible for the cost of conducting the training.
- 6.5 The DOST will make available to interested LGUs a software that can be used in computerizing their BPLS. This software will be -----

6.0 Roles and Responsibilities

6.1 Local Government Units (Cities and Municipalities)

- 6.1.1 The LGUs, represented by the Local Chief Executive/Mayor, shall coordinate with DILG and the DTI in adopting the BPLS standards and shall:
- (f) organize Technical Working Groups (TWGs) to oversee the implementation of the streamlined BPLS;
 - (g) ensure the participation of LGU representatives in all BPLS reform activities that are initiated by the DILG and DTI at the LGU level;
 - (h) be responsible for the the preparation and implementation of the requisite orders, ordinances and directives relative to the BPLS reform;
- 6.1.2 The LGUs shall promote the use of technology in the processing of business permits, which shall adhere to the service standards set in the JMC. They shall (1) assign personnel that shall (1) _____[to be provided by DOST and DILG].
- 6.1.3 The LGUs allow their personnel to participate in the training programs on BPLS automation that will be provided by government.
- 6.1.4 The LGUs shall provide a budget for the setting up of a computerized BPLS. [to be enhanced by DILG]

6.2 Department of Science and Technology

- 6.2.1 The DOST, as the agency responsible for overseeing the implementation of the BPLS Automation Project, shall be responsible for promoting the use of computerization in processing business permit application, in close coordination with LGUs, the DTI and the DILG.
- 6.2.2 The DOST shall provide the training modules on BPLS Automation and take charge of the substantive aspects of the training while the DILG shall organize the training events,
- 6.2.3 The DOST shall recommend to the LGUs the software that can be used for BPLS that is compliant with the service standards set in the DTI-DILG Joint Memorandum Circular No. 1.
- 6.2.4 The DILG shall coordinate with private sector providers on the training programs that the government will promote and on the formulation of solutions that LGUs may need.

6.3 Department of the Interior and Local Government

- 6.3.1 The DILG, together with the DTI, shall coordinate the conduct of the eReadiness Survey thru its local level offices, which will be used in designing a BPLS Computerization Training Program.
- 6.3.2 Since the DILG, together with the DTI, is currently providing technical support to LGUs in the streamlining of their BPLS according to standards, it shall coordinate the training of LGUs on the computerization of BPLS, in partnership with the

DOST. A training program on BPLS Computerization shall be formulated together with DTI and DOST to ensure that (i) the training program shall lead to the LGUs' compliance with service standards; and (2) the program is disseminated properly to LGUs and executed according to the objectives of the program at the local level.

The DILG regional offices shall organize a regional BPLS Coordination Committee, together with the regional offices of the DTI, to oversee the implementation of the BPLS project at the local level, with membership coming from concerned government agencies, local chambers, civil society organizations and other stakeholders.

- 6.3.3 The DILG, together with DTI, shall organize and co-chair a BPLS Oversight Committee which will provide the overall policy direction in the nationwide upscaling of the BPLS reforms.
- 6.3.4 The DILG, as Co-Convener of the Working Group on Decentralization and Local Government under the Philippine Development Forum, shall promote the BPLS project and take responsibility in enjoining the development community to support the project.

6.4 Department of Trade and Industry

- 6.4.1 The DTI, together with the DILG, shall be responsible for providing policy direction in the implementation of the BPLS reform project nationwide and in ensuring that the requirements for BPLS streamlining are among its regional and provincial offices and in setting up a monitoring system for tracking the progress of LGs in reforming their BPLS. It shall co-chair the BPLS Oversight Committee which will provide the overall policy direction in the nationwide up scaling of the BPLS Reforms.
- 6.4.2 Considering its mandate to promote investments and enhance competitiveness both at national and local levels, the DTI, together with the DILG, shall be responsible for identifying the priority LGUs that will be included in the BPLS program and in annually evaluating the list based on the sector priorities of the government and other criteria that will be deemed necessary.
- 6.4.3 Consistent with the framework for public-private sector partnership (PPP), the DTI shall be responsible for enjoining private sector participation and support in the BPLS streamlining project both at the national and local levels.
- 6.3.5 The DTI, as Co-Convener of the Working Group on Growth and Investment Climate under the Philippine Development Forum, shall promote the BPLS project and take responsibility in enjoining the development community to support the project.

7.0 Enforcement Clause

This Joint Memorandum Circular shall enforce all the provisions of Republic Act No. 9485 or Anti-Red Tape Act of 2007 and its Implementing Rules and Regulations.

8.0 Separability Clause

If any clause, sentence or provision of this Joint Memorandum Circular shall be invalid or unconstitutional, its remaining parts shall not be affected thereby.

9.0 Repealing Clause

All orders, rules and regulations inconsistent or contrary to the provisions of this Joint Memorandum Circular are hereby repealed or modified accordingly.

10.0 Effectivity

This Joint Memorandum Circular shall take effect immediately.

Secretary
Department of the Interior and Local Government

Secretary
Department of Trade and Industry

Annex 3. RESULTS OF THE EBPLS READINESS SURVEY

E-Readiness Ranking of LGUs

As of July 2012

Legend:

* - City
 NR - No Response
 Target LGU

No.	LGU	Class	Region	HR Index	ICT Index	Overall Index
1	Valenzuela City, 3rd District*	1st	NCR	90.00%	99.00%	94.95%
2	Cebu City, Cebu*	1st	Region 7	94.00%	90.00%	91.80%
3	Tacloban City, Leyte*	1st	Region 8	80.00%	96.00%	88.80%
4	Ormoc City, Leyte*	1st	Region 8	75.00%	97.00%	87.10%
5	Binangonan, Rizal	1st	Region 4a	86.00%	84.00%	84.90%
6	Cabadbaran City, Agusan del Norte*	5th	Region 13	96.00%	70.00%	81.70%
7	Bayawan City, Negros Oriental*	2nd	Region 7	72.00%	89.00%	81.35%
8	Koronadal City, South Cotabato*	3rd	Region 12	82.00%	79.00%	80.35%
9	Navotas City, 3rd District*	1st	NCR	72.00%	87.00%	80.25%
10	San Mateo, Rizal	1st	Region 4a	73.00%	86.00%	80.15%
11	Island Garden City of Samal, Davao del Norte*	4th	Region 11	73.00%	85.00%	79.60%
12	Cainta, Rizal	1st	Region 4a	74.00%	83.00%	78.95%
13	Panabo City, Davao del Norte*	3rd	Region 11	70.00%	86.00%	78.80%
14	Mandaue City, Cebu*	1st	Region 7	56.00%	96.00%	78.00%
15	Paranaque City, 4th District*	1st	NCR	56.00%	95.00%	77.45%
16	Talibon, Bohol	1st	Region 7	66.00%	85.00%	76.45%
17	Cavinti, Laguna	3rd	Region 4a	72.00%	78.00%	75.30%
18	Dimiao, Bohol	4th	Region 7	61.00%	86.00%	74.75%
19	Malabon City, 3rd District*	1st	NCR	76.00%	73.00%	74.35%

