

**TRANSPARENT ACCOUNTABLE GOVERNANCE:
ADVANCING THE AGENDA FOR GOOD GOVERNANCE AT THE NATIONAL
LEVEL AND IN MINDANAO**

USAID-funded project with The Asia Foundation
July 2003 - December 2003

This semi-annual report covers activities from July 2003 to December 2003 under the Transparent Accountable Governance (TAG) Project of The Asia Foundation with a grant from the United States Agency for International Development (USAID). The total grant amount is \$5,998,000 covering the period from September 22, 1999 to September 30, 2005.

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The TAG Project aims to build civil society and private sector constituencies for a counter-corruption reform agenda targeting economic growth and poverty reduction. USAID and The Asia Foundation are now deepening the engagement of the private sector and civil society in countering corruption, with new attention to corruption and governance at the local level through a comprehensive focus on transparency and good governance in Mindanao.

Building on the successes of the initial national counter-corruption efforts under this project, and an improved overall political environment for counter-corruption reform, the project currently focuses on three levels: 1) national level counter-corruption advocacy; 2) extending advocacy efforts to the city level in Mindanao by promoting transparency and accountability in city governance; and, 3) broadening opportunities for peace and economic development in Mindanao through improved local governance especially in the Autonomous Region of Muslim Mindanao and its neighboring conflict-affected areas.

At the national level, efforts continue to focus on maintaining broad civil society and private sector engagement in counter-corruption advocacy activities. The Asia Foundation worked with several partners such as the Transparency and Accountability Network (TAN) and the Presidential Anti-Graft Commission (PAGC) in crafting the anti-corruption plans of 10 national government agencies, advocacy on reforms at the Bureau of Internal Revenue, supporting legislation on promoting transparency in government transactions and information, promoting reforms in the procurement system, monitoring textbook delivery of the Department of Education, and the public's perception on the extent of corruption in government. Partners for this period include the Makati Business Club, Ateneo Center for Social Policy and Public Affairs, Social Weather Stations, De La Salle University's Institute for Governance, Pagbabago@Pilipinas, and the Transparency Accountability Network.

In seven cities in Mindanao, with private sector and civil society engagement, efforts are underway to improve transparency and accountability in city governance through procedural reforms that focus on simplifying procedures in the city government, reducing the monopoly of power and discretion of city employees, and increasing transparency and availability of information to citizens. Public perception on city governments' performances is measured through the use of scorecards, results of which are used to guide local chief executives in setting policy directions with respect to promoting transparency and accountability in city governments. Capacity building activities that make city government processes and employees more customer-focused, transparent, and accountable are also implemented. Partners for this city level work include the League of Cities of the Philippines, the Mindanao Business Council, the Mindanao Coalition of Development NGO Networks, the Southern Philippines Research and Extension Foundation, Notre Dame Business Resource Center, and Ateneo de Davao University's Center for Local Governance.

In Mindanao municipalities, different sets of activities are being implemented to address specific needs and priorities. Technical assistance is being provided to improve local government operations in the municipalities and barangays specifically in the Autonomous Region of Muslim Mindanao. To date, the Foundation has assisted 379 barangays and 43 municipal governments to identify, prioritize, and implement community projects and budget available resources, helped 26 municipalities identify possible sources of revenue for increased resources, mobilized capacities of 15 local institutions to ensure availability and accessibility of expertise at the local level, and enhanced capacities of 57 civil society organizations to partner with local governments in service delivery. As of December 31, 2003, technical assistance is currently being provided to a total of 59 different municipalities. Partner institutions during this period include the League of Municipalities of the Philippines, Mindanao State University's Center for Local Governance, Bangsamoro Women Foundation for Peace and Development, Kadtuntaya Foundation Inc., Maguindanao Foundation for Good Governance and Development, Federation of Lanao del Sur Farmers Multi-Purpose Cooperative, Muslim Christian Agency for Rural Development, Tawi-Tawi Outreach Development Foundation, Metro Kutawatu Development Alliance-Project Management Office, Alternative Center for Organizational Reform, Development Through Active Women Networking Foundation, Institute for Strategic Initiatives, Kahapan Foundation, Pakigdait, Inc., and Advocacy Mindanow Foundation.

To present TAG's holistic project approach in advancing good governance in the Philippines, this report is divided into three themes which reflect the focus of current project efforts. These include: **increasing transparency and accountability in government transactions; forming public-private sector partnerships and building constituencies; and enhancing capacities of partner institutions and local government units.**

Increasing Transparency and Accountability in Government Transactions

Pervasive corruption in government, both at the national and local levels, including bureaucratic and judicial red tape, is one of the major obstacles to the entry of business investments in the country. Promoting good governance also encourages investor confidence that business will be successful. Through constant engagement with the private sector and civil society organizations, The Asia Foundation, under the Transparent Accountable Governance project, seeks to sustain public pressure for counter-corruption reforms.

Reforms at the Bureau of Internal Revenue

From November 2002 to September 2003, The Asia Foundation supported the La Salle Institute of Governance (LSIG), a member of the Transparency and Accountability Network (TAN), in activities related to legislation creating a new revenue authority with strong accountability and performance-based features. Citizen awareness campaigns with civil society organizations throughout the country were conducted through regional citizen workshops (in Luzon, Visayas, and Mindanao), press briefings, and publication of news and feature articles. A speakers bureau from civil society and academic institutions was also organized to articulate through the mass media the need to establish a new revenue administration. These activities helped build sustained interest in overhauling tax governance in the country, provided the opportunity to counter the arguments raised by the opponents of the proposed revenue Bill, and served as a venue for discussing the salient features and technical aspects of the Bill.

From July to September 2003, LSIG focused on increasing their communication with the members of the House of Representatives and the Senate. At the House of Representatives, discussions were held between TAN and the Ways and Means and Appropriations Committees of the House of Representatives. As a result, on 5 August 2003, the Appropriations Committee of the House of Representatives approved the National Revenue Authority (NRA) measure, but inserted several amendments. While the original version of the House Bill stipulates the absorption of BIR employees into the new agency only if they pass rigid merit examinations and integrity tests, the version passed by the Appropriations Committee guarantees the full absorption of employees into the NRA. The new version also removes the exemption of the NRA from the Salary Standardization Law. At the Senate, discussions were held with Senators Franklin Drilon (Senate President), Loren Legarda (Majority Leader), Aquilino Pimentel Jr. (Committee on Reorganization Chairperson), and Edgardo Angara (Committee on Constitutional Amendments and Revision of Codes and Laws Chairperson) to solicit support for the pending Senate Bill 2463: the National Authority for Revenue Administration. The meetings reaped positive responses from the Senators. However, most of them opined that it would be difficult to pass the measure during this Congress because of the tight legislative calendar and the upcoming elections.

