

QUARTERLY PERFORMANCE MONITORING REPORT

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February 4, 2002



A Consortium of:

**Development Alternatives, Inc.
Cesar Virata & Associates, Inc.
PricewaterhouseCoopers**



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ABBREVIATIONS AND ACRONYMS

1Q2002	-	1 st Quarter of 2002
ADB	-	Asian Development Bank
AFP	-	Armed Forces of the Philippines
AGILE	-	Accelerating Growth Investment and Liberalization with Equity
AIM	-	Asian Institute of Management
AMLA	-	Anti-Money Laundering Act
AMLC	-	Anti-Money Laundering Council
APEC	-	Asia-Pacific Economic Cooperation
BAP	-	Bankers' Association of the Philippines
BCP	-	Biotechnology Conference of the Philippines
BIR	-	Bureau of Internal Revenue (DOF)
BLGF	-	Bureau of Local Government Finance
BOC	-	Bureau of Customs (DOF)
BOI	-	Board of Investments
BOT	-	build-operate-and-transfer
BSPI	-	Bangko Sentral ng Pilipinas Institute
BSP	-	Bangko Sentral ng Pilipinas
CAB	-	Civil Aeronautics Board
CAO	-	Customs administrative order
CBCP	-	Catholic Bishops' Conference of the Philippines
CCPSP	-	Coordinating Council for Private Sector Participation
CDC	-	Clark Development Corporation
CED	-	Compliance and Enforcement Department
CMOs	-	Customs Memorandum Orders
CMTS	-	Cellular Mobile Telephone Service
COP	-	Chief of Party
CPBD	-	Congressional Planning and Budget Department
CVL	-	Customs Valuation Law
DA	-	Department of Agriculture
DAI	-	Development Alternatives, Inc.
DBCC	-	Development Budget Coordinating Committee
DBM	-	Department of Budget and Management
DBCC	-	Development Budget Coordination Committee
DECS	-	Department of Education, Culture and Sports
DFA	-	Department of Foreign Affairs
DFG	-	Domestic Finance Group
DICT	-	Department of Information and Communication Technology
DILG	-	Department of Interior and Local Government
DMAP	-	Distribution Management Association of the Philippines
DOF	-	Department of Finance
DOH	-	Department of Health
DOJ	-	Department of Justice
DOLE	-	Department of Labor and Employment

DOTC	-	Department of Transportation and Communications
DOST	-	Department of Science and Technology
DOT	-	Department of Tourism
DPWH	-	Department of Public Works and Highways
DTI	-	Department of Trade and Industry
EET	-	Exempt-Exempt-Tax
EO	-	Executive Order
FEF	-	Foundation for Economic Freedom
FINEX	-	Financial Executives Institute of the Philippines
FOS	-	Financial Official Statement
GAA	-	General Appropriating Act
GDP	-	Gross Domestic Product
GEM	-	Growth with Equity in Mindanao
GOCC	-	Government-Owned and –Controlled Corporation
GOP	-	Government of the Philippines
HB	-	House Bill
ICA 2001	-	Investment Company of 2001
ICT	-	Information and Communications Technology
IMF	-	International Monetary Fund
IPO	-	Intellectual Property Office
IPP	-	Investment Priorities Plan
IPR	-	intellectual property rights
IRRs	-	Implementing Rules and Regulations
ITECC	-	Information and Technology and Electronic Commerce Council
ITH	-	Income Tax Holiday
KAKAMPI	-	Kapisanan ng mga Kamag-anak ng Migranteng Manggagawang Pilipino, Inc.
LDMS	-	Local Multi-Point Distribution System
LGU	-	Local Government Unit
LGUGC	-	Local Government Unit Guarantee Corporation
LRIC	-	Long Run Incremental Cost
MBC	-	Mindanao Business Council
MC	-	Memorandum Circular
MMDS	-	Multi-Point Distribution System
MOA	-	Memorandum of Agreement
MOU	-	Memorandum of Understanding
MTEF	-	Medium-Term Expenditure Framework
NAIA	-	Ninoy Aquino International Airport
NCC	-	National Computer Center
NCS	-	National Commission on Savings
NEDA	-	National Economic and Development Authority
NFA	-	National Food Authority
NGAS	-	New Government Accounting System
NHMFC	-	National House Mortgage Finance Corporation
NIPS	-	National Institute on Policy Studies

NORMINSA	-	Northern Mindanao Shippers Association, Inc.
NTC	-	National Telecommunications Commission
OFWs	-	Overseas Filipino Workers
OSG	-	Office of the Solicitor General
PAL	-	Philippine Air Lines
PCDI	-	Philippine Central Depository, Inc.
PCCI	-	Philippine Chamber of Commerce and Industry
PDF	-	Project Development Facility
PEA	-	post-entry audit
PhilJA	-	Philippine Judicial Academy
PEM	-	Public Expenditure Management
PERA	-	Personal Equity Retirement Account
PFMRL	-	Public Financial Management Reform Loan
POS	-	Preliminary Official Statement
PPA	-	Philippine Ports Authority
PSE	-	Philippine Stock Exchange
PSP	-	Private Sector Participation
PTEs	-	Public Telecommunications Entities
PVP	-	Plant Variety Protection
PwC	-	Pricewaterhouse Coopers
PWI	-	Price Watch, Inc.
RICA	-	Revised Investment Company Act
RORO	-	Roll-On-Roll-Off
RTC	-	Regional Trial Court
SAS	-	Service Area Scheme
SAR	-	Special Administrative Region
SC	-	Supreme Court
SEC	-	Securities and Exchange Commission
SIE	-	Statement of Income and Expenditures
SEER	-	Sector Effectiveness and Efficiency Review
SONA	-	State of the Nation Address
SOS	-	Save Our Skies
SOW	-	Scope of Work
SRC	-	Securities Regulation Code
SRO	-	Self-Regulatory Organizations
SUF	-	Spectrum Users' Fees
SUNAT	-	Superintendencia Nacional de Administracion Tributaria
TA	-	Technical Assistance
TAA	-	Technical Assistance Agreement
TAN	-	Transparency and Accountability Network
TEE	-	Tax-Exempt-Exempt
TIRAU	-	Trade Information and Risk Analysis Unit
TOR	-	Terms of Reference
TRNs	-	Trunk Radio Networks
TWG	-	technical working group

UAE	-	United Arab Emirates
UPS	-	United Parcel Services
VAT	-	Value-Added Tax
VCRC	-	Valuation and Classification Review Committed
WTO	-	World Tourism Organization

1. BACKGROUND & CONTRACT OBJECTIVES

AGILE is a 5-year USAID-funded activity (1 June 1998 – 30 June 2003) designed to support economic policy changes in the Philippines, help bring about sustainable economic growth, and improve the country's economic resiliency by augmenting the efforts of pro-competition partners and stakeholders. It is an important mechanism by which USAID/ Philippines seeks to contribute to the Agency-wide goal of promoting economic growth and development. Specifically, AGILE responds to USAID/ Philippines Second Strategic Objective (SO2): "Governance Enhanced: Corruption Mitigation." Its three areas of focus, resulting from discussions with potential partners, are:

- Stabilizing and deepening financial institutions
- Making trade and investment more competitive and dynamic
- Improving economic governance

In the second phase of AGILE's policy reform work (1 June 2001 – 30 June 2003), it places particular emphasis on supporting initiatives that will:

- Make public sector institutions, policies and practices more transparent and accountable
- Remove barriers to competition in trade and the development of infrastructure

The provision of AGILE assistance to reform initiatives is managed by a consortium of Filipino and US organizations (the AGILE Consortium) experienced in economic policy reform in the Philippines and the region. It is led by Development Alternatives, Inc. (DAI), and includes the Harvard Institute for International Development (HIID), Cesar Virata & Associates, Inc. (CVAI), and PricewaterhouseCoopers (PwC).

All the work of the AGILE Consortium is demand driven. The broad areas of involvement are set under the strategic guidance of the AGILE Steering Committee, made up of representatives of the government, private sector, academia, and USAID. The Steering Committee is designed to meet on a semi-annual basis to decide on new areas of activity, monitor progress, and evaluate accomplishments.

Specific approaches to policy or institutional reforms are designed in collaboration with government, or in some cases, NGO or public-private policy reform partners. AGILE focuses on assisting the GOP and private sector stakeholders conduct focused policy analysis, formulation, and advocacy. Additionally, it provides technical assistance to both the Government of the Philippines (GOP) and USAID in the area of policy monitoring, assessment, and reporting for all activities designed to contribute to SO2.

This report focuses on the contribution of AGILE-supported activities undertaken during the 4th quarter of 2001 (4Q2001), 43 months into the life of the Activity, in support of SO2 goals. Specifically, it reviews steps towards the achievement of Policy Outcomes (POs) and Results Packages (RPs), outcomes that are to some extent within the control of the AGILE Consortium. For ease of tracking, the section on technical accomplishments is structured according to Policy

Outcomes and Results Packages as specified in the Steering Committee-approved AGILE Work Statement for June 2001 – June 2003 with special emphasis given on dated Key Expected Accomplishments. These are identified as sub-headings in the report.

Planned accomplishments and AGILE's success in meeting them are also included in matrices at the end of the text on each PO section for easy reference. A section covering Activity (project) administration, and one addressing problems on, and prospects for, improved management and service delivery follow the technical section. Supporting documents, including a list of reports; policy briefs, and memos, and presentation materials; current staffing list by technical area; list of training/seminars and workshops; and financial remaining sheet are included in annex.

2. TECHNICAL ACCOMPLISHMENTS

Overview

The period from October to December of 2001 was largely characterized by a growing realization of the severity of the US economic decline and the political ramifications of the US-led war on international terrorism. Given the importance of the US market for Philippine exports, the economic downturn required Philippine economic managers to reduce accordingly economic growth rate estimates for 2001 and the first half of 2002.

The continuing stand-off between the Armed Forces of the Philippines and the Abu Sayaf Group impeded any growth in tourist arrivals or improvement in business confidence. With President Macapagal-Arroyo's immediate and unconditional support to the US in its war on terror, however, came some unexpected benefits and positive news. The Philippines was elevated higher into US government consciousness, bringing with this the promise of greater economic and other assistance.

Because of its continued heavy dependence on the agriculture and fisheries sectors, the Philippine economy did not suffer as greatly as some of its neighbors—Singapore and Malaysia, for example—as a result of the US recession. Nonetheless, the worldwide economic slowdown meant that remittances from Filipinos working abroad, which can reach as high as \$7 billion per annum, were down, putting downward pressure on the peso.

Some major achievements were made in policy reform during this period. Those in which AGILE played a role are described briefly below, and in greater detail in the succeeding sections.

Commercial Law Strengthening (SEC, SC, DOJ)

AGILE stepped up its advocacy efforts to move forward key legislation in Congress – the Securitization, Pre-Need, Investment Company Act (ICA) bills, as well as that providing for the elimination of the Documentary Stamp Tax (DST). During the quarter, the Project rallied the support of major consumer groups, the Department of Trade and Industry (DTI) and the Insurance Commission for the creation of a Pre-Need Task Force that would be primarily responsible for advocating for the passage of a new law regulating pre-need plan companies. The Task Force is expected to stymie efforts by the Federation of Pre-Need Plan Holders against any initiatives to change the current legal and regulatory system in the industry.

AGILE was also actively involved in Joint Committee Hearings in Congress and Technical Working Group Meetings deliberating on securitization. It prepared information kits on the ICA and disseminated these to members of both Houses of Congress. A policy paper was submitted to the Securities and Exchange Commission (SEC) on the DST levied on mutual fund company shares. These efforts fueled the public debate on securitization issues and pushed forward efforts to build consensus on securitization reform.

Preliminary groundwork was also conducted with the Department of Finance (DOF) and SEC for the establishment of an exchange for secondary trading of fixed income securities. AGILE likewise secured the BAP's commitment to provide P5million and office space to this initiative.

A long-term enforcement specialist was mobilized during the quarter to provide much needed assistance to the SEC's Compliance and Enforcement Department, particularly on the prosecution of pending securities fraud cases. Concurrently, he will oversee the activities under the capital markets area.

Finally, AGILE continued its efforts to train judges and prosecutorial staff in the effective enforcement of commercial laws. Specifically, it conducted training seminars in corporate rehabilitation, insolvency and liquidation. Training curricula and manuals were developed and approved by the Philippine Judicial Academy (PhilJA). Work also continued in advocating for administrative and policy reforms in the judiciary.

Revenue Administration (BIR, DOF, DBM, BOC)

AGILE's efforts towards reengineering the BIR focused on providing the overall framework in the drafting of the blueprint for tax administration reforms. Early in the quarter, the Project mobilized the services of the prime architect and implementor of the Superintendencia Nacional Tributaria (SUNAT or the National Authority for Tax Administration) which implemented world-acclaimed tax administration reforms in Peru. The BIR gained valuable insights from him on how to improve its tax collection efforts, increasing government revenues as a share of the gross domestic product (GDP), and at the same time minimizing irregularities in tax administration.

The Organizational Effectiveness Study was also completed and presented to the Commissioner and senior managers of the BIR. The study, which will serve as an integral input to AGILE's BIR reform efforts, provides a diagnostic evaluation of the BIR structure, tax processes, and human resource systems.

Meanwhile, AGILE support to the Bureau of Customs (BOC) focused on the drafting and advocating for important administrative issuances necessary for the effective implementation of the Customs Valuation Law.

AGILE's work in developing tax databases and tax modeling systems neared completion in this quarter. A series of training sessions were conducted to equip the staff of the DOF Domestic Finance Group on the use of the database management system, data manipulation and analysis, and micro-simulation. This assistance will end in the next quarter.

In the area of Local Government Finance, AGILE assisted the private sector and government to commit to cooperating toward developing a viable and sustainable local government unit (LGU) bonds market. It likewise embarked on information dissemination initiatives to promote LGU bonds.

Expenditure Management (DBM, DOF)

AGILE, in close coordination with the World Bank, was successful in institutionalizing public expenditure management (PEM) reforms in the General Appropriation Acts (GAA) of 2001 and 2002. Officers and personnel of the Department of Budget and Management (DBM) and other government agencies were also trained on the new procedures of the PEM.

AGILE also completed the first phase of its activity to help the government better manage its contingent liabilities. It conducted an analysis of the legal risk for Build-Operate-and-Transfer (BOT) projects and government-owned and -controlled corporation (GOCC) guarantees. It then trained staff of DOF-Corporate Affairs Group in analyzing legal risk and interpreting legal provisions in contracts and charters.

Government Procurement (DBM, NEDA-ICC, CCPSP)

AGILE actively participated in efforts to reform government procurement. It took the lead in encouraging the Interagency Working Group on Procurement to ensure the issuance of Executive Order (EO) 40 that will harmonize procurement rules for goods and supplies, civil works, and consulting services. EO 40 also provides for the computerization of the procurement system by establishing a central electronic portal, called the Government Electronic Procurement System, to be managed by the Procurement Service. The draft Implementing Rules and Regulations (IRRs) for EO 40 have been drafted and presented to the government policy-making bodies charged with procurement reforms.

Banking/Anti-Money Laundering (BSP, DOJ, SEC, IC)

Following the successful passage of the Anti Money Laundering Act (AMLA) last quarter, AGILE focused its attention on helping strengthen the implementation of the law by assisting in the drafting of the IRRs and conducting public information activities through organized seminars and fora among involved personnel of regulatory agencies, supervising authorities, and civil society.

Competition in Transportation (PPA, CAB, DOTC, MARINA)

To continue promoting increased competition in the country's air transport and maritime shipping sector, AGILE sustained its initiatives in advocating for much needed policy reforms among government agencies, members of the Legislature, and the general public, while the legislative work continued to progress substantially.

Its efforts in air transport policy reform resulted in more flights being approved going in and out of the country, thereby increasing trade and tourism. Key accomplishments for this quarter include the inaugural flight of Cebu Pacific to Hong Kong, which ended the Philippine Airlines' monopoly in international passenger air services; a new service air agreement with South Korea that provided for more flights along the Manila-Seoul-Manila route; the Civil Aeronautics Board's (CAB's) approval for more Emirates Airlines holiday flights to Manila to accommodate Overseas Contract Workers (OCWs); and China Airlines inaugural flights to Guangzhou-Laoag-Guangzhou.

In ports, a major breakthrough for AGILE was the signing of a technical assistance agreement (TAA) between Philippine Ports Authority (PPA) and the Coordinating Council for Private Sector Participation (CCPSP). This TAA will foster transparency and promote competitive (public) bidding in the drafting and implementation of the Terms of Reference for the modernization of North Harbor, while ensuring its compliance with the BOT Law.

Competition in Information and Communications Technology (NTC, DOTC, DTI, ITECC)

AGILE continued its work towards fostering an open, competitive environment in the telecommunications sector. This quarter, it successfully advocated for the issuance by the National Telecommunications Commission (NTC) of a Memorandum Circular on Spectrum Users' Fee (SUF) for cellular mobile telephone service providers and spectrum radio stations. The new rules provide that the SUF would be based on the amount of bandwidth assigned as opposed to usage. This will minimize, if not totally eliminate, frequency squatting and hoarding.

Furthermore, AGILE continued to actively participate during public hearings particularly on setting a wholesale pricing framework (i.e., determining the basis for a revenue neutral starting point for wholesale pricing) and providing basic telecommunications to unserved and underserved areas.

In the area of e-commerce, AGILE's work focused mainly on laying the groundwork for a more focused technical and advocacy assistance to legislators and national government agencies. Specifically, this includes assistance in the legislation of a Convergence Law, the development of a management plan for ITECC (Information Technology and Electronic Commerce Council), and assistance to the Bureau of Treasury in the deployment of an internet-based system for the trading and registry of government securities.

Trade and Agriculture Competition (DA, DTI, TC, NFA)

AGILE continued to work with civil society to encourage acceptance of biotechnology in agriculture. It helped institutionalize a coalition of representatives of the academe, farmer groups, non-government agencies, and government agencies interested in the safe use of biotechnology, into a full-fledged, non-profit civil society organization. The coalition has become the pre-environment representative of those supportive of the safe and responsible use of biotechnology and its products. The Project also assisted the Department of Agriculture (DA) during the conduct of regional consultation on the proposed biotechnology regulation guidelines. Preparatory work also commenced in the drafting of the Philippine Biosafety bill. Sponsors in both the Houses of Congress have been identified.

Meanwhile, progress was achieved in ensuring the legislation of the Plant Variety Protection (PVP) bill. The bill was included as among the priority measures in the House of Representatives.

AGILE also provided substantial advocacy assistance to the Department of Trade and Industry (DTI) in the area of Intellectual Property Rights (IPR), particularly in the convening of the Anti-Piracy Coalition. Among other activities, the coalition held a planning workshop where a Strategic Action Plan for IPRs was formulated and then presented to Executive Secretary Alberto Romulo, who represented President Arroyo in the workshop.

Competition Policy

AGILE began preparations for a background research on existing laws and studies related to competition policy, which will be used as a basis for finalizing the activity scope of work and in developing a workable strategy.

AGILE will sign a Memorandum of Understanding with its government counterpart, the Congressional Planning and Budget Department, when the scope of work is finalized.

**IR1: INSTITUTIONS, POLICIES AND PRACTICES MADE MORE
TRANSPARENT AND ACCOUNTABLE**

POLICY OUTCOME I.1 COMMERCIAL LAW STRENGTHENED AND ENFORCED (SEC, SC, DOJ)

Results Package 1.1.a. Capital Markets Better Regulated

ACCOMPLISHMENTS FOR THE 4TH QUARTER 2001

AGILE's work in this area during the quarter focused mainly on the provision of technical advise and assistance to the Securities and Exchange Commission (SEC) on the implementation of the Securities Regulation Code, among other concerns. It also continued its advocacy for needed reforms in the pre-need industry, securitization, collective investments sector, and the establishment of a secondary market for non-equity securities. In more particular terms, it:

Legislation on the Pre-Need Code Enacted

- Worked with two major consumer groups, the Nationwide Association of Consumers, Inc., and the Coalition for Consumer Protection and Welfare, toward the creation of a Pre-Need Task Force. The Task Force is to lobby for the passage of a new law regulating the pre-need industry and to counter the influence of the Federation (a Self-Regulatory Organization or SRO of pre-need plan providers) which is fighting against any change in the legal or regulatory regime of the industry. AGILE also gained the support of Department of Trade and Industry (DTI) Undersecretary Adrian Cristobal, Jr., and Insurance Commissioner Edgardo Malinis for establishment of the Task Force. It also secured the support for both officials for the passage of the legislation which will, among other provisions, transfer jurisdiction over the pre-need industry from the SEC to the Insurance Commission.

SEC Enforcement Department staff are trained in investigation procedures and case management and able to conduct viable investigations by October 2002.

- Mobilized an enforcement specialist, Hugh Patton, concurrently Group Manager for Commercial Law, who will provide in-depth assistance to the SEC's Compliance and Enforcement Department (CED) over the next year. The consultant began work during the quarter by, among other actions, reviewing and providing advice on several existing CED investigations, and researching and issuing a memorandum on U.S. law on the computation of administrative fines. He reviewed and provided inputs on several of the pleadings in the Belle World Resources (BW) case and generally helped to refine the theory of that case, while giving a presentation at an Asia-Pacific Economic Cooperation (APEC) conference on Enforcement organized by the Asian Development Bank (ADB).

Collective Investment Schemes

- Prepared a complete information package on the Investment Company Act of 2001 (ICA 2001) for the House of Representatives. The package contains a Primer on Mutual Funds (Powerpoint Presentation), the Salient Features of House Bill No. 2814 (Powerpoint Presentation), a Comparison Matrix of all ICA 2001 House Bills and the current Republic Act 2629, and copies of House Bill Nos. 185, 247, 399, 1108, and 2814. It also began work on a similar package for the Senate. The Project likewise advocated to have the ICA calendared for committee hearings in the House and Senate in early 2002.

- Prepared policy paper for the SEC entitled "Rationalization of Documentary Stamp Tax on Mutual Fund Company Shares".

Policy Advice

- Continued to provide on-going assistance to the SEC on a wide variety of issues. It submitted memoranda on: private placements, enhanced regulation of lending investors, requirements for salesmen and associated persons of broker dealers, appropriate corporate succession at the PSE, proper accounting treatment for share repurchases, appropriateness of the Philippine Stock Exchange (PSE) rule on "backdoor listings," and market revival measures.
- Drafted anti-money laundering IRRs for institutions within the jurisdiction of the SEC.

PLANS AND ISSUES FOR 1Q2002

To push forward its work under this result area, AGILE will, in the first quarter of 2002:

Pre-Need

- Continue to support efforts to form the formation of the Pre-Need Task Force, the exact nature of the support still being discussed.

Collective Investment Schemes

- Complete an information package on the draft ICA 2001 for the Senate.
- Begin briefings for lawmakers on ICA 2001.

Enforcement of the Securities Regulation Code

- Conduct an enforcement seminar for SEC and Department of Justice (DOJ) staff judges, and other officials charged with investigating and prosecuting securities fraud.
- Advise the SEC and DOJ on the prosecution of the pending securities fraud cases.
- Finalize the manual of operations for the SEC's enforcement department.
- Provide daily hands-on training and assistance.

**Results Package 1.1.b. Pension Reform Strengthened through Passage of a
PERA Law**

ACCOMPLISHMENTS FOR THE 4TH QUARTER 2001

The DOF placed the Personal Equity Retirement Account (PERA) bill high in its agenda although Congress' demands on the Securitization and other bills occupied more of its time during the fourth quarter of 2001. On DOF Secretary Jose Isidro Camacho's instructions, this bill provides for a Tax-

Exempt-Exempt (TEE) structure for the PERA, under which the initial investment would be taxed, the growth on investment would be exempt from tax, and the withdrawals would also be exempt from tax. This reflects the thinking that the present value of taxes under the Exempt-Exempt-Tax (EET) structure would be equal to that under the TEE. The EET structure provides for initial investments being exempt, the growth on investment being exempt, and the withdrawals being taxed. The choice would therefore approximate the ideal EET structure that is adopted in most countries that offer voluntary individual retirement schemes.

AGILE has advised the DOF that anything less than an EET structure is disadvantageous to the investor and that the environment for a successful voluntary individual retirement program is not yet present in the Philippines.

PLANS AND ISSUES FOR 1Q2002

Notwithstanding AGILE's position, Congress is intent on passing the PERA bill in line with President Gloria Macapagal-Arroyo's priorities as enunciated in her June 2001 State of the Nation Address (SONA). AGILE will therefore set up its team this quarter to provide policy advice as well as advocacy support for its reform agenda's inclusion in the PERA legislation.

Results Package 1.1.c. Assistance to the National Commission on Savings (NCS) to Enhance Savings Mobilization Measures

ACCOMPLISHMENTS FOR THE 4TH QUARTER 2001

During the fourth quarter of 2001, AGILE did not pursue any initiatives along this objective.

PLANS AND ISSUES FOR 1Q2002

AGILE will concentrate on pushing for the legislation of the PERA bill during the first quarter of 2002 in the absence of specific requests for assistance from the National Commission on Savings (NCS).

Results Package 1.1.d. Increase Domestic Investor Base

ACCOMPLISHMENTS FOR THE 4TH QUARTER 2001

AGILE continued pursuing the passage of the securitization bills and the creation of a secondary market for non-equity securities. It:

Legislation (RICA, FSTRP, and Securitization) bills are filed by May 2002.