20	Isulan, Sultan Kudarat	1st	Region 12	67.00%	79.00%	73.60%
21	Bacolod City, Negros Occidental*	1st	Region 6	95.00%	55.00%	73.00%
22	Toledo City, Cebu*	3rd	Region 7	54.00%	86.00%	71.60%
23	Surigao City, Surigao del Norte*	3rd	Region 13	65.00%	76.00%	71.05%
24	Liloan, Cebu	1st	Region 7	77.00%	66.00%	70.95%
25	Antequera, Bohol	4th	Region 7	60.00%	79.00%	70.45%
26	Lapu-Lapu City, Cebu*	1st	Region 7	65.00%	73.00%	69.40%
27	Cotabato City, Maguindanao*	3rd	Region 12	73.00%	66.00%	69.15%
28	Taytay, Rizal	1st	Region 4a	35.00%	96.00%	68.55%
29	San Fernando City, La Union*	3rd	Region 1	61.00%	74.00%	68.15%
30	San Carlos City, Negros Occidental*	2nd	Region 6	54.00%	79.00%	67.75%
31	Silay City, Negros Occidental*	3rd	Region 6	73.00%	63.00%	67.50%
32	Pagsanjan, Laguna	3rd	Region 4a	57.00%	76.00%	67.45%
33	Bilar, Bohol	4th	Region 7	46.00%	85.00%	67.45%
34	Bislig City, Surigao del Sur*	3rd	Region 13	53.00%	79.00%	67.30%
35	Tayabas City, Quezon*	6th	Region 4a	54.00%	77.00%	66.65%
36	Ipil, Zamboanga Sibugay	1st	Region 9	43.00%	86.00%	66.65%
37	Dipolog City, Zamboanga del Norte*	3rd	Region 9	45.00%	83.00%	65.90%
38	Alaminos City, Pangasinan*	4th	Region 1	47.00%	80.00%	65.15%
39	Tanay, Rizal	1st	Region 4a	56.00%	72.00%	64.80%
40	Batangas City, Batangas*	1st	Region 4a	55.00%	72.00%	64.35%
41	Lucban, Quezon	2nd	Region 4a	45.00%	80.00%	64.25%
42	Gattaran, Cagayan	1st	Region 2	67.00%	62.00%	64.25%
43	Tagbilaran City, Bohol*	3rd	Region 7	67.00%	60.00%	63.15%

44	Bunawan, Agusan del Sur	1st	Region 13	51.00%	73.00%	63.10%
45	Bacuag, Surigao del Norte	5th	Region 13	60.00%	65.00%	62.75%
46	Midsayap, North Cotabato	1st	Region 12	42.00%	79.00%	62.35%
47	Sariaya, Quezon	1st	Region 4a	60.00%	63.00%	61.65%
48	Tubigon, Bohol	1st	Region 7	39.00%	79.00%	61.00%
49	Maribojoc, Bohol	4th	Region 7	30.00%	86.00%	60.80%
50	Tagum City, Davao del Norte*	1st	Region 11	34.00%	82.00%	60.40%
51	Rodriguez, Rizal	1st	Region 4a	70.00%	52.00%	60.10%
52	Atimonan, Quezon	1st	Region 4a	44.00%	72.00%	59.40%
53	Naga City, Cebu*	3rd	Region 7	31.00%	81.00%	58.50%
54	Alicia, Isabela	1st	Region 2	49.00%	66.00%	58.35%
55	Dumaguete City, Negros Oriental*	3rd	Region 7	50.00%	65.00%	58.25%
56	Prosperidad, Agusan, del Sur	1st	Region 13	58.00%	58.00%	58.00%
57	Trinidad, Bohol	3rd	Region 7	39.00%	73.00%	57.70%
58	Magallanes, Agusan del Norte	4th	Region 13	52.00%	62.00%	57.50%
59	Miagao, Iloilo	1st	Region 6	50.00%	63.00%	57.15%
60	Bogo City, Cebu*	3rd	Region 7	49.00%	63.00%	56.70%
61	Libon, Albay	1st	Region 5	39.00%	71.00%	56.60%
62	Legazpi City, Albay*	2nd	Region 5	29.00%	78.00%	55.95%
63	Makilala, North Cotabato	1st	Region 12	63.00%	50.00%	55.85%
64	Baggao, Cagayan	1st	Region 2	27.00%	79.00%	55.60%
65	Glan, Sarangani	1st	Region 12	78.00%	37.00%	55.45%
66	Baclayon, Bohol	4th	Region 7	35.00%	72.00%	55.35%

67	Kabacan, North Cotabato	1st	Region 12	32.00%	74.00%	55.10%
68	Loboc, Bohol	4th	Region 7	27.00%	78.00%	55.05%
69	Boston, Davao Oriental	2nd	Region 11	51.00%	58.00%	54.85%
70	Mercedes, Camarines Norte	2nd	Region 5	57.00%	53.00%	54.80%
71	Ligao City, Albay*	4th	Region 5	20.00%	83.00%	54.65%
72	Calamba City, Laguna*	1st	Region 4a	32.00%	73.00%	54.55%
73	Magpet, North Cotabato	1st	Region 12	43.00%	63.00%	54.00%
74	Norala, South Cotabato	3rd	Region 12	57.00%	50.00%	53.15%
75	Tupi, South Cotabato	1st	Region 12	49.00%	56.00%	52.85%
76	Santa Cruz, Laguna	1st	Region 4a	50.00%	55.00%	52.75%
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77	Baras, Rizal	4th	Region 4a	27.00%	73.00%	52.30%
78	Maitum, Sarangani	2nd	Region 12	27.00%	73.00%	52.30%
79	Loon, Bohol	2nd	Region 7	23.00%	75.00%	51.60%
80	Pangil, Laguna	4th	Region 4a	35.00%	65.00%	51.50%
81	Tubay, Agusan del Norte	4th	Region 13	47.00%	55.00%	51.40%
82	Catigbian, Bohol	4th	Region 7	50.00%	52.00%	51.10%
83	Infanta, Quezon	1st	Region 4a	39.00%	61.00%	51.10%
84	Kapatagan, Lanao del Norte	2nd	Region 10	35.00%	64.00%	50.95%
85	Esperanza, Agusan del Sur	1st	Region 13	42.00%	58.00%	50.80%
86	Tanjay City, Negros Oriental*	4th	Region 7	21.00%	75.00%	50.70%
87	Tanauan City, Batangas*	2nd	Region 4a	34.00%	64.00%	50.50%