Right to Information

The Asia Foundation continues to support Pagbabago@Pilipinas in its activities related to right to information legislation. Recently, the Access to Information Network (ATIN), of which Pagbabago@Pilipinas is a member, increased efforts to broaden its membership by inviting various NGOs and CSOs, as well as representatives from media, the private sector, and government agencies to join the advocacy campaign in support of the ATIN bill. In June 2003, the technical working group in charge of consolidating the information bills filed in the House of Representatives came up with a substitute bill. From June to late August 2003, ATIN held meetings to assess, evaluate, modify, and improve the substitute bill to ensure its consistency with the original bill. ARTICLE 19, a London-based NGO focusing on global freedom of expression and freedom of information, and an international partner of ATIN, has submitted valuable comments on the current congressional right to information bill. These comments are being integrated into a new bill which ATIN hopes will be filed in the next Congress.

Towards the close of Congressional sessions in December 2003, members of the Access to Information Network (ATIN) decided to put on hold the legislative effort because of waning legislative interest. As the country enters the election campaign season in March 2004, it was felt that even less attention will be paid to this piece of legislation. Nonetheless, the need for a right to information legislation will be raised as a campaign issue by the ATIN members. All senatorial candidates will be asked by ATIN members about their anti-corruption programs and, more specifically, if they will support any right to information legislation.

Several fora and symposia are planned for the coming months with the ATIN network partners. Pagbabago@Pilipinas members expect that corruption will be a major campaign issue and will therefore capitalize on this to heighten public awareness of the need for the passage of a right to information legislation

Textbook Monitoring with the Department of Education

In the last quarter of 2002, the Department of Education (DepEd) launched its Textbook Count Project to monitor the procurement of Php1.3 billion worth of textbooks for the 2003 school year. This procurement has been the largest (approximately 37 million textbooks) in the Department's history. Whereas it previously took DepEd 2-3 years to accomplish the whole procurement process, the entire process for last year was completed in only 12 months. Delivery of textbooks from this procurement process started in June 25, 2003 and was completed in September 30, 2003. Through the Foundation's support of the Textbook Count Project, civil society became involved in the whole procurement process---from the bidding in December 2002, and up to the monitoring of the delivery of books. With the involvement of civil society organizations, such as the Government Watch, Transparency and Accountability Network, NAMFREL, and Procurement Watch in the Textbook Count Project, the venue for partnership between government and civil society was opened. This developed "stakeholdership" among those who volunteered their services and ensured transparency in the government processes and procedures. Possible losses during delivery of textbooks were also minimized because of the involvement of civil society groups in monitoring the actual deliveries.

To guarantee continuous improvements to this process, The Asia Foundation, through the Ateneo Center for Social Policy and Public Affairs (ACSPPA), documented the process, including the challenges and gaps encountered during actual textbook deliveries. Issues raised during actual deliveries included the following: suppliers' perceptions that civil society monitors lack the necessary knowledge or skill to make informed judgments on the quality of the books; strained relationships between the Instructional Material Council Secretariat (a particular division within the DepEd) inspectors and the civil society monitors; ineffective information dissemination within DepEd; inadequate preparation by civil society monitors to monitor actual deliveries; disorganized and confusing database on deliveries; changes in delivery schedule, affecting the availability of civil society monitors; and insufficient time for suppliers to purchase paper after the issuance of the Notice of Award (NOA), thereby affecting the schedule of delivery. The findings and recommendations were presented to the Department of Education during the validation workshop held on November 4, 2003. In all of the process observations, documentations, and evaluations, it was evident that the continuous involvement and active participation of civil society organizations in this undertaking was valuable. It assured greater transparency and accountability in the delivery of textbooks.

Procurement Reform

The new Government Procurement Reform Act (RA 9184) provides a legal basis to minimize corruption, cut delays, and limit discretion in public procurement by increasing transparency, accountability, and efficiency in the process. It aims to address the problems of delays, collusion, lack of transparency, excessive use of discretionary criteria, and lack of competition that have long plagued the Philippine Government in its procurement of goods, consulting and infrastructure services. The new law also repeals some provisions relating to local government procurement as stipulated in Republic Act 7160, the Local Government Code of 1991.

The Asia Foundation, in partnership with Procurement Watch, Inc. (PWI), supported consultations with national government agencies and local government units for the Implementing Rules and Regulations (IRR) of the Act, which were subsequently approved by President Macapagal-Arroyo on September 23, 2003. The Implementing Rules and Regulations will provide the teeth to the implementation of the new Procurement Act. Since the approval of the IRR, Procurement Watch, Inc. has conducted trainings on the proper interpretation and implementation of the law for representatives of civil society organizations and national government agencies. PWI has also developed a Code of Ethics and Feedback Mechanism for the Bids and Awards Committee and has done an initial pilot with the Department of Education. This will later be refined for more general applicability both at the national and local levels. The draft code also incorporated some findings resulting from LGU-level studies funded by the Foundation.

In addition, PWI with support from The Asia Foundation has also completed and is now using the e-reporting system. This is an electronic feedback and reporting mechanism uploaded into

the PWI website for use by PWI-trained civil society and professional associations in monitoring procurement processes.

Guidebook on Government Processes

In cooperation with concerned national government agencies, local government units, and civil society organizations, the Transparency and Accountability Network has started to publish popularized guidebooks on government processes and transactions of several government agencies. Each guidebook contains simple, step-by-step guidelines on transacting business with selected government agencies, including frequently-asked questions on everyday transactions. One thousand copies of the guidebooks will be distributed to selected schools, businesses, and government offices nationwide. The “First Guide to Government Processes and Transactions: Filing Charges and Complaints before the Office of the Ombudsman” has already been circulated since October 2003. The second government guide on conducting lifestyle checks will be distributed by March 2004.

Procedural Reforms in Seven Mindanao Cities

Beyond the national-level, there is also a growing need for effective counter-corruption efforts at the city level, where the greatest opportunities for economic growth and job creation exist. The TAG Project’s core strategy for addressing city-level corruption in Mindanao is generating political commitment from mayors in support of activities promoting transparency and accountability. Seven city governments currently take part in this initiative: Cotabato, Dapitan, General Santos, Iligan, Marawi, Samal, and Surigao. Through the League of Cities of the Philippines, The Asia Foundation has provided technical assistance to each city in diagnosing and crafting recommendations for reforms.

The project’s strategy focuses on building the cities’ capacities to restructure services and improve administrative procedures to reduce local corrupt practices that decrease efficiency, increase the cost of doing business, and discourage investment. The key mechanism to accomplish this strategy is by fostering public-private partnerships between and among mayors and city government employees, the business community, civil society organizations, academia, and the media.

