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Proposed Year 1 Work Plan (October 2011 to September 2012)

Investment Enabling Environment (INVEST) Project

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ACRONYMS AND ABBREVIATIONS

ADR	Alternative Dispute Resolution
ARTA	Anti-Red Tape Act
ASEAN	Association of Southeast Asian Nations
BFP	Bureau of Fire Protection
BIR	Bureau of Internal Revenue
BOSS	Business One-Stop Shops
BPLS	Business Permits and Licensing System
CDA	Cooperative Development Authority
COTR	Contracting Officer's Technical Representative
CSOs	Civil Society Organizations
DILG	Department of the Interior and Local Government
DPWH	Department of Public Works and Highways
DOST	Department of Science and Technology
DTI	Department of Trade and Industry
GAD	Gender and Development
INVES	Investment Enabling Environment
JIT	Joint Inspection Team
KM	Knowledge Management
LGA	Local Government Academy
LGU	Local Government Unit
LEIPO	Local Economic and Investment Promotion Officer
LINC-EG	Local Implementation of National Competitiveness for Economic Growth
LIIC	Local Investment Incentives Code
LRC	Local Revenue Code
M & E	Monitoring and evaluation
MSME	Micro, Small and Medium Enterprises
NCC	National Computer Center
NERBAC	National Economic Research and Business Assistance Centers
NGAs	National Government Agencies
OIDCI	Orient Integrated Development Consultants, Inc.
PBR	Philippine Business Registry
PCCI	Philippine Chamber and Industry
PCF	Performance Challenge Fund
PDP	Philippine Development Plan, 2011-2016
PHILHEALTH	Philippine Health Corporation
PMP	Performance Management Plan
REIPO	Regional Economic and Investment Promotion Officer
SEC	Securities and Exchange Commission
SSS	Social Security System
TOT	Training of Trainers

I. INTRODUCTION

The Investment Enabling Environment (INVEST) Project was awarded to Orient Integrated Development Consultants, Inc. (OIDCI) on September 29, 2011. INVEST is a two-year project which aims to improve the investment climate in the Philippines through direct assistance to three to five first-class cities in the areas of business registration streamlining and investment planning and enhancement.

The submission of a work plan for the Project is one of the contractual obligations of OIDCI under Section F.7b of its contract with USAID for the implementation of the INVEST Project. This work plan covers the first year activities of INVEST, more specifically those from October 2011 to September 2012. It is divided into nine sections including the introduction: The eight sections succeeding the introduction are: Project's results framework, proposed activities, timetable of activities, proposed budget, monitoring and evaluation (M & E) plan, proposed Gender Action Plan, proposed partnerships that will be forged in the implementation of its activities, and statement on its consistency with environmental documentation requirements under pertinent USAID and US Government regulations.

This work plan drew heavily from the project proposal submitted by OIDCI to USAID/Philippines in August 31, 2011 in response to the request from the latter for proposals for the implementation of INVEST. Some adjustments were however made after consultations with the project's Contracting Officer's Technical Representative (COTR) and alternate COTR, in a workshop held on November 15, 2011 and with partners.¹

At the time of the plan's writing, the cities to which INVEST support will be made available have not been identified. In this submission, we are assuming that the project will cover 5 cities, as originally planned. Once a decision has been made by USAID, adjustments in the work activities may have to be made. The Project will use a demand-driven and participatory approach in identifying, formulating, and implementing activities, with its role limited to "assisting" cities and participating stakeholders as they go through the reform process. Hence each of the targeted city will undertake its own planning processes to specify its projected activities under the Project, provided that such activities are supportive of the Project's goals and objectives. Hence, amendments to the work plan may arise as a result, but these will be made in consultation with, and approval of, the COTR.

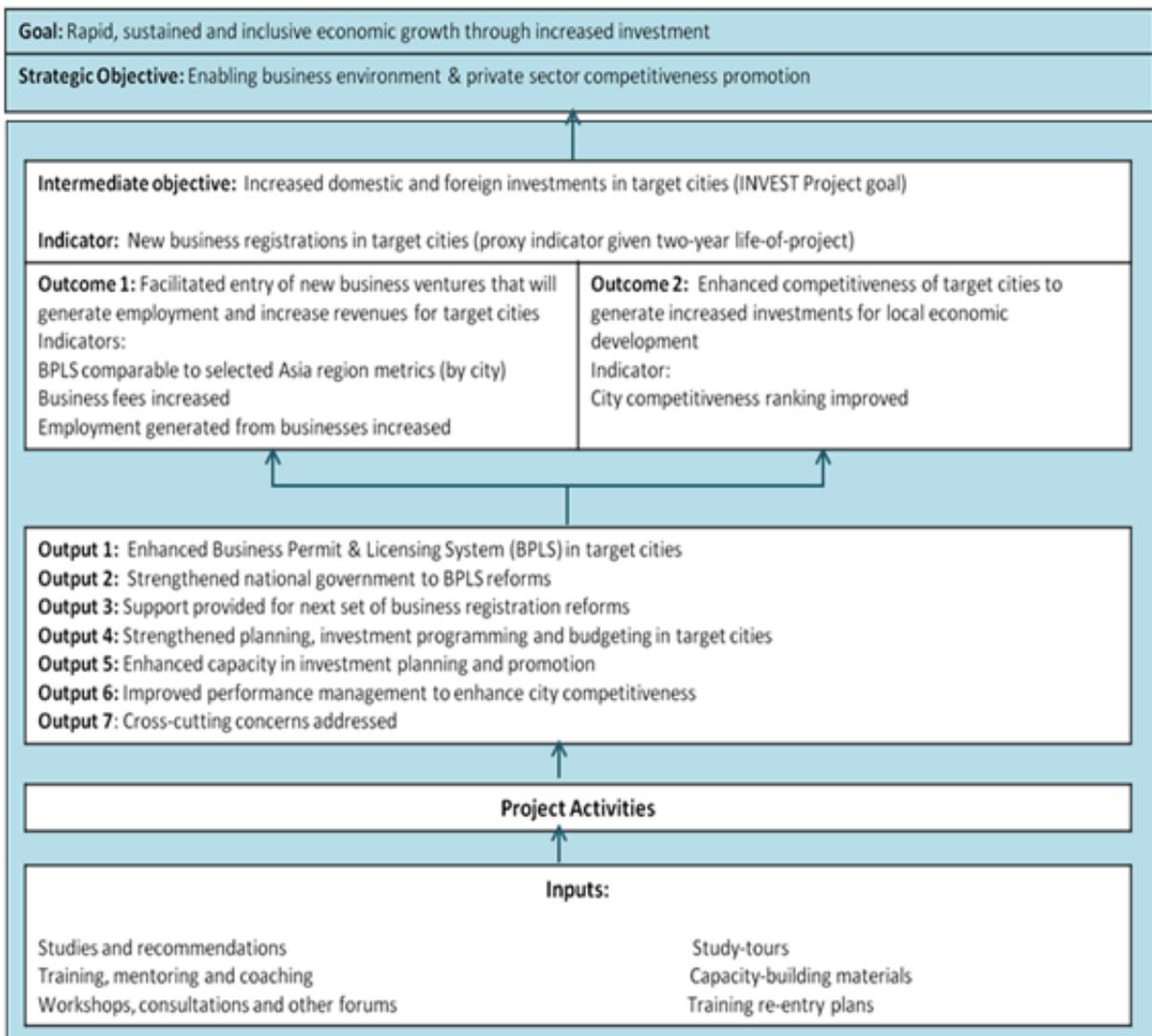
¹Meetings were held with officials of the Department of Trade and Industry (DTI), the Department of the Interior and Local Government (DILG), the National Computer Center (refer to *Annex 1* for the schedule of consultation meetings held).

II. Framework

The INVEST project was formulated to address the key binding constraints that limit the flow of private investments into the country, such as bureaucratic regulatory processes in business permitting that increase the cost of doing business and the poor standing of the Philippines in global competitiveness surveys. The project's objectives are consistent with the new USAID's reform agenda, the Partnership for Growth that focuses on partnerships, innovation and results. These objectives are also aligned with the development goal of the Philippine government of inclusive growth through infrastructure investments, good governance and human development.²

Figure 1 presents the proposed results framework for the project. The project's strategic objectives as agreed with USAID are to improve the business enabling environment and promote the competitiveness of private business. These are expected to increase the flow of local and foreign investments, which are the INVEST project's goals. These can be achieved thru (1) the entry of new investment in targeted cities that will generate jobs and additional revenues; and (2) enhanced competitiveness of targeted cities.

Figure 1. INVEST Project Results Framework



²the Philippine Development Plan, 2011-2016

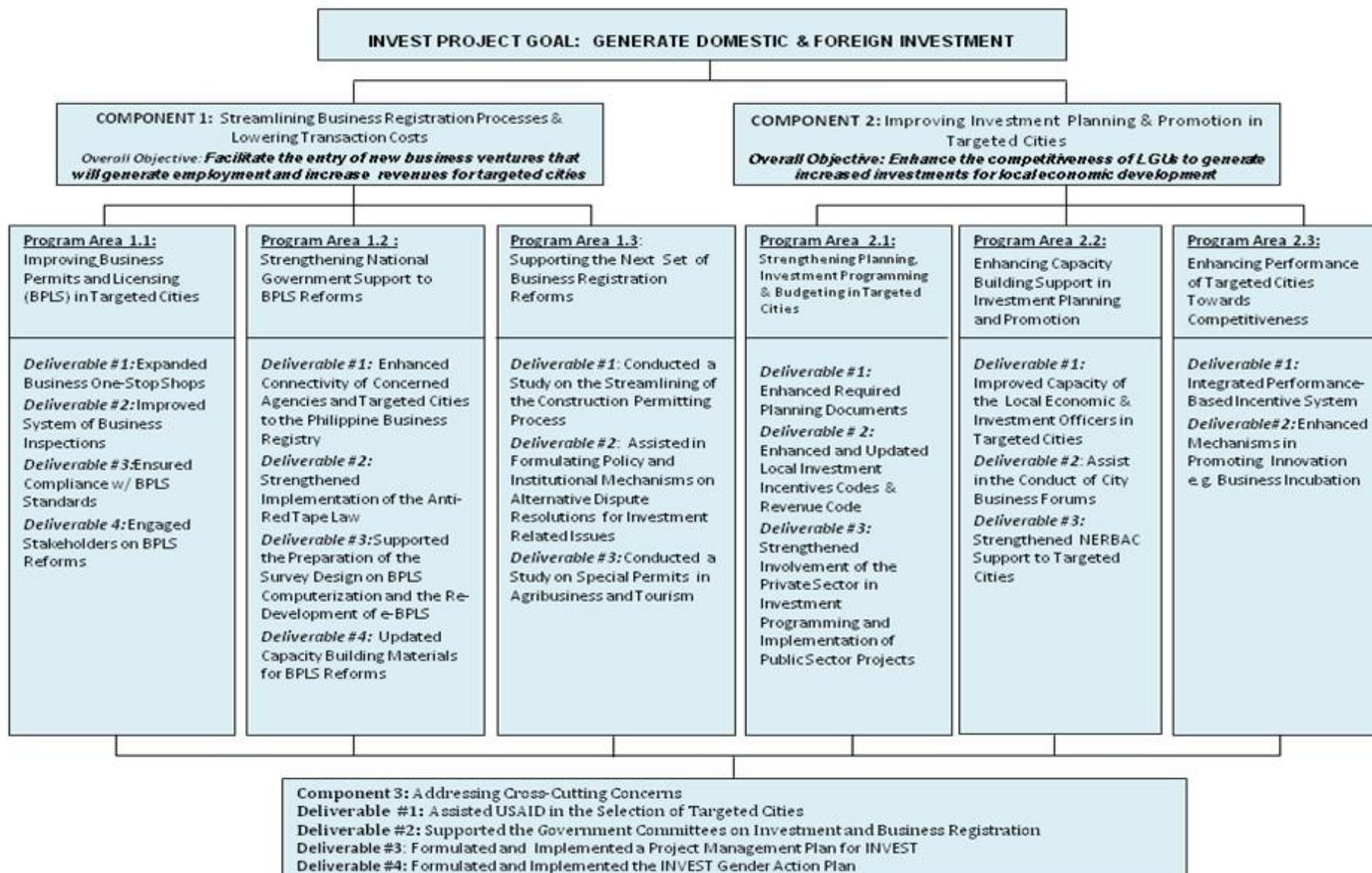
The project is proposed to have two components: (1) streamlining business registration process and lowering business transaction costs of compliance with rules and regulations; and (2) improving investment planning and promotion in targeted cities. Component 1 has three proposed program areas (or outputs): (1) enhancing the business permits and licensing systems (BPLS); (2) strengthening national government support for BPLS reform; (3) supporting the next set of business registration reforms. The outputs for Component 2 are: (1) strengthening planning, investment programming and budgeting in target cities; (2) enhancing the capacity of local officials in targeted cities in investment planning and promotion; and (3) improving performance management to enhance city competitiveness. The project will also produce outputs that cut across the two components, e.g., performance management plan, the Gender Action Plan, support to USAID in the selection of targeted cities and participation in government inter-agency committees that discuss investment and business registration policies.