88	San Isidro, Davao Oriental	3rd	Region 11	35.00%	63.00%	50.40%
89	Sierra Bullones, Bohol	3rd	Region 7	43.00%	56.00%	50.15%
90	Danao City, Cebu*	3rd	Region 7	33.00%	63.00%	49.50%
91	Lipa City, Batangas*	1st	Region 4a	45.00%	52.00%	48.85%
92	Balilihan, Bohol	4th	Region 7	29.00%	65.00%	48.80%
93	Pigcawayan, North Cotabato	1st	Region 12	23.00%	69.00%	48.30%
94	Sampaloc, Quezon	5th	Region 4a	46.00%	50.00%	48.20%
95	Dapitan City, Zamboanga del Norte*	3rd	Region 9	55.00%	41.00%	47.30%
96	President Manuel A. Roxas, Zamboanga del Norte	2nd	Region 9	42.00%	51.00%	46.95%
97	Clarín, Bohol	5th	Region 7	24.00%	65.00%	46.55%
98	Cateel, Davao Oriental	2nd	Region 11	24.00%	64.00%	46.00%
99	Tuy, Batangas	3rd	Region 4a	17.00%	69.00%	45.60%
100	Oton, Iloilo	1st	Region 6	11.00%	73.00%	45.10%
101	Polangui, Albay	1st	Region 5	29.00%	58.00%	44.95%
102	Bauang, La Union	1st	Region 1	40.00%	49.00%	44.95%
103	Kidapawan City, North Cotabato*	3rd	Region 12	42.00%	47.00%	44.75%
104	Socorro, Surigao del Norte	4th	Region 13	68.00%	25.00%	44.35%
105	Columbio, Sultan Kudarat	1st	Region 12	21.00%	62.00%	43.55%
106	Talisay City, Cebu*	3rd	Region 7	46.00%	40.00%	42.70%
107	Nabunturan, Compostela Valley	1st	Region 11	0.00%	77.00%	42.35%
108	Tulunán, North Cotabato	2nd	Region 12	42.00%	42.00%	42.00%
109	Carcar City, Cebu*	4th	Region 7	29.00%	52.00%	41.65%

110	Hinatuan, Surigao del Sur	2nd	Region 13	32.00%	49.00%	41.35%
111	Valencia, Bohol	4th	Region 7	0.00%	75.00%	41.25%
112	Kalamansig, Sultan Kudarat	1st	Region 12	15.00%	62.00%	40.85%
113	Governor Generoso, Davao Oriental	2nd	Region 11	43.00%	39.00%	40.80%
114	Alamada, North Cotabato	1st	Region 12	33.00%	47.00%	40.70%
115	Makato, Aklan	4th	Region 6	23.00%	55.00%	40.60%
116	Polomolok, South Cotabato	1st	Region 12	13.00%	63.00%	40.50%
117	Arakan, North Cotabato	1st	Region 12	14.00%	62.00%	40.40%
118	Tboli, South Cotabato	1st	Region 12	50.00%	32.00%	40.10%
119	Iriga City, Camarines Sur*	4th	Region 5	12.00%	63.00%	40.05%
120	Maasim, Sarangani	1st	Region 12	36.00%	42.00%	39.30%
121	Barili, Cebu	2nd	Region 7	10.00%	62.00%	38.60%
122	Kapalong, Davao del Norte	1st	Region 11	55.00%	25.00%	38.50%
123	Gingoog City, Misamis Oriental*	2nd	Region 10	24.00%	49.00%	37.75%
124	Santa Rosa, Nueva Ecija	1st	Region 3	10.00%	60.00%	37.50%
125	Lake Sebu, South Cotabato	1st	Region 12	49.00%	27.00%	36.90%
126	Lutayan, Sultan Kudarat	2nd	Region 12	0.00%	67.00%	36.85%
127	General Luna, Quezon	4th	Region 4a	44.00%	31.00%	36.85%
128	Balamban, Cebu	1st	Region 7	28.00%	44.00%	36.80%
129	Malapatan, Sarangani	1st	Region 12	46.00%	29.00%	36.65%
130	Quezon, Nueva Vizcaya	4th	Region 2	35.00%	37.00%	36.10%

131	Madrid, Surigao del Sur	4th	Region 13	14.00%	54.00%	36.00%
132	Mauban, Quezon	1st	Region 4a	33.00%	38.00%	35.75%
133	Banaybanay, Davao Oriental	2nd	Region 11	27.00%	42.00%	35.25%
134	Mati City, Davao Oriental*	5th	Region 11	23.00%	45.00%	35.10%
135	Senator Ninoy Aquino, Sultan Kudarat	3rd	Region 12	14.00%	52.00%	34.90%
136	Cardona, Rizal	3rd	Region 4a	37.00%	33.00%	34.80%
137	Irosin, Sorsogon	2nd	Region 5	10.00%	55.00%	34.75%
138	Buenavista, Agusan del Norte	1st	Region 13	0.00%	63.00%	34.65%
139	San Francisco, Agusan del Sur	1st	Region 13	32.00%	36.00%	34.20%
140	Mabini, Batangas	1st	Region 4a	15.00%	49.00%	33.70%
141	Mlang, North Cotabato	1st	Region 12	0.00%	60.00%	33.00%
142	Trento, Agusan del Sur	3rd	Region 13	26.00%	38.00%	32.60%
143	New Corella, Davao del Norte	2nd	Region 11	27.00%	37.00%	32.50%
144	Aleoson, North Cotabato	3rd	Region 12	0.00%	59.00%	32.45%
145	El Salvador City, Misamis Oriental*	5th	Region 10	17.00%	45.00%	32.40%
146	Compostela, Cebu	3rd	Region 7	37.00%	28.00%	32.05%
147	Calubian, Leyte	4th	Region 8	8.00%	51.00%	31.65%
148	President Quirino, Sultan Kudarat	3rd	Region 12	8.00%	51.00%	31.65%
149	Sindangan, Zamboanga del Norte	1st	Region 9	0.00%	57.00%	31.35%
150	Catanauan, Quezon	1st	Region 4a	10.00%	48.00%	30.90%

151	Jagna, Bohol	3rd	Region 7	20.00%	39.00%	30.45%
152	Katipunan, Zamboanga del Norte	2nd	Region 9	12.00%	45.00%	30.15%
153	Bago City, Negros Occidental*	2nd	Region 6	8.00%	48.00%	30.00%
154	Bagumbayan, Sultan Kudarat	1st	Region 12	0.00%	54.00%	29.70%
155	President Carlos P. Garcia, Bohol	4th	Region 7	11.00%	45.00%	29.70%
156	Manukan, Zamboanga del Norte	3rd	Region 9	17.00%	40.00%	29.65%
157	Carmen, Bohol	1st	Region 7	18.00%	39.00%	29.55%
158	Pikit, North Cotabato	2nd	Region 12	47.00%	15.00%	29.40%
159	Talacogon, Agusan del Sur	3rd	Region 13	26.00%	32.00%	29.30%
160	Lila, Bohol	5th	Region 7	11.00%	44.00%	29.15%
161	Lope de Vega, Northern Samar	4th	Region 8	20.00%	36.00%	28.80%
162	Caraga, Davao Oriental	1st	Region 11	16.00%	39.00%	28.65%
163	Santo Tomas, Batangas	1st	Region 4a	28.00%	29.00%	28.55%
164	Santa Josefa, Agusan del Sur	3rd	Region 13	17.00%	38.00%	28.55%
165	Padre Garcia, Batangas	2nd	Region 4a	24.00%	32.00%	28.40%
166	San Agustin, Surigao del Sur	4th	Region 13	57.00%	5.00%	28.40%
167	San Miguel, Bohol	4th	Region 7	8.00%	45.00%	28.35%
168	Calabanga, Camarines Sur	1st	Region 5	30.00%	27.00%	28.35%
169	Tagbina, Surigao del Sur	2nd	Region 13	15.00%	39.00%	28.20%
170	Canlaon City, Negros Oriental*	4th	Region 7	11.00%	42.00%	28.05%
171	Asuncion, Davao del Norte	1st	Region 11	0.00%	51.00%	28.05%
172	Plaridel, Quezon	5th	Region 4a	10.00%	42.00%	27.60%
173	Pilar, Bohol	4th	Region 7	11.00%	41.00%	27.50%