In September 2002, the Foundation supported the participation of selected city mayors in a training on effective local governance conducted by the RAND Graduate School. A major output of this training was the development of reform agendas specific to each city. As a follow through to the training, each city government has done a participatory diagnosis of its city by end of May 2003 and has completed its strategy report and implementation plan by end of December 2003. Reform priorities identified by the city governments include the improvement of the public market systems and operations in Cotabato; the improvement of procurement processes in Dapitan, Iligan, Marawi, General Santos and Surigao; and the enhancement of a local shelter program for the Island Garden City of Samal. Implementation of reforms in the

seven cities is expected to begin in January 2004, with technical assistance from the League of Cities of the Philippines, and with support from The Asia Foundation. Other initiatives to complement the procedural reforms include the Public Service Excellence, Ethics, and Accountability Program (please see page 8) and the City Coalition for TAG (please see page 14).

Tale of Two Cities: Iligan and Marawi

Upon the request of Mayor Omar Ali of Marawi City, Mayor Franklin Quijano of Iligan City sent a team which included its city assessor to Marawi City to share the Iligan City's experience and knowledge in real property tax administration. The Iligan City Government had earlier initiated improvements in real property tax administration under an Asian Development Bank-supported program on benchmarking the performance of operation units in the city government. A 12-person team, headed by Assistant City Assessor Ma. Elena Gimena, conducted a three-day seminar/workshop on real property tax administration on January 22-24, 2003 for Mayor Ali's technical staff and department heads. The fifty-two participants who attended the lecture-demos experienced field practicum in real property appraisal and assessment tools and techniques implemented in selected sites in Iligan City. This Mindanao version of the "Tale of Two Cities" is the opposite of the Dickens version (London and Paris). Instead of waging war, the two mayors and their city governments worked together towards improving local government administration.

Mayors Ali's and Quijano's friendship dates back to Mayor Ali's assumption of office in June 2002, when both worked together in combating kidnappings and other crimes. Their friendship and collaboration deepened in September 2002 when both participated in a study tour to RAND Graduate School to study anti-corruption strategies with Robert Klitgaard (author of "Corrupt Cities: A Guide to Prevention and Cure). The study tour was part of the Transparent Accountable Governance Project being implemented in Mindanao cities by The Asia Foundation with funding from USAID.

Local Governance Scorecards

The local governance scorecard is a product of a series of working meetings among select government agencies, the League of Cities of the Philippines (LCP), the Governance Advisory Council (GAC), and The Asia Foundation to develop a governance scorecard for the national and local levels based on the eight principles agreed upon during the National and Local Governance Scorecard Session in May 2002. These principles are as follows: citizen centeredness, transparency, accountability, participatory governance, empowerment, predictability, professional bureaucracy, and credibility. From these principles, GAC, in consultation with LCP and the Foundation, came up with a set of questions that were used during the pilot implementation of the local governance scorecards in November 2002. This

scorecard was administered in the three sectors of the seven¹ cities: city government officials and employees, civil society, and the business sector, and presented at a November 2002 meeting hosted by the Governance Advisory Council.

Based on this initial experience, questions were revised during the three-day training on local governance scorecards conducted on September 22-24, 2003 in Cebu City for selected members of an independent survey team drawn from the Holy Name University in Tagbilaran City and three representatives from the different cities to include the city government, civil society, and the private sector. It was felt then by city administrations that having a common, objective, survey team would increase the acceptability of the results. In addition to the original seven, five new cities also participated in the training and the 2003 round of scorecard surveys: Puerto Princesa, Balanga, Muntinlupa, Science City of Munoz, and Valencia. The training allowed the participants to review the questions on the scorecard and incorporate the comments and suggestions provided by the sectors. From October 15, 2003 to December 15, 2003, the Foundation worked with the Holy Name University of Tagbilaran City to implement the revised scorecards in the seven cities. Results of the scorecards will be presented in a conference to be convened by the League of Cities of the Philippines on January 29, 2004 in Manila and which will be attended by the twelve city mayors.

Public Service Excellence, Ethics and Accountability Program

To complement the ongoing efforts on procedural reforms, a Public Service Excellence, Ethics, and Accountability Program (PSEEP) was implemented between February 2003 and December 2003. This involved the critical departments within the city governments that support the procedural reforms being implemented by the League of Cities of the Philippines. PSEEP is an intervention that promotes transparency in service, strengthens accountability of local bureaucrats, and encourages a customer-oriented culture in the delivery of basic services.

Under this program, critical departments within the seven cities underwent a series of workshops on basic customer service skills; improvement of services; values formation and ethics; standard behavior in decision making and public service; accountability in public service; corruption tendencies and perception; and the role of culture and values. These workshops were followed by action planning sessions where department representatives crafted action plans focusing on specific systems to address occurrences of corrupt practices and inefficiencies. The workshops also served as a campaign to improve the organizational culture, thereby encouraging the shift from a culture of graft and corruption to that of public service ethics and accountability that promotes good governance.

From August 2003 to December 2003, workshops focusing on public service ethics and accountability were carried out in the critical departments within the seven city

¹ Cities of Cotabato, Dapitan, General Santos, Iligan, Marawi, Samal, and Surigao

Enhanced Transparency in Iligan City Accountant's Office

To ensure fast, efficient, and effective processing of disbursement transactions, the City of Iligan in Mindanao is now enforcing new policies that are more responsive to citizen's clamor for a more transparent and accountable city governance. In October 2003 to November 2003, a new set of procedures was developed to promote service improvements in processing disbursements, including standardization of response time for each component of the service cycle, building teamwork among employees, and instituting a more customer - friendly workplace. With these improvements, there is evidence that customers are receiving better services from their city government and transactions are becoming more transparent. For instance, it now takes only one day to process disbursements compared to three days before the reforms. These reforms are being undertaken through the Public Service Excellence Program with technical assistance from the Southern Philippines Research and Extension Foundation of the Mindanao State University under the USAID-assisted Transparent and Accountable Governance Project being implemented by The Asia Foundation.

governments in Mindanao (Cotabato, Dapitan, General Santos, Iligan, Marawi, Samal, and Surigao). City government employees who participated in the program are pleased with the workshop results; procedural changes which were recommended are currently being implemented. Employees have become more confident in achieving their targeted goals after weaknesses were identified and important service values were learned.

e-Governance Initiatives

e-Governance presents an innovative approach to addressing the traditional problems of governance. In the Philippines, there is growing recognition that e-Governance can lead to an improved business environment, greater citizen access to government services and information, and reduced levels of corruption. Many reform-minded government officials, NGOs, and business leaders consider information and communication technology (ICT) an attractive addition to traditional reform projects, and are beginning to incorporate e-Governance into their strategy for reform. However, while there have been some early success stories, several common constraints are curtailing the broad adoption of ICT-based reforms in local government. The Asia Foundation seeks to improve the environment for locally fostered and managed e-Governance programs in order to accelerate the adoption of e-Governance at the local level across the Philippines. As a first step, the Foundation engaged CALDEM, a Cebu City-based consulting firm, to conduct an in-depth survey of local officials, e-Governance experts, and national government officials to identify policy and procedural constraints to reform efforts and e-Governance initiatives, and to hold a public workshop to present results and plan of action.