The Project's objectives will be implemented through an integrated approach of technical assistance, education and training, study tours, advocacy efforts, sharing of good practices, information dissemination, and discussions with stakeholders on the various reform activities in the proposal.

III. Proposed Activities for Year 1

The first year of INVEST will focus on assessing the state of regulatory procedures and the enabling environment in the targeted cities. As a matter of procedure, most of the proposed activities have been verified with government partners. As stated in the Start-Up plan, meetings were conducted with the major agencies, the COTR and the project team since October 2011 to validate the activities initially submitted as part of the OIDCI proposal. However, further verification need to be undertaken in some of the activities (e.g. the Report Card Survey of the Civil Service Commission). The results of the discussions with the major agencies dealing with investments are summarized in *Figure 2* which contains the work plan of the project, the program areas and the deliverables under each of the two components described in the earlier section. The description of the various components and deliverables of INVEST is presented below.

Figure 2. Proposed Work Plan for the INVEST Project, October 2011-September 2012



A. Component 1: Streamlining Business Registration Process and Lowering Business Transaction Costs of Compliance with Rules and Regulations

The proposed activities under this component will address the high cost of doing business in the country. In the 2012 Doing Business Report prepared by the International Finance Corporation, the Philippines ranking was at the bottom 20% of countries (138 out of 183 countries), the second lowest among ASEAN countries and besting only Cambodia. In the criteria on starting a business, which is usually processed by local governments, the Philippines again ranked the second lowest in ASEAN, with the most number of procedures (together with Brunei) at 15 and 35 days to process permits and the second highest cost of processing (*Table 1*).

Table 1. Comparison of Metrics in Starting a Business among ASEAN Countries

Country	Rank in Starting a Business	Procedures (No.)	Time (No. of Days)	Cost (% of income per capita)
Cambodia	171	9	85	109.7
Philippines	158	15	35	19.1
Indonesia	155	8	45	17.9
Brunei	136	15	101	11.8
Vietnam	103	9	44	10.6
Thailand	78	5	29	6.2
Malaysia	50	4	6	16.4
Singapore	4	3	3	0.7

Source: WB & IFC, *Doing Business 2012: Doing Business in a More Transparent World*

To address the relatively high cost of doing business in the country, the government launched, in August 2010, the Nationwide Upscaling of Business Permits and Licensing System (BPLS) Reforms Program (Upscaling BPLS Reform Program). This program has five components: (1) mobilizing champions for the BPLS reform process; (2) simplification & standardization of the BPLS (or process re-engineering); (3) computerization of the BPLS; (4) institutionalization of the reforms; and (5) improvements in customer relations (refer to *Annex 2*).

As of end-October 2011, the program reported 261 local government units (LGUs) complying with the standards it set for the processing of applications for new business registration and for renewals. It also reported another 148 LGUs with on-going streamlining efforts.

Despite recent achievements, however, challenges remain: (1) the unresponsiveness of LGUs to BPLS reforms, with only 45% of the targeted LGUs having completed the reforms; (2) incomplete implementation of the reforms as shown by the absence or insufficiency of automation and other support systems (e.g., setting up of Business One-Stops Shops or BOSS)³; (3) upscaling of the BPLS standards to match those in other ASEAN countries; (4) weak support from stakeholders at the sub-national level (e.g., local chambers, academic institutions and civil society organizations or CSOs); and (5) disconnect between the BPLS reforms and the investment generation or promotion efforts of LGUs.

³Business One-Stop Shops (BOSS) is an arrangement where national and local regulatory agencies are housed in the municipal or city hall usually during renewal period.

Component 1 will address some of these challenges through three program areas: (1) improving BPLS in targeted cities; (2) strengthening national government support to BPLS reforms; and (3) supporting the next set of business registration reforms. Operationally, the first year work plan is geared towards assisting the targeted cities to implement reforms in time for the 2013 registration of businesses. In part, this change effort will be enabled and facilitated by assisting national government agencies, in particular, the Department of Trade and Industry (DTI), Department of the Interior and Local Government (DILG), DILG-Local Government Academy, National Computer Center (NCC), Securities and Exchange Commission (SEC), Civil Service Commission (CSC), and Department of Public Works and Highways (DPWH). At the same time, the Project will start conduct of policy studies that will trigger the next set of reforms in business registration, with focus on the remaining problematic areas in the business permitting process as well as on the special permits in two of the priority areas of government, namely, agribusiness and tourism. *Annex 3* summarizes the activities under each component and program area, the expected results from each activity, and the resources or inputs needed for each of the activities.

Program Area 1: Improving BPLS in Targeted Cities

This program area aims to supplement the BPLS process re-engineering already undertaken by the targeted cities by: (1) ensuring that the standards set by the Upscaling BPLS Reform Program are met and even exceeded; (2) expanding existing BOSS; and (3) improving the inspection systems in the cities. The activities corresponding to these deliverables will cover the traditional project phases, from diagnosis to analysis to design and implementation.

As part of the project objective of strengthening the tripartite partnership of LGUs, the local business sector, and CSOs, Program Area 1 will undertake activities that will actively involve stakeholders, such as local business groups and CSOs, in the BPLS reform processes.

Deliverable No. 1: Compliance with BPLS Standards. At the very least, the Project will ensure that the targeted cities are compliant with the standards set by the Upscaling BPLS Reform Program, namely, (1) the use of one unified form; (2) limited number of steps and processing time for business application; and (3) reduced number of signatories in business applications. It will do so by supporting the cities assess their current BPLS, including related computer systems, remedy deficiencies, and reconfigure their BPLS automation. It will support the cities assess their BPLS by providing them with technical assistance which, in the case of efforts to assess computer related system, will be provided in coordination with the NCC. Meanwhile, it will assist remedial efforts by supporting the conduct of workshops, trainings and study tours to good models of BPLS reforms, especially ISO-certified LGUs. Finally, its support to efforts of cities to reconfigure BPLS automation systems will take the form of technical advice and limited commodities, taking into account the Guidelines on BPLS Computerization for LGUs which was prepared for the NCC by the LINC-EG Project. The targeted cities will be encouraged to adopt processes that would move closer to ASEAN standards

Deliverable No. 2: Expanded Business One-Stop Shops in Targeted Cities. The Project will assess (1) the presence or absence of BOSS in the targeted areas; (2) the quality of the operations in existent BOSS during the renewal period in January 2012; and (3) the public perception on the effectiveness of the BOSS through an exit interview among the users of BOSS and a Client Satisfaction Survey that the local chambers and academic institutions, with support from the Project, will undertake. The Project will engage the Philippine Chamber of Commerce and Industry (PCCI) and the National Competitiveness Council (NCC2) to be "owners" of the Client Satisfaction Survey, which will build on the existing survey design used

by the NCC2 in the National Capital Region.⁴ Using the recommendations of the initial assessment, the Project will assist the targeted cities set up a more effective BOSS through the provision of technical and/or logistical support for the following: (1) setting up of one or two types of BOSS;⁵ (2) conduct of study tours to good models of BOSS; (3) strengthening of institutional support for the BOSS e.g., linking these up with the National Economic Research and Business Assistance Centers (NERBACs); and (4) facilitating national government agencies' (NGA's) participation in BOSS.

Deliverable No. 3: Improved System of Business Inspections. The Project will assess the different business registration-linked inspections in the targeted cities (e.g., zoning, fire safety, health and sanitation, and building-related clearances) and assist in establishing more business-friendly inspection systems, including the setting-up of joint inspection teams (JIT). It will also provide training on the proper conduct of inspections and the issuance of business-friendly local ordinances.⁶ At the national level, it will assist the DILG in (1) conducting studies on risk-based inspection, the formulation of checklists for inspections, and benchmarking of inspection fees; (2) developing a toolkit on joint inspections and other inspection reforms included in the "Guidelines for a Business-Friendly Local Inspection System"⁷; and (3) conducting a Training of Trainers' (TOT) workshop on inspection reforms, in coordination with other NGAs, e.g., the Bureau of Fire Protection (BFP) and the DPWH.

Deliverable 4: Engaged Participation of Stakeholders in BPLS Reforms. The Project will support the forging of a closer tripartite partnership among the private sector (academe and private business), civil society, and the city government in the targeted cities in reforming BPLS. This support will take the form of (1) workshops with the private sector and CSOs; (2) including representatives of the private sector and CSOs in study tours with the city officials; (3) assisting in formally organizing the private sector and CSOs to monitor BPLS reforms; and (4) encouraging the academic community to provide technical support to the reforms, e.g. in BPLS computerization, and to enjoin the accreditation system for BPLS service providers currently being set up by the LGA with World Bank assistance.

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 targeted cities. Hence, INVEST will devote resources for assisting concerned NGAs (e.g., DTI, DILG, CSC, and NCC) implement needed policy directives that would reduce the regulatory burden of businessmen and provide capacity building programs to 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. The activities under this program area consist of the following:

Deliverable No. 1: Support for the Improved Connectivity of Concerned NGAs and Targeted Cities to the Philippine Business Registry (PBR). The Philippine Business Registry (PBR) is a flagship project of the Philippine Government, with DTI as its lead agency, which aims to facilitate the registration processes of businesses in the Philippines. It is a web-based system that would serve as an on-line one-stop facility for entrepreneurs who would either open up a new business or expand their operations in the

⁴ The Business Registration Process Quality and Management Survey was commissioned to the Ateneo School of Government and conducted in the first half of 2010.

⁵ There are three types of BOSS: (1) on-site BOSS where LGUs provide a space within their premises for concerned NGAs to cater to requirements from applicants; (2) off-site BOSS located outside the city or municipal hall (e.g. malls); and (3) third party logistics where the private sector is tapped to operate a one-stop shop (GIZ, 2008).