174	Kitcharao, Agusan del Norte	4th	Region 13	30.00%	25.00%	27.25%
175	Alabel, Sarangani	1st	Region 12	14.00%	38.00%	27.20%
176	Mabini, Bohol	4th	Region 7	10.00%	41.00%	27.05%
177	Siayan, Zamboanga del Norte	3rd	Region 9	9.00%	41.00%	26.60%
178	Siquijor, Siquijor	4th	Region 7	10.00%	40.00%	26.50%
179	Balete, Batangas	5th	Region 4a	10.00%	39.00%	25.95%
180	San Francisco, Southern Leyte	5th	Region 8	10.00%	39.00%	25.95%
181	Magsaysay, Davao del Sur	2nd	Region 11	24.00%	27.00%	25.65%
182	Tabogon, Cebu	3rd	Region 7	10.00%	38.00%	25.40%
183	Duero, Bohol	4th	Region 7	10.00%	38.00%	25.40%
184	Buenavista, Bohol	4th	Region 7	7.00%	40.00%	25.15%
185	Tago, Surigao del Sur	2nd	Region 13	13.00%	35.00%	25.10%
186	Jones, Isabela	1st	Region 2	24.00%	25.00%	24.55%
187	Sorsogon City, Sorsogon*	3rd	Region 5	10.00%	36.00%	24.30%
188	Bolinao, Pangasinan	1st	Region 1	0.00%	44.00%	24.20%
189	Antipas, North Cotabato	2nd	Region 12	10.00%	35.00%	23.75%
190	Bien Unido, Bohol	4th	Region 7	10.00%	35.00%	23.75%
191	Piat, Cagayan	4th	Region 2	17.00%	29.00%	23.60%
192	Luisiana, Laguna	4th	Region 4a	18.00%	28.00%	23.50%
193	San Luis, Agusan del Sur	1st	Region 13	21.00%	25.00%	23.20%
194	Teresa, Rizal	2nd	Region 4a	19.00%	26.00%	22.85%
195	Maragondon, Cavite	3rd	Region 4a	19.00%	26.00%	22.85%
196	Veruela, Agusan del Sur	2nd	Region 13	7.00%	35.00%	22.40%

197	Taal, Batangas	3rd	Region 4a	19.00%	25.00%	22.30%
198	Juban, Sorsogon	4th	Region 5	10.00%	32.00%	22.10%
199	Alabat, Quezon	5th	Region 4a	18.00%	25.00%	21.85%
200	Magdalena, Laguna	4th	Region 4a	29.00%	16.00%	21.85%
201	Batuan, Bohol	5th	Region 7	14.00%	28.00%	21.70%
202	Ternate, Cavite	4th	Region 4a	0.00%	39.00%	21.45%
203	Guihulngan City, Negros Oriental*	3rd	Region 7	0.00%	39.00%	21.45%
204	Ivisan, Capiz	4th	Region 6	19.00%	23.00%	21.20%
205	Burdeos, Quezon	4th	Region 4a	5.00%	34.00%	20.95%
206	Alicia, Bohol	4th	Region 7	7.00%	31.00%	20.20%
207	Manay, Davao Oriental	2nd	Region 11	14.00%	25.00%	20.05%
208	Libungan, North Cotabato	2nd	Region 12	0.00%	36.00%	19.80%
209	Danao, Bohol	4th	Region 7	8.00%	28.00%	19.00%
210	Mambusao, Capiz	3rd	Region 6	10.00%	26.00%	18.80%
211	Pakil, Laguna	4th	Region 4a	11.00%	25.00%	18.70%
212	Loay, Bohol	5th	Region 7	0.00%	34.00%	18.70%
213	Anda, Bohol	5th	Region 7	20.00%	17.00%	18.35%
214	San Pablo City, Laguna*	1st	Region 4a	10.00%	25.00%	18.25%
215	Larena, Siquijor	5th	Region 7	10.00%	25.00%	18.25%
216	Bayugan City, Agusan Del Sur*	5th	Region 13	10.00%	25.00%	18.25%
217	Majayjay, Laguna	4th	Region 4a	10.00%	25.00%	18.25%
218	San Isidro, Bohol	5th	Region 7	0.00%	31.00%	17.05%
219	Sibagat, Agusan del Sur	1st	Region 13	0.00%	31.00%	17.05%

220	Famy, Laguna	5th	Region 4a	8.00%	24.00%	16.80%
221	Rizal, Cagayan	5th	Region 2	0.00%	30.00%	16.50%
222	Pililla, Rizal	1st	Region 4a	18.00%	15.00%	16.35%
223	Pila, Laguna	3rd	Region 4a	18.00%	15.00%	16.35%
224	Concepcion, Iloilo	3rd	Region 6	18.00%	15.00%	16.35%
225	San Francisco, Quezon	2nd	Region 4a	0.00%	28.00%	15.40%
226	Polilio, Quezon	3rd	Region 4a	0.00%	27.00%	14.85%
227	Castilla, Sorsogon	3rd	Region 5	0.00%	27.00%	14.85%
228	Santa Ana, Cagayan	2nd	Region 2	18.00%	12.00%	14.70%
229	Panglao, Bohol	4th	Region 7	10.00%	18.00%	14.40%
230	Kiamba, Sarangani	1st	Region 12	10.00%	18.00%	14.40%
231	Agdangan, Quezon	5th	Region 4a	10.00%	17.00%	13.85%
232	Bais City, Negros Oriental*	3rd	Region 7	0.00%	25.00%	13.75%
233	Daet, Camarines Norte	1st	Region 5	0.00%	25.00%	13.75%
234	San Jose, Northern Samar	5th	Region 8	24.00%	5.00%	13.55%
235	Jabonga, Agusan del Norte	3rd	Region 13	8.00%	18.00%	13.50%
236	Donsol, Sorsogon	3rd	Region 5	10.00%	16.00%	13.30%
237	Sevilla, Bohol	5th	Region 7	7.00%	18.00%	13.05%
238	Morong, Rizal	2nd	Region 4a	10.00%	15.00%	12.75%
239	Moalbal, Cebu	4th	Region 7	10.00%	15.00%	12.75%
240	Tarragona, Davao Oriental	3rd	Region 11	10.00%	15.00%	12.75%
241	Carmen, Agusan del Norte	4th	Region 13	10.00%	15.00%	12.75%
242	Carmen, North Cotabato	1st	Region 12	10.00%	15.00%	12.75%