The project started in August 2003 with the conduct of interviews with representatives of national government agencies that share e-Governance concerns with local governments. These

agencies included the National Computer Center, Department of Interior and Local Government, Bureau of Local Government Finance, and the Department of Finance. Also interviewed were representatives of the League of Provinces, League of Cities, and K2IA, the Makati-based private company engaged to undertake the e-Governance project of the National Computer Center. From a long list of local government units to consider for project involvement, CALDEM, in consultation with Foundation staff, narrowed the list to 17 local governments based on the following considerations: representation by geographic location (Luzon, Visayas, and Mindanao), financial category, and varied levels of investment and duration of involvement with ICT projects. CALDEM also included local governments which experienced failed e-Governance projects.

To gather more in-depth information on the challenges faced by local governments, CALDEM conducted field visits of the local governments from September to November 2003. During these interviews and discussions, respondents identified constraints that have adversely affected their respective e-Governance efforts, as well as practical strategies that can address these constraints. CALDEM conducted additional interviews with representatives of national government agencies that were cited as relevant to local e-Governance concerns. These agencies include the following: Procurement Service, Commission on Audit, National Mapping and Resource Information Agency, and the Department of Budget and Management. Discussions with representatives from these offices enabled CALDEM to clarify some of the problems encountered by the local governments, and to also identify possible solutions to these problems. Results of the study will be presented in a workshop in February 2004. The presentation cum workshop will also enable IT practitioners to develop practical strategies that can be pursued to help local governments move forward with their e-Governance programs.

Media Involvement

To foster transparency and accountability in government, the Foundation is working with media groups to encourage greater coverage of issues of good governance. The Mindanao News and Information Cooperative Center (*MindaNews*) will publish a series of articles beginning January 2004 to generate exchanges of ideas that provide sources for policy agenda and reform, theory and model-building in local governance. These articles will focus on best governance practices, emerging leaders, governance mechanisms and innovations in selected areas in Mindanao. Half of the areas to be documented are past and current TAG project sites. The articles generated will be dispatched by *MindaNews* to its subscribers and posted on its online publication www.mindanews.com, where a special section will be devoted for easier monitoring. The published articles will be consolidated and produced into a book and a video to help disseminate best practices in time for the inauguration of a new set of public officials. A launching event will be held to announce the publication of the book and video.

Public-Private Partnership and Constituency Building

To complement the work on increasing transparency and accountability in government transactions, The Asia Foundation is deepening the engagement of the private sector and civil society organizations in advocacy efforts at the national level and in promoting transparency and accountability at the local level. This is a recurring theme of the entire TAG project. In this section of the report, we highlighted some project activities explicitly aimed at building partnerships and constituencies.

Among the challenges encountered by the Foundation in coordinating efforts among various sectors, both at the national and local levels, is the difference in the strategic approaches utilized in the various counter-corruption initiatives. Through the TAG Project, The Asia Foundation attempts to overcome this problem by identifying reformers in government who are interested in collaborating with the Transparency and Accountability Network and the private sector. Those identified include the Presidential Commission on Effective Governance, Presidential Anti-Graft Commission, and the Office of the Ombudsman. City-level initiatives, through the City Transparency and Accountability Network and the City Coalition for Transparent Accountable Governance, are being coordinated with ongoing work being undertaken by the League of Cities of the Philippines.

Enterprise Survey

The Enterprise Survey on Public Sector Corruption, now on its fourth round, is an annual survey conducted by the Social Weather Stations, in partnership with The Asia Foundation and the Makati Business Club. The survey involves a total of 700 businesses, two thirds of which are small and medium enterprises and a third of which are large corporations. This year's survey began in October 2003 and will be completed by January 2004. For this fourth round, coverage was expanded beyond the National Capital Region to include respondents from the business communities in Cebu and Davao. To compare the perceptions of business and public respondents, questions will be included in cross-section surveys of statistically representative voting-age Filipino adult-respondents. Results of this survey will be presented in a forum in June 2004; CDs of report findings will also be distributed during the forum. The survey results will be useful to map the most costly areas of corruption from a business perspective. In addition to defining the agenda for further research, the forum will also continue the process of mobilizing private sector constituencies for reform.

National Initiative on Philippine Leadership

The National Initiative on Philippine Leadership activity is led by Pagbabago@Pilipinas Foundation in partnership with The Asia Foundation. The Asia Foundation supported the conduct of the Launching Congress held in May 2003, materials reproduction and a trainers' training session for 50 participants (completed by July 2003). The Initiative consisted of workshops/fora conducted throughout the Philippines to determine what moves and motivates Filipinos in selecting their leaders. The Initiative started with nine official partners who signed a Memorandum of Understanding as a form of commitment. Membership to the Initiative

gradually increased as new partnerships were created after the workshops. Currently, the Initiative has 200 members trained and committed to undertake the initiative in their respective sectors and areas of operation. To date, partnership arrangements have been forged and/or are being finalized with Cagayan Capitol University, Don Bosco Naga, various organizations in Bacolod and San Carlos Cities, Bangko Kabayan, Youth for Sustainable Development, Personnel Management Association of the Philippines, PhilAm Foundation, Ayala Group of Companies, SGV, and the Ateneo School of Government. Approximately 30 workshops have been conducted throughout the country, including Metro Manila (mainly Tondo), Nueva Ecija, Cebu City, Cagayan de Oro City, and Naga. These groups covered more than 1,500 participants from various sectors such as out-of-school youth, students, religious, academicians, parents, and those from the basic sectors. Interest, support, and participation from a large number of organizations representing various stakeholder groups have increased, mainly because of the proven effectiveness of the workshop in generating valuable discussion.

Civil Society Constituency Building

To build constituency for transparent accountable governance at the national level, The Asia Foundation has provided support to the Transparency and Accountability Network (TAN) in its partnerships with the Presidential Committee on Effective Governance (PCEG) and the Presidential Anti-Graft Commission (PAGC) in conducting a series of focus group discussions, which began in January 2003, for ten government agencies to craft specific anti-corruption plans. From the initial 39 government agencies, ten agencies volunteered to continue with the crafting of anti-corruption plans. These agencies include Bureau of Customs, Bureau of Internal Revenue, Department of Health, Department of Education, Department of Agrarian Reform, Department of Public Works and Highways, National Labor Relations Commission, Department of Justice, Department of Interior and Local Government, and Department of Environment and Natural Resources. Focus group discussions were held in these agencies to incorporate other stakeholders' input into the anti-corruption plans initially drafted by agencies. Subsequent meetings were held to refine the action plans which will be presented eventually to the leadership of the government agencies for their adoption and implementation.