- Highlighted the operational aspects of, and the regulatory concerns surrounding, securitizations during three Joint Committee Hearings of the Committees on Economic Affairs and Banks and four Technical Working Group meetings on the securitization bills. The important issues the Project focused on included the permissible functions of a secondary market institution such as whether it can originate loans itself; whether an originator can purchase asset backed securities

issued based on assets it transferred to the special purpose vehicle itself; and whether a trust acting as a special purpose vehicle should be allowed to issue debt instruments.

Establishment of a Secondary Market for Non-Equity Securities

- Drafted and delivered two proposed SEC rules: a rule on secondary trading in government securities and another on the registration of commercial paper. Both rules will be needed to establish a secondary market for fixed income securities.
- Secured DOF and SEC final approval on the creation of a separate debt exchange.
- Negotiated a financial commitment from the Bankers' Association of the Philippines (BAP) of PHP 5 million for the compensation of foreign and local consultants to staff a project that will initiate establishment of the exchange.
- Secured commitments from the BAP for project office space commencing January 14, 2002 (see box below)

BAP ESTABLISHES AGILE-PROPOSED FIXED INCOME EXCHANGE PROJECT

A market for the secondary trading of fixed-income securities in the Philippines may soon become a reality. This would mean lower interest rates being paid by borrowers on such instruments, with investors assured of being able to sell the same at any time.

This dream became a step closer when, with encouragement from AGILE, the Bankers Association of the Philippines (BAP) recently established a project office that will launch an exchange for secondary trading of fixed income securities. The office opens on January 14, 2001 in space provided by the BAP adjacent to its main offices. AGILE consultant Roman Azanza will head the office initially, with the aim of finding a replacement for himself who will go on to be president of the exchange. In a testament to her achievements here, the BAP agreed to hire former AGILE consultant Debra Kertzman to work full time for three months. The BAP is providing PHP 5 million and office space to the project.

A well-functioning market where fixed income securities can be traded is important to both borrowers and investors in the long-term debt market. These borrower and investors include insurance companies, pension funds, mutual funds, banks, corporations, and national and local government. Currently, the secondary market for fixed income securities is conducted only "over-the-counter" without formal structures to facilitate trading. This lack of a liquid secondary market causes problems, such as underwriters of fixed income instruments sometimes having to enter into complicated and inefficient repurchase agreements where they agree that they will stand ready to buy back the securities in the future. Long-term debt financing is also more expensive – i.e., long-term interest rates are higher – because of the lack of a liquid secondary market. Investors will pay more for an instrument they can easily sell before maturity. Moreover, Basle Accord bank regulatory standards require that securities be "marked to market" -- adjusted on the bank's books to the current market value -- on a daily basis. This is impossible without a secondary market.

A fixed income exchange would also provide a platform for the trading of asset-backed securities issued in a securitization. It should likewise lead to a thriving corporate fixed income (i.e., commercial paper) market, which in turn will allow large companies to borrow money directly from investors via the capital market. Hopefully, this will push banks to begin lending to small and medium enterprises. Finally, although BAP has no plans for the fixed income exchange to trade equities, threatened competition from this new exchange should put some pressure on the PSE to improve its operations.

PLANS AND ISSUES FOR 1Q2002

In this quarter, AGILE will strengthen its efforts to advocate for the enactment of the securitization bills while helping the BAP establish and run the secondary market for non-equity securities. More particularly, it will:

Securitization

- Conduct workshops for the upper and lower houses of Congress and for regulators to ensure that they understand the operational, legal and regulatory aspects of securitization.
- Sponsor a study tour abroad for members of the House and Senate on securitization and investment companies.
- Mobilize one or more securitization experts to ensure that the legislation passed is appropriate.

Establishment of a Secondary Market for Non-Equity Securities

- Through the Fixed Income Exchange Project:
 - commence hiring permanent staff for the: (a) general management; b) legal and regulatory; (c) IT and general operations; and (d) membership and governance concerns of the market.
 - identify, purchase and install “off-the-shelf” IT solutions for the trading platform.
 - ensure a seamless transition in clearing and settlement with the Philippine Central Depository, Inc. (PCDI) and Real Time Gross Settlement (RTGS) existing systems.
 - draft and secure approval of a rule book, along with criteria for the registration of the exchange.
 - aim for launch date: April 2002.

Results Package 1.1.e. Insolvency Laws and Regulations Streamlined

ACCOMPLISHMENTS FOR THE 4TH QUARTER 2001

In order to strengthen the implementation of insolvency laws, AGILE, in coordination with the Asian Institute of Management (AIM) and the Philippine Judicial Academy (PhilJA), conducted a 5-day training seminar on corporate rehabilitation, insolvency and liquidation for commercial court judges. The forty nine judges who participated in the training seminar were trained on the business, financial and legal aspects of corporate rehabilitation and insolvency. These judges were taught how to apply specific provisions of the laws and rules of procedure to actual cases, taking into account business and financial considerations.

PLANS AND ISSUES FOR 1Q2002

This quarter, AGILE will focus on advocating for the Corporate Recovery bill filed in both houses of Congress, and on continuing to help in efforts to strengthen the judiciary's capability to adjudicate corporate rehabilitation and insolvency cases. More specifically, it will:

- Provide technical assistance to Congress during committee hearings on the Corporate Recovery bill.
- Provide technical briefings to lawmakers.
- Submit the first draft of the Manual on Corporate Rehabilitation and Insolvency and Liquidation to the PhilJA.
- Conduct a training seminar on corporate rehabilitation and insolvency for Court of Appeals (CA) justices and legal staff.

Results Package 1.1.f. Commercial Laws Enforced

ACCOMPLISHMENTS FOR THE 4TH QUARTER 2001

During the quarter, AGILE continued its work on strengthening the capability of the judiciary to enforce commercial law, mainly through the training of judges and lawyers of the Office of the Solicitor General (OSG) on several topics. It also continued advocating for administrative and policy reforms in the judiciary.

More specifically, it:

The curriculum and resource materials for judges on corporate governance, business, finance and law are completed by December 2001

- Secured the approval of the PhilJA to use the curriculum on corporate rehabilitation, insolvency, and liquidation, which it drafted and proposed, in coordination with the Asian Institute of Management (AIM). The curriculum integrated business, finance and good corporate governance principles with applicable laws and jurisprudence on corporate rehabilitation and insolvency. It was, in fact, used in the PhilJA-AGILE training of commercial court judges on November 12 to 16, 2001 in Pampanga. The training seminar was attended by forty nine commercial court judges from all over the Philippines.
- Designed a workshop wherein participants are asked to apply specific rules of procedure of corporate rehabilitation and legal concepts to actual cases. This workshop addresses key concerns on (1) the concrete application of the interim rules on specific cases that are pending or would likely be brought before the commercial courts, (2) arriving at a common decision on the most difficult issues that may arise in a corporate rehabilitation proceeding, (3) providing a venue for discussion of contentious issues that are normally raised by parties to a corporate rehabilitation and insolvency proceedings.

The mechanism for court-referred mediation is in place to allow mediation in the CA by February 2002

- Secured the concurrence of the CA to its proposal to allow mediation in the said Court. This proposal calls for the pilot testing of mediation and eventually the offering of the procedure in the appellate level to increase the output of the CA and ease the congestion of its dockets. The Project also secured the CA's approval of the mechanism it proposed for court-referred mediation at the appellate level.

Principally, it has been agreed that mediation in the CA will be pilot tested in April 2002. It was also the consensus that only retired Supreme Court (SC) and CA justices, retired Regional Trial Court (RTC) judges, senior members of the Bar, deans of law schools and senior law professors will be invited to act as mediators in the appellate level. The training of the mediators will be held in March 2002.

The PhilJA, through its Sub-Committee on Alternative Dispute Resolution, joined AGILE in endorsing the policy proposal and is now working closely with the Project and the CA in drafting mediation guidelines.

Lawyers of the DOJ and Office of the Solicitor General are trained to use economic tools in presenting and arguing their case by February 2002

- Trained thirty five (35) lawyers of the OSG, including five (5) assistant solicitor generals, on "Court Review of Economic Cases". In its official assessment of the seminar, the OSG reported that the seminar was successful, not only in achieving its objectives, but in identifying the problems that impede the work of the agency in defending the economic policies and programs of the government as well.

The Rules of Court prescribing limited specialization in the CA are amended by June 2002

- Secured the support of the presiding justice of the CA for its proposal to introduce special divisions in the CA that would handle highly complicated and technical cases. Initially, the presiding justice called for the training of the CA justices and their legal staff on special topics like corporate rehabilitation, intellectual property (IP), and taxation.

Additional Accomplishment

- In coordination with the PhilJA, trained sixteen RTC judges designated by the SC to hear IP cases. The seminar introduced the IP judges to developments in intellectual property, confronted them with contemporary problems in the IP law, and provided a forum for a dialogue among the judiciary, law enforcers, and private sector (including civil society) on the disposal of IP cases.

PLANS AND ISSUES FOR 1Q2002

AGILE's work this quarter is designed to push further the administrative and policy reforms it has been advocating for. It will also focus on strengthening further the capability of the judiciary to handle insolvency cases. More specifically, the Project will:

- On CA Mediation
 - Work for the approval of the rules that would govern mediation in the CA.
 - Work for an en banc SC Resolution allowing mediation in the CA and the pilot testing of the procedures.
 - Start the training of the mediators for the CA mediation project.
 - Start the groundwork for the pilot testing of the CA mediation project.

- On CA Limited Specialization
 - Draft the proposed curriculum for the training of CA justices on corporate rehabilitation.
 - Continue advocacy efforts for the creation of special divisions.

- On the Development of Benchbooks and Judicial Manuals
 - Submit concept papers and first drafts of the benchbooks (i.e. on corporate rehabilitation, insolvency and liquidation, law and economics, primary jurisdiction, and temporary restraining orders or TROs).
 - Present the first drafts of the benchbooks to the PhilJA and stakeholders for comments and suggestions.

- On Judicial Training
 - Design the curriculum of, and conduct, the training seminar on securities laws enforcement for the commercial court judges. This will be the second module of the AGILE-AIM training program for commercial courts.
 - Conduct judicial training on economic crimes (i.e. cybercrimes, money laundering, tax evasion, etc.)

- On the Guidelines on TROs
 - Initiate meeting between the OSG and the Office of the Court Administrator regarding the issuance of TROs on government projects.
 - Provide technical support in the drafting of guidelines to solve this problem.
 - Continue to work for the issuance of an SC administrative circular governing TROs.

- On the Training of Congressional Staff
 - Continue advocating with the Congressional Planning and Budget Department of the House of Representatives, for the latter to seek technical assistance from the PHILJA in matters pertaining to judicial review of economic legislation.

- On the SC Circular defining the power of the judiciary to review economic policies
 - Operationalize the Justice and Development Network to bring into fore the issue of the judiciary's interventionist stance on economic policies.
 - Conduct policy dialogues on the issue and have the results of such dialogues published in major newspapers and journals.

POLICY OUTCOME 1.2 REVENUE ADMINISTRATION STRENGTHENED (BIR, DOF, DBM, BOC)

Results Package 1.2.a. BIR Made More Transparent and Efficient in Revenue Generation

ACCOMPLISHMENTS FOR THE 4TH QUARTER 2001

There are two reasons why the Bureau of Internal Revenue (BIR) is the focus of a major governance reform effort of the government. First, the government is confronting a serious revenue problem that will continue indefinitely unless tax administration is significantly improved. Second, a successful reengineering of the BIR will very strongly demonstrate that reengineering is possible for the rest of government.

There are three (3) strategies being pursued by the donor community, in coordination with the BIR, to reform tax administration. One, which can be done administratively, is to outsource the IT system of the BIR with assistance from the United States Trade Development Authority (USTDA). Second, which will require legislation, is to structure the BIR into a government corporation with well-defined outputs and the flexibility to establish its own compensation, personnel management, and financial management systems. AGILE, the German Technische Zusammenarbeit (GTZ), the TAF, the Asian Development Bank (ADB) and WB-Asia-Europe Meeting (ASEM) will assist in this effort. Part of the Public Sector Reform Loan from the WB will be used to fund the Early Retirement Program of the BIR. And third, is to do coalition building among the civil society and private sector groups to push for reforms, with assistance from AGILE and TAF.

The objective of AGILE's technical assistance on the BIR Tax Administration reforms is to help formulate and operationalize the strategic reengineering reforms at the BIR in order to improve the tax effort, increase government revenues, and reduce graft and corruption related to internal revenue generation. Towards this end, the BIR Transformation Team was formed in October 2001. The Team consists of AGILE consultants/specialists in organizational development and change management, human resource systems, systems integration and processes, and civil service. Experts in early retirement programs, drafting legislation for an independent revenue authority and reorganization of the BIR, and communications specialists for political and media advocacy and constituency-building are also with the Team.

For the quarter, AGILE:

The BIR re-engineering "Blueprint" is accepted by the DOF, BIR and other GOP policy-making units by February 2002.

- Provided to the BIR the advisory services of Mr. Estella, former head of Superintendencia Nacional de Administracion Tributaria (SUNAT or the National Authority for Tax Administration), the Peruvian equivalent of the BIR. Mr. Estella was the prime architect and implementor of the landmark tax administration reforms that created the SUNAT. Reforms in place at the SUNAT have received international attention. He advised the BIR on options for improving its tax effort and increasing government revenues as a share of the gross domestic product (GDP), and in drafting the blueprint for tax administration reforms.

- Facilitated the 3-day BIR Strategic Planning Workshop in Tagaytay City on November 22-24, 2001. During the workshop, the BIR Commissioner shared with the participants his vision of Total Taxpayer/Customer Satisfaction. Using the strategic planning framework developed by the Project, the participants were also able to set financial targets based on quantifiable performance indicators, shape programs and strategies to improve computerized and non computerized processes, identify the strengths, weaknesses, opportunities and threats surrounding the organization, and concretize key performance indicators.
- Completed and presented to the BIR Commissioner and senior managers the results of its diagnostic study (Organizational Effectiveness Study) of the BIR structure, tax processes, and human resource systems. The study was based on the results of a survey of BIR rank-and-file and interviews of BIR senior managers.
- Through the Foundation for Economic Freedom (FEF), began providing media and political strategy formulation as well as constituency building support to reform efforts at the BIR. The FEF issued political risk analysis memos and directed press releases showing support of various sectors (e.g. academe, business community) to the reform effort.

PLANS AND ISSUES FOR 1Q2002

During the first quarter of 2002, AGILE will focus on the following:

- Completion, evaluation, and implementation of the BIR Transformation Plan/Reengineering Blueprint.
- Provision for additional technical assistance for training and research on public sector reform and public sector accounting.

Results Package 1.2.b. Trade Facilitation, Audit and Risk Management Capacity of BOC Strengthened

ACCOMPLISHMENTS FOR THE 4TH QUARTER 2001

AGILE focused its work under this results package on assisting the Bureau of Customs (BOC) draft and issue the administrative orders needed to implement the Customs Valuation Law (CVL). It also continued helping the agency and its relevant units strengthen their capability to identify and manage risks of revenue leakage.

During the quarter, the Project:

The IRRs of the Customs Valuation Law are published by mid-September 2001

- Assisted the BOC resolve issues raised on, and advocate for the issuance of, the implementing rules and regulations (IRRs) of the CVL. Among others, it briefed the DOF on the contents of the IRRs, how issues raised by the private sector were resolved, the provisions needing more detailed procedures, risk management and Post-Entry Audit (PEA) preparations, as well as plans for rendering these reforms sustainable. DOF approval was necessary for the IRRs to be issued.

These efforts resulted in Customs Administrative Order (CAO) No. 5-2001, which contains the IRRs, being issued on November 15. The CAO became effective a month later, on December 15, 2001.

- Drafted and finalized five Customs Management Orders (CMOs) which provide a more detailed set of rules on the implementation of the CVL. Among these CMOs were those on (1) the role of the Valuation and Classification Review Committee (VCRC), consolidating previous CMOs with additional modifications on cargo clearance, and (2) compulsory acquisition of grossly undervalued imports. They also include (1) record-keeping and PEA guidelines, (2) procedures in protest cases in the determination of the customs value and tariff classification of imported goods under the WTO valuation regime, and (3) determination of administrative liability and the imposition of administrative fines.

One of the orders, CMO 37-2001, was issued this quarter. The CMO contained enhanced cargo clearance procedures. Others are expected to be issued by the first week of January 2002.

TRADE FACILITATION IN THE PHILIPPINES RECEIVES A MAJOR BOOST WITH ISSUANCE OF AGILE-RECOMMENDED ENTRY AUDIT RULES

The government has moved closer to instituting an open and transparent, transaction-based customs valuation system that will improve the efficiency (and reduce discretion) of customs clearance. On November 16, Customs Administrative Order (CAO) No. 5 – 2001, which contains the implementing rules and regulations of Republic Act (RA) 9135, more popularly known as the Customs Valuation Act, was issued. The CAO is the Bureau of Customs (BOC) Order that spells out how the agency is to implement Post-Entry Audit (PEA).

RA 9135 removes the mandatory use of published values as the basis for customs valuation, and allows a PEA system of value verification. It, in effect, substantially reduces the discretion of customs officers to determine the value of imported goods at the border. This reduces opportunities for rent-seeking behavior and allows goods to be released faster.

AGILE provided technical and advocacy assistance to the BOC, from bill drafting, through passage of the law and on to drafting of the CAO.

CAO No. 5, 2001:

1. Defines the primary and five alternate methods of valuation, with the elements and conditions for the application of each method clearly presented. This provision removes the discretion of customs officers in adopting a valuation method and how such a method is to be applied.
2. Provides for reference values as a risk assessment tool and not as substitute values.
3. Sets the administrative policies governing currency conversion, tentative releases under guarantee in cases of valuation disputes, finality of liquidation of imports, and appeals on adverse decisions.
4. Provides the rules on record-keeping and compliance audit, including the definition of the entity obliged to keep records, the kinds or classes of documents, records or data that must be kept for audit purposes, and the target, scope and authorities of audits, including selection criteria.
5. Sets the rules on the compulsory acquisition by government of grossly undervalued imports.
6. Defines the criminal and administrative sanctions against non-compliance.

The organizational plan for the PEA is formalized through an EO by September 2001.

- Conducted a refresher course on PEA procedures, documentation, and work paper presentation for Interim PEA Unit personnel.
- Provided technical advise to the Trade Information and Risk Analysis Unit (TIRAU) on the preparations for the conduct of the pilot-test of the PEA, specifically guiding TIRAU staff in determining what to include in the analysis. The TIRAU identified the industry focus and first batch of auditees for the pilot-test. It also started assembling profiles of the auditees and specified the details of the chart of accounts it would need for the pilot-test.
- Drafted the Executive Order (EO) creating a permanent PEA Group. The EO will be circulated for comment and then submitted to the Commissioner for endorsement to the President. The endorsement letter will emphasize that the Group will be a profit - rather than a cost - center, thus allaying concerns that the creation of the Group will be a financial burden to the government.

The Risk Management System is implemented at the BOC by November 2001.

- Oriented Management Information System and Technology Group (MISTG) staff on the revenue forecasting model, discussing the following: overview of the forecasting technique, essential variables and their relationships, methods of formatting the data, using the Decision Time software, interpreting model results, and some techniques to improve the results. The Forecasting section of the Risk Management Manual outlining the methodologies was provided to the MISTG staff.
- Estimated revenue forecasts for 2002 by commodity section per major port. Data on major trading partners' exports to the Philippines at the 6-digit level of commodity description were obtained and processed for comparison with imports, in order to estimate possible undervaluation of imports. This could become an important risk assessment tool.
- Submitted a proposed set of Risk Management criteria to the BOC for endorsement to the DOF for the latter's approval. These criteria identify the auditees under the PEA System.
- Identified improvements to the SGL Facility, e.g. reduced fees so that imports below \$500 are exempt, and obtaining guarantees from embassies that the subject companies are bona fide. The proposal to merge the SGL with the ordinary Green Lane facilities was also forwarded to the BOC, since the latter has attracted few participants due to the high costs required of importers using the SGL, and little marginal benefits that can be derived from the new facility. AGILE met with SGL accredited and prospective clients who raised concerns about the facility. Some of the issues had been resolved and addressed.

Additional Accomplishments

- Helped finalize the BOC Corporate Plan for 2001-2004 emphasizing risk management and other transformation elements.

- ❑ Prepared the outline for a business plan that aims to market the BOC as an automated service provider, and thus help alleviate the BOC's lack of resources. Data on actual collections and duties assessed, the draft MISTG business plan, and letters of Deputy Commissioner Arevalo to IT companies were used as basis.
- ❑ Assessed the status of the assistance it provides the BOC, the concerns affecting the assistance's early completion, and crucial elements of reengineering strategy for the next phase, which must deal with the institutional and political set up, in order to ensure sustainability. Information on other country experiences (Peru, Argentina, Canada, and New Zealand) in customs reengineering were gathered for reference.
- ❑ Discussed with the BOC the possibility of pursuing other reforms through the BOC Modernization bill, in order to take advantage of the paradigm shift now taking place in which the trade facilitation role of the agency is appreciated. An overhaul of the Tariff and Customs Code was proposed through the bill, which would also take account of the World Trade Organization (WTO) valuation system, RA 9135, E-Commerce law, the Corporate Plan, the reengineering program, and the customs modernization programs of other developing countries. AGILE drafted a letter for the BOC to Sen. Recto to request time to draft a revised version of the bill.
- ❑ Provided inputs in resolving the issue of freight charges which differ between the master and the house airway bills. This is an important component of dutiable value.

PLANS AND ISSUES FOR 1Q2002

In 1Q2002, AGILE will assist the BOC conduct the PEA audit. It will also help in the launching of the PEA system in time for the BOC Centennial in February.

Results Package 1.2.c. Tax Policy More Efficient and Equitable

ACCOMPLISHMENTS FOR THE 4TH QUARTER 2001

AGILE, during the last three months of 2001, focused its activities under this results package on preparing tax database and providing understudies from the DOF with hands-on training on the various microsimulation models it developed to help the government formulate and implement more efficient and equitable tax policies. More specifically, it:

The tax databases are cleaned up and prepared for use by the DOF for revenue forecasting and revenue estimation by August 2001.

- ❑ Prepared for DOF use all database, except for those on the Value-Added (VAT) and Individual Income taxes. These databases will be available once the VAT and Individual Income Tax Microsimulation Models are completed.

BIR staff has access to tax databases and are trained to use the databases to refine analysis of tax administration by November 2001.

- Held off any action on this matter until the issuance of a DOF order defining the conditions for database sharing between the DOF and BIR.

DOF staff are trained in the use of the tax databases and senior DOF officials have internalized the value of using these databases in forecasting and estimation by October 2001.

- Provided hand-on training for selected DOF staff on the following:
 - Capital Gains Tax Microsimulation Model, specifically on the use of the data management system and data analysis.
 - Corporate Income Tax Microsimulation Model, specifically on data manipulation and analysis using the MS Access and STATA programs.
 - Value-Added Tax Database and Input-Output Model, specifically on data manipulation and analysis using the MS Access and Excel programs.
 - Petroleum Excise Tax Microsimulation Model, specifically on the relational link between the price build-up model and the demand models on aviation turbo, diesel, and unleaded gasoline, and on the building of regression models for other major revenue-generating petroleum products such as fuel oil.

Trained DOF staff are working with AGILE to analyze the revenue impact of proposed policy, including, the impact of the removal of the DST from secondary transactions of debt instruments by January 2002.

- Completed the development of the DST database, with the DOF using the same database to estimate the revenue impact of the removal of the DST on secondary transactions.

PLANS AND ISSUES FOR 1Q2002

For the first three months of 2002, AGILE will seek to:

- Correct the weaknesses of the Individual Income Tax Microsimulation Model to enable it to calculate more efficiently and generate more accurate revenue estimates of policy measures on individual income taxation.
- Continue training under studies on data analysis using the Income Tax, Capital Gains Tax, Corporate Income Tax, and Value-Added Tax Microsimulation models.

Moreover, AGILE will explore with the DOF other areas for its technical assistance. These areas may include:

- Capital Gains Tax training
- Corporate Income Tax training

- Value Added Tax training
- Excise tax to install linkages between the database and microsimulation models (cigarettes, beer, and petroleum) and to restructure an automobile excise tax microsimulation model that takes account of new tax policy measures.
- Customs Duties to correct "bugs" in the Customs Duties Management System program
- BIR Training on how to use the tax database management systems (VAT, Excise Tax, Corporate and Individual Income Tax, Capital Gains Tax)
- Advocacy for acceptability on the use of tax databases and models in revenue program targeting and budgeting process to the Development Budget Coordinating Council (DBCC) and Congress
- Installation of security system on the tax databases and models

Results Package 1.2.d. Local Government Financing Improved

ACCOMPLISHMENTS FOR THE 4TH QUARTER 2001

In this quarter, AGILE supported the creation of a viable, sustainable LGU bonds market. Toward this end, it:

The Municipal Bonds Floatation Guidelines are issued by the DOF by October 2001

- Provided technical assistance in the drafting of various options for a private sector-government agreement to develop the LGU bonds market, facilitated in consultations among the stakeholders, and broked the agreement.

On October 1, 2001, the DOF Bureau of Local Government Finance (BLGF) and the private sector, represented by the Local Government Unit Guarantee Corporation (LGUGC), signed a Memorandum of Agreement (MOA) spelling out an exchange of financial records and data that would facilitate the credit rating of LGUs and the monitoring of LGU bond flotations. This exchange is expected to increase confidence in LGU bonds and consequently, improve the viability and sustainability of the LGU bond market.