243	San Jose, Batangas	1st	Region 4a	10.00%	15.00%	12.75%
244	Pagadian City, Zamboanga del Sur*	2nd	Region 9	9.00%	15.00%	12.30%
245	Loreto, Dinagat Islands	5th	Region 13	21.00%	5.00%	12.20%
246	Malungon, Sarangani	1st	Region 12	0.00%	22.00%	12.10%
247	Sison, Surigao del Norte	5th	Region 13	8.00%	15.00%	11.85%
248	Inabanga, Bohol	3rd	Region 7	5.00%	17.00%	11.60%
249	San Isidro, Northern Samar	4th	Region 8	7.00%	15.00%	11.40%
250	Banga, South Cotabato	1st	Region 12	0.00%	19.00%	10.45%
251	Lebak, Sultan Kudarat	1st	Region 12	0.00%	19.00%	10.45%
252	Angadanan, Isabela	3rd	Region 2	0.00%	18.00%	9.90%
253	Calape, Bohol	3rd	Region 7	0.00%	17.00%	9.35%
254	Jala-Jala, Rizal	4th	Region 4a	0.00%	17.00%	9.35%
255	Loreto, Agusan del Sur	1st	Region 13	14.00%	5.00%	9.05%
256	Oas, Albay	1st	Region 5	0.00%	16.00%	8.80%
257	Laurel, Batangas	3rd	Region 4a	0.00%	15.00%	8.25%
258	Padre Burgos, Quezon	4th	Region 4a	0.00%	15.00%	8.25%
259	Polanco, Zamboanga del Norte	3rd	Region 9	0.00%	15.00%	8.25%
260	Rizal, Laguna	5th	Region 4a	0.00%	15.00%	8.25%
261	Minglanilla, Cebu	1st	Region 7	0.00%	15.00%	8.25%
262	Alaminos, Laguna	3rd	Region 4a	0.00%	15.00%	8.25%
263	Mainit, Surigao del Norte	4th	Region 13	0.00%	15.00%	8.25%
264	Santo Nino, Cagayan	2nd	Region 2	0.00%	15.00%	8.25%

265	Macalelon, Quezon	4th	Region 4a	0.00%	15.00%	8.25%
266	San Juan, Siquijor	5th	Region 7	0.00%	15.00%	8.25%
267	Alegria, Surigao del Norte	5th	Region 13	10.00%	5.00%	7.25%
268	Las Nieves, Agusan del Norte	2nd	Region 13	0.00%	12.00%	6.60%
269	Rosario, Agusan del Sur	2nd	Region 13	0.00%	10.00%	5.50%
270	La Paz, Agusan del Sur	1st	Region 13	0.00%	8.00%	4.40%
271	Palimbang, Sultan Kudarat	2nd	Region 12	0.00%	5.00%	2.75%
272	Malinao, Albay	3rd	Region 5	0.00%	5.00%	2.75%
273	Tubajon, Dinagat Islands	5th	Region 13	0.00%	5.00%	2.75%
274	Getafe, Bohol	3rd	Region 7	0.00%	5.00%	2.75%
275	Pilar, Surigao del Norte	5th	Region 13	0.00%	5.00%	2.75%
276	Panukulan, Quezon	4th	Region 4a	0.00%	5.00%	2.75%

Annex 4. PRESENTATION MATERIAL 1: INVEST EXPERIENCE IN STREAMLINING BPLS IN THREE CITIES

INVEST EXPERIENCE IN STREAMLINING BPLS IN THREE CITIES

Sharing INVEST Experience
in Streamlining BPLS in
Three Cities

Meeting of the BPLS Oversight Committee
June 10, 2013

Outline

- Approach/Framework
- Initial Findings
- Results
- Lessons
- Recommendations

Approach

A Note on the JMC

- JMC- Service standards for steps, form, signatories, processing time
- Assumption: LGU's responsibility begins when applicant submits a completed application form together with all documentary requirements attached.
- Thus, the required 5 steps of the JMC are the actions of the city (excludes Barangays) and none of the Nat'l Gov't Agencies'.
- It assumes backroom processing of the Bureau of Fire Protection.

Components of the BPLS Streamlining Reform Program

Mobilizing Champions for the Reform Process

- Component 1: Simplification & Standardization of BPLS Process for New Registrations & Renewals
- Component 2: Computerization of BPLS Process
- Component 3: Improvements in Customer Relations
- Component 4: Institutionalization of the Reforms

A Broad Road Map of Activities

Streamlined Local Business Permitting Systems

Institutionalization of Reforms

Capacity Building (Training and Study Tours) | Enhancement of Processes, Systems & Relevant Documents

Assessment of relevant documents, processes and systems

INVEST EXPERIENCE IN STREAMLINING BPLS IN THREE CITIES

City Level Assistance



Coverage

Component 1: Process Re-engineering (New, Renewal, Inspection)

- Third Party Assessment
- Exit Interviews
- Self-Assessment
- Local Study Tour
- Action Planning
- BOSS Enhancement

Component 2: Automation

- Training on BPLS Automation
- Design of automated procedures
- Actual Automation

Customer Relations

- Basic Customer Satisfaction Training
- Dry-Run



Institutionalization

- “Mobilizing Champions” (Component 0)
 - MOU with city
 - Organization of the TWG (Mayor as Chair, w/ private sector membership)
 - Issuance of EOs to implement reforms

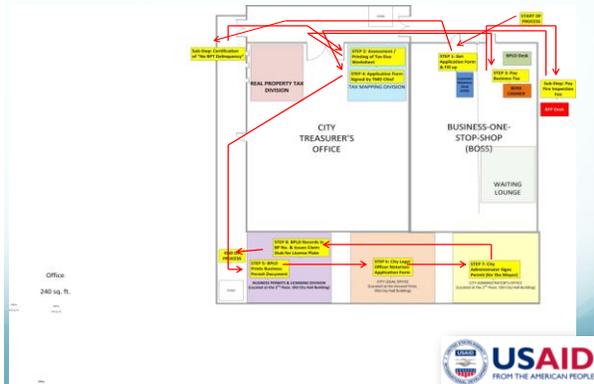


Project Perspective re: BPLS Reforms

- Time and motion study of the business permitting process from the perspective of the applicant (end-to-end vs. JMC)
- “End-to-End Process” begins from the first requirement that the applicant needs to accomplish to register a new business & ends with the last requirement that the applicant must comply w/, even beyond the receipt of the business permit. This process can be divided into 3 phases:
 - a) Pre-Business Permit Process
 - b) LGU Business Permit Process
 - c) Post-Business Permit Process