Parallel to the activities initiated at the national level under the TAG Project, the Mindanao Coalition of Development NGO Networks (MINCODE) provides civil society groups at the local level opportunities to engage with their respective local governments and the business groups in promoting transparent, accountable and effective governance in the seven cities in Mindanao.

Beginning July 2003, a series of meetings towards building civil society constituencies for transparent and accountable government were conducted among the different sectors in the seven cities. These meetings resulted in the birth of local City Transparency and Accountability Network (CTAN) whose membership comes mostly from civil society and the academe. In addition, MINCODE also hosted a local governance forum in each of the seven cities to encourage information exchange and collaboration between the government and civil society

groups in promoting TAG-related programs and activities. A People's Organization/Non Government Organizations-City Government anti-corruption agenda was also crafted and presented by the City TANs to their respective city governments.

These initiatives are well supported by the city governments as indicated by the issuances of executive orders, policies, and even funding assistance from the city governments themselves. In the Island Garden City of Samal, for example, the city government is working for the creation of mechanisms aimed at sustaining the CTAN and has pledged funds to support succeeding meetings and activities. The city coalition has expressed interest in organizing activities, such as regular conferences and continuous values formation training and seminars, in collaboration with civil society groups. In Iligan City, the action reform agenda developed by CTAN was integrated in the proposal to regularly conduct the governance scorecard to measure the effectiveness of the local government leadership. The Cotabato City Transparency and Accountability Network (CCTAN) is currently streamlining its agenda through public information and feedback systems, with activities that include the publication of projects completed by the local government and through participation in the procurement process. The "I-Text mo sa CCTAN" Project, which was launched via their regular one-hour radio program in dxMS of the Radio Mindanao Network, has been very effective, with more than 1,000 text messages received since its onset. Queries via SMS range from CCTAN activities and graft and corruption issues. In other cities, CTANs have stepped up advocacy efforts and have succeeded in pushing for the inclusion of civil society representatives in local special bodies and generate support for the transparent accountable governance agenda of the sectoral groups.

Aside from these specific city-level activities, CTANs themselves are active members of the City Coalition for Transparent and Accountable Governance (CCTAG) led by the Mindanao Business Council and have also actively participated in the training and implementation of the local governance scorecard in the seven cities.

City Coalitions for Transparent Accountable Governance (the Private Sector)

The Mindanao Business Council is working to strengthen commitments of city coalition members to mobilize private sector and civil society participation in the promotion of transparency and accountability in government. Strategies in implementing action plans have already been launched in the cities of Surigao, General Santos, Iligan, and Cotabato. The cities of Marawi, Island Garden City of Samal, and Dapitan, while a little behind in the implementation of activities, are fast catching up in organizing their respective committees within the coalition. The working committees under each CCTAG are now actively pursuing reforms in the following areas: business permit renewal process, procurement system, feedback monitoring mechanism, revisions in city Investment Codes, and modified composition of the City Development Councils.

Since July 2003, different cities have been enacting specific reforms that ensure transparency and accountability in governance. These include:

- City procedural handbook for the city of General Santos;

- Issuance of an Executive Order by the Mayor of Surigao to lessen the response time for payment of suppliers from 1.5 months to 15 days maximum and the use of procurement routing slips to monitor tracking of processed documents;

- Establishment of One-Stop-Shop by the City Government of Cotabato to shorten the time consumed in processing business permits and licenses;

- Establishment of the City Chamber of Commerce and strengthening of the coalitions for the cities of Dapitan, Samal, and Marawi; and

- Installation of a hotline number for immediate concerns regarding transparency in Iligan City.

The Mindanao Coalition for Transparent Accountable Governance, composed of the seven city coalitions, will hold a general assembly on February 17, 2004 in Davao City. The assembly will serve as venue for the presentation of accomplishments by the city coalitions, for the sharing of experiences, and for the unification of the members of the city coalitions.

Enhancing Capacity of Partners

The third Project theme focuses on enhancing capacities of partners both in the government and private sectors. By and large centered on project activities in Mindanao, this theme focuses on accelerating the development of improved practices in local governance; increasing the interaction between civil society, local governments, and the private sector; and ensuring the sustainability of governance efforts towards peace and development. Through developing local expertise and partnering with local resource institutions, the Foundation and its partners ensures sustainability of such good governance practices. Currently, the Foundation currently provides 81 technical assistance packages to 57 municipalities in ARMM, and 2 municipalities in Lanao del Norte.

Resource Mobilization and Management

One of the basic challenges to good governance is the ability of local government units to mobilize and manage local resources to effectively deliver quality and sufficient services. In order to augment resources above the national government transfer (Internal Revenue Allotment), local governments are exploring other possible sources of revenues and tapping innovative approaches to identify additional income to finance basic services. The following are examples of creative resource mobilization strategies by local governments involved in the TAG project.

▪ Community Enterprise Development

In order to help address the perennial problem of limited resources, The Asia Foundation assists local governments in developing public economic enterprises that are practical, viable, and manageable. Local government efforts to mobilize local resources and attract investors are usually hampered by the absence of an updated Socio-Economic and Ecological Profile (SEEP) and a Comprehensive Municipal Development Plan (CMDP). Or, if these documents are in existence, these are usually prepared by external consultants or resource institutions and have had no buy-in from local communities. Municipal governments fail to produce or update these basic tools on local development management and investment promotion because of the limited technical skills and access to information by their staff.

From September 2002 to December 2003, the Foundation worked with several local partners to provide technical assistance on resource mobilization to 26 municipal governments. Organizational partners during this reporting period include the Federation of Lanao Sur Cooperatives, the Muslim Christian Agency for Rural Development-Panginam O Masa, Muslim Christian Agency for Rural Development-Rural Integrated Assistance Program, Metro Kutawatu Development Alliance, and the Mindanao State

University Center for Local Governance, and the Southern Philippines Research and Extension Foundation.

Activities completed between July to December 2003 include: municipal investment framework planning workshops using the sustainable integrated area development approach; investment promotion workshops and project development workshops to identify priority projects from which a full-blown project feasibility study will be developed. The identified priority projects are as follows:

LANAO DEL SUR	
MUNICIPALITY	PRIORITY PROJECT
Calanogas	Potable Water System
Marogong	Potable Water System
Masiu	Lake Tilok Integrated Fisheries Development Project
Sultan Gumander	Rural Health Center Project
Malabang	Seaport and Modern Fishing Technology
Balabagan	Cattle Production (Breeding and Fattening)
Kapai	Potable Water System
Tagaloan II	Farm Tractor Services
Balindong	Water System
Madalum	Municipal Hospital
Ganassi	Water System and Fish Landing/Wet Market (expansion of existing municipal port and public market)
Wao	Eco-Tourism Resort
Marantao	Corn Production
Piagapo	Potable Water System
Bumbaran	Construction of Farm-to-Market Roads
Bacolod-Kalawi	Municipal Hospital

MAGUINDANAO	
MUNICIPALITY	PRIORITY PROJECT
Buluan	Construction of Dam
Upi	Coffee Nursery
Cotabato City	King Crab Hatchery and Fattening
Datu Odin Sinsuat	Grains (Rice and Corn)
Parang	Seaweeds
Talitay	Livestock
Talayan	Livestock
Kabuntalan	Inland Fisheries
Datu Piang	Agroforestry

By the end of December 2003, the write-up for the project feasibility studies for Lanao Sur municipalities was about 50% completed. The remaining activities to be undertaken beginning January 2004 include the finalization of the socio-economic and ecological profile and the completion of their Comprehensive Municipal Development Plans. Once completed, the plans will be presented to the municipal officials, the local chief executive, and the Sanggunian Bayan for adoption and approval. This is expected to happen by February 2004, before the local election campaign begins in March.