Inspired by its MOA with the BLGF, the LGUGC also forged an MOA with the Department of Interior and Local Governments (DILG) under which the "parties mutually agreed to work together in order to develop the LGU's capability in delivering basic services to its constituents through an information campaign on alternative modes of financing where the LGUGC module promotes credit rating as an effective complementary tool for good governance and devise mutually acceptable data sharing schemes between the two agencies to improve their respective information databases."

- Presented the recommendations of the study it commissioned the Ateneo School of Government to conduct, entitled "a Decade of Taking Root: Ten Years After the Passages of the Local Government Code of 1991," to LGUs, national government agencies, the private sector, and President Gloria Macapagal-Arroyo during the First Local Government Congress held on October 10, 2001 at the Manila Midtown Hotel.
- Continued assisting in the information dissemination efforts to promote LGU bonds. More specifically, it put up an information booth during the First Local Government Congress on

October 9 & 10, 2001. The booth distributed the Municipal Bonds Manual AGILE developed with the Financial Executives Institute of the Philippines (FINEX), USAID, and GOLD project. It also distributed various materials on improving local government finance and local government administration developed under the GOLD project.

The expanded "Local Government Unit Guarantee Corporation (LGUGC) Database" is published by January 2003

- Prepared the Scope of Work for the expansion of the LGUGC LGU Credit Rating Database.

The prototype of the LGU credit ratings system that reflects underlying quality of governance developed is completed

- Prepared an Activity Scope of Work for the effort to improve the BLGF LGU Database. The improvement of the BLGF's LGU financial database will feed into the DOF-BLGF's LGU Performance Monitoring System composed of 14 indicators. The database will also be used by the LGUGC for credit rating LGUs.
- An individual scope of work was also drafted for an accountant/financial specialist to assist the BLGF in harmonizing the new LGU reporting system (Statement of Income and Expenditures) with the New Government Accounting System (NGAS) being implemented by the Commission on Audit.

PLANS AND ISSUES FOR 1Q2002

During this quarter, AGILE will:

- Start data collection for the expansion of the LGUGC LGU Credit Rating Database.
- Complete a substantial portion of the study to harmonize the Statement of Income and Expenditures (SIE) with the NGAS. The harmonization of the SIE with the NGAS is needed to improve the BLGF's LGU Database.

POLICY OUTCOME 1.3 EXPENDITURE MANAGEMENT STRENGTHENED

Results Package 1.3.a. Bureaucracy More Efficient Through Public Expenditure Management (PEM) and Reengineering

ACCOMPLISHMENTS FOR THE 4TH QUARTER 2001

AGILE coordinated with, and provided inputs into, the World Bank technical assistance to the Department of Budget and Management (DBM). Its inputs were focused on the following areas:

- Aligning of the Pro-Poor Report Card Survey with the DBM's Organizational Performance Indicator Framework (OPIF) so that it (the survey) can be integrated into the annual budget process.

- Ensuring that certain Public Expenditure Management (PEM) reforms are incorporated in the formulation of the General Appropriations Act (GAA) of 2002. These reforms are the:
 - a. Medium-Term Expenditure Framework (MTEF)
 - b. Sector Effectiveness and Efficiency Review (SEER)
 - c. OPIF
 - d. Shift to the use of “outcomes” instead of “inputs” as the basis of budget preparation

PLANS AND ISSUES FOR 1Q2002: (ALL EFFORTS ARE UNDER THE WB TAS)

During this quarter, AGILE will continue providing inputs into the World Bank technical assistance effort. These inputs will be centered on the:

- Further training of line agencies and budget officers on the PEM.
- Completion of the Modified Filipino Report Card Survey.
- Completion of the triple Assessment Reports – PEM Review, Country Procurement Review, and Country Financial Accountability Assessment. These reports are designed to provide the government guidance in improving its public financial management system, and the World Bank a measure of the government’s capability to properly manage public funds, including loanable funds from demos.

Results Package 1.3.b. Improved Management of Contingent Liabilities

ACCOMPLISHMENTS FOR THE 4TH QUARTER 2001

AGILE completed the analysis of legal risk for Build-Operate-and-Transfer (BOT) projects and government-owned and - controlled corporations (GOCC) guarantees. More particularly, it:

BOT Projects

Legislation removing automatic guarantees from GOCCs and establishing a guarantee management framework is filed in Congress by August 2001.

- Completed the review of the 13 risk templates prepared by the first team of consultants it commissioned to conduct a study on government contingent liabilities.
- Revised the risk template/matrix used by the first team to include and provide for guarantee call triggers, call procedures, financial impact, and risk assessment for each guaranteed obligation.
- Completed the review and preparation of risk matrices for 28 remaining non-power BOT projects.
- Forwarded the materials (completed risk templates, model matrix including instructions or guide on how to fill in the risk matrix) to the Power Sector Asset Liability Management (PSALM) Corporation for the review and preparation of matrices for the remaining BOT power projects.

GOCC Guarantees

- Completed the review of the matrices prepared by the first team for 26 GOCCs.
- Started the preparation of risk matrices for approximately 70 remaining GOCCs.

Training

- Prepared presentation/reference materials for, and conducted, a half-day lecture attended by officers and staff of DOF- Corporate Affairs Group on the elements of a guarantee management system, the status of national government guarantees, project financing, salient provisions of BOT contracts, and guidelines for BOT contract and project monitoring.

Other Areas

- Upon the request of the DOF, reviewed and recommended government courses of action on the request for extension of the loan guarantee issued to the National Development Company for its investment in the First Centennial Clark Corporation (operator of the "mothballed" Expo Filipino).
- Drafted and reviewed the memorandum of understanding (MOU) between the Philippine housing agencies and Cerberus Asia Capital Limited (a New York based investment fund) for the proposed purchase of the housing accounts of the NHMFC and the obligations guaranteed by the Home Guarantee Corporation (HGC). It provided advice on procurement procedures for government financial assets and provisions of the BOT Law, and actively participated in the actual negotiation and finalization of the MOU. The housing agencies are the National House Mortgage Finance Corporation (NHMFC), HGC, and Home Development Mutual Fund (HMDF).

PLANS AND ISSUES FOR 1Q2002

- AGILE will continue providing technical assistance to the DOF. The exact nature of this assistance is, however, under discussion.

Results Package 1.3.c. Investment Incentives More Transparent

ACCOMPLISHMENTS FOR THE 4TH QUARTER 2001

In the last quarter of 2001, AGILE worked with the DOF's Domestic Finance Group (DFG) in the formulation of a Fiscal Incentives Reform Package based on the policy brief, entitled "Towards Rationalizing Fiscal Incentives," which it submitted. This reform package mandates a two-tiered approach to fiscal incentives: generic incentives for all registered firms, and special incentives for those belonging to priority industries that the government wants to selectively promote. It has the following features:

- Limited Investment Priorities Plan (IPP). Because the choice of priority sectors is prone to error, with government unable to pick winners, the IPP must be limited to just a few

industries--3 to 5 at most. Ideally, an Executive inter-industry body should prepare the IPP upon careful study.

- **Fiscal Incentives Accounting.** The Board of Investments (BOI) is tasked to monitor the amount of incentives it grants to investors, especially since about three-fourths of total BOI-registered projects are from non-exporting, domestic enterprises which would have invested in the Philippines anyway.
- **Inclusion of the DOF and NEDA in the BOI Board.**
- **Partial ITH--Tax Credit on Taxes Paid on Salaries and Wages of Recipient Firms.** This was initially suggested by the BOI and would cost the government only 17% of the current Income Tax Holidays (ITH) being given to BOI-registered firms. The private sector is expected to oppose this feature the ITH under the DOF scheme is too small compared to what registered firms are currently getting from the BOI.

The reform package was presented to the Inter-Agency Committee on Fiscal Incentives composed of the Secretaries of the DOF and DTI, and the Director-General of the National Economic Development Authority (NEDA). Despite substantial effort, however, the DOF was unable to have the whole package endorsed. The Committee agreed to a limited IPP which it to be reviewed every three years by an inter-agency body of the Executive Branch. It also agreed to the inclusion of the NEDA and DOF in the BOI provided that no other agency is so included. The group, on the other hand, endorsed the grant of full ITH to recipients of fiscal incentives. It also failed to decide on the issue of adopting an accounting system for fiscal incentives. Finally, the committee also endorsed the granting of fax and duty exemption on raw materials for exporters located outside economic zones.

PLANS AND ISSUES FOR 1Q2002

In the first quarter of 2002, AGILE will finalize the fiscal incentives reform policy paper it submitted to the DOF. The paper will be revised to include new sections to provide for an inventory of incentives granted over the last three years.

AGILE will also advocate for, and assist in the drafting of, the Fiscal Incentives Reform bill.

POLICY OUTCOME 1.4 GOVERNMENT PROCUREMENT MADE TRANSPARENT AND EFFICIENT (DBM, NEDA, DOF, ICC)

Results Package 1.4.a. GOP Procurement System More Efficient and Transparent

ACCOMPLISHMENTS FOR THE 4TH QUARTER 2001

During the last three months of 2001, AGILE focused its efforts in this area on advocating for more reforms in the government procurement systems, and pushing for, and monitoring the implementation of, existing reforms. In more specific terms, it:

Government agencies and NGOs are trained on new procurement procedures, in partnership with PWI, by December 2001.

- ❑ Through Procurement Watch, Inc. (PWI), oriented government personnel on the rules and regulations that govern public procurement, updates on current reforms, and diagnostic reports based on actual bidding sessions attended, to aid them comply with the guidelines and further improve their procurement processes.

AGILE-supported procurement reforms are strengthened through the passage into law of the Government Procurement Reform Act by May 2002.

- ❑ In laying the groundwork for the procurement bill, assisted the DBM in spearheading the Inter-Agency Working Group (IWG) on Procurement in securing the issuance of Executive Order (EO) 40 that mirrors the procurement reforms being espoused in the Government Procurement Reform bill. EO 40 supercedes EO 262, revised IRRs of PD 1594, and amended EO 322, and is the first attempt to harmonize procurement rules for the three groups: 1) goods, supplies and materials, 2) civil works, and 3) consulting services. It also introduces the computerization of the procurement system by establishing a central electronic portal, called the Government Electronic Procurement System, to be managed by the Procurement Service.

EO 40 cannot repeal rulings that have the effect of law. The reforms will therefore not be completed until the procurement bill has been passed.

- ❑ Assisted the DBM in leading the Inter-Agency Working Group on Procurement in the drafting of the IRRs for EO 40, which were completed in December 2001 and presented before the two government policy-making bodies for procurement, i.e. the Procurement Policy Board and the Infrastructure Committee. These IRRs, when approved, will facilitate the drafting of the IRRs for the Government Procurement Reform Act.

CENTRALIZED PORTAL FOR GOVERNMENT PROCUREMENT MANDATED

President Gloria Macapagal-Arroyo boosted efforts to reform government procurement of goods and services by issuing, on 8 October 2001, Executive Order (EO) 40. EO 40 essentially consolidates various existing guidelines for the procurement of (a) goods, supplies, materials and related services; (b) civil works; and (c) consulting services by all national government agencies. It builds on AGILE's earlier work on administrative reforms on procurement which addressed the perennial problems of delays, collusion, lack of transparency, lack of competition, and use of discretionary criteria. These are embodied in the implementing rules and regulations (IRRs) for Presidential Decree (PD) 1594, which covers government procurement of infrastructure projects, and EO 262, which covers government procurement of goods and supplies.

More specifically, EO 40 mandates the establishment of a single, centralized electronic portal (or otherwise known as the E-Procurement System or EPS) that will facilitate all procurement activities of the NGAs. The EPS will enhance transparency, accountability, equity, efficiency and economy in government procurement. It will serve as the primary source of information on all procurement-related activities.

The EPS has the following distinct features:

- a) *Electronic Bulletin Board.* A centralized electronic bulletin board for advertising procurement opportunities, notices, awards and reasons for award.
- b) *Suppliers' Contractors' and Consultants' Registry.* A centralized electronic registry of all authorized suppliers, consultants and contractors, as defined in the IRR.
- c) *Electronic Catalogue.* A centralized electronic price list.
- d) *Additional Features.* The Virtual Store, electronic bid submission, on-line payment, and such other features that may be developed in the future.

AGILE is currently helping the DBM and the DPWH in drafting the IRRs for EO 40. It is expected to be completed by early December 2001.

PWI is regularly monitoring public procurement by December 2002.

- Through the PWI, monitored the procurement activities of the Departments of Public Works and Highways (DPWH), Labor and Employment (DOLE), and Health (DOH). The PWI focused primarily on the conduct of the pre-conference bidding, and the bidding process which range from eligibility checking, to opening of bids, bid examination and post-qualification. It checked whether the procedures or processes being undertaken were in conformity with the procurement reforms under EO 262 and the revised IRRs of PD 1594. The newly issued EO 40 is not yet effective until the issuance of its IRRs.

The PWI was also invited by the Armed Forces of the Philippines (AFP) to monitor the latter's procurement processes.

- Through the PWI, published a newsletter entitled "PRISM Update". This newsletter, which contains updates, results of studies, project monitoring, advocacy and current events, affecting government procurement, was distributed to PWI partner agencies members of civil society organizations, and donors.

PLANS AND ISSUES FOR 1Q2002

AGILE will focus on pushing for the Government Procurement Reform Act and in continuing with the training of government personnel on the new procurement processes. More specifically, it will:

- Assist the DBM provide technical backstopping to sponsors of the bill in the Senate and House of Representatives. This backstopping will include preparing briefing materials and/or primers on the feature of the procurement bill. AGILE will also assist the DBM in initiating and/or consolidating efforts in coalition building among supporters of the bill, including but not limited to, the members of the IWG, NGOs, and civil-society groups.
- Continue to provide training on the new procurement process. Seminars will be conducted initially in Metro Manila and subsequently in the regions. The training program will cover the three procurement groups a) goods, supplies, materials and related services, b) civil works and c) consulting services. It will also focus on the Government Electronic Procurement System.

POLICY OUTCOME 1.5: BANK SECRECY REDUCED AND BANKING SECTOR BETTER REGULATED (BSP, DOJ, SEC)

Results Package 1.5.a. Money Laundering Reduced

ACCOMPLISHMENTS FOR THE 4TH QUARTER 2001

AGILE's work in this area during the last quarter of 2001 centered on helping strengthen the implementation of the Anti-Money Laundering Act of 2001 (AMLA). More particularly, it:

AMLA IRR and Circular Promulgated by the AMLC

- Assisted the Anti Money Laundering Council (AMLC) in formulating and drafting the IRRs for the AMLA. It reviewed the IRRs in other jurisdictions and the comments and recommendations during the congressional hearings.
- Assisted the AMLC develop the circular on Anti -Terrorist Financing.
- Assisted the AMLC during the International Monetary Fund (IMF) review of the AMLA and its implementation process.

Legislative History on the AMLA

- Completed the legislative history on the AMLA. The information was useful in addressing some of the questions related to the first case filed by the AMLC.

Memorandum of Agreement for Technical Assistance

- Assisted in the formulation of the Memo of Agreement on Technical Assistance which will be provided by the United States Treasury Department to the Philippine government.

Public Information Campaign and Training Seminars

- ❑ Developed the Primer on the Anti Money Laundering, which contains relevant documents and background materials on the AMLA and its IRRs. Copies of the primer were provided to more than 1,000 participants in several anti-money laundering training seminars and workshops.
- ❑ Organized and conducted 15 seminars and public fora on the AMLA and its IRRs. The participants of these seminars and fora included involved personnel of regulatory agencies, supervising authorities, and government agencies. These participants came from different sectors and have contributed significantly in the discussion on the merits of the law and its proposed IRRs. Priority was given to BSP supervision examiners and bank compliance officers, and four seminars were conducted to accommodate as many participants from this sector as possible. Civil society watch groups were also invited in the high level Inter-Agency workshop which brought together prosecutors from the DOJ, Sandiganbayan Justices, Solicitors from the OSG, Regional Directors from the National Bureau of Investigation, Special Prosecutors, and Directors from the Office of the Ombudsman.

In conducting such seminars and fora, AGILE coordinated with institutions such as the Bangko Sentral ng Pilipinas Institute (BSPPI), the Asian Institute of Management Center for Corporate Responsibility, and the SEC. It also provided resource speakers for the fora conducted by other groups such as the Arellano University, the Ateneo Law School Center for Continuing Legal Education and Research, and the Bank Administration Institute.

In addition to personnel of financial institutions and regulatory agencies of the financial system, training was also provided for the law enforcement and prosecutorial agencies. Accordingly, AGILE brought in Atty. Murphy who discussed both the prosecution and defense of money laundering cases in the US.

Facilitated the participation of resource persons and anti-money laundering experts

- ❑ Facilitated the participation in anti-money laundering seminars of several resource persons who are both local and international experts in anti-money laundering initiatives. The participation of such experts ensured that the seminars had a holistic perspective. Among the experts tapped by AGILE was DOJ Undersecretary Jose Calida, who chaired the Inter-Agency Anti-Money Laundering Technical Working Committee. Acting AMLC Executive Director Judge Pio Guerrero and Deputy Director for the BSP Office of the General Counsel and Legal Services Atty. Elmore Capule were also tapped to discuss the AMLA IRRs. Atty. Paul Murphy, a foreign legal consultant who has experience in handling both the prosecution and defense of money laundering cases, discussed money laundering case illustrations, the USA Patriotic Act of 2001 and new FATF Recommendations. Mr. Kevin Peters, a US Customs Attache, discussed international initiatives and cooperation in the fight against money laundering as well as mutual legal assistance treaties.

Sustained interest and participation from Civil Society groups

- ❑ Continued networking with anti-corruption groups during the advocacy campaign for the expedient legislation of the AMLA. Among such groups were the Transparency and Accountability Network (TAN) and the National Institute on Policy Studies (NIPS), which

actively co-sponsored with AGILE the *Civil Society Forum on the Anti-Money Laundering Laws and Its Proposed IRRs*.

PLANS AND ISSUES FOR IQ2002

During the first quarter of 2002, AGILE will focus on ensuring the continued appropriate implementation of the AMLA. It will:

- Assist efforts to ensure that the AMLA IRRs are approved at the soonest possible time. It will engage members of the Congressional Oversight Committee and the AMLC in consultative meetings and provide information updates on international developments in anti-money laundering cooperation.
- Continue alliance-building with civil society groups and organizing series of workshops and conferences that will review the law and its mechanisms for enforcement. There is ongoing coordination between AGILE and two coalition groups in Cebu and Davao for a replication of the Civil Society Forum held in Manila last November 8, 2001.
- Assist the AMLC ensure that the requirements of the new law and its rules are properly implemented. This will require the institution of systems and procedures within each of the supervising authorities for the receipt, recording, monitoring and analysis of covered transaction reports from their respective covered institutions, as well as the training of their officers and staff in the proper management of these systems and procedures.
- Carry on its extensive AML information dissemination campaign among multi-sector groups, with focus on mass-based peoples' organizations. *SALIGAN (Sentro ng Alternatibong Lingap Panligal)*, an alternative legal assistance center, has been tapped to undertake this campaign tentatively within six months, after which an assessment of the whole process will be conducted. This information campaign will essentially include the following: publication, distribution and circulation, training, and conference-workshops. AML initiatives and training will also be simultaneously broadened among government agencies. This is expected to lead to civil society taking a more active role in assisting law enforcement agencies in the implementation of the AML law.
- Conduct follow-up training for specialized areas in AML, such as banking supervision and examination, and money laundering prosecution. AGILE will also assist in formulating a uniform compliance system manual of AML rules for the pertinent sectors that have mandatory reportorial functions.

In addition, AGILE will support the passage of two important bills on Securitization. It will be reviewing and formulating effective strategy, identifying required resources, and consulting with appropriate groups toward this end.

ACHIEVEMENTS As per Work Statement (June 2001)	STATUS
Results Package 1.1.a Capital Markets Better Regulated	
<ul style="list-style-type: none"> <input type="checkbox"/> The Memorandum of Understanding between the Bangko Sentral ng Pilipinas (BSP) and Securities and Exchange Commission (SEC) delineating roles in the supervision of bank and quasi-bank securities-related activities is forged by February 2002. <input type="checkbox"/> Judiciary and Department of Finance (DOF) prosecutors or law enforcement personnel are trained on securities fraud and manipulation by February 2002. <input type="checkbox"/> Legislation on the Pre-Need Code is enacted. <input type="checkbox"/> Pre-Need salesmen are trained and examined under Pre-Need Code by February 2002. <input type="checkbox"/> The joint SEC-AGILE evaluation of implementation of reforms under the SRC is conducted by February 2002. <input type="checkbox"/> An external (civil society) stock market monitoring program is established and functioning, reporting on matters of interest for shareholders by June 2002. <input type="checkbox"/> SEC Enforcement Department staff are trained in investigation procedures and case management and able to conduct viable investigations by October 2002. <input type="checkbox"/> A demutualized Philippine Stock Exchange (PSE), in accordance with SRC, conforms to international best practice standards by March 2003. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> The activity is ongoing. <input checked="" type="checkbox"/> The agreement between AGILE and the DOJ in the conduct of training has been obtained. <input checked="" type="checkbox"/> Advocacy activities are in progress. AGILE is working towards the creation of a Pre-Need Task Force. <input type="checkbox"/> AGILE will not pursue this activity. The SEC has decided not to undertake these initiatives. <input checked="" type="checkbox"/> The activity is ongoing. Mobilized a PR Specialist who will help establish a press office within the SEC. <input checked="" type="checkbox"/> No action was undertaken for this activity during 4Q2001 due to other priorities. Initiatives will begin in the next quarter. <input checked="" type="checkbox"/> An Enforcement Attorney and Legal/Judicial Training Advisor was mobilized during the quarter. <input checked="" type="checkbox"/> The work is in progress.
Results Package 1.1.b Pension Reform Strengthened through the Passage of a PERA Law	
<ul style="list-style-type: none"> <input type="checkbox"/> The PERA law is enacted by December 2002. <input type="checkbox"/> The PERA implementing rules and regulations (IRRs) are completed and adopted by 1Q2003. <input type="checkbox"/> A comparative study on the US-Individual Retirement Account (IRA) and ROTH-IRA against the proposed PERA bill is conducted. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> No substantive work was done. The recruitment for a PERA Advisor is ongoing. <input checked="" type="checkbox"/> No substantive work was done. The recruitment for a PERA Advisor is ongoing. <input checked="" type="checkbox"/> No substantive work was done. The recruitment for a PERA Advisor is ongoing.
Results Package 1.1.c Assistance to the National Commission on Savings (NCS) to Enhance Savings Mobilization Measures	
<ul style="list-style-type: none"> <input type="checkbox"/> Policy impediments on savings mobilization are better understood. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> No work was done. The nature of the DOF's technical assistance needs is under discussions.

ACHIEVEMENTS As per Work Statement (June 2001)	STATUS
<ul style="list-style-type: none"> <input type="checkbox"/> The benchmark study on the Regional Profile on Savings to analyze the major determinants of savings across regions is conducted. <input type="checkbox"/> Existing literature and legislative bills on savings are compiled and reviewed. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> No work was done. The nature of the DOF's technical assistance needs is under discussions. <input checked="" type="checkbox"/> No work was done. The nature of the DOF's technical assistance needs is under discussions.
Results Package 1.1.d Increase Domestic Investor Base	
<ul style="list-style-type: none"> <input type="checkbox"/> Legislation (RICA, FSTRP, and Securitization) bills are filed by May 2002. <input type="checkbox"/> Individual investors are informed and are able to make choices investment options. <input type="checkbox"/> Legislation (RICA, FSTRP, and Securitization) are enacted by December 2002. <input type="checkbox"/> A Secondary Market for Non-Equity Securities is established. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Advocacy efforts are ongoing. <input checked="" type="checkbox"/> No work was done during the 4Q2001. <input checked="" type="checkbox"/> Advocacy work is ongoing. <input checked="" type="checkbox"/> AGILE helped establish a project office for secondary trading of fixed income securities.
Results Package 1.1.e Insolvency Laws and Regulations Streamlined	
<ul style="list-style-type: none"> <input type="checkbox"/> The Corporate Recovery Act (CRA) bill is filed in Congress by August 2001. <input type="checkbox"/> The Committee Report on the CRA is approved for floor debates by March 2002. <input type="checkbox"/> The CRA is enacted by June 2002. <input type="checkbox"/> The IRRs of the CRA are published by September 2002. <input type="checkbox"/> Judiciary staff and private sector receivers and liquidators are trained by November 2002. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Accomplished. Both House and Senate versions of the bill have been filed in the 3Q2001. <input checked="" type="checkbox"/> The CRA bill is expected to be calendared for committee hearings next quarter. <input checked="" type="checkbox"/> The process has been set in motion. <input checked="" type="checkbox"/> The passage of the CRA is being awaited. <input checked="" type="checkbox"/> The passage of the CRA is being awaited.
Results Package 1.1.f Commercial Laws Enforced	
<ul style="list-style-type: none"> <input type="checkbox"/> The curriculum and resource materials for judges on corporate governance, business, finance and law are completed by December 2001. <input type="checkbox"/> Judges are trained on the application of Court Rules on Primary Jurisdiction by February 2002. <input type="checkbox"/> The mechanism for court-referred mediation is in place to allow mediation in the Court of Appeals (CA) by February 2002. <input type="checkbox"/> Congressional committee staff members are trained on approach to drafting legislation by February 2002. <input type="checkbox"/> A Supreme Court Circular that limits the issuance of Temporary Restraining Orders (TROs) is issued by February 2002. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> The Philippine Judicial Academy (PhilJA) approved the curriculum on corporate rehabilitation, insolvency, and liquidation. <input checked="" type="checkbox"/> Preparatory work is ongoing. <input checked="" type="checkbox"/> AGILE is closely working with the CA in drafting mediation guidelines. <input checked="" type="checkbox"/> Preparatory work is ongoing. <input checked="" type="checkbox"/> Ongoing. Obtained PhilJA agreement to develop a judicial manual on Injunction.