Process Flow – BOSS CDO



Findings

- All cities were not compliant with JMC, contrary to reports
- Values: very strong regulatory tendency (vs. customer-centered)
- Tendency to use business permitting as a compliance mechanism for payment of real property tax, adherence to environment regulations, etc.
- Many documentary requirements, other than NG and baranggay



INVEST EXPERIENCE IN STREAMLINING BPLS IN THREE CITIES

Findings

- Requirements for various copies imply manual operations and lack of sharing among city departments
- BFP steps make it difficult for LGUs to comply with JMC
- Discrepancies between the flow charts (ARTA) and actual processes
- Set-up where business processing is under the City Treasurer's Office was not conducive to BPLS reforms



Replication of INVEST Experience

JMC Steps	Usual / Actual Steps	INVEST Reforms
1. Secure Application Form	<ul style="list-style-type: none"> • Secure Application Form • Secure Zoning Clearance • Secure Health and Sanitary Permit • Secure Environmental Clearance 	<ul style="list-style-type: none"> • Distribution of Application Forms to business establishments prior to business permitting • Removal of Compliance Requirements (SSS) • Creation of Downloadable, Fillable and Printable Application Form • Use of the Occupancy Permit to draft Negative Lists • Use of SSS Negative Lists
2. Submit Application Form	Submit Application form for BPLO Verification	<ul style="list-style-type: none"> • Submission online via email
3. Assessment	Secure No RPT Delinquency Certificate Claim Tax Order of	<ul style="list-style-type: none"> • Assessment is conducted as a backroom activity • Formulation of Negative Lists

INVEST Experience

JMC Steps	Usual / Actual Steps	Reforms in Partner Cities
3. Assessment	Secure No RPT Delinquency Certificate Claim Tax Order of Payment	<ul style="list-style-type: none"> • Assessment is conducted as a backroom activity • Formulation of Negative Lists prior to the permitting process
4. Pay Business Taxes and Fees	<ul style="list-style-type: none"> • Pay Business Taxes and Fees • Present OR to BFP for Assessment of Fire Fees • Pay Fire Fees 	<ul style="list-style-type: none"> • Conduct of pre- or post- fire safety inspections • Co-location of BFP with the CTO • Assessment of Fire Fees as a Backroom Activity • Connecting the BFP to the CTO computerized system
5. Claim Business Permit	• Claim Business Permit	• Issuance of Business Permit along with the Official Receipt



BOSS Enhancements

Lay-out Consistent w/
Streamlined Process



Extensive Backroom
Operations



INVEST EXPERIENCE IN STREAMLINING BPLS IN THREE CITIES

Streamlined BPLS in 2013

(NEW)	Batangas	Iloilo	CDO
Number of Steps	3	5	4
Number of Forms	1	1	1
Number of Signatories	2	2	1
Number of Required Documents	1 or 3	3	1
Elapsed Time	Less than a day		1 hour

(RENEWAL)	Batangas	Iloilo	CDO
Number of Steps	3	5	4
Number of Forms	1	1	1
Number of Signatories	2	2	1
Number of Required Documents	1 or 3	3	1
Elapsed Time	Less than 1 day	1 hour 25 mins	1 hour

Compliance with BPLS Standards (Steps – New)

	Baseline			Streamlined (City Perspective)
	Third Party (End-End)	Self Assessment (End-End)	JMC	
City A	22	20	17	3
City B	27	20	18	5
City C	17	17	8	4

Compliance with BPLS Standards (Steps – Renewal)

	Baseline			Streamlined (City Perspective)
	Third Party	Self Assessment	JMC	
City A	17	15	14	3
City B	13	13	9	5
City C	8	8	8	4



Compliance with BPLS Standards (Form – New)

	Third Party	Baseline	Streamlined (City Perspective)
		Self Assessment	
City A	11	11	1
City B	8	3	1
City C	10	10	1



Compliance with BPLS Standards (Form – Renewal)

	Third Party	Baseline	Streamlined (City Perspective)
		Self Assessment	
City A	3	3	1
City B	4	4	1
City C	2	2	1



Compliance with BPLS Standards (Processing Time – New)

	Third Party	Baseline	Streamlined (City Perspective)
		Self Assessment	
City A	11 days	11 days	Less than 1 day
City B	23 days	4-5 days	1-2 days
City C	19 days	19 days	1 hour



INVEST EXPERIENCE IN STREAMLINING BPLS IN THREE CITIES

Compliance with BPLS Standards (Processing Time – Renewal)

		Baseline	Streamlined (City Perspective)
	Third Party	Self Assessment	
City A	1-2 days	1-2 days	Less than a day
City B	3 days	3 days	1-2 hours
City C	2 days	2-3 days	1 hour



Compliance with BPLS Standards

Compliance with BPLS Standards (Required documents – New)

		Baseline	Streamlined (City Perspective)
City A	Third Party	Self Assessment	
City B			
City C			
City A	7	7	1-3
City B	6	3	3
City C	14	14	1

Compliance with BPLS Standards (Required documents – Renewal)

		Baseline	Streamlined (City Perspective)
	Third Party	Self Assessment	
City A	9	9	3-4
City B	6	6	3
City C	1	1	1



Impact of the Reforms (Among Others)

No. of Applicants	2012	2013	Growth Rate(%)
Batangas	1,982	4,623	133.2
Iloilo	5,980	10,819	80.9
Cagayan de Oro	5,935	10,245	72.6

Revenues (In Php Million)	2012	2013	Growth Rate
Batangas	180.36	199.760	10.8
Iloilo	102.08	180.57	75.7
Cagayan de Oro	236.63	268.80	13.6

INVEST EXPERIENCE IN STREAMLINING BPLS IN THREE CITIES

Important Reform Areas

- Mayor should be the Champion of Reforms; Convince Department Heads on values of reforms; make sure Mayors participate in study tours
- Important elements in streamlining
 - (1) reduce prerequisite requirements
 - * use of SEC i-View
 - * post-inspections
 - * don't use business permitting as compliance mechanism (RPT, locational clearances, environment)

Important Reform Areas

- Streamlining elements
 - (2) process streamlining
 - * backroom operations (include BFP)
 - * automation that links offices, including BFP
 - (3) benchmark with best practices (Valenzuela)

Important Reform Areas

- Don't forget importance of institutional strengthening
 - * Customer centric w/efficiency measures
 - * Sustainability of reforms, EOs critical
 - * Training is good but not enough
 - * Coaching is important esp. right before and during implementation
- BOSS lay-out will determine efficiency of operations

Important Reform Areas

- Automation is key to compliance to standards, though standards can be met with combination of partly automated and manual operations
- BOSS lay-out will determine efficiency of operations