Beyond the tangible enterprises developed in the cities, the project has created a new social-psychological climate among the local officials and the communities. There is an observed appreciation of the value of participatory local development planning, and a greater willingness on the part of local government units and the local business community to collaborate on local enterprise development. The participatory planning exercises, which were fully supported by the municipal governments, awakened the community's sense of ownership of the local development planning process, which is a strong foundation of good governance.

In Maguindanao municipalities, resource mobilization through community enterprise development is also currently being implemented by members of the Metro Kutawato Development Alliance (MKDA). The project, dubbed "Action of the Community Towards Innovative and Viable Enterprises" or ACTIVE, is expected to further strengthen the MKDA Project Management Office's capacity as a Local Business Resource Center. The increased capacity will enable the Office to provide technical expertise in developing agriculture-based enterprises, which are to be identified by the MKDA municipalities, and in implementing a modified public service excellence program for its members.

From June 2003 to December 2003, exploratory meetings were held among prospective participants from local government, the academe and civil society. Further meetings strengthened the linkage of the MKDA Project Management Office with academic institutions and other civil society representatives, which eventually formed the technical teams. Strategic action planning workshops and project identification workshops were also undertaken from July to December to draft a viable action plan that would contribute to the development of a community enterprise. MKDA has seen that a multi-sectoral approach to project implementation is an important factor to ensure the success of any community enterprise. Since 2003, it has collaborated with and has obtained over 21 million pesos from the Department of Agriculture to support its operations and projects.

Coffee Industry in Upi

The Project Management Office of the Metro Kutawatu Development Alliance (MKDA), through its Integrated Livelihood Program, a component of the People Resources Organization-Action of the Community Towards Innovative and Viable Enterprises (PRO-ACTIVE) project, launched the Coffee Industry Development in Upi, Maguindanao last November 19, 2003. The launch coincided with the on-site visit by the representatives of the Department of Agriculture and National Coffee Development Board to the coffee nursery at the Upi Agricultural School. The project has three components: seedling production (nursery), plantation development and operations (production), and post harvest and marketing. Under an equitable sharing of profits system, the project hopes to provide the municipality of Upi with a sustainable agri-based industry that would generate economic benefits to the greater number of farmers in the area as well as to other community members.

The Upi-Agro Resource Development Corporation (Upi-ARDC), a community-based corporation, will be established to serve as the main production unit of the industry; it will take the lead role in developing the industry. It will be composed of the following stakeholders: Upi Local Government Unit, Upi Agricultural School and other educational institutions in the municipality, civil society groups and non-government organizations, farmers and other industry stakeholders, and members of the Upi business community.

Through a resolution, the Sangguniang Bayan has authorized Upi Mayor Ramon Piang to enter into memorandum of agreement with MKDA-PMO and Upi Agricultural School to establish coffee nurseries and demonstration farms. The community enterprise development team (CEDT) of MKDA for Upi, composed of local government staff, faculty of Upi Agricultural School, and selected farmers, was also tasked to serve as the technical working group (TWG) to provide technical manpower support for the establishment of Upi-ARDC. The Project PRO-ACTIVE is part of the technical assistance being conducted in eight local government units in the province of Maguindanao by the Project Management Office of Metro Kutawatu Development Alliance under the auspices of the USAID-funded and The Asia Foundation-implemented Transparent Accountable Governance Project.

▪ Real Property Tax Administration

With Asia Foundation support, the Bangsamoro Women Foundation for Peace and Development in the municipality of Datu Montawal in Maguindanao, is assisting in mobilizing barangay officials, teachers, and school officials in support of increased collection of real property taxes. Specific activities under this technical assistance include awareness building workshops for barangay officials, teachers, and school officials and training on social marketing with focus on real property tax for municipal officials involved in tax collections, such as the Municipal Treasurers Office, the Municipal Assessors Office, and the Office of the Mayor.

Forty-one barangay officials (barangay chairmen, treasurers, secretaries and councilors) attended the two-day workshop for barangay officials and 34 attended the one-day workshop for school teachers and officials held on December 1-3, 2003. Workshop sessions included the introduction to real property tax administration (RPTA) and special education fund (SEF), calculation and analysis of tax collectibles, computation of SEF collection and efficiency, identification of problems and issues, identification and prioritization of barangay strategies, action planning, prioritization of barangay action plans, and commitment building. Mr. Norberto Malvar, Director of Special Projects of Bureau of Local Government Finance, served as resource person. Based on the participants' calculation and the data available from the municipal treasurer's office, the collection efficiency of barangays ranges from 2.4% to 22.18%, which is below the national average.

Factors identified as causing the low volume of real property tax collection include the following: very low economic condition, lack of information and education campaign, occurrence of natural calamities, and unstable peace and order. At the end of the workshops, participants came up with strategic practical action plans to increase collection efficiency by 50%. Among the strategies identified are: integration of real property taxation to social studies subjects; education on the importance of the Special Education Fund during Parent Teachers and Community Association assemblies; conduct of information and education campaigns on real property tax; encouraging barangay constituents to generate income from means other than farming; and activation of groups of citizens. Each of the participants signed a personal commitment to help improve tax collection efficiency. As a follow-through, a social marketing workshop will be conducted in the second week of January 2004. This will enable the municipality to design effective strategies to disseminate information on the value of paying taxes.

Development Planning

With limited financial resources, local governments must exercise prudence in making sure that available resources are well managed and that development programs and projects respond to the citizens' needs. To achieve this, The Asia Foundation, through its local resource partners, provides technical assistance to local governments on planning and budgeting using methodologies that value community participation. As of July 2003, the Foundation and its partners have provided technical assistance on development planning to 41 municipalities. The Foundation's assistance on development planning uses a variety of approaches:

- Comprehensive Municipal Development Plan and Investment Promotions Framework Plan using the Sustainable Integrated Area Development Approach (CMDP-IPF through SIAD);
- Three-day Barangay Participatory Planning and Budgeting Approach, a model developed under the USAID-funded Governance and Local Democracy (GOLD) project;

- Peace-Focused Barangay Planning and Budgeting Workshops (a combination of a three-day barangay planning training developed by the GOLD project and the Socio Economic Conflict Assessment module); and
- Barangay Development Planning through Participatory Rapid Appraisal (BDP-PRA), which is being popularized by the Ford-funded Barangay-Bayan Consortium.