ACHIEVEMENTS As per Work Statement (June 2001)	STATUS
<ul style="list-style-type: none"> <input type="checkbox"/> Lawyers of the DOJ and Office of the Solicitor General (OSG) are trained to use economic tools in presenting and arguing their case by February 2002. <input type="checkbox"/> An SC Administrative Circular defining the power of the judiciary to review economic policies of the government is issued by April 2002. <input type="checkbox"/> The Rules of Court prescribing limited specialization in the CA are amended by June 2002. <input type="checkbox"/> The Benchbook and Curriculum on Law and Economics are prepared and provided to the PhilJA by July 2002. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Thirty-five lawyers of the OSG were trained on court review of economic cases during the quarter. <input checked="" type="checkbox"/> Coordination work is ongoing with Congress on the policy of legislation on the subject matter. <input checked="" type="checkbox"/> AGILE obtained the support of the presiding justice of the CA to introduce special divisions in the CA that would handle complicated and technical cases. <input checked="" type="checkbox"/> Sixteen RTC judges were trained on intellectual property.
Results Package 1.2.a BIR Made More Transparent and Efficient in Revenue Generation	
<ul style="list-style-type: none"> <input type="checkbox"/> The Bureau of Internal Revenue (BIR) re-engineering policy is included in State of the Nation Address as critical legislation by July 2001. <input type="checkbox"/> The DOF, BIR and other GOP policy-making units accepts the BIR re-engineering "Blueprint" by February 2002. <input type="checkbox"/> Legislation is passed authorizing the reengineering of the BIR by February 2002. <input type="checkbox"/> The IRRs to operationalize the BIR re-engineering "Blueprint" are issued in June 2002. <input type="checkbox"/> The staff of the new Revenue Agency is trained in new operations by August 2002. <input type="checkbox"/> The BIR is able to meet its revenue targets. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Accomplished. President Macapagal-Arroyo expressed support for BIR reforms in the July 2001 SONA. <input checked="" type="checkbox"/> A Tax Administration Advisor was mobilized to draft the initial blueprint for the tax admin reforms. The Organizational Effectiveness Study was also completed during the quarter. <input checked="" type="checkbox"/> A bill will be filed in Congress in the 2Q2002. <input checked="" type="checkbox"/> The work will commence as soon as legislation is passed. <input checked="" type="checkbox"/> The work will commence as soon as legislation is passed. <input checked="" type="checkbox"/> Preparatory work is in progress.
Results Package 1.2.b Trade Facilitation, Audit and Risk Management Capacity of BOC Strengthened	
<ul style="list-style-type: none"> <input type="checkbox"/> The IRRs of the Customs Valuation Law (CVL) are published by mid-September 2001. <input type="checkbox"/> The organizational plan for the PEA is formalized through an EO by September 2001. <input type="checkbox"/> The Risk Management System is implemented at the Bureau of Customs (BOC) by November 2001. <input type="checkbox"/> Cooperation with anti-corruption groups is instituted for implementation monitoring by November 2001. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> The IRRs of the CVL contained in CMO No. 5-2001 have been issued. <input checked="" type="checkbox"/> The draft executive order (EO) has been completed. An Interim PEA unit has been established. <input checked="" type="checkbox"/> The risk management and IT systems have been finalized and set-up. <input checked="" type="checkbox"/> The work is in progress.

ACHIEVEMENTS As per Work Statement (June 2001)	STATUS
Results Package 1.2.c Tax Policy More Efficient and Equitable	
<ul style="list-style-type: none"> <input type="checkbox"/> The tax databases are cleaned up and prepared for use by the DOF for revenue forecasting and revenue estimation by August 2001. <input type="checkbox"/> BIR staff members have access to tax databases and are trained to use the databases to refine tax administration analysis by November 2001. <input type="checkbox"/> DOF staff members are trained in the use of the tax databases and senior DOF officials have internalized the value of using these databases in forecasting and estimation by October 2001. <input type="checkbox"/> The Development Budget Coordinating Council (DBCC) and Congress have accepted the use of tax database in the program targeting and budgeting process by November 2001. <input type="checkbox"/> Trained DOF staff members are working with AGILE to analyze the revenue impact of proposed policy, including the impact of the removal of the documentary stamp tax (DST) from secondary transactions of debt instruments by January 2002. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> The work is almost completed. <input checked="" type="checkbox"/> The work is almost completed. <input checked="" type="checkbox"/> The training is in progress. <input checked="" type="checkbox"/> The work is in progress. <input checked="" type="checkbox"/> The work is in ongoing.
Results Package 1.2.d Local Government Financing Improved	
<ul style="list-style-type: none"> <input type="checkbox"/> The Local Government Code (LGC)-amending bill is filed in the House and Senate by July 2001. <input type="checkbox"/> The Committee Report on the legislation amending the LGC is issued by December 2002. <input type="checkbox"/> The amendments are passed in the House and Senate by June 2003. <input type="checkbox"/> The LGC Amendment Law is enacted in February 2003. <input type="checkbox"/> The Municipal Bonds Floatation Guidelines are issued by the DOF by October 2001. <input type="checkbox"/> The expanded "Local Government Unit Guarantee Corporation (LGUGC) Database" is published by January 2003. <input type="checkbox"/> The prototype of the LGU credit ratings system that reflects underlying quality of governance developed is completed. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Advocacy efforts in the 3Q2001 focused on getting the bill filed in both Houses of Congress. <input checked="" type="checkbox"/> No action was undertaken. <input checked="" type="checkbox"/> No action was undertaken. <input checked="" type="checkbox"/> No action was undertaken. <input checked="" type="checkbox"/> Accomplished. <input checked="" type="checkbox"/> Preparatory work is ongoing. <input checked="" type="checkbox"/> Preparatory work is ongoing.
Results Package 1.3.a Bureaucracy More Efficient Through Public Expenditure Management (PEM)	
<ul style="list-style-type: none"> <input type="checkbox"/> An implementable Modified Filipino Report Card Survey that is in full accord with the OPIF is completed by May 2002. <input type="checkbox"/> A General Appropriations Act for 2003, which incorporates PEM reforms, is passed. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> The activity is ongoing. The Modified Filipino Report Card Survey will be completed in 1Q2002. <input checked="" type="checkbox"/> The work is in progress.

ACHIEVEMENTS As per Work Statement (June 2001)	STATUS
Results Package 1.3.b Improved Management of Contingent Liabilities	
<ul style="list-style-type: none"> <input type="checkbox"/> Legislation removing automatic guarantees from government-owned and -controlled corporations (GOCCs) and establishing a guarantee management framework is filed in Congress by August 2001. <input type="checkbox"/> Laws removing automatic guarantees are enacted by June 2003, and those establishing the guarantee management framework and amending the BOT law by February 2002. <input type="checkbox"/> The DOF Contingent Liabilities (CL) Unit is established and trained by March 2002. <input type="checkbox"/> The Department of Budget and Management (DBM) and line agencies are including expected losses related to identifiable fiscal risk (e.g., contingent liabilities) in their budgets by March 2002. <input type="checkbox"/> The Judiciary is provided a legislative history of legislation and briefed on the intent of the two pieces of legislation dealing with fiscal risk by July 2002. <input type="checkbox"/> A law that defines criteria for allowable CL is enacted by December 2002. <input type="checkbox"/> A set of IRRs to implement this law on CL is issued by March 2003. 	<ul style="list-style-type: none"> ☑ AGILE completed the analysis of the legal risks for BOT and GOCC guarantees. ☑ No work was done under this activity. ☑ No work was done. ☑ The work is in progress. ☑ No work was done. ☑ No work was done. ☑ No work was done under this activity.
Results Package 1.3.c Investment Incentives More Transparent	
<ul style="list-style-type: none"> <input type="checkbox"/> The Omnibus Investment Code Amendments bill is filed by November 2001. <input type="checkbox"/> A policy brief on how to streamline investment incentives and avoid costly "race to the bottom" is prepared by end-October 2001. <input type="checkbox"/> The Omnibus Investment Code Amendments law is enacted by December 2002. 	<ul style="list-style-type: none"> ☑ No work was done. ☑ A policy brief entitled "Towards Rationalizing Fiscal Incentives" was drafted and submitted to the Inter-Agency Committee on Fiscal Incentives. The draft will undergo revisions next quarter. ☑ No work was done under this activity.
Results Package 1.4.a GOP Procurement System More Efficient and Transparent	
<ul style="list-style-type: none"> <input type="checkbox"/> Government agencies and non-governmental organizations (NGOs) are trained on the new procurement procedures, in partnership with the Procurement Watch, Inc. (PWI), by December 2001. <input type="checkbox"/> AGILE-supported procurement reforms are strengthened through the passage into law of the Government Procurement Reform Act by May 2002. 	<ul style="list-style-type: none"> ☑ The training is ongoing. The PWI has trained the procurement officers of the Department of Health (DOH), Armed Forces of the Philippines (AFP), Department of Labor and Employment (DOLE), and Department of Education, Culture and Sports (DECS). ☑ EO 40 was issued mirroring the procurement reforms being espoused in the Government Procurement Reform bill. Legislative and advocacy work continues.

ACHIEVEMENTS As per Work Statement (June 2001)	STATUS
<ul style="list-style-type: none"> <input type="checkbox"/> Transparency, efficiency, economy and decreased discretion of procurement process are ensured through the finalization of the Procurement Standard Forms by May 2002. <input type="checkbox"/> Government Bid and Award Committees are trained in the implementation of provisions of Procurement law, in partnership with the PWI, by August 2002. <input type="checkbox"/> The revised Build-Operate-and-Transfer (BOT) law is enacted by September 2002. <input type="checkbox"/> The PWI is regularly monitoring public procurement by December 2002. <input type="checkbox"/> Government personnel are trained in key provisions of the BOT amending law by May 2003. <input type="checkbox"/> Administrative reforms are in place with provisions on pre- and post-procurement logistics reform by March 2002. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> The work is ongoing. <input checked="" type="checkbox"/> The training is ongoing through the PWI. <input checked="" type="checkbox"/> No work was done under this activity. <input checked="" type="checkbox"/> The activity is ongoing. Procurement at the Department of Public Works and Highways (DPWH), DOLE, and the DOH is being monitored. <input checked="" type="checkbox"/> No work was done under this activity. <input checked="" type="checkbox"/> The work is ongoing.
Results Package 1.5.a Money Laundering Reduced	
<ul style="list-style-type: none"> <input type="checkbox"/> The draft Anti-Money Laundering legislation is reviewed by stakeholders by July 2001. <input type="checkbox"/> The Anti-Money Laundering bill is certified as urgent by the Office of the President by July 2001. <input type="checkbox"/> Legislation is filed in Congress by July 2001. <input type="checkbox"/> The Anti-Money Laundering Law is enacted by December 2001. <input type="checkbox"/> An Executive Order establishing the Task Force on Anti-Money Laundering is signed by August 2001. <input type="checkbox"/> The Anti-Money Laundering implementation plan is submitted to the Financial Action Task Force (FATF) by November 2002. <input type="checkbox"/> The Philippines is removed from the FATF list of non-cooperative countries by March 2003. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Accomplished. <input checked="" type="checkbox"/> Accomplished. <input checked="" type="checkbox"/> Accomplished. <input checked="" type="checkbox"/> Accomplished. On September 29, 2001, Republic Act (RA) 9160 or the Anti-Money Laundering Act of 2001 was signed into law. <input checked="" type="checkbox"/> This particular activity was not pursued. It was decided that the focus of the efforts of the Interagency Group should be on advocacy work on the draft Anti-Money Laundering bill. <input checked="" type="checkbox"/> Accomplished. <input checked="" type="checkbox"/> The FATF's review is being awaited.
Policy Result 1.5.b Bank Supervision Strengthened	
<ul style="list-style-type: none"> <input type="checkbox"/> Credit risk management of banks is enhanced through improved examination procedures and more transparent reporting of non-performing assets by March 2003. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> No work was done under this activity due to other priorities. Activities will commence in the 1Q2002.

ACHIEVEMENTS As per Work Statement (June 2001)	STATUS
<ul style="list-style-type: none"> □ An improved and more consistent standard is completed by December 2002 for the evaluation of market risk of banks through the implementation of treasury examination procedures. □ The Contingency Plan is revised to incorporate other significant sources of vulnerability in the financial system and ensure compliance with international standards by December 2002. □ The implementing rules for capital adequacy on market risk is developed and implemented by March 2003. 	<ul style="list-style-type: none"> ⊘ No work was done under this activity due to other priorities. Activities will commence in the 1Q2002. ⊘ No work was done due to other priorities. Activities will commence in the 1Q2002. ⊘ No work was done due to other priorities. Activities will commence in the 1Q2002.

**IR2: BARRIERS TO COMPETITION IN INFRASTRUCTURE AND
TRADE REMOVED**

POLICY OUTCOME 2.1 COMPETITION INCREASED IN TRANSPORTATION SERVICES (PPA, DOTC, MARINA, CAB)

Results Package 2.1.a. Increased Competition in Air Transport

ACCOMPLISHMENTS FOR THE 4TH QUARTER 2001

To help promote increased competition in the country's air transport sector, AGILE continued its advocacy for the needed policy reforms among government agencies, members of the Legislature, and the general public. Its efforts resulted in more flights being approved going in and out of the country, while the legislative work continued to progress substantially.

During the quarter, AGILE:

The Air Transport Liberalization bill is filed in Congress by November 2001

- Continued to coordinate with and make presentations to legislators, such as Senators Francis Pangilinan and Noli de Castro, Congresswoman Krizel Lagman-Luistro and Congressman Jacinto Paras to gain support for legislation on civil aviation liberalization and to discuss relevant issues.
- Secured the approval of the House Air Transport Committee for it to participate during the latter's hearings.

The Note Verbal accelerating Republic of the Philippines – United States Open Skies Agreement is issued by December 2001.

- Developed a draft primer on "open skies".
- Conducted a public information campaign among families of overseas Filipino workers (OFWs) and other marginalized groups to strengthen public debate on "open skies". Overseas workers welfare organization Kapisanan ng mga Kamag-anak ng Migranteng Manggagawang Pilipino, Inc. (KAKAMPI) and other labor groups were among those mobilized for the campaign.
- Convened strategic planning workshops on October 31 and November 21, 2001 to discuss key developments, determine future courses of action, and develop new strategies to counter the media offensive of protectionists such as the Save Our Skies (SOS) movement.
- Continued to participate in various fora, such as the Tourism Federation meeting, to promote public information on open skies.

The rules for air transport/safety regulation for Clark International Airport is issued by the ATO by April 2002.

- Worked with the legal counsel of the Clark International Airport to draft a legal opinion on the best approach to include Clark as part of Manila in air services agreements.

- ❑ Discussed with officials of the Clark Development Corporation (CDC) various strategies to develop the Diosdado Macapagal International Airport (DMIA) in Pampanga. These strategies included immediately linking the DMIA to other airports, ensuring the operation of the United Parcel Services (UPS) at the DMIA, and bringing in locators that will use the facilities of the said airport.
- ❑ Taking the precedent of Subic and Newark, drafted an Administrative Order to be signed by Transportation and Communications Sec. Pantaleon Alvarez to include the DMIA as part of the port of Manila.

AIR MACAU TO LAND AT CLARK

The development of airports outside Metro Manila, such as the Diosdado Macapagal International Airport (DMIA) in Pampanga, enhances their potential for boosting investments and creating more jobs as they provide better access to the country's tourism and trade hubs.

To jumpstart this effort, USAID/AGILE provided assistance to key allies in pushing for the amendment of the air services agreement between the Philippines and the Macau Special Administrative Region (SAR), China. After consultation talks held in December 10-12, 2001, the two parties signed a Memorandum of Understanding (MOU) where the Philippines, represented by the Department of Transportation and Communication (DOTC), granted three new points of destination for *Air Macau*, the designated flag carrier of the Macau SAR. The DMIA was specifically named as one of the destinations. Before the signing, *Air Macau* had scheduled flights only to the Ninoy Aquino International Airport (NAIA) in Manila.

In addition, the agreement provides for multiple airline designations and an increase of seating capacity from 550 seats to 850 seats per week, 300 of which shall be utilized for destinations other than Metro Manila. This covers international passenger and cargo operation, as well as pure cargo operation.

The new agreement complements the government's efforts to boost the tourism industry in order to fuel economic growth. Figures since 2000 indicate that incoming and outgoing passenger traffic for the NAIA-Macau route reached 22,768 passengers while last year it totaled 13,447 during the first semester alone.

This development supports the plans of the Clark Development Corporation to promote the full development of DMIA and boost trade and tourism in the region and the country's over-all economic growth.

The Air Transport Liberalization legislation is enacted by February 2003.

- ❑ Assisted in the drafting of the IRRs of EO 219.
- ❑ Continued to advocate for increased access, its efforts resulting in:
 - Cebu Pacific making its inaugural flight to Hong Kong on November 22, 2001, which signaled the end of Philippine Airlines' monopoly in international passenger air services.

AGILE provided assistance to key supporters and allies advocating the multiple carrier policy.

- The Philippines and South Korea signing a new air agreement on November 29, 2001, which increases the entitlements of both countries from 13 flights to 16 every week. AGILE assistance focused on providing research inputs on the benefits of increased access to tourism and trade.
- The Civil Aeronautics Board (CAB) approving on December 4, 2001 Emirates Airline's petition for 10 extra holiday flights from its current entitlement of three flights per week. AGILE mobilized civil society groups to urge Malacañang to expedite the approval process to benefit the OFWs in the United Arab Emirates.
- China Airlines having its inaugural flight for the Guangzhou-Laoag-Guangzhou route in December 2001. Air service for this route will benefit the region's tourism and trade.

FREEDOM IN THE SKIES: PAL MONOPOLY IN HONG KONG AIR PASSENGER SERVICE ENDS

Finally, Filipinos are now free from years of being victims of expensive and inefficient air travel resulting from the monopoly of Philippine Airlines (PAL) in international air passenger service to Hong Kong. On November 22, 2001, Cebu Pacific flew its inaugural flight to Hong Kong, thus becoming only the second national carrier to service the Manila-Hong Kong-Manila route, or for that matter, any other international route.

Immediately, the rewards of this end to PAL's monopoly became apparent. To celebrate its entry into the Hong Kong market, Cebu Pacific started offering a promotional rate of \$150 for the Manila-Hong Kong-Manila route -- \$ 50 lower than what PAL was charging then. In reaction, PAL lowered its ticket price to \$149. For the more than 160,000 overseas Filipino workers (OFWs) in Hong Kong, this means a potential savings of around P 416 million.

The lower fares, together with the increase in available flights, are likewise expected to stimulate tourism and trade in the country as these make travel to the Philippines more affordable, and available. In turn, an increase in tourist arrivals and trade flows will mean more jobs. A tourist is estimated to spend \$ 218 per day -- enough to sustain a family of six at the poverty threshold for nine months. In 2000, 1.8 million tourists visited the country. Trade, meanwhile.

The ending of PAL's monopoly in the Manila-Hong Kong-Manila route is the result of an intense advocacy effort from various civil society groups, especially associations of travel agencies and OFWs, to liberalize the country's air transport sector. AGILE provided vital technical and logistical support to these groups.

BRINGING OFWs HOME FOR CHRISTMAS: LIBERALIZATION AT WORK

For the very first time, overseas Filipino workers (OFWs) in the United Arab Emirates (UAE) were able to go home for Christmas without needing to book their flights six months in advance. In early December, the Civil Aeronautics Board (CAB) approved the petition of Emirates Air, the national carrier of the UAE, for additional flights to and from Manila for the period December 2001 to January 2002. It increased the carrier's flights from three to thirteen.

The approval of the Emirates Airline request has been the result of the intense campaign launched by the Kapisanan ng mga Kamag-anak ng Migranteng Manggagawang Pilipino, Inc. or KAKAMPI for the government to grant special flights along the Manila-Dubai-Manila route during the Christmas season. AGILE provided technical and logistical support to this campaign.

Having achieved this initial success, KAKAMPI and AGILE plans to sustain the campaign, focusing this time on asking the CAB to grant additional flights to Emirates Air on a more permanent arrangement. It is expected that the granting of additional flights on a more permanent basis will lower fares along the Manila-Dubai-Manila route. In 1999, the CAB reduced from six to three the weekly flights of Emirates Air and reallocated the three weekly flights it took from Emirates Air to Philippine Airlines (PAL). Since PAL does not fly to the Middle East, it "rents" these flights back to Emirates Air. This has resulted in increased fares since Emirates Air simply passes on to consumers the "rent" it pays PAL.

NEW RP-S KOREA AIR PACT SIGNED, MORE AIR TRANSPORT LIBERALIZATION EXPECTED

The Philippines and South Korea signed on November 29, 2001 a new air agreement that is expected to push forward the liberalization of the air transport industry in the country. Among other point of agreement it contains, the pact gives both sides the option to increase flights from 13 to 16 a week, provides an automatic trigger for increasing flights, and recognizes Cebu Pacific as a national carrier with the right to mount flights to Seoul. These points of agreement are expected to make air transport services along the Manila-Seoul-Manila route more available, cheaper, and more efficient.

The actual and potential increases in passenger traffic this agreement provides for are expected to boost tourism and trade between the Philippines and South Korea. The South Korean tourist market is especially significant to the Philippines, as it is the only market that grew last year, by 19.6% or 185,605 visitors during the period January to October. Increased tourist traffic into the country translates into more jobs and higher incomes for workers in the domestic tourism industry. It also increases the opportunities for trade and investments.

The signing of the agreement represents another milestone in the struggle to liberalize the air transport industry in the Philippines. AGILE has been a staunch supporter of this struggle.

PLANS AND ISSUES FOR 1Q2002

During the first quarter, AGILE will:

The Air Transport Liberalization bill is filed in Congress by November 2001.

- Continue to advocate the Air Transport Liberalization bill with legislators and their staff.
- Participate in the House Air Transport Committee hearings.

The rules for air transport/safety regulation for Clark International Airport is issued by the ATO by April 2002

- Continue to work with the Clark International Airport to develop the best legal approach to include Clark as part of Manila in air services agreements and to assist in attracting aviation-related projects to the airport complex.

Results Package 2.1.b. Increased Competition in Maritime Shipping

ACCOMPLISHMENTS FOR THE 4TH QUARTER 2001

During the 3-month period, AGILE continued pushing for policy reforms that will engender competition in the country's maritime shipping sector mainly by strengthening its advocacy efforts, and providing technical assistance to the Philippine Ports Authority (PPA). More particularly, it:

The Executive Order for port privatization is issued to replace EO 59 by January 2002

- Prepared a draft Executive Order (EO) to amend EO 308 to redefine the parameters that will govern the privatization of North Harbor under the PPA Alternative Masterplan. While it provides for competitive and transparent bidding and multiple operators for the privatization of the North Harbor, the EO 308 is "over written" in that it specifies how North Harbor ports will be sub-divided.
- Continued to advocate strongly for the PPA to adopt the policy of transparent privatization of the North Harbor. Partly because of these efforts, the PPA sought the help of the Coordinating Council for Private Sector Participation (CCPSP) in accessing technical assistance to operationalize such policy. On November 28, 2001, it signed a technical assistance agreement with the CCPSP, under which the latter will procure consultants, oversee the preparation of tender documents, and assist the former in the pre-qualification and actual solicitation of bids and the awarding of the contracts. USAID will provide funding support for the effort.
- Advocated for the amendment of PPA Administrative Order 2001-01, which extends for a probationary period of two years, all existing contracts of all cargo handling companies in all ports with service contracts that will soon expire. AGILE advocated for:
 - probationary period before awarding a 10-year contract.
 - public bidding in the renewal/ negotiation of cargo-handling contracts.

- a review of expired and expiring contract and to prohibit the buying of such contracts to prevent a possible monopoly.

TRANSPARENT AND COMPETITIVE NORTH HARBOR PRIVATIZATION MORE CERTAIN

A milestone to promote an efficient port and shipping industry was achieved on November 2001 when the Philippine Ports Authority (PPA) and the Coordinating Council for Private Sector Participation (CCPSP) signed a technical assistance agreement to conduct a public bidding for the privatization of services at North Harbor.

The agreement is a milestone because it is the culmination of a policy battle started in 1998 when Executive Order 59 was issued to create a private monopoly over all 123 government ports without the benefit of public bidding.

In early 1999, AGILE, its allies in various government agencies and other affected constituents worked to include principles of competition and transparency in the port privatization policy. The public information campaign was so successful, the port privatization became a symbol of cronyism of the administration. Under pressure from the campaign to impeach him, on Oct. 30 then-President Estrada issued EO 308 to revoke EO 59. The new policy framework embraced competition and transparency principles and will be implemented through the PPA-CCPSP technical assistance agreement.

Under the agreement, the CCPSP will provide consultants to draft the terms of reference of the privatization of the North Harbor. The consultants will also oversee the preparation of the bid documents and assist the PPA conduct the pre-qualification and solicitation of the bids, and the awarding of the contract.

The competitive bidding is expected to result in lower charges for port services. These lower shipping costs will translate to lower prices of goods and increased competitiveness of the economy.