⁶ The team will use as reference the "Guidelines for A Business-Friendly Local Inspection System" which the DILG has commissioned with support from LINC-EG. These guidelines include a template local ordinance on inspections.

⁷ The guidelines are currently being prepared by DILG with assistance from USAID's LINC-EG project.

country. It is envisioned to connect the regulatory agencies that processes permits: the DTI, SEC, Cooperative Development Authority (CDA), Bureau of Internal Revenue (BIR), Social Security System (SSS), Home Development Mutual Fund (Pag-IBIG), Philippine Health Insurance Corporation (PhilHealth), LGUs and other permit/license-issuing agencies. Based on consultations with DTI, the Project will support the soft requirements (not the technical infrastructure) of DTI⁸ in ensuring the connectivity of concerned agencies and the interconnectivity of the targeted cities to the PBR.⁹ Assistance will be in the form of technical advise on IT solutions to ensure systems integration across relevant application systems of NGAs with business registration-related transactions, including an effective web-based registry system; and on addressing the policy reforms and institutionalization issues relevant to the PBR.

*Deliverable No.2: Strengthened Implementation of the Anti-Red Tape Act (ARTA).*The procedural changes in business registration-related activities are concrete measures in response to the Anti-Red Rape Act (ARTA), which aims to enhance good governance and reduce corruption. The Project will train local CSOs, in coordination with the Civil Service Commission (CSC), in conducting the Report Card Survey in the targeted cities and then assist them in actually conducting the survey in 2012 in targeted cities.

*Deliverable #3: A Survey Design to Assess the BPLS Computerization of LGUs and Pilot Testing of BPLS Computerization in Targeted Cities.*DTI and DILG reiterated the importance of capacitating targeted LGUs in BPLS automation, which will be the focus of the Upscaling BPLS Reform Program in 2012.¹⁰ This would require conducting a survey among LGUs, including the targeted cities, on the status of their BPLS automation. DTI, DILG and the National Computer Center in a meeting on July 25, 2011, agreed to conduct such a survey. The INVEST Project will assist the NCC design the survey instrument. It will also use this instrument in assessing BPLS computerization in the targeted cities (refer to Deliverable # 3 under Program Area 1). It is also discussing with NCC the possibility of assisting in the re-development of e-BPLS, with joint funding from the e-Gov Fund of the National Government.

*Deliverable #4: Updated Knowledge Products on BPLS Reforms.*The Project will assist the LGA, as coordinator of the BPLS program, in revising the knowledge products that will be used in capacitating LGUs, including the targeted cities, on BPLS standards compliance and other related reforms. Specifically, it will: (1) update the BPLS manual and other information materials; (2) develop LGU-friendly toolkits on BPLS computerization, among other topics; (3) prepare advocacy materials based on the communication plan prepared by the LINC-EG Project; (4) improve the current BPLS help desk website developed with assistance from the LINC-EG Project to make it more effective as an advocacy tool rather than just a repository of BPLS information.

Program Area 1.3: Supporting the Next Wave of Business Registration Reforms.

Business registration is just one aspect of the whole permitting system in the country. The Sub-Working Group on Local Investment Reforms identified other regulatory reforms critical to generating investment, which the Project will support in the following manner:

*Deliverable #1:A Study on the Streamlining of the Construction Permitting Process.*The Project will support the DTI-initiated committee tasked to recommend reforms in the current process in securing building and occupancy permits. More specifically, it will

⁸DTI oversees the administration of PBR by virtue of Executive Order 587.

⁹LGU connectivity will require providing a staging server that is connected to the internet, a programmer and internet kiosks.

¹⁰Meeting of the Working Group on Growth and Investment Climate (GIC) on November 23, 2011. The GIC included in its work plan the capacity building activities on BPLS automation in partnership with DILG.

conduct a study on such reforms, using as a basis the “Guidelines for a Business-Friendly Local Inspection System” prepared by LINC-EG. In this effort, it will closely coordinate with the DTI, DILG, and DPWH, which by law, has the responsibility for the administration of the Building Code. The Building Code provides the statutory bases for building-related permits.

Deliverable #2: Assistance in Formulating Policy and Institutional Mechanisms on Alternative Dispute Resolutions. The Philippine Business Groups and the Joint Foreign Chambers have raised to government many instances where local regulations have been inconsistent with national laws. A possible measure to resolve these cases is the use of Alternative Dispute Resolution (ADR)¹¹ which was promulgated through RA 9285. The project will support a study that will look at the use of ADR in addressing business- or investment-related conflicts arising between national laws and local regulations, taking into account the (1) institutional set-up for the ADR; and (2) policy issuances needed.

Deliverable #3: A Study on Special Permits Required from Business in Priority Sectors of Government. The Philippine Development Plan (PDP) 2011-2016 identifies priority sectors that are envisioned to propel the economy to growth. The Project will assist the DTI in conducting a study on special permits required in two of these priority sectors – agribusiness and tourism. It will (1) inventory all relevant permits and their legal bases; (2) document the processing time, steps, forms and signatures in the each of the permits; and (3) give initial recommendations on streamlining the permitting in these sectors. The study will include the processes for securing environmental clearances and pass-thru fees, among other issues.

B. Component 2: Improving Investment Planning and Promotion in Pilot Cities

The activities under this component aim to enhance the competitiveness of targeted LGUs in order to generate higher investments and eventually lead to higher employment and improved local economic development. Based on the Philippine ranking in the latest global surveys, the country’s record has been mixed since 2010 but remains below ASEAN neighbors (*Table 2*). By addressing city competitiveness, the government hopes to showcase models of competitiveness that could be replicated in other areas and eventually lead to better ranking for the Philippines in general.

Table 2. Philippine Ranking in Global Competitiveness Surveys, 2009-2012

Global Surveys	2009	2010	2011	2012
The Global Competitiveness Report (WEF)	71 (52.3 % out of 134)	87 (65.4% out of 133)	85 (63.9% out of 139)	75 (52.8% out of 142)
World Competitiveness Yearbook (IMD)	43 (78.8% out of 55)	39 (67.2% out of 58)	41 (69.4% out of 59)	
Doing Business Survey (IFC/WB)	141 (77.9% out of 181)	148 (80.9% out of 183)	134 (73.2% out of 183)	136 (74.3% out of 183)

Source: IMD, WEF, IFC

This component of INVEST aims to assist the targeted cities create an enabling environment to that will attract more and better investments, It will do so by (1) strengthening planning and investment programming and budgeting linkages; (2)

¹¹Arbitration is defined in the law as "voluntary dispute resolution process in which one or more arbitrators appointed in accordance with the agreement of the parties resolve a dispute by rendering an award."

providing capacity building support in investment planning and promotion; and (3) managing performance to enhance competitiveness in the targeted cities.

As an initial activity, the Project will assist the cities in (1) ensuring the consistency of their plans with the recently released PDP 2011-2016 and relevant component regional and provincial development plans; (2) updating their Local Investment Incentives Codes and ensuring that these are consistent with their Local Revenue Codes (LRC); and (3) strengthening planning and budgeting linkages.

After the review of the city plans and the formulation of a strategic vision of the city, the Project will support institutional strengthening through (1) capacity building for the Local Economic and Investment Officers, complementing the training provided by the LGA; and (2) strengthening NERBAC as a business matching facility and a repository of investor-focused information, and its link up with pilot cities. Aside from trainings, the Project will expose city officials to good practices in investment planning and promotion in the country and in some model cities in Asia.

A key factor in investment generation is good governance. The Project will thus assist the DILG to organize the various performance-based incentive systems into a cohesive and effective mechanism for ensuring transparent and accountable LGUs that provide effective services to the people; while at the same time addressing the financing requirements of LGUs for critical priority activities. To complement the performance-based incentive system, innovation will be promoted as a catalyst of economic growth and competitiveness, which the Project intends to nurture in partnership with the private sector and the Department of Science and Technology (DOST).

In all these areas of assistance, the participation of the private sector – business and civil society – will be ensured as a critical partner of the city governments in creating the environment that is conducive to business and investment.

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

The presence and quality of city plans are important in attracting investments. More importantly, these plans are the bases of many regulations at the local level, including those on investment. The activities envisioned under this program area will assist the targeted 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 the local investment incentives codes and local revenue codes; (2) strengthen the 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.

Deliverable #1: Enhanced Required Planning Documents. The Project will assist the targeted cities review their required planning documents, to ensure consistency with the recently issued PDP and relevant regional and provincial plans. The targeted cities shall also be assisted in reviewing and enhancing their vision for business and investment growth through the participation of key stakeholders, namely, the local chief executive, members of the city council, business groups and the civil society groups. Once these plans are reviewed and a common vision is formulated, the linkages of plan formulation, investment programming, and budgeting shall be enhanced to ensure that development aspirations are translated into tangible results through an enhanced capacity to prioritize

and implement programs, projects and activities. Specifically, training on project and activity prioritization and implementation shall be conducted.

Deliverable # 2: Enhanced and Updated Local Investment Incentives Codes and Revenue Codes. The DILG and the Board of Investments (BOI) are currently preparing guidelines on the formulation of the Local Investment Incentives Code (LIIC). The Project will coordinate with BOI and LGA on the conduct of training workshops on these guidelines for the targeted cities. In preparation for these training, INVEST will conduct an inventory of incentives provided in various laws in the priority sectors and recommend how these can be considered in the LIIC. The Project will then assist the pilot cities in updating their LIIC, taking into account the incentives provided in various national laws and their common vision for business and investment growth. A review of the LRC will also be undertaken to ensure its consistency with the updated LIIC.

Deliverable #3: Strengthened Involvement of the Private Sector in Investment Programming and Implementation of Public Sector Projects. Through this Project, it is envisioned that the involvement of the private sector in the planning, investment programming and program implementation of targeted cities shall be strengthened. Specifically, training shall be conducted to clarify responsibilities and accountabilities of both local governments and the private sector in investment programming and joint implementation of priority development programs and projects. This training is designed to generate a list of priority programs, projects and activities that could be jointly implemented by the government and the private sector

Program Area 2.2: Enhanced Capacity in Investment Planning and Promotion.

Investment planning and promotion at the local level has been enhanced with the creation of the positions of Local Economic and Investment Promotion Officers (LEIPOs) through DILG Memorandum Circular No. 2010-113 issued on October 13, 2010. The activities in this program area will strengthen the capacity of LEIPOs in targeted cities to plan activities that will promote investments, use existing programs and mechanisms available at the national and regional government agencies (DTI, DILG, BOI, NEDA) in the pursuit of the cities' investment goals, and harness support from stakeholders for the cities' investment-related activities.

Deliverable #1: Improved Capacity of the Local Economic & Investment Promotion Officers in Targeted Cities. To strengthen the capacities of the LEIPOs in the targeted cities to fulfill their functions, the Project will (1) conduct training workshops to complement the capacity building program provided by the LGA, in the process covering subjects not handled by the said program (e.g., preparing feasibility studies and preparing relevant information materials); and (2) strengthen institutional support to LEIPOs through capacity building for the designated DILG Regional Economic and Investment Promotion Officers (REIPOs) and other partners of the LEIPOs such as national government agencies and private sector groups.