Partners for the delivery of technical assistance to municipal and barangay governments include: the Bangsamoro Women Foundation for Peace and Development; the Maguindanao Foundation for Good Governance and Development; the Institute for Strategic Initiatives, Pakigdait, the Kahapan Foundation; and the Alternative Center for Organizational Reforms.

▪ **Comprehensive Municipal Development Plan and Investment Framework Plan through Sustainable Integrated Area Development Approach (SIAD)**

Nine municipalities are currently being assisted by the Foundation under this planning approach. These are the municipalities of Sultan sa Barongis, Pagalungan and Paglat in Maguindanao Province and Bongao, Sitangkay, Panglima Sugala, Sapa Sapa, Mapun and South Ubian. The CMDP and IP Framework Plan assistance is designed primarily as participatory events involving not only the local government units but also various non-government stakeholders. The series of workshops conducted under this technical assistance approach aims to formulate a programmatic SIAD plan addressing the natural resource endowments of the local government units, and to identify and prioritize strategic development opportunities in the planning area. Sessions on sustainable development, practical visioning, current reality, strategic direction setting, program area prioritization, resource assessment, and project identification and prioritization were also included in the workshop. In a number of these municipalities, the assistance came not only in the form of skills training but also funding assistance to complete the project. An example would be the municipality of Mapun, which conducted the workshop in Zamboanga and subsidized the travel expenses of participants.

As of December 2003, municipalities undertaking this technical assistance have already completed the data gathering for their respective development plans. In the next months, efforts will be focused on packaging the data of the different components of the Comprehensive Municipal Development Plan (social, economic, physical and land use, environmental management, and institutional). This will be a collaborative undertaking among the local stakeholders in each local government unit, while additional technical assistance will be solicited from their respective provincial governments and relevant national government agencies. Once packaging of these data is completed, these will be consolidated into one Comprehensive Municipal Development Plan which will then be presented to the respective Sangguniang Bayan and the Local Chief Executives for adoption. These CMDPs are expected to guide incoming local officials in setting up their priorities during their three-year term, which begins July 1, 2004.

▪ **Three –Day Barangay Participatory Planning and Budgeting**

Currently, 17 municipalities, involving 10 pilot barangays per municipality, are undertaking technical assistance under this approach. These are the municipalities of Datu Piang, Mamasapano, Talitay, Datu Odin Sinsuat, Pagalungan, Parang, Sultan sa Barongis and Pagalungan in the Province of Maguindanao; Lantauan and Maluso in Basilan; and Pualas, Madalum, Ditsaan Ramai, Maguing, Buadiposo Buntong, Saguiran and Lumbatan in Lanao Del Sur. Local partners for this technical assistance activity are the Bangsamoro Women Foundation for Peace and Development, the Maguindanao Foundation for Good Governance and Development, Mindanao State University Center for Local Governance, and the Department of Interior and Local Government-ARMM.

The assistance for barangay administration planning and budgeting consists of a one-day orientation course on the mandates of barangay governments and roles and functions of barangay officials, and a two-day session on planning, prioritizing, and budgeting strategic barangay projects. The one-day orientation course is conducted in partnership with local offices of the Department of Interior and Local Government. The planning and budgeting sessions are conducted by trained local facilitators. Workshop participants include members of the barangay council, composed of barangay councilors and representatives from different sectors: religious, farmers, women, youth and academe. After the three-day workshop, barangays are expected to come up with a concrete document that lays down the priority project identified by the community, and a draft barangay resolution allocating funds to support the strategic priorities.

From the current set of 17 municipalities covering a total of 170 barangays, 132 barangays have completed the conduct of their planning and budgeting workshops. Once all of the targeted barangays have completed the planning and budgeting workshops, a municipal plan and budget consolidation workshop will follow to be conducted. This workshop aims to generate broad consensus on the practical vision for the municipality, formulate a relevant and responsive municipal development plan and investment program, and formulate a municipal budget closely linked to the development plan. All of these workshops will utilize participatory approaches that bring about transparency and accountability in governance. These municipal consolidation workshops are expected to take place in January 2004.

Considering that 85% of the barangays covered are normally affected by the infightings between the military and armed groups, the conduct of a participatory barangay planning and budgeting workshop on-site is an achievement in itself. For instance, the conduct of the barangay development planning workshops in the Municipality of Lantawan in Basilan, a former war-torn municipality infested by armed groups and thus inaccessible to many, including NGOs, is a major highlight under the project.

▪ **Peace-Focused Barangay Development Planning**

This barangay-level activity aims to integrate local development planning with community peace-building modules that could be used by conflict-affected barangays. A concrete project output is a manual on conducting a peace-focused barangay planning and budgeting which was piloted in four barangays in Kausawagan, and in one barangay in Bacolod municipality in the province of Lanao del Norte. The manual utilizes three methodologies: a module on Socio-Economic and Conflict Analysis (SECA); a modified module on barangay-level participatory rapid appraisal (BDP-PRA), and the GOLD-developed approach on barangay participatory planning and budgeting. Since it began its peace building work with the communities, Pakigdait, the Foundation's partner organization for this activity, has been using the SECA approach. Under this activity, Pakigdait was able to reduce the local development planning activity to a seven-day process that can be completed within a month's time: a three-day workshop for SECA, a one-day rapid field appraisal for community profiling, and a three-day barangay planning and budgeting workshop.

Pakigdait mobilized and organized the Project Team in mid-September 2003 and completed the visits and briefings to the intended five pilot barangays and three municipal governments covered by the Project in mid-November. The team also completed the barangay profiling research and draft write-up of the barangay socio-economic profiles during the same period. A draft manual was subsequently produced in December 2003 after a three-day writeshop and series of consultations with barangay officials and non-government organization representatives. The first draft of the manual was consequently tested for the barangays of Kauswagan and Bacolod by middle of December 2003. By the end of December 2003, the second draft of the manual was written incorporating the experience of the two pilot barangays. In January 2004, Pakigdait will utilize the revised draft of the manual during the workshops for the remaining three barangays in these two municipalities. In February, it is expected that the final version of the manual will be ready for replication and adoption by other conflict-affected barangays in Mindanao.