The PPA Charter Change legislation is filed in Congress by January 2002

- Participated in several fora to provide information on the need to review the PPA Charter. These fora included the Philippine Chamber of Commerce and Industry (PCCI) Transport Committee Meeting, the Mindanao Business Conference, and the December Economic Summit. The Project also worked with key allies, such as the Northern Mindanao Shippers Association, Inc. (NORMINSA) and the various chambers of commerce, for the same purpose.
- Attended the public hearing of the House of Representatives Committee on Transportation and Communications on House Bill (HB) 193 (Omnibus Ports and Shipping Industry Act by Speaker Jose de Venecia) and other related bills to ensure the incorporation of its policy reform agenda. Its policy reform agenda includes the establishment of independent port authorities, expansion of private participation, and the revision of the PPA Charter. With AGILE assistance, key ally Philippine Chamber of Commerce and Industry (PCCI) reviewed and declared its support for the de Venecia bill.

- Completed the draft of a Ports Administration framework, which will be used as preliminary input for legislation.

The Philippine Ports Authority (PPA) issues IRR for new EO by May 2002

- Formulated a draft version of the IRRs for the proposed new EO to amend EO 308.

A cost-based tariff structure is developed and a related report "how to" manual are prepared by November 2001, with the structure being incorporated into the billing process by September 2002

- Worked with the PPA technical working group undertaking a study on cost-based methodology to determine cargo-handling rates. It completed a draft preliminary report, which is being used as the starting point by the study group in conducting its own study.
- Drafted resolutions for the Philippine Business Conference held on November 14-16, 2001, which included the issues on a 10% rollback of cargo handling costs and the holding in abeyance of any petition for rate increases.
- Coordinated with key allies, such as the Distribution Management Association of the Philippines (DMAP) and the Consumer Complaints Center, Inc. to protest against any rate increase in cargo-handling costs.
- Made a presentation during the December 12, 2001 public hearing of the House Committee on Transportation and Communications on sea transport costs, cargo-handling rates, and the appropriate methodology for rate setting.

Comments on Bid Terms of Reference for North Harbor Privatization are completed and submitted by May 2002

- Continued advocating for its policy reform agenda, succeeding, in the process, in having the resolutions pertaining to the promotion of port modernization and the finalization of the Terms of Reference (TOR) for North Harbor privatization adopted during the Economic Summit held on December 10, 2001.

Promoting Roll On, Roll Off (RORO) ports technology

- Made a preliminary presentation to Pres. Macapagal-Arroyo on the proposed resolutions for the Economic Summit, which included the recommendations to promote and encourage "pure" RORO shipping service and to reduce sea transport cost through the elimination of cargo-handling expenses. In response, the President directed Transportation and Communications Secretary Pantaleon Alvarez to draft an administrative order to promote RORO shipping and exempt it from cargo-handling rates.
- Produced a preliminary report on the pre-feasibility of RORO operations, which will be used as a basis for further study.
- Arranged for meetings between potential RORO investors/operators and shippers to discuss the feasibility of launching RORO services.

PLANS AND ISSUES FOR 1Q2002

For the first quarter of the year, AGILE will:

The PPA Charter Change legislation is filed in Congress by January 2002

- Finalize the draft paper on PPA Charter change and a proposed framework for such charter change, for submission to the House Committee on Transportation and Communication.
- Review the provisions of the bill by Congressman Badelles and help the PCCI draft its proposed amendments.

Comments on Bid Terms of Reference for North Harbor Privatization are completed and submitted by May 2002

- Monitor developments in the Pre-qualification, Evaluation and Awards Committee and Technical Working Group to determine the consultants for the project.

Promoting Roll On, Roll Off (RORO) ports technology

- Assist in drafting other policy instruments to promote RORO. The AO shall specifically state that RORO is exempted from cargo-handling rates.
- Assist key allies, Growth with Equity in Mindanao (GEM), Mindanao Business Council (MBC), NORMINSA, and the Oro Chamber, in establishing a Mindanao Shippers Federation, which can help promote RORO as a major mode of sea transport.
- Continue to meet with prospective RORO operators, shippers and cargo forwarders to discuss the feasibility of using RORO in moving goods.
- Make a presentation to Sec. Angelito Sarmiento on pertinent port and shipping issues to increase support for AGILE's advocacy, especially from the executive branch.
- Update its presentation on sea transport cost, rate-setting, the PPA Charter change, and the RORO project in preparation for the Mindanao Transport Forum to be held in March 2002.

POLICY OUTCOME 2.2 COMPETITION INCREASED IN INFORMATION AND COMMUNICATION TECHNOLOGY

Results Package 2.2.a. Increased Competition in Telecommunications

ACCOMPLISHMENTS FOR THE 4TH QUARTER 2001

To foster increased competition in the telecommunications industry in the last three months of 2001, AGILE helped the National Telecommunications Commission (NTC) draft administrative issuances mandating the needed reforms, and conduct workshops and consultations to elicit feedback on the said issuances. More specifically, it:

The NTC issues an MC setting wholesale pricing framework by January 2002

- ❑ Assisted the NTC during a public hearing the latter conducted on October 17, 2001 on Memorandum Circular (MC) No. 2, which laid down the basis for a revenue neutral starting point for wholesale pricing. The MC was drafted with the assistance of AGILE.
- ❑ Prepared for an NTC-Industry workshop on Long Run Incremental Cost (LRIC) principles and other cost methodologies to be held on January 24 and 25, 2001.

The NTC issues an MC on Retail Price Controls by September 2001

- ❑ Continued advocating for MC No. 4 which allows carriers more flexibility in offering a menu of retail tariffs to customers. The MC took effect on October 5, 2001.

The NTC issues an MC on Universal Access by January 2002

- ❑ Assisted the NTC conduct a public hearing on December 10, 2001 on the guidelines pertaining to the deployment of telecenters and public calling offices in unserved and underserved areas.
- ❑ Finalized its draft assessment of the service area scheme (SAS) for submission to the NTC in early January 2002.

Frequency Management

- ❑ Drafted a strategic plan for spectrum management that includes drafting of the MC regarding spectrum users' fees on Trunk Radio Networks (TRNs), satellite operators, local multi-point distribution system (LMDS), multi-point distribution system (MMDS) and other services and administrative reforms within the NTC.
- ❑ Advocated for, and assisted in the drafting of, MC No. 11-12-2001 on Spectrum Users' Fees (SUF) for cellular mobile telephone service (CMTS) and spectrum radio stations, which was approved by the NTC on December 13, 2001.
The new rules provide that the SUF be based on the amount of bandwidth assigned, whether used or unused. This is a drastic change from the previous practice of charging SUF based on the number of operating radio stations, regardless of the amount of bandwidth assigned, thus giving rise to frequency squatting and hoarding. With the new rules, a more efficient use of radio frequency and higher revenues are expected.

NTC CIRCULAR ELIMINATES RENT-SEEKING ON RADIO FREQUENCIES TO LOWER COSTS

As technology and businesses increasingly use wireless technologies, spectrum management becomes a more critical regulatory function. A poorly managed spectrum increases the costs for investors and eventually for businesses and consumers who use communications services. With AGILE's assistance, the National Telecommunications Commission (NTC) issued Memorandum Circular (MC) 11-12-2001 in December 2001 to promote the efficient use of the spectrum which will result in better service at lower costs for cellular phone users.

Prior to the Circular, cellular phone companies were charged based on the number of radio stations operating, regardless of the bandwidth assigned. This resulted in frequency squatting and hoarding, with some firms requesting for more frequencies than needed. In some cases, non-cellular companies were assigned frequencies. These companies then "lease" these frequencies to cellular companies. What evolved was a pattern of rent-seeking. As a result, cellular companies paid higher rates than those charged by NTC, with those costs passed on to businesses and consumers.

The new Circular shifts charging from the number of stations operating to the amount of bandwidth assigned. In addition, NTC may recall frequencies not used within a six-month period. This creates market-driven incentives for firms to either use the frequency or return it to NTC. The more efficient use of the spectrum is expected to make the spectrum available to real users. Another benefit is the revenue, which had previously been paid to rent-seeking firms, is now captured by the government.

The rationalization and liberalization of access to the radio spectrum is a result of the partnership of the NTC and AGILE, who provided the technical assistance for the circular.

PLANS AND ISSUES FOR 1Q2002

AGILE, in this quarter, will:

The NTC issues an MC setting wholesale pricing framework by January 2002

- Conduct a half-day internal workshop with the NTC on January 22, 2002 to enable it to expound on the Long-Run Incremental Cost (LRIC) principles.
- Assist the conduct of an NTC-Industry workshop on wholesale interconnection pricing on January 24 and 25, 2001. Concerned PTEs and the NTC will discuss issues pertaining to the change from the present revenue-sharing scheme to cost-based pricing.
- Analyze the comments given by the PTEs during the workshop and revise the MC, as necessary.

The NTC issues an MC on Universal Access by January 2002

- Continue advocating for the recommendations it made in the SAS assessment report. It will do so during a telecommunications cluster meeting will be conducted at the NTC on January 9, 2002.
- Assist the NTC draft and then issue an MC on the guidelines on telecenters and public calling offices.

- Assist the NTC review Executive Order 109 or the "Policy to Improve the Provision of Local Exchange Carrier Service" and formulate the universal access/service policy either through the issuance of another E.O. or by making amendments to the rules.

Frequency Management

- Assist the NTC to prepare an MC on Spectrum Users Fees for Trunk Radio Networks, which will be issued next quarter.

Results Package 2.2.b. E-Commerce & Information and Communications Technology (ICT) Developed

ACCOMPLISHMENTS FOR THE 4TH QUARTER 2001

AGILE's work in this area during the quarter focused on laying the groundwork for a more substantial package of technical and advocacy assistance to legislators and national government agencies. It:

Convergence legislation is filed by November 2001

- Assessed the feasibility of legislating a Convergence law by holding informal meetings with House of Representatives and Senate staffers. The project is expected to begin in the first quarter of 2002.

The E-services Management Plan is published

- Discussed with Information Technology and Electronic Commerce Council (ITECC) Executive Director Virgilio Peña, the e-government committee co-chair Rene Valencia, National Computer Center (NCC) Director Jay Sabido, and Bobby Romulo of Digital Philippines to possible AGILE assistance in a two-phase ITECC plan.
- Based on the results of the consultation, drafted an activity scope of work for its proposed assistance to develop an ITECC management plan, which was submitted to Executive Director Peña for his review. The project is expected to begin in the first quarter of 2002.

Promotion of E-Commerce

- With the Bureau of Treasury, developed a scope of work to assist the Bureau deploy an internet-based system for the trading and registry of government securities. Financial assistance for the project will be sourced from USAID Washington.

PLANS AND ISSUES FOR 1Q2002

For this quarter, AGILE will forge MOAs with partner agencies and institutions for its provision to them of technical and advocacy assistance. Once forged, it will implement such agreements.

The following shall be AGILE's partners in the said MOAs:

- Office of Senator Ramon Magsaysay (on the Convergence legislation)
- The ITECC (on the e-services management plan)
- The Bureau of Treasury (on the promotion of e-commerce)

POLICY OUTCOME 2.3 TRADE AND AGRICULTURE COMPETITION INCREASED

Results Package 2.3.a. Grain Markets More Efficient and Equitable

AGILE has not provided any technical assistance (TA) in this area in view of the existing TA that the Asian Development Bank (ADB) provides to the Department of Agriculture (DA). At present, the ADB and the GOP are implementing the Grains Sector Development Program, which has the tariffication of the rice non-tariff import restriction or rice QR as an important element. The ADB TA team, together with DA staff, advocates for the passage of a bill tariffying the rice QR. The team's work started in the first quarter of 2001 and is expected to end in the second quarter of 2002. AGILE, through its Chief of Party (COP), who is concurrently the Trade/Agriculture Group Manager, coordinated with the ADB TA team and provided whatever technical information the team needed. It also explored with National Food Authority (NFA) Administrator Anthony Abad ways it can complement the ADB TA that primarily works with DA officials. As a result, it was able to secure the acceptance of the Administrator of its offer of technical assistance to secure the tariffication of the rice QR provided that such support does not involve the more politically controversial measure of separating the NFA into separate agencies.

There is now a need for AGILE to make an appropriate commitment of resources towards the tariffication of the rice QR. The ADB TA team is expected to stop work in the next quarter and the policy result has yet to be attained. Ideally, this result needs to be secured before the end of this year. Deferring it to a future date puts the government in an even more difficult situation. National elections are scheduled for May 2004. If it is not accomplished now, it is likely that the tariffication of the rice QR will happen after 2004 and likely under threat of trade sanctions from WTO trading partners. This will be more costly for the Philippines.

In the next quarter, therefore, AGILE will propose specific technical assistance activity in this area with the NFA Administrator as the counterpart.

Results Package 2.3.b. Biotechnology Exploited Safely

ACCOMPLISHMENTS FOR THE 4TH QUARTER 2001

AGILE's initiatives to ensure the safe and responsible use of biotechnology and biotechnology products in the country during this time period was centered on supporting the efforts of stakeholders in advocating for supportive policies. These initiatives also focused on providing technical assistance to the Department of Agriculture (DA) in formulating the same policies. In more particular terms, the Project:

A civil society coalition is formed in support of the safe exploitation of biotechnology and to forestall the passage of bills that would block the use of biotechnology products by June 2001

- Continued providing technical and logistical support to a coalition of scientists, academe, farmers, and biotechnology industry representatives which advocates for the adoption of biotechnology-supportive policies by government. This support enabled the coalition to:
 - Become the primary representative of interests supporting the safe and responsible use of biotechnology and biotechnology products in the country. This was achieved mainly by articulating appropriate positions in the print and broadcast media through the publication of news items and letters to the editor, and by having its officers participate in public affairs programs. The coalition also communicated with policy makers, including DA officials, members of the legislature, and local government officials. It also participated actively in public discussions and policy debates on biotechnology, such as those sponsored by the Philippine Rural Reconstruction Movement and the Institute of Environmental Studies of Miriam College. It likewise served as an active partner of the DA during the conduct of regional consultations to discuss the proposed biotechnology regulation guidelines. Finally, the Coalition itself co-organized series of seminars on biotechnology, government regulations and related issues. Notable were those conducted for the Crop Protection Association of the Philippines, Philippine Seed Industry Association, Philippine Association of Feed Millers Inc., Philippine College of Veterinary Feed Practitioners, and the different food and feed companies in the country.
 - Expand its membership base expanded through invitations of both individual and institutional members
 - Forge formal affiliation arrangements with like-minded organizations such as the National Academy of Science and Technology and the National Research Council of the Philippines
 - Drafted and ratified its Constitution and By-Laws
 - Elect its Board of Advisers and Board of Directors
 - Establish an e-group system as its internet-based communication facility to facilitate interaction among members and between members and officers
 - Prepare the documents necessary for the registration at the Securities and Exchange Commission as a non-profit civil society organization

Provision of technical assistance to the Department of Agriculture (DA) in the drafting of guidelines on the importation and release into the environment of GM plants and plant products

- Provided the DA with technical assistance in the:
 - drafting of the guidelines, including several revisions before and after public consultations
 - creation of an inter-agency technical working group on the draft guidelines for its initial review prior public consultation and its last review prior endorsement to the Secretary for his signature

The guidelines for commercialization of biotechnology products, are issued and disseminated by the DA, disseminated by December 2001.

- Provided the DA technical and administrative support in the conduct of the national and regional public consultations on the guidelines. Such support included the provision of resource speakers, the preparation of presentation materials, and the preparation of consultation reports.

Biotechnology legislation is passed by June 2003.

- Initiated the drafting of the Biosafety Bill that would institutionalize (a) the Arroyo Administration's Policy Statement on Modern Biotechnology; (b) a government biotechnology regulatory system that is transparent and science-based; and (c) a stable sociopolitical and legal environment supportive of biotechnology advancement in the Philippines. A survey of different biotechnology laws of different countries (e.g., Malaysian, Canadian, US at the state level, Australia, and India) was conducted, including the collation of pertinent legal instruments. Provisions that may be adopted/copied for the Philippine version have been identified, while those provisions that turned out problematic have also been noted.
- Identified legislator-sponsors in both Houses of Congress for the pro-biotechnology bill.

Additional Accomplishments

- Initiated consultations with key DOST/BFAD officials determine the exact nature of assistance it will extend. The assistance, which will focus on the guidelines on the importation and release into the environment of GM processed foods, will commence once the complementary DA guidelines have been issued officially.

PLANS AND ISSUES FOR 1Q2002

AGILE will continue supporting the pro-biotechnology coalition and providing technical assistance to the DA and DOH-BFAD in pursuit of the establishment of a stable sociopolitical and legal environment supportive of biotechnology advancement in the Philippines. It will, more specifically:

For the Coalition

- Continue providing technical and logistical support to the coalition. The support will help the group:
 - Continue advocacy activities. In particular, it will have a dialogue meeting with members of the Catholic Bishops' Conference of the Philippines (CBCP) to discuss various issues on biotechnology. It will also conduct a training workshop for government regulators on biotechnology (e.g., on risk assessment), a seminar on biotechnology applications, and a planning workshop on agricultural biotechnology in Surigao del Sur with the Office of Congressman Pichay. Moreover, it will continue to brief top policy makers and opinion leaders in government and the media, and launch a media campaign for modern biotechnology.

- Continue expanding and strengthening its membership base
- Engage in organizational strengthening activities
- Register with the Securities and Exchange Commission (SEC) as a non-profit organization, while setting up its office base

For the Draft DA Guidelines

- Continue coordinating with, and providing technical and logistical assistance to, the DA in the final review, endorsement, and signing by the DA Secretary of the DA guidelines on the importation and release into the environment of GM plants and plant products.
- Provide assistance to the DA in the conduct of an information campaign on the approved guidelines.

For the Draft DOH-BFAD Guidelines and Biosafety Bill

- Consult with the DOH-BFAD to finalize the nature and scope of the technical assistance it will provide the agency
- Prepare scopes of work for component activities under this technical assistance, and organize and mobilize the core technical team that will provide technical assistance to the DOH-BFAD
- Assist the DOH-BFAD conduct consultative and discussion meetings with key stakeholders preparatory to the drafting of, gather feedback on, review issues and concerns relevant to, and finalize, the guidelines.

Results Package 2.3.c. Intellectual Property Rights Protected

ACCOMPLISHMENTS FOR THE 4TH QUARTER 2001

Plant Variety Protection

Plant Variety Protection (PVP) legislation is enacted by February 2002

For the quarter, AGILE focused on pushing for the passage of the PVP bill. More specifically, it:

- Secured the inclusion of the PVP bill among the priority measures in the House of Representatives.
- Continued advocating for the passage of the PVP bill with concerned members of both houses of Congress.
- Conducted additional briefings with Senator Villar to prepare him for interpellations when the Senate deliberates on the PVP bill.

Intellectual Property Rights Enforcement

During the quarter, AGILE strengthened its support to the efforts of the Department of Trade and Industry (DTI) to forge a coalition of stakeholders whose interest is the addressing of intellectual property rights (IPR) infringements. It also supported efforts to achieve a more effective and efficient implementation and enforcement of the Intellectual Property Code (IPC). More particularly, it:

The BOC has the implementing rules and regulations necessary for border control and enforcement of the Intellectual Property Code by December 2001.

- Presented to the DTI options for import control over optical disk replication equipment and raw materials. These include: (1) import licensing for replication equipment and raw materials, (2) automatic import licensing for the purpose of monitoring actual usage of equipment and raw materials, and (3) introduction of a specific tariff heading that applies only to replication equipment and raw materials. They also include the maintenance of a registry of such importations. Finally, the option was also presented of including the raw material, polycarbonate, which also falls under a single tariff heading of a product that has multiple uses and will therefore affect many industries, in the high-risk category of shipments in the BOC selectivity scheme. Such shipments will then be tagged for possible inspection at the border.
- Secured the commitment of the Intellectual Property Office (IPO) to initiate efforts to update Customs Administrative Order (CAO) 7-93 in order that the provisions of the IPC are implemented.

Judges, prosecutors and law enforcement personnel are trained on technical aspects of detection of pirated products (e.g., optical disks, software) by September 2002.

- Assisted the PhilJA in the planning and conduct of the Competence Seminar on IP for RTC judges on November 20-21, by defining the course content, inviting experts to deliver lectures as well as enforcement agency officials and IP legal practitioners for the forum on the disposition of IP cases.

The Videogram Regulatory Board is replaced by the Entertainment/Videogram Regulatory Board by December 2002.

- Upon the request of the DTI, drafted a position paper on House Bill (HB) 1077 that aims to curtail entertainment media piracy through the reorganization of the Videogram Regulatory Board.
- Participated actively in the proceedings of the technical working group (TWG) formed by the House Committee on Public Information to draft a substitute bill to take into account the various concerns expressed during the hearings the Committee conducted.

Additional Accomplishments

- Provided technical and logistical support to the DTI in convening the Anti-Piracy Coalition which is to push for the Coalition implementation of IPR laws and the stopping of IPR

infringements. One coalition activity that the Project supported was the holding of the Action Planning Workshop for Improved Public Appreciation and Enforcement of IPR, the main event of the IP Week celebrations held October 22-26, 2001. AGILE also supported three preliminary discussions to formulate the initial draft of a strategic action plan that was discussed during the workshop.

Based on the discussion during the planning workshop, a Strategic Action Plan to Improve Public Appreciation and Enforcement of IPRs was drafted. The plan was then formally endorsed by the workshop participants through a resolution presented to Executive Secretary Alberto Romulo, who represented President Arroyo as Guest of Honor.

PLANS AND ISSUES FOR 1Q2002

Plant Variety Protection

For this quarter AGILE will continue pushing for the passage of the PVP bill in both houses of Congress. It will provide technical backstop support to Senator Villar, the Chair of the Senate Committee on Agriculture, during the Senate plenary debates on the bill. In the House of Representatives, it will provide the same support to Representative Marañon, Chair of the House Committee on Agriculture, and Representative Acosta, principal author of the bill. The Project will also launch a media campaign to encourage the enactment of the bill, and to increase public acceptance of PVP.

Intellectual Property Rights Protection

AGILE's work in this area during the first quarter of 2002 will center on continuing the technical support it has been providing to the DTI, and the advocacy campaign it has been waging to push for the enactment of an optical disk legislation and the implementation of the IPC. More particularly, it will:

- Provide support to the Anti-Piracy Coalition, as warranted.
- Provide assistance to Congressional Committees during discussions on optical disk legislation.
- Continue pushing the BOC to amend CAO 7-93 and thus ensure the implementation of the provision of the IPC.
- Formulate and initiate the implementation of a media campaign to support IPR protection.

POLICY OUTCOME 2.4 COMPETITION POLICY STRENGTHENED

Results Package 2.4.a. Pro-Competition Policy Institutionalized

ACCOMPLISHMENTS FOR THE 4TH QUARTER 2001

During this period, AGILE formulated an activity Scope of Work (SOW) for its involvement in this results area. It then initiated discussions on this SOW with the Congressional Planning and Budget Department, its potential Client-partner in the effort.

PLANS AND ISSUES FOR 1Q2002

AGILE will forge a Memorandum of Understanding with its government counterpart, the Congressional Planning and Budget Department when the scope of work is finalized.

ACHIEVEMENTS As per Work Statement (August 2000)	STATUS
Results Package 2.1.a Increased Competition in Air Transport	
<ul style="list-style-type: none"> <input type="checkbox"/> The Air Transport Liberalization bill is filed in Congress by November 2001. <input type="checkbox"/> The Air Transport Office (ATO) presents policy recommendations on Civil Aeronautics Board (CAB) devolution to the Cabinet Cluster by December 2001. <input type="checkbox"/> The Note Verbale accelerating Republic of the Philippines – United States Open Skies Agreement is issued by December 2001. <input type="checkbox"/> The rules for air transport/safety regulation for the Clark International Airport is issued by the ATO by April 2002. <input type="checkbox"/> The Air Transport Liberalization legislation is enacted by February 2003. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Accomplished. Senate Bill (SB) 653 (Civil Aviation Liberalization Act) was filed in 28 August 2001. <input checked="" type="checkbox"/> The activity is In progress. <input checked="" type="checkbox"/> Advocacy activities are ongoing. A primer on "open skies" was drafted. <input checked="" type="checkbox"/> AGILE is working to include Clark as part of Manila in air services agreements. <input checked="" type="checkbox"/> Advocacy work is ongoing. AGILE helped draft the IRRs of EO 219 (domestic and international civil aviation liberalization).
Results Package 2.1.b Increased Competition in Maritime Shipping	
<ul style="list-style-type: none"> <input type="checkbox"/> The Executive Order for port privatization is issued to replace EO 59 by January 2002. <input type="checkbox"/> The PPA Charter Change legislation is filed in Congress by January 2002. <input type="checkbox"/> The Philippine Ports Authority (PPA) issues the IRRs for the new EO by May 2002. <input type="checkbox"/> The PPA Charter Change Committee Report is issued by June 2002. <input type="checkbox"/> A cost-based tariff structure is developed and a related "how to" manual are prepared by November 2001, with the structure being incorporated into the billing process by September 2002. <input type="checkbox"/> Comments on Bid Terms of Reference for North Harbor Privatization are completed and submitted by May 2002. <input type="checkbox"/> The technical report on the LGC and provisions for ports operation is completed by October 2002. <input type="checkbox"/> The PPA issues rules on promotion of private ports for commercialization by February 2003. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> A technical assistance agreement between the PPA and Coordinating Council for Private Sector Participation (CCPSP) was signed. This will allow the procurement of consulting services for the drafting of the terms of reference (TOR) for the modernization of North Harbor to go through public bidding. <input checked="" type="checkbox"/> Preparatory work is in progress. AGILE completed the draft ports administration framework, a critical input for legislation. <input checked="" type="checkbox"/> The draft version of the IRRs for the proposed EO to amend EO 308 has been completed.. <input checked="" type="checkbox"/> Advocacy activities will commence once the bill is filed. <input checked="" type="checkbox"/> Advocacy work is in progress. A preliminary report on cost-based methodology has been drafted. <input checked="" type="checkbox"/> Advocacy work is in progress. <input checked="" type="checkbox"/> The activity is in its Initial phase. <input checked="" type="checkbox"/> The activity is in its Initial phase.