Deliverable #2: Strengthened NERBAC Support to Key Cities. INVEST will build on LINC-EG assistance to DTI on NERBAC, e.g., the Needs Assessment Report on Information and Knowledge Management Systems. Its specific activities will depend on the recommendations of the report but some illustrative activities which the Project may undertake include the provision of assistance to efforts to: (1) refine the current NERBAC Region 12 information system, which links the business registration system of LGUs of the region, as a possible business matching platform; (2) assess the information and service requirements of micro, small and medium scale enterprises (MSME) which the NERBAC would address; and (3) strengthen the institutional framework of the NERBAC through assistance in advocating for amendments to the NERBAC law, studying the

duplication of NERBAC functions with those of other DTI offices, and establishing linkages between the NERBAC and the newly-created LEIPOs and REIPOs.

Program Area 2.3: Enhancing the Performance of Targeted Cities towards Achieving 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 targeted cities through the activities described below.

Deliverable #1: Integrated Performance-Based Incentive System. The government has a number of performance-based grant systems that are currently implemented, such as (1) the Performance Challenge Fund (PCF) which is being managed by the DILG and (2) the performance-based grant system being implemented by the Department of Finance through the Municipal Development Fund Office. The framework and implementation mechanisms for these systems need to be rationalized for a more efficient and effective use of public resources. The Project will therefore contract a local government finance expert to assist the DILG (1) improve the existing PCF mechanisms to take into account higher performance criteria, wider grant scope, and the involvement of other agencies and groups; (2) formulate a national framework for an integrated LGU performance grant system in the country; and (3) rationalize and/or establish possible links among the current and proposed performance-based programs. Depending on the policy to be set by government, the Project will assist the targeted cities to qualify in any of the performance-based facilities open to first class cities.

Deliverable #2: Enhanced Mechanisms in Promoting Innovations in Pilot Cities. Given the critical role that cities play in promoting economic growth and the importance of technological development in the race toward globalization, the Project will undertake a strategic study, in coordination with the DOST, aimed at assessing the potential of the cities in creating “knowledge structures” or “technopoles” or other facilities or institutions that would promote innovation and industry clustering in the targeted cities.

C. Component 3: Addressing Cross-Cutting Concerns

The Project will also undertake activities that cut across its two components as follows:

Deliverable 1: Assistance in the Selection of Targeted Cities. The Project will assist USAID in the competitive selection of the targeted cities by (1) formulating the criteria for the pre-selection and the short-listing of potential targeted cities; (2) providing secretariat support to USAID in the briefing for pre-selected cities and in the evaluation of those that submitted their expressions of interest to participate in the Project; (3) helping in making arrangements and providing logistical support for field visits that may have to be undertaken as part of the selection process.

Deliverable 2: Support to the Government Interagency Committees on Investment and Business Registration. The government has created a number of inter-agency committees that set policy directions in various priority areas, including those covered by INVEST. As a strategic measure, the Project will participate in the meetings of the following committees: (1) the Working Group on Growth and Investment Climate under the Philippine Development Forum; (2) the Oversight Committee of BPLS; (3) the Sub-Working Group on Local Investment Reforms and (4) the DTI Technical Committee on the Philippine Business Registry. It will, to the extent possible and with the approval of the COTR, present policy recommendations and progress reports in these committees. The Project will also assist the secretariats of these committees to a limited the extent and as requested.

Deliverable 3: Formulated and Implemented Project Management Plan. The Project, as part of its reporting requirements to USAID, will be preparing a Project Management Plan (PMP) that will monitor, evaluate, and report its progress towards its achievement of its goals. The purpose of the PMP is to establish indicators that will provide accurate baseline data on the initial program or project/activity conditions. A separate chapter of this report is devoted to the description of the draft PMP that the Project is formulating for submission at the end of December 2011. The Project will implement the PMP consistently throughout its life.

Deliverable 4: Formulated and Implemented Gender Action Plan. The Project is also expected to submit a Gender Action Plan that will identify entry points for the integration of gender concerns in its various phases and activities. A separate chapter of this report is devoted to a description of the Gender Action Plan. The Project will likewise implement this action plan throughout its project life.

D. General Management and Administration

The Project Management Team (PMT) will engage in various activities that will facilitate the implementation of the whole Project and the various activities that it needs to undertake if its goals and objectives are to be met, and then exceeded. Among these activities are:

1. overseeing, supervising, and monitoring and evaluating the execution of the Project Work Plan and the implementation of activities provided therein;
2. formulating, executing, and monitoring the implementation of a Financial Management Plan to ensure that financial resources are available at the quantity and time required;
3. formulating, executing, and monitoring the implementation of a Human Resource Management Plan, including formulating the terms of reference, ensuring the availability of experts/consultants, and negotiating and then mobilizing them, to ensure that human resources are available when needed;
4. implementing the Monitoring and Evaluation Plan to ensure that Project implementation is as required;
5. implementing and monitoring the implementation of the Gender Plan to ensure Project compliances with pertinent USAID regulations on the issue;
6. ensuring that logistical support is available when needed by the Project's activities;
7. maintaining contact and strengthening linkages with partners and stakeholders; and
8. strengthening coordination with USAID and submitting all required reports as required.

In the first three months of Project life, the senior management of the PMT has been, and will be, preoccupied with setting up an office, hiring project personnel, and undertaking other start-up activities.

1. Setting-Up of the INVEST Office

As an update to the Start-Up Plan, a lease agreement with CAMARO Realty Corporation has been signed on November 25, 2011. The lay-out of the office has been approved by the PMT and the short-listing of contractors for the renovation work is underway. Renovations may take from three to four weeks starting early December 2011. We are targeting completion of the renovation before the Christmas holidays at the earliest or early January at the latest.

Nodal offices will be set up at the targeted cities. The setting up of these offices will commence after the Memorandum of Agreement between USAID and the participating cities are signed, which may happen in January 2012.

The equipment and furniture to be used in the project will partly come from the LINC-EG project managed by Nathan Associates, which closed in November 2011. The purchase of other equipment and furnishing, as well as the project vehicle, awaits the issuance by the Bureau of Internal Revenue of a VAT exemption certification to the Project.

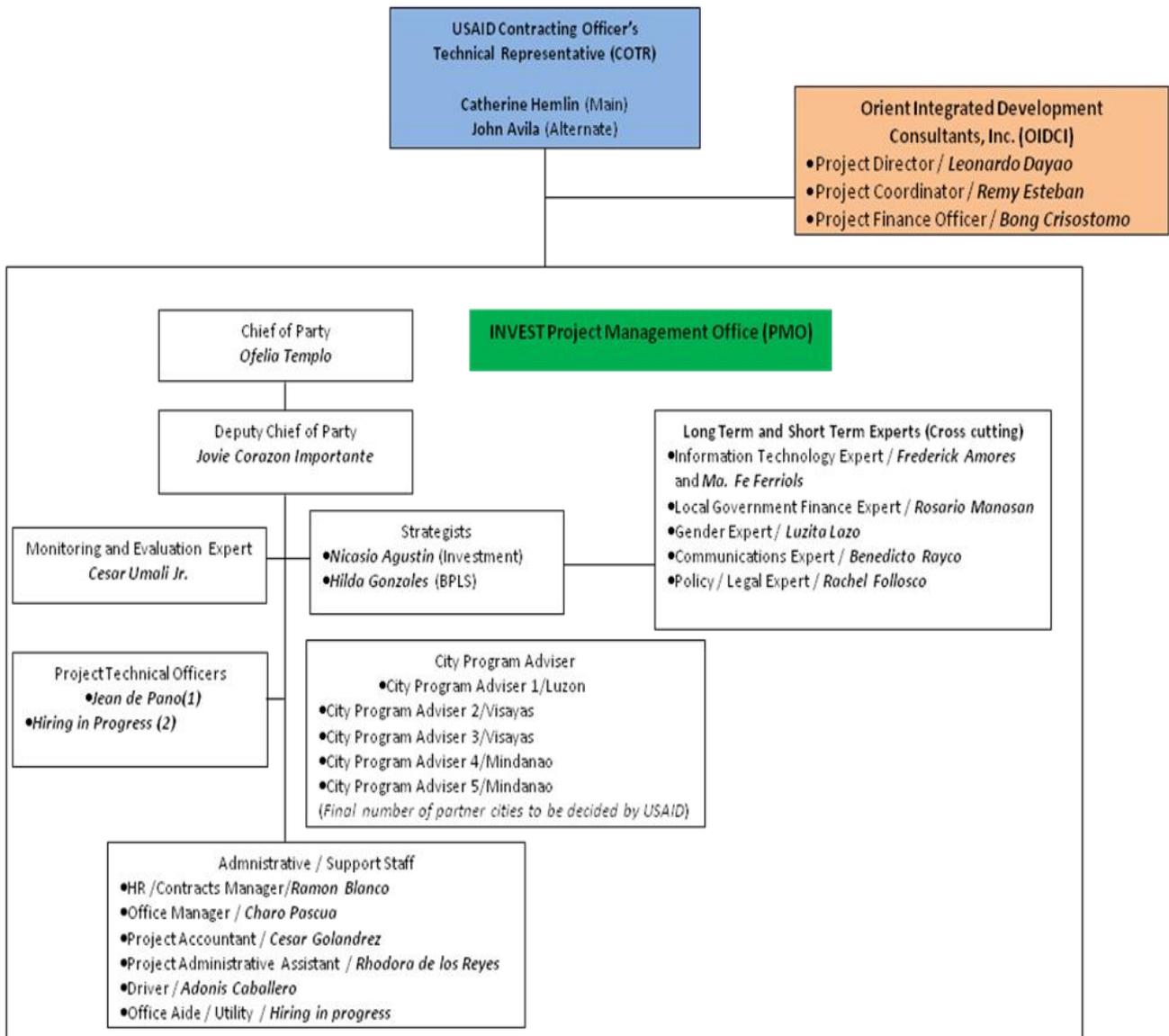
2. Hiring of INVEST Personnel

As stated in the Start-Up Plan and shown in Figure 3, the INVEST Project will have a Project Management Team composed of the following: (1) the Chief of Party; (2) the Deputy Chief of Party; (3) the M & E Expert; (4) BPLS strategist; (5) the Investment Strategist; and (6) the five city advisers. Except for the city advisers, all of the PMT members have been hired and are working on the Project. The hiring of the city advisers will commence soon after USAID decides on which cities shall be participating in the Project. The decision is expected in early December 2011.

The Administrative and Support Staff is composed of 6 personnel, of which only one – the office aide/utility -- have yet to be named. The Human Resource/Contracts Manager was included as a long-term technical assistance (LTTA) in the proposal, which was approved by the Contracting Officer (CO). The request for approval for the Office Manager, the Project Accountant, and the Administrative Assistant was sent to the CO on November 23, 2011. All the support staff will be contracted before the end of the year.

Some of the consultants to be hired as short-term technical assistance (STTA) have been named as part of the proposal. However, approval for the hiring of the consultants will be secured from the CO as soon as the work plan is approved. However, due to the need for a gender expert, a request for the hiring of one was sent to the CO November 23, 2011.

Figure 3. INVEST Organization Chart



3. *Formulation of a Communication Plan and Preparation of Communication Materials on INVEST*

To facilitate the flow of information to and from the Project and thus ensure the relevance of the Project to the needs of the targeted cities and other partners while eliciting sufficient support for its activities among the stakeholders, the PMT will formulate and then execute a Project Communication Plan. Among the anticipated features of this plan is a Project website that will be used as a channel of information, such as project developments / updates, project impacts, motivational/mobilization messages, and messages geared toward increasing coordination among stakeholders. The website will also serve as a venue for feedback on the project and its activities. Some of the other tools that would be used by the Plan will be brochures, information kits, flyers, audio and audio-visual materials, and press conferences. The PMT will ensure Project compliance with USAID branding and marking requirements.