Recommendations



Revisiting the JMC Reforms

- Need to review standards – customer perspective (end-to end)/ benchmark with other countries
- Revisit of the form
 - additional fields on email addresses and mobile phones, foreign/local business
 - standards for “line of activity”
 - Integrated BFP application form into unified form
 - Enjoin LGUs to process of data in the form (for reporting to RCCs) thru DILG Circular



INVEST EXPERIENCE IN STREAMLINING BPLS IN THREE CITIES

Revisiting the JMC Reforms

- Need to review standards – customer perspective (end-to end)/ benchmark with other countries
- Revisit of the form
 - additional fields on email addresses and mobile phones, foreign/local business
 - standards for “line of activity”
 - Integrated BFP application form into unified form
 - Enjoin LGUs to process of data in the form (for reporting to RCCs) thru DILG Circular



Revisiting the JMC Reforms

- Steps
 - level understanding of the definition of steps
 - streamlining needed for: Fire, barangay, other social security agencies
- Processing Time
 - definition
- Documentary Requirements
 - use of SEC i-view



Institutional Reforms

- Separate BPLO and CTO for effective reforms
- LGUs should have an IT Office/Department to implement BPLS automation
- Tap local universities/academe/civil society to assist LGUs in reforming (esp. automation)
- Engage local private business groups to be involved



Next Steps: INVEST

- Preparation of training manual and materials
- Encourage online registration
- JMC Review
- Construction Reforms
- Risk-based Inspection for Sanitation and Fire Safety



Annex 5. INVEST Experience in Investment Planning and Promotion in Three Partner Cities

INVEST EXPERIENCE IN INVESTMENT PLANNING AND PROMOTION IN THREE CITIES



Sharing INVEST Experience in Investment Planning and Promotion in Three Cities

4th Meeting of Sub-Working Committee on Local Investment Reforms
10 June 2013



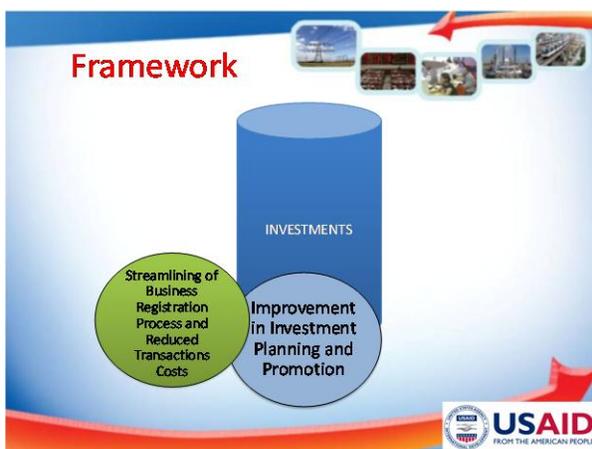
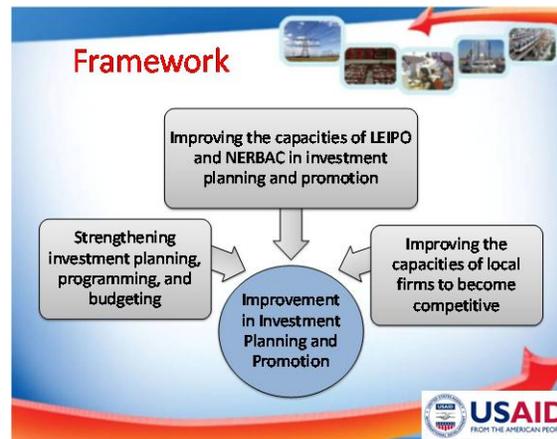

Contents

- Definition
- Approach
- Activities
- Lessons
- Recommendations




Definition

- The INVEST Project defines investment planning and promotion as efforts by the LGU and the private sector to encourage the accumulation of economic capital by the city
- The Project seeks to improve investment planning and promotion in partner cities
- This improvement will be measured in terms of additional public and private investments in the city


Approach

Improvement in investment planning and promotion in cities

Investment planning	Investment promotion
<ul style="list-style-type: none"> • Revisiting city vision • Assessment of planning processes and documents • Training on plan integration • List of programs and projects for the year 	<ul style="list-style-type: none"> • Review/Updating of LIIC • Training on PPP • Training on economic and investment promotion • Conduct of studies • Local and international study tour • Holding of Business Forum • Establishment of City Investment Center

Establishment of partnerships



INVEST EXPERIENCE IN INVESTMENT PLANNING AND PROMOTION IN THREE CITIES

Activities

- Worked for the formal designation of LEIPOs and the establishment of LEIP office
- Assessment of planning processes and documents – to ensure consistency of planned city investments with existing development plans (Feb and March 2012)
- Conduct of visioning exercises – to review and enhance vision for business and investment growth (July-August 2012)
- Training on plan integration – to avoid disconnect between projects identified in local development plans and those included in the budget (July 18-20, 2012)
- Preparation of list of programs and projects (submitted Oct 2012)



Activities

- Conduct of training needs assessment of LEIPOs – to determine the support to be provided to the LEIPOs
- Conduct of studies (industry studies, investment incentives, business incubation and innovation) – to assist the cities in exploring economic potentials and improve competitiveness
- Conduct of training on economic and investment promotion – to capacitate LEIPOs and other officials and stakeholders involved in investment planning and promotion (July 24-27, 2012)



Activities

- Session on LIIC updating – to determine needs of partner cities for LIIC updating and to prepare action plan (included in LEIPO training)
- Training on PPP – to strengthen involvement of private sector in critical city projects towards attainment of vision
- Provision of technical assistance for the City Business Forum



Lessons

- Need for a common vision and roadmap for development
- Need for a strong and active private sector as partner of the city
- Need to designate LEIPO (through local Executive Order) and ensure that the office is operational
- Need for strong institutional orientation of the LGU towards the market (competitive intelligence, openness to market opportunities)
- Need for a strong public-private marketing team for investment promotion



Recommendations

- Ensure that designated LEIPOs have the necessary orientation and skills to market the city, liaise with investors, package projects
- Provide funding and manpower support for the establishment of City Investment Center
- Make available templates and manuals to assist LGUs in investment promotion



Annex 6. E-BPLS READINESS QUESTIONNAIRE

ASSESSING READINESS OF LGUS FOR BPLS AUTOMATION

I. ABOUT THE LGU

LGU _____	REGION _____	LGU LEVEL	<input type="checkbox"/> City <input type="checkbox"/> Municipality	
NAME OF LOCAL CHIEF EXECUTIVE _____ TERM OF OFFICE <input type="checkbox"/> 1st term <input type="checkbox"/> 2nd term <input type="checkbox"/> 3rd term				
INCOME CLASS <input type="checkbox"/> 1st class <input type="checkbox"/> 2nd class <input type="checkbox"/> 3rd class <input type="checkbox"/> 4th class <input type="checkbox"/> 5th class <input type="checkbox"/> 6th class				
TOTAL NUMBER OF REGISTERED BUSINESSES				
TOTAL NUMBER OF LGU PERSONNEL _____		2010	2011	
<i>*including non-permanent employees (casual and job orders)</i>				
NEW _____ RENEWAL _____				