ACHIEVEMENTS As per Work Statement (August 2000)	STATUS
<ul style="list-style-type: none"> <input type="checkbox"/> The Department of Interior and Local Government (DILG) issues the new rules on local government development of ports by February 2003. <input type="checkbox"/> Legislation changing the PPA charter is enacted by October 2002. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> The activity is in its Initial phase. <input checked="" type="checkbox"/> A document containing AGILE's proposed ports administration framework is being developed.
Results Package 2.2.a Increased Competition in Telecommunications	
<ul style="list-style-type: none"> <input type="checkbox"/> The National Telecommunications Commission (NTC) issues a memorandum circular (MC) setting wholesale pricing framework by January 2002. <input type="checkbox"/> The NTC issues an MC on Retail Price Controls by September 2001. <input type="checkbox"/> The NTC issues an MC setting wholesale pricing principles by September 2002. <input type="checkbox"/> The NTC issues an MC on Universal Access by January 2002. <input type="checkbox"/> Carriers submit their annual accounting reports by May 2002. <input type="checkbox"/> The NTC issues an MC on price control arrangements by July 2002. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> On track. Assistance is being given during the public hearings for MC#2. <input checked="" type="checkbox"/> Accomplished. The MC on Retail Pricing was issued on September 12, 2001. <input checked="" type="checkbox"/> The work is in progress. <input checked="" type="checkbox"/> The draft SAS assessment has been completed. It will be submitted to the NTC on 1Q2002. <input checked="" type="checkbox"/> The activity is in its Initial phase. <input checked="" type="checkbox"/> The activity is in progress.
Results Package 2.2.b E- Commerce & Information and Communications Technology (ICT) Developed	
<ul style="list-style-type: none"> <input type="checkbox"/> The Department of Trade and Industry (DTI) issues draft rules governing operations of Certificate Authorities for Electronic Commerce by August 2001. <input type="checkbox"/> The DTI issues the final rules on Certificate Authorities by September 2001. <input type="checkbox"/> Convergence legislation is filed by November 2001. <input type="checkbox"/> Legislation creating a Department of ICT is filed by October 2001. <input type="checkbox"/> Sector-specific workshops are conducted by the ITECC between November 2001 and January 2002. <input type="checkbox"/> The final IT Services Study is completed by December 2001. <input type="checkbox"/> The E-services Management Plan is published in June 2001. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Accomplished. Certificate Authorities (CA) rules were issued last September 28, 2001. <input checked="" type="checkbox"/> Accomplished. CA Rules were issued last September 28, 2001. <input checked="" type="checkbox"/> The activity is in its initial phase. <input checked="" type="checkbox"/> AGILE assistance is not required. The ITECC is already receiving technical assistance from the private sector. <input checked="" type="checkbox"/> The ITECC is undergoing structural change. AGILE assistance will no longer be needed. <input checked="" type="checkbox"/> AGILE will no longer pursue this activity due to lack of funds. <input checked="" type="checkbox"/> The work is in the initial planning stage.

ACHIEVEMENTS As per Work Statement (August 2000)	STATUS
<ul style="list-style-type: none"> <input type="checkbox"/> An "Action Taken to Date" report is published by August 2002 to monitor progress towards achieving the goals of the Management Plan. <input type="checkbox"/> The E-Philippines Strategic Plan Final Report is issued by September 2002. <input type="checkbox"/> The Convergence Law is enacted by December 2002. <input type="checkbox"/> The law creating a Department of ICT is enacted by February 2003. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> The work is in the initial planning stage. <input checked="" type="checkbox"/> The work is in the initial planning stage. <input checked="" type="checkbox"/> Activities will commence once USAID approves the SOW. <input checked="" type="checkbox"/> Please see the comment above.
Results Package 2.3.a Grain Markets More Efficient and Equitable	
<ul style="list-style-type: none"> <input type="checkbox"/> Legislation changing the National Food Authority (NFA) Charter is filed in Congress by September 2001. <input type="checkbox"/> The implementation plan for a targeted food subsidy program is developed by January 2002. <input type="checkbox"/> Legislation replacing quantitative restrictions for rice with tariff protection to farmers is filed in Congress by September 2001. <input type="checkbox"/> The NFA legislation is enacted by September 2002. <input type="checkbox"/> The new targeted food subsidy program is implemented by April 2002. <input type="checkbox"/> Legislation putting in place tariff protection for rice farmers in place of quantitative restrictions is enacted by February 2003. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> No substantial work was undertaken.
Results Package 2.3.b Biotechnology Exploited Safely	
<ul style="list-style-type: none"> <input type="checkbox"/> A civil society coalition is formed in support of the safe exploitation of biotechnology and to forestall the passage of bills that would block the use of biotechnology products by June 2001. <input type="checkbox"/> The coalition participates in Department of Agriculture (DA)-led biotechnology consultations with local government unites (LGUs) and legislators by November 2001. <input type="checkbox"/> Legislation for the responsible regulation of the testing and release to the environment of biotechnology products is filed in Congress by December 2001. <input type="checkbox"/> The guidelines for the commercialization of biotechnology products are issued and disseminated by the DA by December 2001. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Accomplished, and AGILE continued to provide technical and advocacy support to the Coalition. <input checked="" type="checkbox"/> Accomplished. The Coalition helped the DA during the regional consultations on the proposed biotechnology regulation guidelines. <input checked="" type="checkbox"/> Please see the comment above. <input checked="" type="checkbox"/> Please see the comment above. Work will be aggressively pursued once the DA guidelines have been issued.

ACHIEVEMENTS As per Work Statement (August 2000)	STATUS
<ul style="list-style-type: none"> <input type="checkbox"/> Biotechnology legislation is passed by June 2003. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Assistance is being provided in the drafting of the Biosafety Bill of the Philippines.
Results Package 2.3.c Intellectual Property Rights Protected	
<i>Plant Variety Protection</i>	
<ul style="list-style-type: none"> <input type="checkbox"/> Plant Variety Protection (PVP) legislation is enacted by February 2002. <input type="checkbox"/> The DA and other agencies responsible for implementing and enforcing the PVP law have staff with training and capacity to do their work by May 2002. <input type="checkbox"/> The Judiciary (through the PhilJA) is briefed on the intent and the legal and practical implications of the PVP law by May 2002, using the PVP Legislative History (March 2002) as main focus. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Advocacy work is ongoing. AGILE secured the inclusion of the PVP bill among the priority measures in the House of Representatives. <input checked="" type="checkbox"/> Preparatory work is in progress. <input checked="" type="checkbox"/> Preparatory work is in progress.
<i>Intellectual Property Rights Enforcement</i>	
<ul style="list-style-type: none"> <input type="checkbox"/> The BOC has the IRRs necessary for border control and enforcement of the Intellectual Property Code (IPC) by December 2001. <input type="checkbox"/> Judges, prosecutors and law enforcement personnel are trained on technical aspects of detection of pirated products (e.g., optical disks, software) by September 2002. <input type="checkbox"/> Intellectual Property Rights (IPR) holders are informed about new BOC IPR border control procedures by June 2002. <input type="checkbox"/> A schools program designed to educate youth about IPR issues is developed and launched with industry groups by March 2002. <input type="checkbox"/> The Videogram Regulatory Board is replaced by the Entertainment/Videogram Regulatory Board by December 2002. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> The work in progress. AGILE secured the commitment of the Intellectual Property Office (IPO) to initiate efforts necessary for the effective implementation of the IPC. <input checked="" type="checkbox"/> AGILE assisted the PhilJA in conducting the Competence Seminar on IP for RTC judges last November 2001. <input checked="" type="checkbox"/> AGILE actively participated in the IP Week celebrations held in October 2001. <input checked="" type="checkbox"/> AGILE has begun exploratory talks with youth councils and groups. <input checked="" type="checkbox"/> The activity is in its initial phase.
Results Package 2.4.a Pro-Competition Policy Institutionalized	
<ul style="list-style-type: none"> <input type="checkbox"/> Consumer and Competition civil society group organized by December 2001. <input type="checkbox"/> Draft legislation mandating competition impact assessments is filed in Congress by November 2001. <input type="checkbox"/> Competition issues are discussed among, and advocated by, various groups from December 2001 to March 2003. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Preparatory work is ongoing. A proposed strategy for competition policy was formulated and presented to USAID. <input checked="" type="checkbox"/> Preparatory work is ongoing. A proposed strategy for competition policy was formulated and presented to USAID. <input checked="" type="checkbox"/> Preparatory work is ongoing. A proposed strategy for competition policy was formulated and presented to USAID.

3. ACTIVITY MANAGEMENT

AGILE's project management and administration components provided a wide-range of support, guidance and oversight to the task order activities. In the fourth quarter of 2001, this support included the following:

Recruitment

Long-term

Name of Consultant	Position	LOE (No. of Person Days)	Duration
Hugh Patton	Securities Enforcement Expert and Commercial Law Group Manager	260	11/01/01-10/31/02

Short-term

AGILE implemented short-term expatriate technical assistance in the following areas during the fourth quarter of 2001:

Name of Consultant	Position	LOE (No. of Person Days)	Duration
Daniel Fitzpatrick	Insolvency Advisor 1.1.f. Commercial Laws Enforced	16.5	10/01/01-11/05/01
David Dawson	Wholesale Regime Expert 2.2.a. Increased Competition in Telecommunications	5	10/14/01-11/23/01
Max Goldenson	Senior Vice President for Agriculture and Economics Group Core - General Management	6	11/04/01-11/14/01
Paul Murphy	Legal Consultant on Money Laundering 1.5.a. Money Laundering Reduced	27	10/30/01- 12/15/01

Conferences, training, seminars and workshops

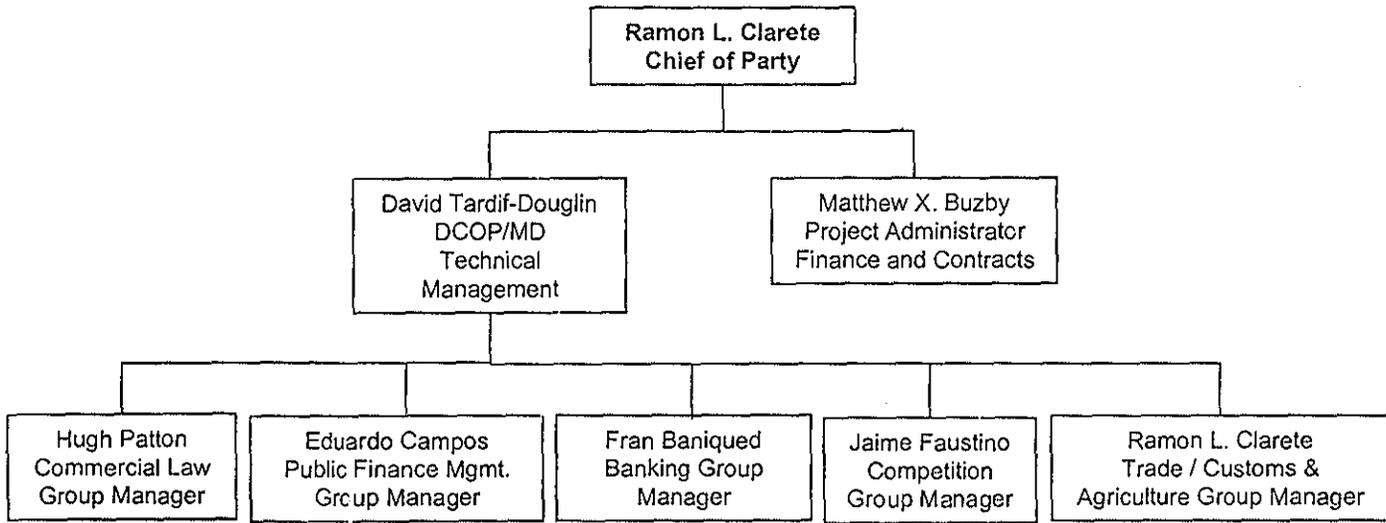
Nine different discrete policy-oriented activities were undertaken during this quarter, with a total of 1,027 participants. Six of the activities were in-country (1,021 participants) and three were held outside the Philippines (6 participants). A complete listing of all the meetings, seminars, travel, conferences and training is attached as an appendix to this report.

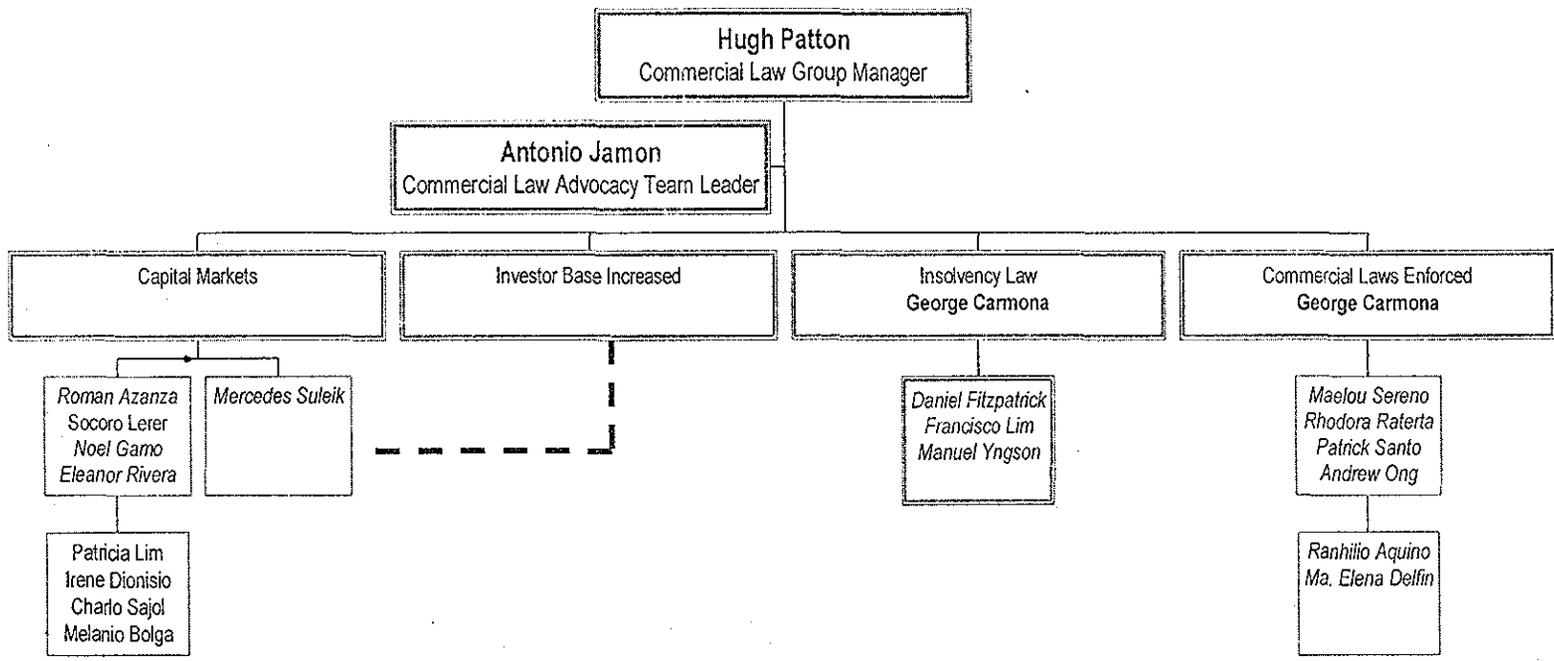
Contractual Issues

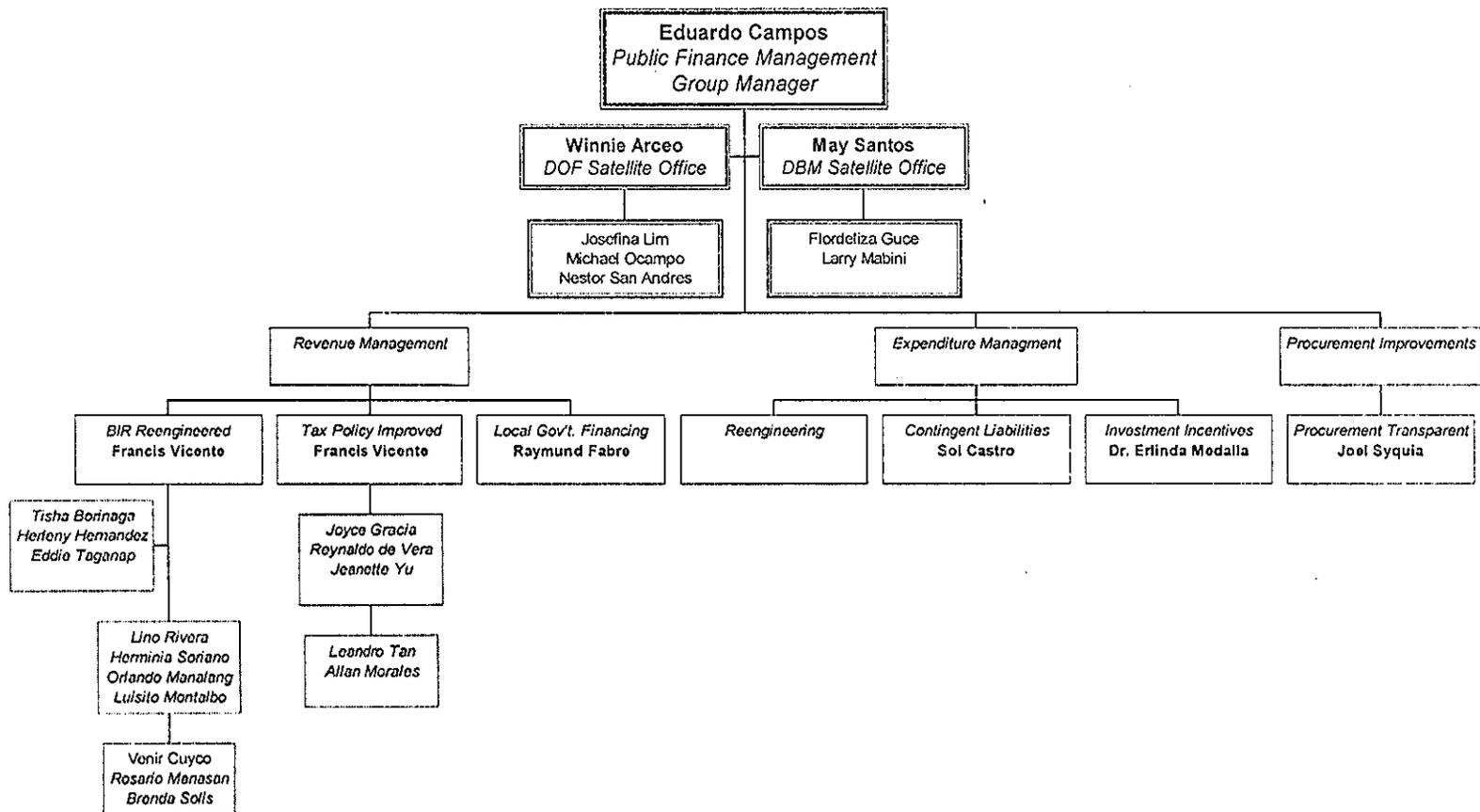
- DAI submitted and USAID approved the SOW and budget for an extension of the AGILE project until June 2003.