The Project's Start-Up Plan was initially submitted on October 28, 2011 and a revised version was sent for approval on November 22, 2011. The pace of work is expected to build-up after the approval of the work plan. However due to the holidays in December, full time implementation of the project will realistically start in January 2012.

IV. Timetable of Activities

Planning the Project activities took into account the Project's short implementation period and the need to show results before the local elections in 2013. Typical of new projects, the first quarter has been devoted to administrative work like the setting up of the office, hiring of staffs, and firming up the project work plan. The technical activities are expected to build up by the second quarter of Project life, starting January 2012, especially after the targeted cities have been identified.

Annex 4 presents the schedule of activities and performance indicators of INVEST for Year 1. This schedule should be considered indicative as the participating cities will be doing their own work planning. Any adjustments that may need to be made on account of this local-level planning exercises will be reported to USAID as soon as the partner cities' work plans have been finalized.

V. Monitoring and Evaluation (M & E) Plan

As part of the reporting requirements of USAID, INVEST will be preparing a Performance Management Plan (PMP), which is defined as a "tool for planning and managing the process of monitoring, evaluating, and reporting progress towards achieving a development objective (DO)". The purpose of the PMP is to establish indicators that will provide accurate baseline data on the initial program or project/activity conditions, while measuring the degree of change effected by the Project.¹² The PMP to be formulated for the INVEST Project in particular is regarded as a combined management and communication tool that seeks to: (1) guide project implementers towards achieving project goals and objectives on time; and (2) serve as an objective basis for assessing the performance of cities, individual components, and the project as a whole. Performance management is understood to be "inclusive," i.e., covering all the levels of the "project design and monitoring framework", including project activities/inputs, outputs, outcomes and impact, as detailed in the Logical Framework (logframe) provided in *Annex 5*. This draft will be finalized and submitted to USAID at the end of December 2011.

¹² USAID, *op. cit.*, page 11.

VI. Gender Action Plan

The Gender Action Plan (GAP) describes key actions and entry points to ensure that gender is mainstreamed in the efforts to strengthen business permitting and licensing services as well as in improving the business climate in the targeted cities. Part of the process of preparing the GAP is to conduct gender analysis to identify and define the gender issues attendant to the situation, if any. This analysis will await the selection of the targeted cities. The gender issues identified through the analysis will then determine the specific remedial/corrective courses of action in the cities.

At the initial phase of INVEST, the key Project team members and project collaborators in the project site will be oriented and sensitized on gender concerns. Their capacities in mainstreaming gender concerns in the INVEST project activities will also be built up and enhanced. The GAD Plan includes actions to incorporate gender in the monitoring and evaluation scheme. Key gender indicators will be identified in accordance with the USAID policy and work plan format. *Annex 6* contains the notional or draft GAP which the INVEST project is contemplating of adopting.

VII. Coordination with Partners and Stakeholders

The Project Team will adhere to several principles in implementing the INVEST Project, as originally stated in the OIDCI proposal submitted to USAID. The design of the activities will be **demand-driven**, with the assistance to targeted activities dependent on initial conditions and the need for reforms. The Project will also employ the **participatory or consultative and inclusive approach**, with stakeholders being actively engaged and consulted throughout the duration of the Project and the partner cities driving the reform processes in the Project. The role of the Project Management Team will be basically supportive of the reforms which the city governments as well as the concerned national government agencies will be undertaking.

Annex 7 contains a summarized list of activities and the possible “primary” groups that the Project may have to link up with in implementing its activities. Formal agreements may have to be forged with some of the agencies in the list, in addition to the Memorandum of Agreement to be signed between USAID and the targeted cities. This list is not comprehensive and does not contain the stakeholders that may have to be consulted as part of the process of doing studies and other project activities.

VIII. Consistency with Regulation 216 on Environmental Documentation

INVEST focuses largely on the provision of technical assistance and the conduct of capacity development initiatives such as training programs and study tours / field visitation. These activities, singly and as a group, does not require an Initial Environmental Examination or an Environmental Assessment and Environmental Impact Statement as specified under the procedures of Title 22 of the Code of Federal Regulations, Part 216. Although the Project will provide small commodity grants such as computer units, interconnectivity, simple software and similar components, these grants would hardly affect much less endanger the environment.

Based on the (c) Categorical Exclusions (1) and (2) provided under Regulation 216.2 (Applicability Procedures), the INVEST Project is not subject to the procedures set forth by the policy in 216.3 based on the following:

- (1) The following criteria have been applied in determining the classes of actions included in 216.2(c)(2) for which an Initial Environmental Examination, Environmental Assessment and Environmental Impact Statement generally are not required:
 - (i) The action does not have an effect on the natural or physical environment; and
 - (ii) A.I.D. does not have knowledge of or control over, and the objective of A.I.D. in furnishing assistance does not require, either prior to approval of financing or prior to implementation of specific activities, knowledge of or control over, the details of the specific activities that have an effect on the physical and natural environment for which financing is provided by A.I.D..

- (2) The following classes of actions are not subject to the procedures set forth in 216.3, except to the extent provided herein:
 - (i) Education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (such as construction of facilities, etc.);
 - (ii) Analyses, studies, academic or research workshops and meetings; and
 - (iii) Document and information transfers.¹³

Nevertheless, the INVEST project will closely observe and promote both A.I.D. environmental policy as stated in the referred-to procedures. It will likewise observe, and promote Philippine environmental policies as inscribed in various laws and regulations.

¹³ CFR 216 Agency Environmental Procedures, page 10

Annex 1. Consultation Meetings with National Government Agencies

National Government Agencies	Topics for Discussion	Schedule
<p>1. Undersecretary Zenalda Maglaya (DTI)</p> <ul style="list-style-type: none"> • Alternate Convener of the PDF Working Group on Growth and Investment Climate, which addresses the issues on competitiveness within the PDF organization • Co-Convener of the BPLS Oversight Committee • Co-Convener of the Sub-Working Group on Local Investment Reforms 	<ul style="list-style-type: none"> • Status of BPLS Reforms • Status of the Philippine Business Registry (PBR) • Plans of DTI/BOI on the roll-out of the Local Investment Incentives Code (LIIC) manual • Status of activities of the Sub-Working group on Local Investment Reforms • Status of work re: DTI/DILG secretaries' instruction to address construction permits 	Meeting held on October 17
<p>2. Undersecretary Austere Panadero (DILG)</p> <ul style="list-style-type: none"> • Alternate Convener of the PDF Working Group on Decentralization and Local Government • Co-Convener of the BPLS Oversight Committee • Co-Convener of the Sub-Working Group on Local Investment Reforms 	<ul style="list-style-type: none"> • Views on the design for choice of pilot cities • Scope of assistance on the performance based grants including delineation of responsibilities across donors • Assistance on the capacity building for Local Economic and Investment Promotion Officers (LEIPOs) • Seek assistance in engaging cities and regional DILG offices • Assistance on BPLS reforms, e.g. Business One Stop Shops 	Meeting held on October 26
<p>3. Undersecretary for Regional Operations Mery Cruz (DTI)</p>	<ul style="list-style-type: none"> • Views for the study on the choice of cities • Scope of assistance for NERBAC • Role of DTI Regional Offices in BPLS reforms • Participation of DTI in the training of LEIPOs 	Meeting held on November 10
<p>4. Mr. Bill Luz, Private Sector Co-Chair, National Competitiveness Council (NCC)</p>	<ul style="list-style-type: none"> • Conduct of a Client Satisfaction Survey on BPLS • Role of NCC re: BPLS Reforms • Proposals of NCC re: promoting city competitiveness 	Meetings held on November 17, 2011 & February 1, 2012
<p>5. Undersecretary for Investment Promotions Cristino Panillo (DTI)</p>	<ul style="list-style-type: none"> • Plans of BOI and DTI re: preparation of LIIC • Plans of DTI re: promoting city competitiveness 	Meeting held on November 25

National Government Agencies	Topics for Discussion	Schedule
6. Director Marivel Sacendoncillo (Local Government Academy & Coordinator, BPLS Project)	<ul style="list-style-type: none"> • Gov't plans on BPLS reforms • Assistance in updating BPLS knowledge products • Other donor support to BPLS 	Meeting held on November 17
7. Director Emani Dionisio (Philippine Business Registry)	<ul style="list-style-type: none"> • Status of Philippine Business Registry (PBR) • Assistance needed on PBR 	Meeting held on November 14
8. Secretary Gregory Domingo (DTI)	<ul style="list-style-type: none"> • Status of PBR • Assistance needed for PBR 	Meeting held on November 16
9. Undersecretary of DOST in charge of the National Computer Center or Director Dennis Villorin	<ul style="list-style-type: none"> • Future Plans re: BPLS Automation (e.g. eBPLS, guidelines for LGUS on BPLS automation) • BPLS Automation Survey 	Meeting held on November 25
10. Chairman Teresita Herbosa, Securities and Exchange Commission	<ul style="list-style-type: none"> • Status of SEC connectivity with PBR 	1 st week of December
11. Undersecretary Louise Casambre, Department of Science & Technology (in-charge of NCC)	<ul style="list-style-type: none"> • Plans of NCC on eBPLS Development Computerization • Possible MOA among NCC2, DTI and DILG 	February 28, 2012
12. Administrator Carmelita Erieta, National Statistics Office (NSO)	<ul style="list-style-type: none"> • Explore partnerships to formulate framework for developing indicators for economic growth & competitiveness 	March 9, 2012
13. Undersecretary Ma. Victoria Zasmin, Department of Tourism	<ul style="list-style-type: none"> • Status of the Tourism Implementing Rules and Regulations at the Local Level • Advice on the tourism activities where securing of business permits have been problematic • Engagement of DOT as partner in the study on the permitting processes in the tourism sector 	March 12, 2012
14. Director Victoria Esber, Civil Service Commission	<ul style="list-style-type: none"> • Status of the conduct of the Report Card Survey • Implementation of the MOA on the conduct of the Report Card Survey with DILG 	March 12, 2012
15. Director Marivel Sacendoncillo, Local Government Academy	<ul style="list-style-type: none"> • Schedule of training activities on the conduct of the Report Card Survey 	March 12, 2012

Annex 2: Components of the Nationwide Business Permits and Licensing System (BPLS) Upscaling Project

The BPLS reform program as currently formulated by DTI and DILG consist of five components:

1. Mobilizing Champions for the BPLS Reform Process

Implementation of the BPLS reforms will require engaging various sectors to support the reform process. This includes: (a) engaging LGUs to undertake the reforms; (b) harnessing support from the LGU Leagues to encourage their members to participate in the program; (c) engaging the private sector including the business sector, the academe, civil society organizations both at the national and local levels to participate in the program; (d) coordinating concerned NG Agencies and their regional offices to manage the reforms; and (e) organizing the development community for the up scaling of the reforms.

2. Simplification & Standardization of the BPLS Process

The streamlining of the BPLS starts with setting performance standards for processing permits. Using the ARTA as framework for the standards, the simplification of the BPLS will start with process re-engineering that focuses on four areas: (a) use of one application form; (b) the number of signatories; (c) steps; and (d) processing time. These will be discussed in greater detail in the next chapter.