Please provide the required information relevant to your business permitting process by ticking **on the appropriate box:**

	NEW	RENEWAL
STEPS	<input type="checkbox"/> Less than 3 <input type="checkbox"/> 3 - 5 steps <input type="checkbox"/> More than 5	<input type="checkbox"/> Less than 3 <input type="checkbox"/> 3 - 5 steps <input type="checkbox"/> More than 5
Required FORMS (multiple answers allowed)	<input type="checkbox"/> Bus. Permit Application Form <input type="checkbox"/> Application for Brgy. clearance <input type="checkbox"/> Application for Zoning clearance <input type="checkbox"/> DTI/SEC/CDA Application Form <input type="checkbox"/> BIR Application Form <input type="checkbox"/> Application for Sanitary permit <input type="checkbox"/> Application for FSIC <input type="checkbox"/> Application for Building Permit <input type="checkbox"/> Application for Occupancy Permit <input type="checkbox"/> Application for Radial clearance <input type="checkbox"/> Others, pls. specify:	<input type="checkbox"/> Bus. Permit Application Form <input type="checkbox"/> Application for Brgy. clearance <input type="checkbox"/> Application for Zoning clearance <input type="checkbox"/> BIR Application Form <input type="checkbox"/> Application for Sanitary permit <input type="checkbox"/> Application for FSIC <input type="checkbox"/> Others, pls. specify:

	NEW	RENEWAL
SIGNATORIES	<input type="checkbox"/> Unified Form <input type="checkbox"/> 2 or less <input type="checkbox"/> More than 2, how many: _____	<input type="checkbox"/> Unified Form <input type="checkbox"/> 2 or less <input type="checkbox"/> More than 2, how many: _____
REQUIRED DOCUMENTS SUBMITTED BY APPLICANTS (multiple answers allowed)	<input type="checkbox"/> CTC (Cedula) <input type="checkbox"/> Brgy. clearance <input type="checkbox"/> Building Permit <input type="checkbox"/> Location/sketch map <input type="checkbox"/> Occupancy Permit <input type="checkbox"/> SEC Articles of incorporation <input type="checkbox"/> DTI Business Name registration <input type="checkbox"/> Sanitary Permit <input type="checkbox"/> Radial Clearance <input type="checkbox"/> FSIC <input type="checkbox"/> SSS clearance <input type="checkbox"/> BIR TIN <input type="checkbox"/> Others, pls. specify:	<input type="checkbox"/> CTC (Cedula) <input type="checkbox"/> Brgy. clearance <input type="checkbox"/> Location/sketch map <input type="checkbox"/> Occupancy Permit <input type="checkbox"/> FSIC <input type="checkbox"/> Sanitary Permit <input type="checkbox"/> Radial Clearance <input type="checkbox"/> Previous year's Business Permit <input type="checkbox"/> SSS Clearance <input type="checkbox"/> Philhealth clearance <input type="checkbox"/> Others, pls. specify:
	<i>*use the backside of this sheet if needed</i>	<i>*use the backside of this sheet if needed</i>

1

II. HUMAN RESOURCE CAPACITY

1. Within the city/municipal hall, how many employees are using or will be using the internet connection?

2. Does the LGU have any of the following: (multiple answers allowed)

- IT Office / Department
- IT Unit / Division / Section
- IT Personnel
- None of the above

proceed to question 5

3. If you answered yes on any of the above choices, please fill out the matrix below and specify the number of personnel performing the following functions

POSITION	# of Plantilla	# of Non Plantilla
<input type="checkbox"/> Network Administration		
<input type="checkbox"/> Database Management		
<input type="checkbox"/> Systems Analysis		
<input type="checkbox"/> Computer Programming		
<input type="checkbox"/> Computer Operator		
<input type="checkbox"/> Computer Encoder		
<input type="checkbox"/> IT Officer		
<input type="checkbox"/> Computer Technician		
<input type="checkbox"/> Other Positions:		

4. How many are trained in:

TOPIC	No. of IT Personnel	Sub-topic	No. of hours
IS/IT Management	_____		_____
Programming	_____	<input type="checkbox"/> Visual basic <input type="checkbox"/> Java <input type="checkbox"/> PHP	_____
Database Administration	_____	<input type="checkbox"/> Oracle <input type="checkbox"/> MS Access <input type="checkbox"/> mySQL	_____
Networking	_____		_____
Web Development	_____		_____

5. How many employees are there in your BPLO/BPLD?

III. INFORMATION, COMMUNICATION AND TECHNOLOGY FACILITIES

1. Does the LGU have an existing arrangement to connect with the Philippine Business Registry?

2. Does the LGU have an Information Systems Strategic Plan (ISSP)?

Yes, period of validity: _____

No

3. Please check the item/s below that are available in your LGU (multiple answers allowed):

- | | | | |
|---|--------------------------------|-----------------------------------|--|
| <input type="checkbox"/> Local Area Network (LAN): | <input type="checkbox"/> Wired | <input type="checkbox"/> Wireless | <input type="checkbox"/> 8-24 gigabit/100/10 Mbps Ethernet Switch/Router |
| <input type="checkbox"/> Internet Connection: | <input type="checkbox"/> Wired | <input type="checkbox"/> Wireless | <input type="checkbox"/> Vacant air-conditioned space of at least 8 sq. meters |
| <input type="checkbox"/> Real Property Tax Software | | | <input type="checkbox"/> Fire Suppression System |
| <input type="checkbox"/> Business Permit and Licensing Software | | | <input type="checkbox"/> Fire Extinguisher (Green) |
| <input type="checkbox"/> Geographic Information System (GIS) | | | |

4. How many computers does the LGU have based on the following specifications?

	Specifications	No. of Units
SERVERS	Quad Core (at the least) at least 4GB RAM (Memory) at least 200GB HDD Dual Network Card at least Dual Power Supply	
WORKSTATIONS	Dual Core (at the least) at least 4GB RAM (Memory) at least 150GB HDD WLAN/LAN Capable	

a. For SERVERS, How many of these units can be used as BPLS dedicated servers? _____

b. For WORKSTATIONS, how many of these are located in the Business Permit and Licensing Office/Division?

5. Choose what telecommunication network/s operate in your LGU (multiple answers allowed)

- | | |
|--|------------------------------------|
| <input type="checkbox"/> GLOBE / TM | <input type="checkbox"/> DigiTel |
| <input type="checkbox"/> SMART / Talk and Text | <input type="checkbox"/> Sky Cable |
| <input type="checkbox"/> SUN | <input type="checkbox"/> Wi-Tribe |
| <input type="checkbox"/> PLDT | <input type="checkbox"/> Bayantel |
| <input type="checkbox"/> Others, pls. specify: | |