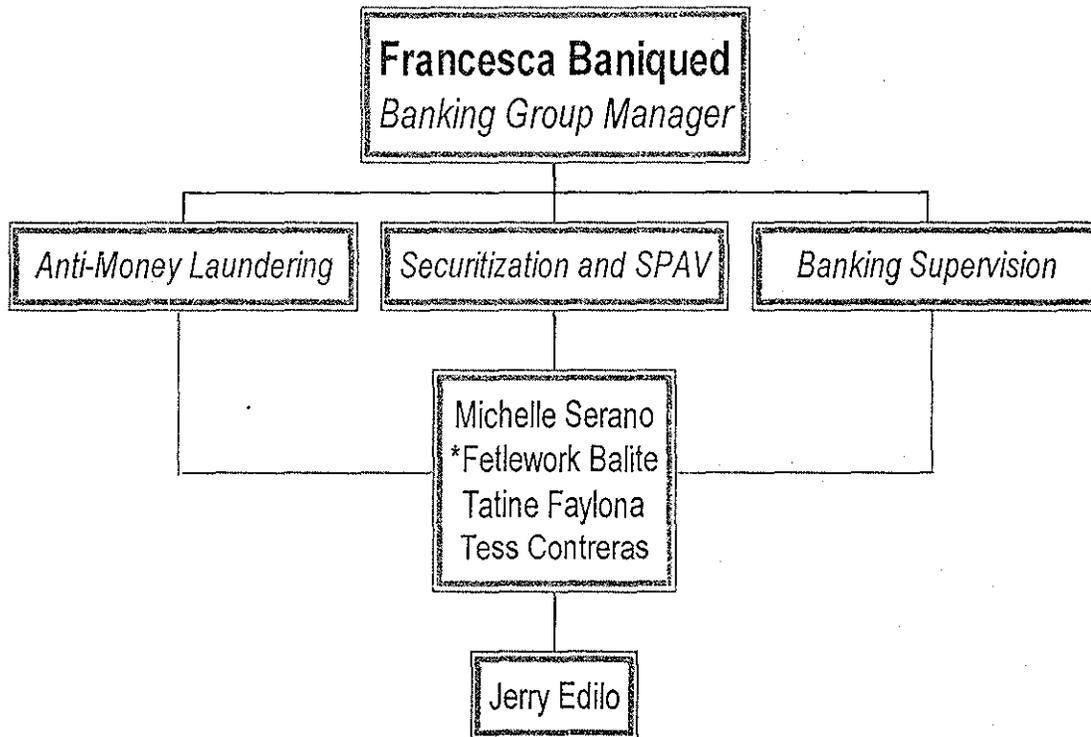
ANNEX 1

ORGANIZATIONAL CHART

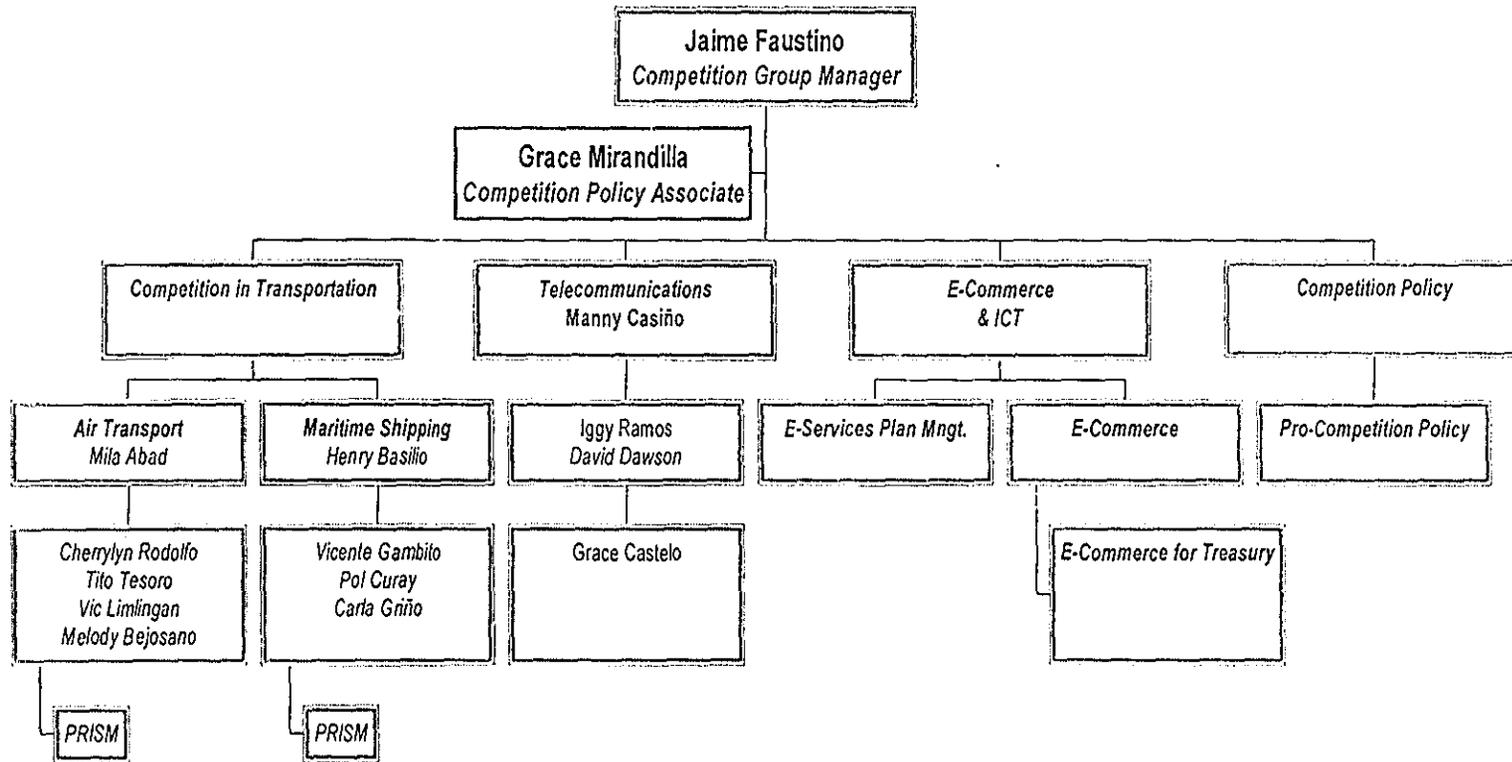


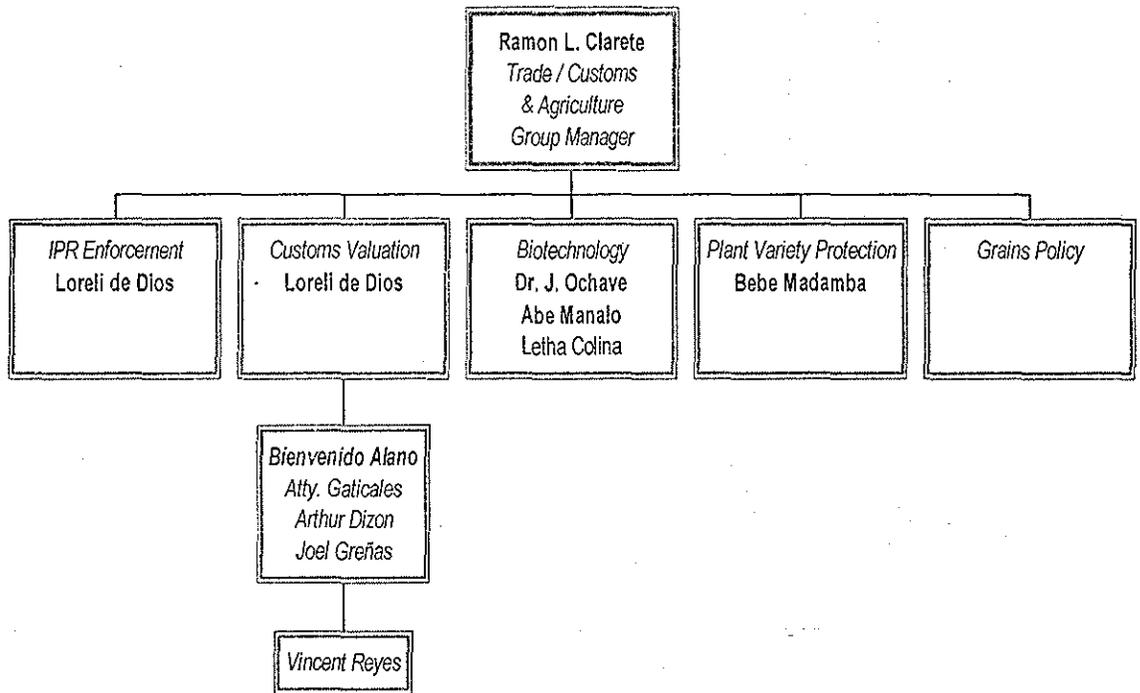


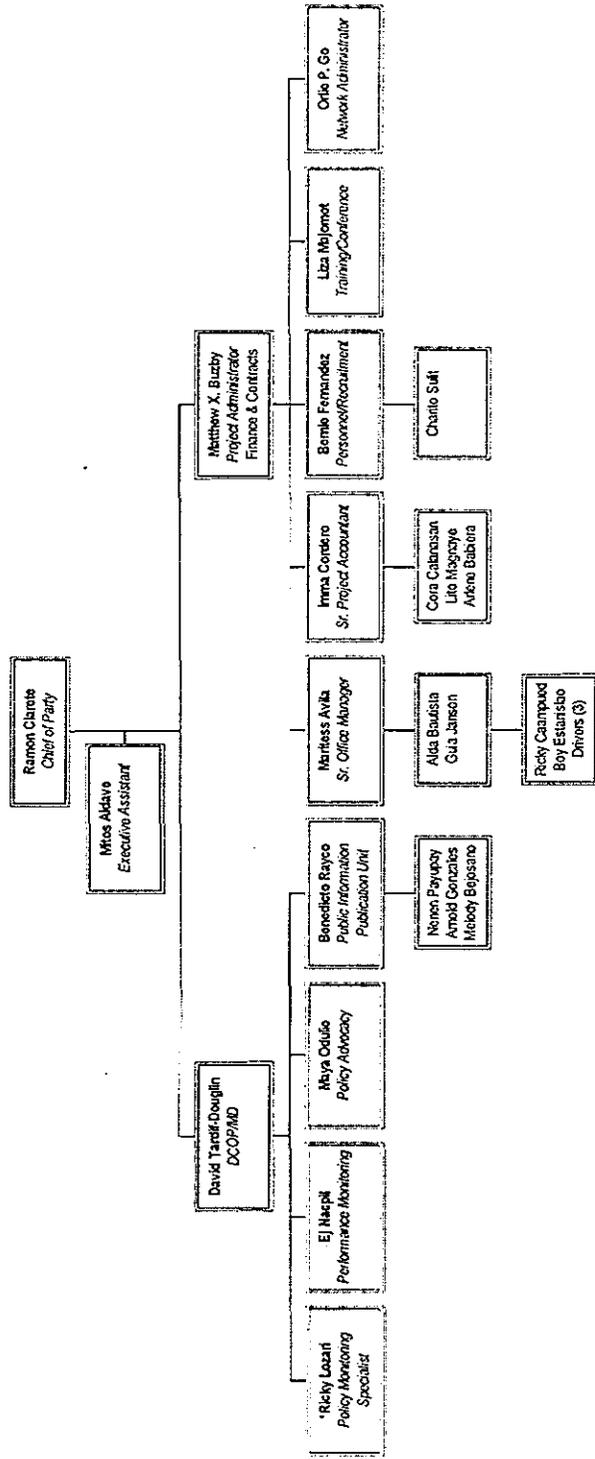




Legend: * For USAID Technical Approval







Legend: * For USAID Contractual Approval

ANNEX 2

LIST OF REPORTS, POLICY BRIEFS & MEMOS, AND PRESENTATION MATERIALS

**LIST OF REPORTS, POLICY BRIEFS & MEMOS, AND
PRESENTATION MATERIALS**

TITLE	DATE
PRESENTATION/WORKSHOP MATERIALS	
FINANCIAL SECTOR	
Philippine Conference on Securitization: Roundtable Discussion I: Market Concerns	August 1999
A Brief on the Salient Issues of the Securities Act of 1999	August 1999
The Pre-Need Industry	September 1999
Questions Raised by Senators during the SA 99 Interpellations	September 1999
Philippine Conference on Securitization	September 1999
Materials for Bankruptcy and Adjudication Skills Seminar	December 01, 1999
Securities Act 2000	May 22, 2000
Financial Markets Sector Presentation to USAID	May 22, 2000
Securities Act 2000 Bicameral Committee Briefing Materials	May 29, 2000
Securities Act of 1999	
Revitalizing the Pre-Need Industry and Its Regulation	
FISCAL SECTOR	
Strategic Planning Workshop on Municipal Bonds	May 1999
BIR-DOF-IMF Workshop on Tax Administration	June 1999
Rationalizing Road User Charges in the Philippines	June 1999
DOF Workshop on LGC Amendment	August 1999
AGILE Legislative Briefers: DOF Strategic Advocacy Planning Workshop	October 1999
TRADE AND OTHER RELATED MATTERS	
United Nations Conference on Trade and Development	February 1999
The General Agreement on Trade in Services and Related Instruments	April 1999
Primer on the WTO Anti-Dumping and Countervailing Measures	September 1999
Powerpoint Presentation on Twenty Years of Deregulation 1978-1998	October 1999
Retail Trade Liberalization Presentation	October 19, 2000
AGRICULTURE	
Trade Related Problems and Policies Issues in the Philippine Agriculture	June 1998
Workshop on the Marketing and Financial Operations of NFA, General Santos City	May 1999
The Marketing & Financial Operations of NFA (Kit)	May 1999
Presentation/Workshop on Modeling the Impact of NFA Interventions	June 1999
WTO Renegotiation Consultation, Butuan City	June 1999
Regional Consultations on Issues for the Next Round of WTO Negotiations for Agriculture	September 1999
The Biotechnology Conference of the Philippines (BCP)	August 10, 2001
WTO Implementation Issues	August 10, 2001
INVESTMENT AND REGULATION	
Comments on the Pre-Need Securities Code (S.B. Nos. 1187, 12171 & 1424)	February 1999
1 st Contingency Planning Workshop Civil Aviation Training Center	April 1999
2 nd Contingency Planning Workshop Air Traffic Management (ATM) Year 2000 (Y2K)	May 1999
Kick-Off Meeting Universal Access Bench Marking	July 1999
Transportation Policies to Promote Tourism (ATO)	July 1999
Interconnection IRR Workshop	September 1999
Powerpoint Presentation on E.O. 59 & 59-A to COCAFAM	August 1999
Regional Tourism and Transportation Workshop (Cebu)	August 1999
Powerpoint Presentation on International Air Services Inquiry	October 1999
Powerpoint Presentation on Air Transport Policies	October 1999
NTC Website Planning Workshop	October 1999
Interconnection IRR Workshop II	December 1999
Convergence Seminar/Workshop	December 1999

TITLE	DATE
Draft: Implementing Rules & Regulations (IRR) for the Interconnection of Authorized Public Telecommunications Entities	January 2000
How Does our Civil Aviation Serve Us? Freedom To Fly Coalition	January 2000
Communication Act of 1934: Federal Communication Commission	April 2000
Universal Access Benchmark Study	May 2000
A Comparative Matrix of the E-commerce Bills (SB No. 002 & HB No. 9971)	June 2000
The Preliminary E-commerce Law: A Preliminary Analysis	June 2000
Interconnection Study	August 31, 1999
Putting Convergence into Context	December 23, 1999
How Does Our Civil Aviation Serve Us?	February 04, 2000
NTC Presentation to the 6 th Meeting of the Mindanao Telecommunications Task Force	March 23, 2000
Presentation to USAID: UA Benchmark Study	March 31, 2000
Foundation for Economic Freedom Accomplishment Report Media Campaign on Tax Administration	May 14 – June 14, 2001

GOVERNANCE

Budget Dialogue Group (DBM)	February 1999
Proceedings of the Congressional Forum on H.B. No. 7845	July 1999
Proceedings of the Congressional Forum on HB No. 7845: Proposed Amendments to the Local Government Code of 1991	August 1999
Powerpoint Presentation on Modernization of Public Procurement	August 1999
Air Traffic Management Year 2000 (Y2K) Contingency Plan of the Philippines	October 1999
SEC Hearing Officer Training: Bankruptcy & Adjudication Skills Seminar (<i>Supplemental Case</i>)	December 1999
SEC Hearing Officer Training: Bankruptcy & Adjudication Skills Seminar (<i>Phase I</i>)	December 1999
SEC Hearing Officer Training: Bankruptcy & Adjudication Skills Seminar (<i>Supplemental Case Vol. II</i>)	December 1999
SEC Hearing Officer Training/Bankruptcy & Adjudication Skills Seminar/An Introduction to the Rules of Procedure on Corporate Recovery Volume II	January 2000
Seminar Slides (Final Version): Introduction to the Rules of Procedure on Corporate Recovery	January 14, 2000
Seminar Slides (Final Version): Review of Liquidation	January 21, 2000
Seminar Slides (Final Version): Procedures for Applying Rules to Current Cases	January 21, 2000

POLICY PRIMERS/BRIEFS/MEMORANDUM

FINANCIAL SECTOR

Comments on Securities Act of 1999 (HB 297 and 3349 with SEC Proposals)	February 1999
Summary of Findings and Conclusions Regarding Insolvency Resolution and the Role and Capacity of the SEC Therein	March 1999
Comment on Senate Version of General Banking Act	March 1999
AGILE's proposed Changes to Proposed Rules of Procedure on Corporate Recovery	August 16, 1999
Draft briefing Paper on the Proposed Rules of Procedure on Corporate Recovery issued by the SEC	July 1999
Amended and Annotated Version of the Rules on Corporate Recovery taking into Account Proposed Changes	August 1999
Summaries of Comments Received by SEC on Rules of Procedure on Corporate Recovery	August 1999
Comments on the Lender-Specific Redemption Provisions in Senate Bill No. 1519 and House Bill No. 6814	August 1999
Comparison of Proposed Rules of Procedure on Corporate Recovery with Amendments Provided by the Bankers' Association According to Criteria	September 1999
Housing Finance Briefer	October 27, 1999
Comments on the General Banking Act	October 29, 1999
Letter to Bankers' Association of the Philippines on Redemption Issue in General Banking Act	November 17, 1999
SCCP Licensing	July 07, 2000
Rationale for HB 878 Proposing Amendments to R.A. No. 7653	

TITLE	DATE
28 Ways in Which House Bill No. 8015, as proposed to be amended, would: Prevent and Deter Insider Trading and other Fraudulent	
FISCAL SECTOR	
External Debt Memo to Assistant Secretary Jun Paul	May 28, 1999
Continuation of CTRP (R.A. 8424) List of Implementing Rules and Regulations (Q&A Form) for the DOF	
TRADE AND OTHER RELATED MATTERS	
Proposed Acceleration of AFTA-CEPT for BIMP-EAGA Products	April 12, 1999
Implications of Harmonized Rules of Origin on Other WTO Agreements	March 9, 1999
Proposed Trade and Economic Cooperation Agreement	March 9, 1999
2 nd TPR of the Philippines	March 5, 1999
WTO Harmonized Rules of Origin	March 9, 1999
Study on the Philippine Implementation of WTO Commitments	March 9, 1999
Proposed Negotiation Under GATT Article XXVIII	March 9, 1999
WTO-Inconsistent Provisions of Pending Legislation on Countervailing Duties	March 9, 1999
"Fair Market Value" and "Normal Value" in the Philippine Jurisprudence	April 14, 1999
Consolidated Comments on Senate Bill No. 1330 on Countervailing Duties	April 16, 1999
Imposition of Special Safeguards Under the Flexible Tariff Clause	May 5, 1999
Action Agenda for APEC Meeting	May 1999
Memo to Sec. Medalla on Analysis of a Unified Contractor Scheme	September 1999
A Primer on Retail Trade Liberalization	November 26, 1999
Potential Effects of a Shift to Transaction Value System: A Short Note	November 30, 1999
Retail Trade Liberalization Legislation Report	December 10, 1999
Creating an Interim Special Unit to Process Countervailing and Anti-Dumping Petitions	
AGRICULTURE	
DA Comments on the NFA Reorganization Bill	December 1998
Letter of Sugar Producers Regarding the MAV	March 2, 1999
Proposals of SRA for the Importation of Raw Sugar	March 2, 1999
TOR of Proposed Task Force on APEC Food System	March 5, 1999
Proposed TOR for the Assessment Impact Study	March 8, 1999
Materials for the Task Force on WTO Agriculture Agreement Re-negotiation	March 8, 1999
Communications Re: Sugar Importation	March 8, 1999
SRA Proposals Re: Sugar Importation	March 8, 1999
Draft Report of Committee on Trade and Industry on Sugar	March 9, 1999
Tariff Commissions Proposal on Sugar	March 9, 1999
DA Comments Proposals on Sugar	March 9, 1999
Memorandum on Administrative Options for the DA – Anti Dumping Law	November 19, 1999
Compilation of Memos: Admin Options for the DA to Administer the Anti-Dumping & Countervailing	December 1999
INVESTMENT AND REGULATION	
Nationality Requirements Imposed on Foreign Investments	April 27, 1999
Position Paper on Electronic Commerce Bills Before the House of Representatives	September 1999
A Primer on E.O. 59 and 59-A	September 1999
New Draft E.O. 59	August 1999
ASEAN Information Infrastructure White Paper	December 06, 1999
Freedom to Fly Coalition Documents	December 1999
Primer: An Introduction to E-Commerce	January 31, 2000
A Primer on Civil Aviation Policy in the Philippines	February 08, 2000
The E-Commerce Bill and Hacking	May 12, 2000
Electronic Direct Registration	May 23, 2000
The E-Commerce Law: A Preliminary Analysis	June 12, 2000
E-Commerce Position Paper presented to the House of Representatives	

TITLE	DATE
GOVERNANCE	
Follow-Up on the Notion that Rehabilitation is an Investment	July 1999
Memo to Sec. Medalla on Raising Concerns Over Competitive Impact of Government Activity	July 1999
Briefing Paper for Chairman on Suspension of Payment Rules	July 1999
Matrices Comparing Proposed SEC Draft Rules on Corporate Recovery with that Developed by USAID/WB Consultants	August 1999
Summary of Comments on Proposed Rules on Corporate Recovery Received as of August 2	August 1999
Questions and Answers on Adequate Protection	September 1999
Rules of Procedure on Corporate Recovery with Proposed Amendments and Annotations	September 03, 1999
Matrix on Proposed Rules on Corporate Recovery Compared to World Bank Standards	September 15, 1999
Pros and Cons of Five Controversial Issues Regarding the Rules of Procedure on Corporate Recovery	October 07, 1999
The BDG Experience	November 17, 1999
Final Version: Suggested New Section to the Rules of Procedure on Corporate Recovery on Management Committees	December 07, 1999
Final Version: Memorandum to the Commission En Banc Re Proposed Changes to the Rules on Corporate Recovery in Light of Latest Discussions	December 08, 1999
Final Version: Technical and Quasi Technical Changes to the Proposed Rules on Corporate Recovery (12/8 version)	December 08, 1999
Final Version: Suggested Changes to Rules on Corporate Recovery	December 09, 1999
Final Version: Memorandum to Chairman Discussing Supreme Court Case on PD 902-A	January 18, 2000
Final Version: Model Order in Response to a Petition for Rehabilitation under the New Rules	February 02, 2000
Final Version: Model SEC Order in Response to a Petition Seeking Suspension of Payments and Rehabilitation	February 02, 2000
TECHNICAL REPORTS	
FINANCIAL SECTOR	
Capital Market Development Component Project Work Plan (<i>Draft Work Plan/For Discussion Only</i>)	March 1999
Technical Assistance Needs of the Department of Finance & GOP	April 1999
A Comprehensive Strategy for the Continuing Development of the Philippine Capital Market	June 1999
A Strategic Vision: Strengthening Philippine Mutual Funds and Improving the Public's Perception of Them	August 1999
Comprehensive Study on Pre-Need	July 16, 1999
Report on Securitization in the Philippines	
Trip Report: Developing A Secondary Market for Debt Products in the Philippines	
Philippine Stock Exchange Governance	March 2000
Operating A Secondary Debt Market in the Philippines	March 2000
System & Trading Status Debt Trading in a Secondary Market Place	March 2000
Final Report: Securities Law Disclosure Expert	March 2000
STTA -- Final Report -- Macroeconomic Advisor International Finance Group Department of Finance of the Philippines	April 25, 1999
Technical Assistance Needs of the Department of Finance and the GOP	April 30, 1999
Guideline for A Definitive Study of the Philippine Pre-Need Industry and a Program for its Regulation	May 21, 1999
Corporate Governance in the Philippines: An Assessment of Needed Reform Efforts	November 15, 1999
Final Version: Report on the Insolvency System in the Philippines	December 03, 1999
Final Report: William F. Archerd, Securities Law Disclosure Expert	March 20, 2000
Closing Report of Robert H. Davenport: Securities Enforcement Expert	March 22, 2000
FISCAL SECTOR	
Road User Charges Study: Draft Final Report First Draft of Congestion Costs Section	February 1999
Meeting with BAP and BIR and Notes Concerning Remaining VAT Issues	April 1999

TITLE	DATE
Revenue Regulations	September 09, 1999
Rationalizing Road User Charges in the Philippines	November 1999
Philippine Central Depository (PCD) Operations Review	August 07, 2000
Comparative Taxation of Financial Instruments and Financial Organization in the Asia-Pacific Region	September 1999
TRADE AND OTHER RELATED MATTERS	
Assessment of Philippine Tariff Reform: A 1998 Update (<i>Final Report</i>)	March 1999
Safeguards and Regulations on Copyrights	April 1999
IRR for the Anti-Dumping Act of 1999	June 12, 1999
Copyright Safeguards and Regulations	July 31, 1999
Primary Agency to Regulate Wholesale and Retail Regimes	August 25, 1999
An Analysis of Philippine Trade Reforms in 1995-2000: Using the 1994 APEX Model	October 31, 1999
Retail Trade Liberalization Without Apology	December 08, 1999
Legal Opinion on the Kintanar-proposed EO on Wholesale and Retail Pricing	July 31, 2000
AGRICULTURE	
Financial Options for Restructuring the NFA Draft Interim Report	August 1999
Strategic Planning for the Reorganization of the National Food Authority Inception Report	May 1999
Market-Friendly Food Security: Alternatives for Restructuring NFA	August 1999
Financial Options for Restructuring the National Food Authority Inception Report	May 1999
Interim Report on International "Best Practices" in Privatization of Parastatals in Agriculture and Preliminary Implementation	July 19, 1999
Privatization of the National Food Authority	November 1999
Agricultural Trade Remedies Organization Study: Final Report	November 1999
Philippine Implementation of WTO Commitments on Agriculture	December 1999
Fisheries Trade Policy	December 1999
Agricultural Trade Policy	December 1999
The WTO and the Philippine Agriculture	December 1999
Farms, Food and Foreign Trade: The WTO and Philippine Agriculture	December 1999
Institutional Aspects of Plant Variety Protection	December 1999
Implications for Philippine Agriculture Policy and WTO Negotiations Strategy	December 1999
Plant Variety Protection Act of 1999	December 1999
Draft Final Report: Strategic Reorganization of the National Food Authority for the New Millennium	January 2000
International "Best Practices" in Privatization of Parastatals in Agriculture and Preliminary Implementation Strategies for Decoupling	July 19, 1999
Patterns of Trade Protection in Corn: A Summary of Simulation Exercises	January 11, 2000
Final Report: Strategic Reorganization of the NFA for the New Millennium	January 31, 2000
Final Report: Financial Options for Restructuring the National Food Authority: Executive Summary	March 31, 2000
Final Report: Financial Options for Restructuring the National Food Authority	March 31, 2000
Case Studies on Selected Subsectors (Grains, Hog, Poultry, Meat Processing, Mango & Asparagus)	
INVESTMENT AND REGULATION	
Review of Interconnection Legislation Final Report	June 1999
Short-Term Telecommunications Policy Contract Final Report	June 1999
Evaluation of the Philippine Y2K Contingency Plan in Air Transport	June 1999
Universal Access Benchmarking Workshop	July 1999
Diagnostic Study on the BOT Law RA 7718 and IRRs	August 15, 1999
Proposed IRR for Interconnection: Draft Report	August 16, 1999
Role of Air Transportation in Tourism Development	
Airline Policies	

TITLE	DATE
Draft IRRs on Interconnection (revision as of August 25, 1999)	August 25, 1999
Study on Restructuring of the Financial Liabilities of Power Sector, Final Report (NAPOCOR)	March 2000
Final Report on Interconnection Legislation	April 30, 1999
Review of Interconnection Legislation (Final Report)	June 30, 1999
Air Transportation Project Strategy	December 20, 1999
The Issue of Admissibility in Evidence of Electronic Documents	January 31, 2000
FFC's Proposed Final IRRs to E.E. 219	February 28, 2000
Legislative Response to E-commerce	March 02, 2000
Universal Access Benchmark Report	May 31, 2000
Comparative Matrix of Senate and House Provisions on the E-commerce Bill	June 09, 2000
Industry Comments Matrix on the Interconnection IRRs	June 20, 2000
NTC Memorandum Circular on the Interconnection IRRs	July 20, 2000
Draft NTC Memorandum Circular on Price Controls (ver. 1)	July 20, 2000
Comparative Analysis on Proposed House Bills on E-commerce	
GOVERNANCE	
Ideas on Revision in the Local Code Government	April 1999
Piloting a Budget Management System	May 21, 1999
An Integrated Financial Management Information System for the GOP	August 1, 1999
Draft White Paper on Review and Assessment of Procurement Systems and Procedures in the Philippines	August 16, 1999
Proposed TA for Procurement Reforms	August 30, 1999
Considerations for Modernizing GOP Procurement	April 2000
Matrix: Book One	April 2000
Book One: General Provisions	April 2000
Proposed Amendments to Book II of the Local Government Code of 1991	April 30, 1999
DBM MIS Rapid Assessment	June 04, 1999
Nature and Power of Authority of NTC vis-à-vis DOTC	August 25, 1999
MONITORING REPORTS	
<i>The Revised AGILE Life of Contract WorkPlan: Confronting Policy Reform Challenges for the 21st Century</i>	October 1998
<i>The Second Year Task Order Work Plan: Accelerating the AGILE Response to Strategic Policy Changes</i>	December 1998
<i>The Revised Second Year Task Order Work Plan: Accelerating the AGILE Response to Strategic Policy Changes</i>	January 1999
Quarterly Performance Monitoring Report (October to December 1998)	January 31, 1999
Quarterly Performance Monitoring Report (January to March 1999)	May 06, 1999
Quarterly Performance Monitoring Report (April to June 1999)	August 18, 1999
Quarterly Performance Monitoring Report (July to September 1999)	October 30, 1999
Quarterly Performance Monitoring Report (October to December 1999)	January 31, 2000
Quarterly Performance Monitoring Report (January to March 2000)	May 2000
Quarterly Performance Monitoring Report (April to June 2000)	June 2000
Statement of Work	June 23, 1999
Statement of Work	December 1999
Statement of Work	June 2000
Steering Committee No. 3	July 28, 1999
Steering Committee No. 4	June 2000
AGILE Legislative Briefing Notes	September 1999
AGILE Legislative Briefing Notes	January 18, 2000
AGILE Legislative Briefing Notes	February 2000
AGILE Legislative Briefing Notes	April 2000
Monthly Activity Report	February 2000
Monthly Activity Report	March 2000