3. Computerization of the BPLS Process

Efficient process reengineering requires some form of computerization. There are existing software programs developed in the past for BPLS including those that are being widely promoted by government such as the eBPLS by the National Computer Center (NCC2). With the new BPLS standards, there may be a need to review the existing software with the objective of assisting LGUs in applying IT solutions to the streamlined BPLS processes. The NCC has been requested to take the lead in this component of the program.

4. Institutionalization

To ensure sustainability of the reforms, it is important to ensure that local regulations or legal instruments are issued in support of the streamlined processes. Otherwise, backsliding to the old ways will be inevitable after every change of administration. Other aspects of institutionalizing the program include: (a) setting up of a monitoring & evaluation system; (b) organizing local business chambers, civil society organizations (CSOs) for process improvements & monitoring; (c) working for ISO certification; (d) developing incentive systems to promote best practices.

5. Improvements in Customer Relations

The BPLS program also addresses the business complaints on poor service delivery in the permitting process. Hence, hand-in-hand with process re-engineering is improving customer relations in cities and municipalities. This will entail complying with existing laws that were passed to protect the consumers: (a) compliance with the Anti-Fixing Act; (b) setting up of complaints desk; (c) implementation of the Citizens' Charter. Other areas of reform which can lead to a more customer friendly BPLS include: (a) establishing One-Stop Shops (OSS); (b) conduct of information, education and communication (IEC) campaigns; (d) conduct of customer relations training.

Annex 3. Detailed Timetable of Activities and Expected Outputs for Year 1 of INVEST

Program Area/Deliverable/ Activity	2011			2012								
	Q4			Q1			Q2			Q3		
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
PROGRAM MANAGEMENT & ADMINISTRATION												
1. Setting-Up of the INVEST Office												
• Lease of office space												
• Renovation of Office Space												
• Hiring of Personnel Complement /STTAs												
• Setting-Up of Nodal Offices												
• Preparation of communication materials on the project												
COMPONENT 1:												
PROGRAM AREA 1.1												
Improving BPLS in Target Cities												
Deliverable #1: Ensured compliance w/ BPLS Standards												
• Assessment Report on the current status of BPLS Reforms, including the status of BPLS automation in target cities												
• Local Study Tours												
• Action Plan of Target Cities to Further Enhance their BPLS												
Deliverable #2: Improved Business One-Stop Shops												
• Assessment Report on the BOSS in the Target Cities												
• Action Plan of the Target Cities on BOSS Reforms												
• Report on the Conduct of a Client Satisfaction Survey												
• Institutional Study on the Harmonization of NERBAC, BOSS and PBR												
Deliverable #3: Improved System of Business Inspections												
• Assessment Report on Inspection Systems in Target Cities												
• Study on Risk-Based Inspection												
• Study on Benchmarking of Inspection Fees												
• Action Plans of the Target Cities on the												

Program Area/Deliverable/ Activity	2011			2012								
	Q4			Q1			Q2			Q3		
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Implementation of Inspection Reforms												
Deliverable #4: Engaged Stakeholders on BPLS reforms												
• Workshops												
• Report on the Engagement of the Private Sector in BPLS Reforms in the Target Cities												
PROGRAM AREA 1.2: Strengthening National Government Support to BPLS Reforms												
Deliverable #1: Enhanced Connectivity to the Philippine Business Registry												
• Assessment Report on PBR Phase 1												
• SEC connectivity to the PBR (web-service design or file transfer protocol)												
• Connectivity of the cities to the PBR (web-service design or file transfer protocol)												
Deliverable #2: Enhanced Policy Support to BPLS Computerization												
• Survey Design on BPLS Computerization												
• Report on the Policy Recommendations supported by the project for NCC2, DTI and DILG												
Deliverable #3: Supported National Government BPLS Guide and Standards for LGUs												
• Memorandum Circular disseminating the Knowledge Products on BPLS												
• Assessment of BPLS Standards												
• Workshop on the Use of the BPLS Guides on Automation												
• Workshop on the Setting Up of Business Friendly Inspection Systems												
Deliverable #4: Strengthened Monitoring of the Anti-Red Tape Act												
• Training for CSOs in target cities on the validation of the Report Card Survey results for the cities												
PROGRAM AREA 1.3: Supporting Regulatory Reforms in the Priority Sectors/Areas of the Government												
Deliverable #1: Streamlined Construction												

Program Area/Deliverable/ Activity	2011			2012								
	Q4			Q1			Q2			Q3		
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Permitting Process												
<ul style="list-style-type: none"> Recommendations on Construction Permit Reforms 												
Deliverable #2: Streamlined Special Permitting Processes in Tourism and Agribusiness												
<ul style="list-style-type: none"> Recommendations on the Streamlining of the Permitting Processes in the Tourism Sector 												
<ul style="list-style-type: none"> Recommendations on the Streamlining of the Permitting Processes in the Agribusiness Sector 												
COMPONENT 2:												
PROGRAM AREA 2.1: Strengthened Planning and Investment Programming and Budgeting in Target Cities												
Deliverable #1: Enhanced Required Local Planning Documents (e.g., CDP/CLUP, LDIP/AIP, Annual Budget, ELA)												
<ul style="list-style-type: none"> Assessment Report on the planning documents and processes of target cities 												
<ul style="list-style-type: none"> Report on the International Study Tour participated in by officials and stakeholders in target cities 												
<ul style="list-style-type: none"> Report on the Shared Vision for Investment Growth among Key Stakeholders in Target Cities 												
<ul style="list-style-type: none"> List of development Projects for CY 2013 reviewed and prioritized with possible funding options 												
Deliverable #2: Enhanced and Updated Local Investment Incentive Code (LIIC) and Local Revenue Code (LRC)												
<ul style="list-style-type: none"> Inventory of investment incentives and recommendations for local applications 												
<ul style="list-style-type: none"> Report on the requirements of target cities in relation to LIIC formulation 												
Deliverable #3: Strengthened Involvement of the Private Sector in Investment Programming and Implementation of Public Sector Projects												
<ul style="list-style-type: none"> List of possible projects and activities for 												

Program Area/Deliverable/ Activity	2011			2012								
	Q4			Q1			Q2			Q3		
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
joint implementation												
<ul style="list-style-type: none"> Project concept documents (e.g. concept designs and business cases) and assistance leading to the formulation of full-blown project documents (pre-FS and FS) 												
PROGRAM AREA 2.2: Supporting Capacity Building of Target Cities in Investment Planning and Promotion												
Deliverable #1: Enhanced Capacity of the Local Economic and Investment Officers in Target Cities												
<ul style="list-style-type: none"> Assessment Report on the LEIPOs of the Target Cities 												
<ul style="list-style-type: none"> Action Plans of the LEIPOs for strengthening investment generation and promotion in the target cities 												
<ul style="list-style-type: none"> Partnership agreements between the target cities and NGAs, local chambers, and/or business groups 												
Deliverable #2: City Business Forums												
<ul style="list-style-type: none"> Report on the conduct of the City Business Forum 												
<ul style="list-style-type: none"> Commitments for additional investments in the target cities 												
Deliverable #3: Strengthened NERBAC Support to Target Cities												
<ul style="list-style-type: none"> Recommendations for strengthening the links between NERBAC and local systems 												
PROGRAM AREA 2.3: Enhancing the Performance of the Target Cities towards Competitiveness												
Deliverable #1: Enhanced Mechanisms in Promoting Innovation in the Target Cities												
<ul style="list-style-type: none"> Study to develop concepts on business incubation relevant in the target cities 												
Deliverable #2: Enhanced Capacity to Measure the Economic Performance of Target Cities towards Competitiveness												
<ul style="list-style-type: none"> Recommendations for the development of a system to measure the economic 												

Program Area/Deliverable/ Activity	2011			2012								
	Q4			Q1			Q2			Q3		
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
performance and competitiveness of cities												
Deliverable #3: Enhanced Positioning of Industries in Target Cities												
<ul style="list-style-type: none"> Recommendations to enhance industry growth in target cities 												
<ul style="list-style-type: none"> Proceedings of Arangkada 2012 Workshop 												
Deliverable #4: Enhanced Credit Availment in the Target Cities												
<ul style="list-style-type: none"> Study on financing gaps in the target cities 												

Annex 4: Draft Logical Framework of the INVEST Project

Narrative Summary (Col. 1)	Objectively Verifiable Indicators (Col. 2)					Means of Verification (sources of data for tracking performance indicators) (Col. 3)	Key Assumptions (conditions influencing performance but beyond the control of the project) (Col. 4)
	Key Performance Indicators (KPIs) ¹⁴ (targets)	Base-line ¹⁵	Year 1 (2011-12)	Year 2 (2012-13)	Life-of-Project (LOP)		
Row 1: Impact/Goal Increased domestic and foreign investments in targeted cities	New business registration in targeted cities increased annually by x to y% ¹⁶ (proxy indicator for new investments) (by city)					For impact assessment: <ul style="list-style-type: none"> Independent socio-economic and client satisfaction survey towards end of Year 2 City Treasurer's Office 	Expected impact can be achieved if the following conditions prevail: <ul style="list-style-type: none"> No major shocks in world and/or Phil. economy
Row 2: Outcome/Purpose (1) Facilitated entry of new business ventures that will generate employment and increase revenues for targeted cities (2) Enhanced competitiveness of targeted cities to generate increased investments for local economic development Deliverables: #1. Enhanced BPLS standards #2. Increased LGU revenues #3. Increased employment	(1a) BPLS comparable to selected Asia region metrics (by city) (1b) Registration fees from businesses increased from x to y% annually (by city) (1c) Employment generated from businesses increased from x to y% annually (by city) (2a) City competitiveness ranking improved (for indicators relevant to INVEST) (by city)					For outcome assessment: <ul style="list-style-type: none"> INVEST records Phil. Cities Competitiveness Report Project/PCCR (re local business perception) Annual "project assessment for LGU business innovations" report City Treasurer's Office records 	Purpose level targets can be achieved if the following conditions prevail: <ul style="list-style-type: none"> Relatively stable local peace & order and political conditions Rate of inflation does not exert too much pressure on investors as well as LGU fees
Row 3: Outputs: the changes (such as reduction in BOSS processing time), studies, systems, services, databases, products and other deliverables to achieve the project purpose stated in Row 2 above)						For output monitoring: <ul style="list-style-type: none"> Quarterly "M&E for LGU Business Innovations" reports Project reports verifying actual adoption of 	Expected outputs can be produced if the following conditions prevail: <ul style="list-style-type: none"> Required resources are available on time

¹⁴ Performance targets, most especially at the output and input levels (Rows 3 and 4), will be set/validated once the cities have been identified because of expectedly differentiated project interventions to be required in response to the needs and conditions in each city. City-specific measurable performance indicators will be negotiated and agreed between USAID and the particular city, so that "the rules of the game" and expected ownership are clearly understood from the start.

¹⁵ Baseline data and performance targets will be determined during the city planning workshops.

¹⁶ Considering the two-year life-of-project (LOP), this particular indicator is seen to be a realistic proxy for the firmer indicator "x to y % increase in new investment generated in targeted cities".

Narrative Summary (Col. 1)	Objectively Verifiable Indicators (Col. 2)					Means of Verification (sources of data for tracking performance indicators) (Col. 3)	Key Assumptions (conditions influencing performance but beyond the control of the project) (Col. 4)
	Key Performance Indicators (KPIs) ¹⁷ (targets)	Base-line ¹⁸	Year 1 (2011-12)	Year 2 (2012-13)	Life-of-Project (LOP)		
<p><u>Deliverable 4. Engaged Stakeholders on BPLS Reforms</u></p> <p>Outputs Output 4.1: Workshops Output 4.2: Report on the Engagement of the Private Sector in BPLS Reforms in the Target Cities</p>							
<p>Program Area 1.2: National Government Support to BPLS Reforms Strengthened</p> <p><u>Deliverable 1. Enhanced Connectivity to the Philippine Business Registry (PBR)</u></p> <p>Outputs Output 1.1: Assessment Report on PBR Phase 1 Output 1.2: SEC connectivity to the PBR Output 1.3: Connectivity of the three target cities to the PBR</p> <p><u>Deliverable 2. Enhanced Policy Support to BPLS Computerization</u></p> <p>Outputs Output 2.1: Survey Design on BPLS Computerization Output 2.2: Report on the Policy Recommendations supported by the Project for NCC2, DTI and DILG</p> <p><u>Deliverable 3. Supported National Government BPLS Guide and Standards for LGUs</u></p> <p>Outputs Output 3.1: Memorandum Circular Disseminating the Knowledge Products on BPLS Output 3.2: Assessment of BPLS Standards Output 3.3: Conduct of Workshop on Use</p>	<p>IT solution enabling PBR interconnection developed for targeted cities</p>						
	<p>LGUs trained to adopt BPLS automation (by city)</p>						

Narrative Summary (Col. 1)	Objectively Verifiable Indicators (Col. 2)					Means of Verification (sources of data for tracking performance indicators) (Col. 3)	Key Assumptions (conditions influencing performance but beyond the control of the project) (Col. 4)
	Key Performance Indicators (KPIs) ** (targets)	Base-line ¹⁵	Year 1 (2011-12)	Year 2 (2012-13)	Life-of-Project (LOP)		
<p>of "eBPLS Planning and Implementation Guide: Computerizing Business Permits and Licensing Systems In the Philippines" and " eBPLS Baseline Design Guide: Automation Systems Flows and Baseline Design"</p> <p>Output 3.4: Conduct of a Workshop for Setting-Up a Business-friendly Inspection System</p> <p>Deliverable 4. Strengthened Monitoring of the Anti-Red Tape Act (ARTA)</p> <p><u>Outputs</u> Output 4.1: Training for CSOs in target cities on the validation of the Report Card Survey</p>	CSO-led validation of the Report Card Survey conducted (by city)						
<p>Program Area 1.3: Streamlined Permitting Processes in Priority Economic Sectors Introduced</p> <p>Deliverable 1. Streamlined Construction Permitting Process</p> <p><u>Output</u> Output 1.1: Recommendations on Construction Permit Reforms</p> <p>Deliverable 2. Streamlined Special Permitting Processes in Agri-Business and Tourism</p> <p><u>Output</u> Output 2.1: Recommendations on the Streamlining of Permitting Processes in the Tourism Sector Output 2.2: Recommendations on the Streamlining of the Permitting Processes in the Agribusiness Sectors</p>	<p>Recommendations submitted on:</p> <ul style="list-style-type: none"> • streamlining of construction permits system (to DILG and DPWH) • streamlining of tourism and agribusiness registration processes (to DTI and DILG) 						
COMPONENT 2:							

Narrative Summary (Col. 1)	Objectively Verifiable Indicators (Col. 2)					Means of Verification (sources of data for tracking performance indicators) (Col. 3)	Key Assumptions (conditions influencing performance but beyond the control of the project) (Col. 4)
	Key Performance Indicators (KPIs) ¹⁶ (targets)	Base-line ¹⁵	Year 1 (2011-12)	Year 2 (2012-13)	Life-of-Project (LOP)		
<p>Program Area 2.1: Planning, Investment Programming & Budgeting in Target Cities Strengthened</p> <p><u>Deliverable 1. Enhanced Required Local Planning Documents (e.g., CDP/CLUP, LDIP/AIP, Annual Budget, FLA)</u></p> <p><u>Outputs</u> Output 1.1: Assessment Report on the planning documents and processes of target cities Output 1.2 Report on the International study tour participated in by officials and stakeholders in target cities Output 1.3 Report on the shared vision for investment growth among key stakeholders in the target cities Output 1.4: List of development projects for CY 2013 reviewed and prioritized with possible funding options</p> <p><u>Deliverable 2. Enhanced and Updated Local Investment Incentives Code (LIIC) & Local Revenue Code (LRC)</u></p> <p><u>Output</u> Output 2.1: Inventory of Investment Incentives including recommendations for local applications Output 2.2 Report on the requirements of target cities in relation to LIIC formulation</p> <p><u>Deliverable 3. Strengthened Involvement of the Private Sector in Investment Programming and Implementation of Public Sector Projects</u></p> <p><u>Outputs</u> Output 3.1: List of possible projects and activities for joint implementation Output 3.2: Project concept documents (e.g. concept designs and business cases) and assistance leading to the</p>	<p>X percent of projects in Local Development Investment Program (LDIP) funded (by city)</p> <p>X% of public sector projects funded under joint LGU-private sector arrangement (by city)</p> <p>Incentives provided under national policies integrated into Local Investment Incentives Code (LIIC) (by city)</p> <p>Partnership arrangements such as Development Innovation Ventures Fund and Global Development Alliance (GDA) initiated by cities (by city)</p>						

Narrative Summary (Col. 1)	Objectively Verifiable Indicators (Col. 2)					Means of Verification (sources of data for tracking performance indicators) (Col. 3)	Key Assumptions (conditions influencing performance but beyond the control of the project) (Col. 4)
	Key Performance Indicators (KPIs) ¹⁷ (targets)	Base-line ¹⁸	Year 1 (2011-12)	Year 2 (2012-13)	Life-of-Project (LOP)		
formulation of full-blown project documents (e.g. pre-FS and FS)							
<p>Program Area 2.2: Capacities of LEIPOs and NERBACs to Plan and Promote Investments Enhanced</p> <p><u>Deliverable 1. Enhanced Capacity of the Local Economic & Investment Officers in target cities</u></p> <p><u>Output</u> Output 1.1: Assessment Report on the LEIPOs of target cities Output 1.2: Action Plan of the LEIPOs for strengthening investment generation and promotion in target cities Output 1.3 Partnership agreements between the target cities and relevant national government agencies, local chambers and/or business groups</p> <p><u>Deliverable 2. City Business Forums</u></p> <p><u>Output</u> Output 2.1: Report on the conduct of City Business Forums Output 2.2: Commitments for additional investments in the target cities</p> <p><u>Deliverable 3. Strengthened NERBAC Support to Target Cities</u></p> <p><u>Output</u> Output 3.1: Recommendations for strengthening the links between NERBAC and local systems</p>	<p>NERBAC info system linked to LEIPOs established and jointly maintained by city and DTI (by city)</p> <p>City business forum conducted (by city)</p> <p>Partnership Initiatives such as Investors conferences and local investment outlook updates organized by LGU (by city)</p>						

Narrative Summary (Col. 1)	Objectively Verifiable Indicators (Col. 2)					Means of Verification (sources of data for tracking performance indicators) (Col. 3)	Key Assumptions (conditions influencing performance but beyond the control of the project) (Col. 4)
	Key Performance Indicators (KPIs) ¹⁷ (targets)	Base-line ¹⁵	Year 1 (2011-12)	Year 2 (2012-13)	Life-of-Project (LOP)		
<p>Program Area 2.3: Enhancing the Performance of Target Cities towards Improved Competitiveness</p> <p><u>Deliverable 1. Enhanced Mechanisms in promoting Innovation in Pilot Cities</u></p> <p><u>Output</u> Output 1.1: Study to develop concepts on business incubation relevant in target cities</p> <p><u>Deliverable 2. Enhanced Capacity to Measure the Economic Performance of Target Cities towards Competitiveness</u></p> <p><u>Output</u> Output 2.1: Recommendations for the development of a system to measure economic performance and competitiveness of cities</p> <p><u>Deliverable 3. Enhanced Positioning of Industries in Target Cities</u></p> <p><u>Outputs</u> Output 3.1: Recommendations to enhance industry growth in the target cities Output 4.2: Proceedings of Arangkada 2012 Workshop</p> <p><u>Deliverable 4: Enhanced credit Availment in Target Cities</u></p> <p><u>Output</u> Output 4.1 Study on financing gaps in target cities</p>	<p>Integrated system of performance-based incentive system established (by city)</p> <p>Business support facilities and technologies initiated such as techno hubs or parks and business incubation projects (by city)</p> <p>System for estimating product accounts of pilot cities developed</p> <p>Industry studies in pilot cities conducted</p> <p>Public sector projects and SME activities identified for funding under DCA arrangement</p>						

Narrative Summary (Col. 1)	Objectively Verifiable Indicators (Col. 2)					Means of Verification (sources of data for tracking performance indicators) (Col. 3)	Key Assumptions (conditions influencing performance but beyond the control of the project) (Col. 4)
	Key Performance Indicators (KPIs)** (targets)	Base-line ¹⁵	Year 1 (2011-12)	Year 2 (2012-13)	Life-of-Project (LOP)		
<p>Row 4: Inputs (technical assistance, training and other resources required to produce the above outputs)</p> <p>Program Area 1.1: Complied with or Exceeded Business Permit & Licensing System (BPLS) In Targeted Cities</p>	<p>Training-workshops</p> <ul style="list-style-type: none"> No of events (national & city) No. of participants <p>Technical assistance</p> <ul style="list-style-type: none"> Sub-contracts (no. of firm/s total) STTA (no. of person days) 		72 350		8	<p>For input monitoring:</p> <ul style="list-style-type: none"> Quarterly progress reports comparing physical and financial targets and performance, by program area Audit reports 	<p>Inputs can be provided if the following conditions prevail:</p> <ul style="list-style-type: none"> Required funds to implement planned activities released on time Target participants' interest and ability to participate in training sustained Required resources for program management continue to be made available on time
<p>Program Area 1.2: Strengthened National Government Support to BPLS Reforms</p>	<p>Training-workshops</p> <ul style="list-style-type: none"> No of events (national & city) No. of participants <p>Technical assistance</p> <ul style="list-style-type: none"> Sub-contracts (no. of firm/s total) STTA (no. of person days) <p>Major commodities</p> <ul style="list-style-type: none"> No. by type 		7 190		3 3		
<p>Program Area 1.3: Streamlined Permitting Process in Priority Economic Sectors</p>	<p>Training-workshops</p> <ul style="list-style-type: none"> No of events (national & city) No. of participants <p>Technical assistance</p> <ul style="list-style-type: none"> Sub-contracts (no. of firm/s total) STTA (no. of person days) 		18 90		0 3 (90)		