TITLE	DATE
Monthly Activity Report	
Monthly Monitoring of Philippine Economic Performance within the SO2 Framework	September 1999
Monthly Monitoring of Philippine Economic Performance within the SO2 Framework	January 2000
Monthly Monitoring of Philippine Economic Performance within the SO2 Framework	February 2000
Monthly Monitoring of Philippine Economic Performance within the SO2 Framework	March 2000
Monthly Monitoring of Philippine Economic Performance within the SO2 Framework	May 2000
The Revised AGILE Life of Contract WorkPlan: Confronting Policy Reform Challenges for the 21 st Century	October 1998
Statement of Work, Revised Draft	May 16, 2001
Quarterly Performance Monitoring Report January to March 2001	May 10, 2001
DAI Statement of Work for AGILE Contract – June 2001 – June 2003	June 2001
Legislative History of the Securities Regulation Code	June 2001
Quarterly Performance Monitoring Report (April to June 2001)	July 2001
Towards a framework for managing the Contingent Liabilities of Government of the Philippines	March 2001
Legislative Briefing Notes	April 2001
Quarterly Performance Monitoring Report (October to December 200)	February 6, 2001
Monthly Activity Report	February 2001
DAI Statement of Work	March 13, 2001
Monthly Activity Report	January 2001
PUBLIC INFORMATION MATERIALS	
FINANCIAL SECTOR	
Corporate Rehabilitation: The Philippines Experience	June 21, 1999
Proposed Rules of Procedure on Corporate Recovery	July 14, 1999
Business World Article: Introduction to the Rules of Procedure on Corporate Recovery	February 15, 2000
FISCAL SECTOR	
TRADE AND OTHER RELATED MATTERS	
EPG Guesting on “Jeep ni Erap” For August 21, 1999	August 21, 1999
Statement of Support for Retail Trade Liberalization	November 26, 1999
The Case for Retail Trade Liberalization	December 08, 1999
Analysis of the Retail Trade Liberalization Law	March 15, 2000
Retail Trade Liberalization Study	March 27, 2000
AGRICULTURE	
INVESTMENT AND REGULATION	
For Whom Shall We Fly: Challenges to Philippine Aviation	February 20, 2000
An Overview of E-commerce	March 15, 2000
Consultative Document on Wholesale Charging Regime Access and Interconnect Arrangements	August 03, 2000
OTHERS	
A Preliminary Inquiry on Child Labor in the Philippines	
An Explanatory Analysis of the Labor Force in the Philippines	
AGILE Brochure	
Media Kit for the Coalition for Shipping and Ports Modernization (CSPM) Produced by PRISM	
Media Kit for the Freedom to fly Coalition (FFC)	
Media Strategy & Report for the Freedom to Fly Coalition (FFC) (Sept., Oct. & Nov.)	
Media Strategy & Report for the Coalition for shipping & Ports Modernization (CSPM) (Sept. Oct. & Nov.)	
Speed limits on RA8794 Implementation: An assessment of the Implementation of the RUC Law	
Foundation for Economic Freedom, Inc. Program Description	
Inter-Agency Workshop on the Implementing Rules & Regulations (IRR) of EO 40	December 7-8, 2001

TITLE	DATE
Ridge Resort & Convention Center, Tagaytay City	
Draft Implementing Rules & Regulations for Executive Order No. 40, Series of 2001	December 11, 2001
PPB-INFRACOM Meeting	
Civil Forum on the Anti-Money Laundering Law & Its Proposed IRR, Astoria Plaza	November 08, 2001
Forum on the Anti-Money Laundering Law & Implementing Rules & Regulations	

ANNEX 3

**CURRENT STAFFING LIST BY
TECHNICAL AREA**

LISTING OF KEY STAFF BY TECHNICAL AREA
LOE as of December 2001

Result/Activity/Position	Name	Approved LOE	Consumed LOE	Remaining LOE
AGILE HEADQUARTERS				
Project Management and Administration				
Chief of Party	Ramon Clarete	435	89	346
Senior Vice President for A & E Group	Max Goldenson	6	6	0
Managing Director	David Tardif-Douglin	435	89	346
Senior Policy Advisor	Cesar Virata	120	26	94
Technical Backstop	Raymund Fabre	60	25	35
Project Administrator & SAF Manager	Matthew Buzby	435	89	346
Senior Office Manager	Maritess Avila	435	66	369
Executive Assistant	Mitos Aldave	435	66	369
MIS Development Specialist	Tanya Torres	22	0	22
Accounting and Finance Unit				
Senior Project Accountant	Imma Cordero	435	66	369
Assistant Project Accountant	Cathy Pollisco	435	66	369
Satellite Office Finance Specialist	Carlito Magnaye	435	66	369
Finance Assistant	Cora Calanasan	435	66	369
Recruitment Unit				
Recruitment Manager	Bernardo Fernandez	435	66	369
Personnel Assistant	Charito Sulit	435	66	369
Policy Advocacy Unit				
Legislative Monitoring Specialist	Maya Cui-Odulio	258	39	219
Policy Conference and Training Unit				
Training Assistant	Annaliza Majomot	435	66	369
Performance Monitoring Unit				
Policy Impact Monitoring Specialist	Lynette Batencila	260	66	194
Performance Monitoring/TAMIS Manager	Edith Joan Nacpil	435	66	369
Publication/Production Unit				
Chief Public Information Pub. Unit	Benedicto Rayco	260	66	194
Production Assistant	Renerlita Bacus	435	66	369
Policy Information Analyst (part-time)	Melody Bejosano	435	33	402
Production and Presentation Assistant	Arnold Gonzales	435	66	369
Information Technology Unit				
Network Administrator	Orlie Go	435	66	369

LISTING OF KEY STAFF BY TECHNICAL AREA
LOE as of December 2001

Result/Activity/Position	Name	Approved LOE	Consumed LOE	Remaining LOE
General Office Support				
Messenger/Utility	Ricky Caampued	435	66	369
Driver	Henry Delfin	435	66	369
Driver	Alfredo Borja	435	66	369
Administrative Support Assistant	Aida Bautista	435	66	369
Receptionist	Guia Janson	435	66	369
Project Driver	Luis Santos	435	66	369
Messenger/Utility	Wilfredo Estanislao	435	66	369
Policy Outcome 1.1 Commercial Law Strengthened and Enforced				
1.1.a. Capital Markets Better Regulated				
Commercial Law Group Manager	Hugh Patton	260	63	197
Commercial Law Team Leader	Antonio Jamon	114	41	74
Securities Regulation Advisor	Debra Kertzman (expat)	88	37	51
Capital Markets Advisor (STTA)	Roman Azanza	46.5	22	25
PR Specialist	Mercedes Suleik	65	25	40
Capital Markets Task Manager	Socorro Lerrer	228	66	162
Research Associate	Patricia Lim	228	55	173
Administrative Assistant	Irene Dionisio	228	66	162
Driver	Charlo Sajol	228	66	162
Messenger/Utility	Melanio Bolga	228	66	162
1.1.b. Pension Reform Strengthened through the Passage of a PERA Law				
DOF Task Manager	Rowena Arceo	76		
1.1.c. Assistance to the National Commission on Savings (NCS) to Enhance Savings Mobilization Measures				
DOF Task Manager	Rowena Arceo	76		
1.1.d. Increase Domestic Investor Base				
Commercial Law Group Manager	Antonio Jamon	114	21	93
Research Associate	Patricia Lim	228		
Investment Company Adviser	Noel Gamo	86	60	27
Capital Markets Task Manager	Socorro Lerrer	228		
Administrative Assistant	Irene Dionisio	228		
Messenger/Utility	Melanio Bolga	228		
Driver	Charlo Sajol	228		
1.1.e. Insolvency Laws and Regulations Streamlined				
Commercial Law Group Manager	Antonio Jamon	114	13	101
Commercial Law Strengthening Task Mngr	George Carmona	260	19	241
Consultant on Insolvency	Manuel Yngson	20	2	18

LISTING OF KEY STAFF BY TECHNICAL AREA
LOE as of December 2001

Result/Activity/Position	Name	Approved LOE	Consumed LOE	Remaining LOE
<i>1.1.f. Commercial Laws Enforced</i>				
Commercial Law Group Manager	Antonio Jamon	114	1	113
Advisor on Insolvency Law	Daniel Fitzpatrick	24	20	4.5
Securitization Expert	Eleanor Rivera	10	10	0
Commercial Law Strengthening Task Mngr	George Carmona	456	47	409
Judicial Policy Reform Specialist	Ma. Lourdes Sereno	70	8	63
Judicial Policy Reform Advocate	Rhodora Raterta	50	6	44
Legal Specialist	Patrick Santo	87	5	82
<i>Policy Outcome 1.2 Revenue Administration Strengthened</i>				
<i>1.2.a BIR Made More Transparent and Efficient in Revenue Generation</i>				
Senior Strategic Reform Advisor	Edgardo Campos	91	13	79
Public Finance Management Task Manager	Amuerfina Santos	23	23	0
Task Manager for BIR Reform	Francis Vicente	260	52	208
Senior Advisor (STTA)	Rizalino Rivera	88	20	68
Org. Devt./Change Management (STTA)	Marie Herminia Soriano	132	48	84
Advisor for Early Retirement (STTA)	Orlando Manalang	52	3	49
Report Writer (STTA)	Luisito Montalbo	10	10	0
Human Resource Specialist	Maria Teresa Tolosa	66	42	24
Process Eng/System Integrator	John Paul Vergara	110	27	83
Advisor on Civil Service	Ramon Ereneta	22	5	17
Legislative Advisor (STTA)	Venir Cuyco	32	24	8
Tabulator	Catherine Bayaua	25	25	0
Research Associate	Tisha Borinaga	264	51	213
				0
<i>1.2.b Trade Facilitation, Audit and Risk Management Capacity of BOC Strengthened</i>				
Trade Policy Task Manager	Loreli de Dios	150	41	110
Customs Valuation Policy Advisor	Bienvenido Alano	44	44	0
Organizational Assistant	Vincent Gabriel Reyes	187	66	121
Customs Institutional Expert	Alex Gaticales	30	30	0
Compliance Audit Specialist	Arthur Dizon	58	55	3
Trade Compliance Analyst	Joel Joseph Grenas	50	50	0
<i>1.2.c Tax Policy More Efficient and Equitable</i>				
Tax Policy Economist/Task Manager	Francis Vicente	32	32	0
DOF Task Manager	Rowena Arceo	114	19	96
Senior Customs Duties IT Specialist	Guillermo Parayno	30	7	23
Tax Policy Economist/ Statistician	Joyce Gracia	35	0	35
Information Technology Specialist	Jeanette Yu	54	0	54
Programming Assistant	Allan Morales	20	0	20
Driver	Nestor San Andres	200	23	177

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LISTING OF KEY STAFF BY TECHNICAL AREA
LOE as of December 2001

Result/Activity/Position	Name	Approved LOE	Consumed LOE	Remaining LOE
<i>1.2.d Local Government Financing Improved</i>				
LGU Task Manager	Raymund Fabre	234	25	209
Administrative Officer	Josefina Lim	130		
Policy Outcome 1.3 Expenditure Management Strengthened				
<i>1.3.a Bureaucracy More Efficient through Public Expenditure Management (PEM) Techniques and Reengineering</i>				
Senior Strategic Reform Advisor	Edgardo Campos	91	19	73
Task Manager	Amuerfina Santos	92		
<i>1.3.b Improved Management of Contingent Liabilities</i>				
Senior Strategic Reform Advisor	Edgardo Campos	91		
Policy Task Manager	Rowena Arceo	114	15	99
Legal Expert	Solomon Castro	52	52	0
Documentation Assistant	Manolo Santos	45	45	0
Administrative Officer	Josefina Lim	130	53	77
Messenger/Utility	Michael Ocampo	228	45	183
Driver	Nestor San Andres	228		
<i>1.3.c Investment Incentives More Transparent</i>				
Senior Strategic Reform Advisor	Edgardo Campos	91		
Policy Task Manager	Rowena Arceo	114		
Fiscal Incentives Expert	Erlinda Medalla	33	31	3
Policy Outcome 1.4 Government Procurement Made Transparent and Efficient				
<i>1.4.a GOP Procurement System More Efficient and Transparent</i>				
Senior Strategic Reform Advisor	Edgardo Campos	91	14	78
Public Finance Management Task Manager	Amuerfina Santos	164	44	120
Legislative Advisor on Procurement	Jose Luis Syquia	71	17	54
Administrative Officer	Flor Guce	92	45	47
Project Driver	Larry Mabini	184	45	139
Policy Outcome 1.5 Bank Secrecy Reduced and Banking Sector Better regulated				
<i>1.5.a Money Laundering Reduced</i>				
Bank Supervision Advisor	Francesca Baniqued	196	42	154
Legal Analyst	Michelle Serrano	157	23	134
Banking Advocacy Specialist	Marie Grace Faylona	132	57	76
Legal Consultant	Paul Murphy	27 (PO)	27	0
Administrative Officer	Maria Theresa Contreras	232	66	166
Driver	Eddie Taganap	232	45	187

**LISTING OF KEY STAFF BY TECHNICAL AREA
LOE as of December 2001**

Result/Activity/Position	Name	Approved LOE	Consumed LOE	Remaining LOE
<i>1.5.b Bank Supervision Strengthened</i>				
Bank Supervision Advisor	Francesca Baniqued	231	0	231
Legal Analyst	Michelle Serrano	78	23	55
Banking Advocacy Specialist	Marie Grace Faylona	54	25	30
Administrative Officer	Maria Theresa Contreras	233	0	0
Driver	Eddie Taganap	233		
<i>Policy Outcome 2.1 Competition Increase in Transportation Services</i>				
<i>2.1.a Increased Competition in Air Transport</i>				
Investment Policy Advisor	Jaime Faustino (expat)	92		92
Competition Policy Associate	Mary Grace Mirandilla	92	19	74
Air Transport Policy Team Leader	Mila Abad	96	16	80
Air Transport Strategist	Victor Limlingan	42	32	10
Air Transport Policy Specialist	Cherrylyn Rodolfo	128	0	128
Advocacy Coordinator (part time)	Melody Bejosano	232	33	199
Air Transport Legal Expert	Jose Claro Tesoro	57	9	48
<i>2.1.b. Increased Competition in Maritime Shipping</i>				
Investment Policy Advisor	Jaime Faustino (expat)	92	15	77
Competition Policy Associate	Mary Grace Mirandilla	92	12	81
Policy Team Leader	Enrico Basilio	163	40	123
Shipping Analyst	Vicente Gambito	140	37	103
Maritime Lawyer	Policarpio Curay	44	14	30
Ports Policy Associate	Carla Grino	165	35	130
Ports Tariff Analyst	Vicente Gambito	13	2	11
<i>Policy Outcome 2.2. Competition Increased Information and Communication Technology</i>				
<i>2.2.a. Increased Competition in Telecommunication</i>				
Investment Policy Advisor	Jaime Faustino (expat)	92	17	75
Wholesale Regime Expert	David Dawson	24	13	11
Competition Policy Associate	Mary Grace Mirandilla	92	16	76
Telecommunications Regulatory Associate	Edmundo Ramos	260	66	194
Telecommunications Legal Expert	Manuel Casino	260	66	194
Administrative Officer	Mary Grace Castelo	260	66	194
<i>2.2.b.E-Commerce & Information and Communications Technology (ICT) Developed</i>				
Investment Policy Advisor	Jaime Faustino (expat)	92	11	81
Competition Policy Associate	Mary Grace Mirandilla	92	9	83

LISTING OF KEY STAFF BY TECHNICAL AREA
LOE as of December 2001

Result/Activity/Position	Name	Approved LOE	Consumed LOE	Remaining LOE
<i>Policy Outcome 2.3 Trade and Agriculture Competition Increased</i>				
<i>2.3.a. Grain Markets More Efficient and Equitable</i>				
<i>2.3.b. Biotechnology Exploited Safely</i>				
Legal Specialist	Jose Ochave	86	33	53
Biotechnology Specialist	Evelyn Mendoza	7	7	0
Research and Advocacy Associate	Abraham Manalo	260	66	194
Advocacy Assistant	Isabelita Colina	98	66	32
<i>2.3.c. Intellectual Property Rights Protected</i>				
Trade Task Manager	Lee de Dios	306	53	253
<i>Plant Variety Protection</i>				
PVP Advocacy Specialist	Ma. Fe Madamba	90	32	58
<i>Policy Outcome 2.4 Competition Policy Strengthened</i>				
<i>2.4.a Pro-Competition Policy Institutionalized</i>				
Investment Policy Advisor	Jaime Faustino (expat)	92	6	86
Competition Policy Associate	Mary Grace Mirandilla	92		

SUMMARY

Hired Expat on Board - 11
Hired Technical Staff on Board - 59
Hired Administrative Staff on Board- 30
Total No. of Personnel on Board - 100
Total No. of Personnel whose contract completed and Resigned with AGILE- 250

ANNEX 4

LIST OF SAF-FUNDED TRAINING, SEMINARS AND WORKSHOPS

**PARTICIPANT TRAINING, SEMINAR-WORKSHOPS AND CONFERENCES FUNDED
FOR THE PERIOD
OCTOBER – DECEMBER 2001 IN SUPPORT OF THE AGILE POLICY RESULTS**

POLICY RESULT	DATE	ACTIVITY	BENEFICIARY AGENCY/PARTICIPANTS	VENUE/COUNTRY
1.5.a-1	Oct. 8 – 11, 2001	10 th International Anti-Corruption Conference (IACC) No. of Participants: 2 pax Asst. Comm. Erlinda Simple Chairperson Haydee Yorac	Bu. of Internal Revenue (BIR) & the Phil. Commission on Good Government (PCGG)	Prague, Czech Republic
1.1.d	Oct. 15 – 20, 2001	Korea-OECD Seminar "Taxing Electronic Commerce" No. of Participants: 2 pax Ms. Jocelyn N. Pioquid Ms. Ma. Paz A. Javier	Department of Finance (DOF)	Chonan, Korea
1.5.a	Oct. 17 – 18, 2001	APG Anti-Money Laundering Methods & Typologies Workshop No. of Participants: 2 pax Usec. Jose Calida, DOJ Atty. Celia Sandejas, SEC	Department of Justice (DOJ) & Securities and Exchange Commission (SEC)	Singapore
1.1.f	Oct. 25 – 26, 2001	Training Seminar on Law & Economics for the Office of Solicitor General's (OSG) Lawyers No. of Participants: 39 pax	Office of the Solicitor General (OSG)	Ridge Resort and Convention Center, Tagaytay City
1.2.a-1	Oct. 29 – 31, 2001	Conduct of Interview for BIR's Organizational Effectiveness Study No. of Participants: 11 pax per region	Bureau of Internal Revenue (BIR)	Cebu City, Bacolod City, Cagayan de Oro City
1.5.a	Nov. 21 – 29, 2001	Series of Forum on the Anti-Money Laundering Law & the Proposed IRRs No. of Participants: 456 pax	Bangko Sentral ng Pilipinas (BSP)	Manila
1.5.a	Dec. 10 – 13, 2001	To fund the Trip of Dep. Director Capule to Baguio to Lecture on Anti-Money Laundering Act	Bangko Sentral ng Pilipinas (BSP)	St. Louis University, Baguio City

2.3.b	Oct. 22, 23, 29, 30 & Nov. 16, 2001	Consultation on the Proposed Guidelines for the Commercialization of Biotechnology Products No. of Participants: Cebu - 135 Davao - 141 BSWM - 169	Department of Agriculture (DA)	Holiday Plaza Hotel, Cebu City Waterfront Insular, Davao City BSWM, Quezon City
2.3.c	Nov. 20 – 21, 2001	Seminar on Intellectual Property for Regional Trial Court Judges No. of Participants: 47 pax	Philippine Judicial Academy (PHILJA)	Ridge Resort & Convention Center, Tagaytay City

* Participants list is shown in the attachment.

**TRAINING SEMINAR ON LAW AND ECONOMICS FOR
OFFICE OF THE SOLICITOR GENERAL (OSG)
Ridge Resort & Convention Center
Tagaytay City
October 25 – 26, 2001**

LIST OF PARTICIPANTS

- | | | | |
|-----|-----------------------------|-------------------------|--------------------|
| 1. | Maria Almira M. Tomampos | OSG SECRETARIAT: | |
| 2. | ASG Azucena B. Corpuz | | |
| 3. | Joel S. Jimenez | 35. | Elizabeth C. Abuan |
| 4. | Sally D. Escutin | 36. | Beverly T. Ramos |
| 5. | Catherine Joy R. Mallari | 37. | Raul S. Bolatin |
| 6. | Josephine D. Arias | 38. | Emelita B. Salibay |
| 7. | Tomas Ken D. Romaquin, Jr. | 39. | Cherryl V. Granada |
| 8. | ASG Cecilio O. Estoesta | | |
| 9. | Andrew James S. Ibarra | | |
| 10. | Fenicar A. Tabao | | |
| 11. | Alexander S. Salvador | | |
| 12. | Irahlyn S. Lariba | | |
| 13. | Ronaldo B. Martin | | |
| 14. | Edilberto R. Rebato, Jr. | | |
| 15. | Demetrio P. Carlos | | |
| 16. | ASG Roman G. Del Rosario | | |
| 17. | Primo G. Sio, Jr. | | |
| 18. | Antonio Silang | | |
| 19. | Genie G. Gapas | | |
| 20. | ASG Rodolfo G. Urbiztondo | | |
| 21. | Evelyn B. Guballa | | |
| 22. | Corazon T. Llagas | | |
| 23. | Soledad Dela Vega-Manuel | | |
| 24. | Elma R. Lingan | | |
| 25. | Jonathan G. Prevosa | | |
| 26. | George H. Yarte, Jr. | | |
| 27. | Ma. Theresa S.J. Loquillano | | |
| 28. | Marsha C. Recon | | |
| 29. | Tomas M. Navarro | | |
| 30. | Edgardo R. Sison | | |
| 31. | Maricar S.A. Prudon | | |
| 32. | Juliet B. Reyes | | |
| 33. | Bernadette O. Esguerra | | |
| 34. | Manelyn E. Caturla | | |

**CONSULTATIONS ON THE PROPOSED GUIDELINES FOR THE
COMMERCIALIZATION OF BIOTECHNOLOGY PRODUCTS
Cebu, Davao & Manila
October – November, 2001**

TARGET PARTICIPANTS FOR EACH REGION:

1. Farmer's organizations, people's organizations
Non-government organizations
2. Consumers/consumers groups
3. Agribusiness
4. Academe and research institutions
5. National government agencies, particularly:

Department of Agriculture Policy and Planning Office

Bureau of Plant & Industry

Bureau of Animal Industry

Fertilizer and Pesticide Authority

Bureau of Agricultural Research

Dept. of Health - Bu. of Food and Drugs

Dept. of Trade and Industry - Bu. of Trade Regulation & Consumer Protection

National Commission on Biosafety of the Philippines

6. DA - Regional Field Units and Local Government Units,
Particularly the municipal and provincial agricultural workers.

**SERIES OF FORUM ON THE ANTI-MONEY LAUNDERING
LAW & THE PROPOSED IRRs
Bangko Sentral ng Pilipinas
November 21 – 29, 2001**

PARTICIPANTS WILL BE REPRESENTED BY THE FOLLOWING SECTOR:

SENATE & CONGRESS:

1. Sen. Francis Pangilinan
2. Atty. Nolasco
3. Sen. Ramon Magsaysay
4. Atty. Buenviaje
5. Atty. Rey Bantug
6. Cong. Oscar Moreno
7. Atty. Federizon
8. Jaime Lopez

OVERSIGHT COMMITTEE:

9. Marcelino Libanan
10. Teodoro Locsin, Jr.
11. Jose Carlos Lacson
12. Didagen Dilangalen
13. Celso Lobregat

GOV'T AGENCIES, LEAs, PROSECUTORS:

14. Ombudsman
15. Sandiganbayan
16. OSG
17. NBI
18. PNP/DILG
19. Civil Society
20. DOJ
21. Securities and Exchange Commission
22. Insurance Commission
23. Gov. Buenaventura
24. DG Alberto V. Reyes
25. Monetary Board Members
26. Judge Karl Miranda, OSG

BSP/SUPERVISION & EXAMINATION SECTOR

BANK EXAMINER REPRESENTATIVES:

27. Dept. of Commercial Banks I
28. Dept. of Commercial Banks II
29. Dept. of Rural Banks
30. Dept. of Non-Banks and Financial Institutions

BUSINESS SECTOR:

31. Makati Business Club
32. Management Association of the Phils.
33. Phil. Chamber of Commerce and Industries
34. Association of Bank Compliance Officers
35. Bankers Association of the Philippines
36. FINEX
37. Bank Lawyers