Narrative Summary (Col. 1)	Objectively Verifiable Indicators (Col. 2)					Means of Verification (sources of data for tracking performance indicators) (Col. 3)	Key Assumptions (conditions influencing performance but beyond the control of the project) (Col. 4)
	Key Performance Indicators (KPIs) ¹⁷ (targets)	Base-line ¹⁸	Year 1 (2011-12)	Year 2 (2012-13)	Life-of-Project (LOP)		
Program Area 2.1: Strengthened Planning, Investment Programming & Budgeting In Targeted Cities	Training-workshops: <ul style="list-style-type: none"> Number of events (national & city) Training-workshop participants (by gender) Technical assistance: <ul style="list-style-type: none"> Sub-contracts (no of firms/total) STTA (person-days) Consultations and forums: <ul style="list-style-type: none"> Number of events (national & city) No. of participants (by gender) 		9 240		9 240		
Program Area 2.2: Enhanced Capacities of LEIPOs and NERBAC to Plan and Promote Investments	Training-workshops: <ul style="list-style-type: none"> Number of events (national & city) Training-workshop participants (by gender) Technical assistance: <ul style="list-style-type: none"> STTA (person-days) Subcontract (person-days) Consultations and forums: <ul style="list-style-type: none"> Number of events (national & city) No of participants (by gender) Major commodities: <ul style="list-style-type: none"> Advocacy materials per city 		2 50		2 50		
Program Area 2.3: Improved Competitiveness of Targeted Cities	Training-workshops: <ul style="list-style-type: none"> No. of events (national & city) No. of participants (total) Technical assistance <ul style="list-style-type: none"> STTA (person-days) Consultations and forums: <ul style="list-style-type: none"> No. of events(national & city) No. of participants 		1 300		1 300		

ANNEX 5. Draft Gender Action Plan of INVEST

Project	Gender Statements	Entry Points	Objectives	Activities
	Actions			
<p>INVEST</p> <p>Expected Results</p> <p>1) An enabling environment for investors through efficient and effective business permitting processes and a more business-friendly policy environment</p> <p>2) Strengthened tripartite partnership among the targeted city governments, local civil society groups, local academic institutions, and local processes</p> <p>3) Enhanced civil society and private business</p>	<p>In partnership with relevant national government agencies such as the DTI, and DILG and selected three city governments and non-government organizations, INVEST seeks to create and/or enhance investment enabling environments. It is meant to be a city development project that promotes city competitiveness.</p> <p>Project Goals</p> <ul style="list-style-type: none"> Lower the transaction costs and reduce the cost of doing business involving both national and local level regulation and processes Increase the flow of private investments and the number of start ups in the Philippines <p>Specific Objectives</p> <ul style="list-style-type: none"> Facilitate the entry of new business ventures that will generate employment and increase revenues for targeted cities 	<p>A. Planning:</p> <p>1. <u>Situational analysis of:</u></p> <ul style="list-style-type: none"> target groups, clients and beneficiaries; and project staff knowledge and understanding of gender issues in their respective components <p>This will entail the application of the Harmonized Gender and Development Guidelines. Gender issues will be identified as per USAID guidelines (refer to Table 1)</p> <p>2. <u>Design of Program interventions and communication strategies</u> to ensure women are mainstreamed and gender concerns are addressed. For example, client satisfaction surveys in component 1 must ensure that female respondents' perceptions are obtained as well as those of the male.</p> <p>3. <u>Packaging of interventions and technical assistance (TA) services.</u> For example, this could include GAD orientation of the BPLO staff of the participating city governments.</p> <p>4. <u>Program management systems.</u> This would include sex disaggregation of business permit applicants at the BPLO and getting feedback from both male and female applicants.</p>	<p>Develop plans and systems that are based on gender needs, define desired gender equality results for investment planning, programming and budgeting.</p> <p>Reflect in project reports analysis of gender segregated data that link to gender equality results within the framework of INVEST.</p>	<ul style="list-style-type: none"> Hire local expert to help program staff review project to align with GAD principles and ensure gender concerns are mainstreamed in program plans, implementation and monitoring systems. Gender orientation of INVEST project team/staff on gender and development and USAID gender policy (echo Nov 11 seminar of USAID on gender) - INVEST Orientation on Gender is scheduled on May 11, 2012 Gender awareness sessions at all levels from program staff to partners, LRAs and local volunteers. Review and collect relevant sex-disaggregated data. Identify and analyze gender issues per project component using USAID guidelines. Integrate GAD in all modules and developmental processes of INVEST with the help of a gender consultant. Gender review of INVEST knowledge products and

Project	Gender Statements	Entry Points	Objectives	Activities
	Actions			
<p>involvement in the reform process</p> <p>4) Improved capacity of city government institutions to manage and implement investment policies and to encourage innovation in the private sector</p>	<ul style="list-style-type: none"> • Enhance the competitiveness of LGUS to generate investments for local economic development 	<p>B. Implementation:</p> <ol style="list-style-type: none"> 1. Ensuring women's participation and involvement in strengthening national agencies to support BPLS reforms and in implementing BPLS reforms in project cities. 2. Capacity building of local economic and investment officers to include gender and development inputs. 3. Development of modules, job aids, IEC and media materials. Include gender inputs in the training modules. 4. Inclusion of GAD in the project's knowledge products. <p>C. M&E</p> <ol style="list-style-type: none"> 1. Collection, Documentation, Analysis, Management and Reporting of sex disaggregated data. 2. Reflect gender equality in program indicators, including USAID required gender indicators. 3. Analyze gender and development data, prepare & submit reports. 		<ul style="list-style-type: none"> <input type="checkbox"/> Include gender indicators in the M&E system of INVEST based on the guidelines of USAID. There are two required gender indicators. <input type="checkbox"/> Analysis of relevant data on GAD, prepare and submit reports according to USAID reporting requirements. <input type="checkbox"/> Include in the end of project report gender segregated information like lessons learned, best practices, etc.

ANNEX 6. Proposed Partnerships for INVEST Activities in the Two Project Components

Program Area/Deliverable	Activity	Proposed Partnerships
COMPONENT 1: Streamlining Business Registration Processes & Lowering Transaction Costs		
Program Area 1: Improving BPLS in Targeted Cities		
Program Area 1.1: Enhancing BPLS Reforms in Target Cities		
Deliverable #1: Ensured compliance w/ BPLS standards	Assessment of BPLS (i.e. procedures for processing new applications and renewals and BPLS automation)	Target cities, local research institutions
Deliverable #2: Improved Business One-Stop Shops (BOSS)	Assessment and reforms on BOSS	Target cities w/ local chambers, regional offices of National Government Agencies (NGAs)
	Conduct of the Client Satisfaction Survey	National Competitiveness Council, Philippine Chamber of Commerce and Industry, Local business groups in target cities
	Study to Harmonize NERBAC, BOSS & the Philippine Business Registry	DTI, targeted cities & regional offices of SSS, BIR, Philhealth
Deliverable #3: Improved System of Business Inspections	Assessment of inspection systems	Targeted cities w/ local chambers
	Studies on risk-based inspection reforms,	Target cities, local business groups, Bureau of Fire Protection, DILG and DTI
	Study on benchmarking of fees	DILG, DTI, target cities, local business groups,
	Action Plan on Inspection Reforms fees study	Target Cities
Deliverable #4: Engage Stakeholders on BPLS Reforms	Workshop on BPLS reforms	Targeted cities, local chambers, Civil society organizations (CSOs) (including academe)
Program Area 1.2: Strengthening National Government Support to BPLS Reforms		
Deliverable #1: Enhanced connectivity to the Philippine Business Registry	Assessment of PBR, Phase 1	DTI
	IT solution for SEC connectivity with PBR	SEC, DTI's PBR TWG Target cities
	Connect target cities to PBR	DTI's PBR, targeted cities
Deliverable #2: Enhanced Policy Support to BPLS Computerization	Develop the survey design for the BPLS Computerization & pilot test in targeted cities	Nat'l Comp. Center, DTI and DILG

Program Area/Deliverable	Activity	Proposed Partnerships
	Support to Policy Reforms on BPLS Automation	Nat'l Comp. Center, DTI and DILG
Deliverable #3: Support to NG Guide and Standards on BPLS	Issuance of a Memorandum Circular disseminating Knowledge Products on BPLS	Nat'l Comp. Center, DTI and DILG
	Assessment of BPLS Service Standards set in DTI-DILG Joint Memorandum Circular No.1 (series of 2010)	DILG, DTI, Local Government Academy
	Workshop on the use of eBPLS Planning and Implementation Guide on BPLS Computerization and the eBPLS Baseline Design	Local Government Academy, National Computer Center
	Workshop on setting up a Business-friendly Inspection System	DILG, DTI, Local Government Academy
Program Area 1.3: Supporting Regulatory Reforms in the Priority Sectors and Areas of Government		
Deliverable #1: Conduct Study on the Streamlining of the Construction Permitting Process	Study on the Construction Permitting Process	DILG, DPWH, DTI, targeted cities, construction associations
Deliverable #2: Supported NG Reforms on the Streamlining of Special Permits Agribusiness and Tourism	Study on the Permitting Processes in Agribusiness and Tourism	DA, DOT, DTI, DILG
COMPONENT 2: Improved Investment Planning and Promotion in Target Cities		
Program Area 2.1: Strengthened Planning, Investment Programming and Budgeting in Target Cities		
Deliverable #1: Enhanced Required Local Planning Documents e.g., CDP/CLUP, LDIP/AIP, Annual Budget, ELA	Actual review of plans and planning processes	Target cities
	Conduct of International Study Tour	Target Cities, local business groups
	Conduct of strategic visioning exercise/workshop with the LCE	Targeted cities, local business groups
	Conduct of training on plan integration workshop with the LCE, the local council, private sector groups & CSOs	Target cities, DTI, NEDA, DBM

Program Area/Deliverable	Activity	Proposed Partnerships
Deliverable #2: Enhanced and Updated the Local Investment Incentive Code (LIIC) and Local Revenue Code (LRC)	Inventory of incentives provided by the government for priority sectors (agribusiness, tourism, mining, BPO-IT and housing)	DTI; BOI; DOT; DILG; PEZA, DENR
	Conduct of Workshop on the Formulation/Reformulation of LIIC and LRC	LGA, Local Government Support project for local Economic Development (LGSP-LED)
	Assistance in the LIIC formulation/reformulation & partial revision of the Local Revenue Code	Targeted cities
Deliverable #3: Strengthened involvement of private sector in investment programming and implementation of public sector projects	Conduct of training on Public-Private Partnership	Targeted cities, NEDA
Program Area 2.2: Enhanced Capacity of Pilot Cities in Investment Planning and Promotion		
Deliverable #1: Enhanced Capacity of the Local Economic and Investment Promotion Officers (LEIPOs)	Training for LEIPOs; Action plan formulation for generating investments in target cities	Targeted Cities, Local Government Academy. LGSP-LED
	Partnership arrangements with relevant national agencies, local chambers and f the LEIOs	Targeted cities w/ regional offices of DTI, NEDA, DOST, DILG and other regional offices
Deliverable #2: Conduct of City Business Forum	Assistance in the conduct of a City Business Forum	Targeted cities, local and national business chambers, DTI and
Deliverable #3: Strengthen NERBAC Support to Key Cities	Development of information system for NERBAC & linking of NERBAC to the city system	DTI, targeted cities, PCCI and local business chambers
Program Area 2.3: Enhancing the Performance of Targeted Cities towards Improved Competitiveness		
Deliverable #1: Enhanced Mechanisms in Promoting Innovation in the Target Cities	Conduct of a study to develop concepts of business incubation relevant to target cities	Regional DOST offices
Deliverable #2: Enhanced Capacity to Measure the Economic Performance of Target Cities towards competitiveness	Conduct a study on the development of a system to measure economic growth and competitiveness of cities	National Statistics Office, National Competitiveness Council, LGSP-LED
Deliverable #3: Enhanced Positioning of Industries in Partner Cities	Conduct of Industry studies in target cities	Target cities, local business chambers
Deliverable #4: Enhanced Credit Availment in Target Cities	Conduct of a financing gap study in target cities	USAID