War-Torn Lanao Norte Barangay Adopts First Ever Peace-Focused Development Plan and Annual Budget

For the first time in their conflict-ridden history, the hinterland farming village of Inudaran, Kauswagan in Lanao del Norte, where majority are Muslims (60% Maranao), adopted their barangay development plan and 2004 annual budget during a 3-day workshop conducted by Pakigdait, Inc. in December 4- 6, 2003. The adoption of the plan was quite a feat, considering that its drafting involved the participation of the village folks. Despite the abundant agricultural resources of Inudaran, its people suffer from extreme poverty due to the constant fighting between government forces and guerillas, and the land disputes between Maranao and Christian claimants that have been taking place for the past three decades.

Punong Barangay (Barangay Captain) Gubar Pumbaya mobilized community participation with the support of the Inudaran Farmers Association (IFA) officers headed by its president, Casana Pernia. This is a milestone because the villagers and barangay officials of Inudaran surmounted for the very first time the challenge of crafting their development plan and budget by themselves, whereas most barangay government units just rely on municipal officials for accomplishing this responsibility.

Viable plans, such as the establishment of a Peace Center, were immediately implemented. Construction materials for the Peace Center worth P12,000 was provided by Pakigdait, while the barangay council and IFA provided the labor component valued at P5,000. The municipal government and Task Force Diamond of the 4th Infantry Division, Philippine Army extended transport services worth P1,500 in the delivery of construction materials. The newly-constructed Peace Center also builds confidence among barangay officials and its constituency, reconstructing mutual trust among Christians and Muslims, and consolidating the partnership among project implementers and the Inudaran people.

Peace-focused development planning is a means to incorporate conflict resolution methods and thinking in the formulation, prioritization and implementation of projects. The planning process uses the socio-economic conflict assessment (SECA), a comprehensive analytical tool used to comprehend and understand the dynamics of conflict through the lenses of underlying historical, cultural, social-relations, economic, political, conflict, gender, and peace conditions and relationship of the people within a conflict-ridden community. Pakigdait Project Officer Musa Sanguila said the project's success is also a major milestone for Pakigdait because, with funding support from the United States Agency for International Development (USAID) through a grant from The Asia Foundation under its Transparent Accountable Governance (TAG) project, his NGO was able to write up the manual for the peace-focused barangay development planning and budgeting workshop. Inudaran served as the pilot barangay for application of the workshop manual, which will be replicated in four more barangays in the municipalities of Kauswagan and

In addition, this activity also complemented the on-going peace and development programs of Pakigdait funded by other donors (Catholic Relief Services, Catholic Agency for Overseas Development, Voluntary Services Overseas –Technical and Organizational Skills for Civil Society Action for the Displaced and at Risk). Pakigdait project officers held joint trainings and community orientation workshops on its SECA framework and methodology. With counterpart funds from other donor agencies and community groups, Pakigdait also assisted Brgy. Inudaran in constructing its Peace Center building that would also serve as a barangay session hall and venue for livelihood trainings. The project also enabled Pakigdait to expand and strengthen institutional linkages with other resource institutions such as that of the Land Bank of the Philippines, with the Bishop-Ulama Forum and *MindaNews*, a local media organization.

▪ **Barangay Development Planning through Participatory Rapid Appraisal**

The technical assistance focuses on promoting barangay development planning through participatory rapid appraisal from the barangay up to the municipal level. To pursue meaningful and sustainable integrated area development and thus accelerate the delivery of basic services from the municipality to the barangays, and ensure that services provided are relevant to the needs of the communities, the Foundation formed partnerships with the following organizations in the provision of technical assistance activities: Institute for Strategic Initiatives (ISI) for the three former Camp Abubakar municipalities in Maguindanao covering a total of 34 barangays; Alternative Center for Organizational Reforms and Development (ACORD) for two municipalities in Tawi-Tawi covering a total of 50 barangays and Kahapan Foundation for five municipalities in Basilan covering a total of 50 barangays.

Technical assistance activities include organizing sectors and planning at the barangay and municipal levels, barangay development planning through participatory rapid appraisal to generate data for use in the barangays and municipalities' five year development plans, annual investment plans, and annual operational plans.

In Tawi-Tawi, ACORD signed the Memorandum of Agreement with the five municipalities covered by the technical assistance after its launch in June 2003. As of December 2003, it has completed the conduct of rapid appraisals and barangay development planning in 31 barangays. Results of these barangay development workshops have been finalized and are ready to be returned to the respective barangays for adoption. The remaining 19 barangays are expected to complete their barangay development workshops by January 2004. By March 2004, it is expected that the finalized BDPs will be ready for consolidation at the municipal level. Part of ACORD's efforts is to assist these barangays in identifying other potential fund sources to implement some of the projects identified in their Annual Investment Plans.

In Maguindanao, thirteen barangays are currently drafting and packaging their development plans with assistance from ISI. Three municipal development councils and 34 barangay development councils have been formed and strengthened. In December 2003, a writeshop, packaging and documentation workshop was conducted, attended by 40 barangay facilitators. Seventy participants, composed of barangay facilitators and officials, also attended the Trainers Training on Participatory Monitoring and Evaluation. ISI also provided secretariat support to document the whole process of interventions from barangay to the municipal levels; activities included networking and lobbying to secure support from national and local line agencies. Iranun Development Council (IDC) is composed of the three municipalities of Barira, Buldon, and Matanog, areas that are covered by ISI. The Department of Agriculture has allocated over 23 million pesos for projects identified by the IDC.

In Basilan, Kahapan Foundation began consultations with the five targeted local government units in September 2003. Municipal project launching and orientation sessions were held for the following municipalities: Lamitan, Tuburan, Tipu-Tipu, Sumisip, and Isabela City. A training of trainers was held on October 14-16, 2003 to strengthen the facilitation skills of the representatives of the municipal government in preparation for the crafting of their barangay development plans using the participatory resource appraisal tool. A one-day barangay-level project orientation followed on October 20, 2003 involving the participation of members of the barangay council and community leaders. By December 2003, Kahapan Foundation has completed the conduct of the Barangay Planning and Budgeting Workshops in 31 barangays. Among the priorities identified were: basic needs of the communities, including the establishment of potable water supply systems; construction of health centers; and enterprise and livelihood development. The remaining workshops in 19 barangays will be completed within the second quarter of the project.

Comprehensive Human Resource Development Planning

This technical assistance is being implemented in the municipality of Datu Paglas in Maguindanao Province in partnership with the Bangsamoro Women Foundation for Peace and Development. The technical assistance will assist the municipality of Datu Paglas in formulating an organizational structure that ensures the best use of existing human resources for both current and future projects. A series of trainings and seminars on human resource development systems assessment and audit, matching human resource needs with civil service commission standards, and human resource development planning and drafting were conducted between October to December 2003 for the core team composed of department heads and technical staff to prepare them for the crafting of the comprehensive human resource development plan of the municipality.

Assessing Gender Integration in Local Governance

The role of women in Muslim society is one of the fundamental aspects of Islamic law and custom. Interpretations of Qur'anic precepts on women, as well as traditional Muslim customs provide a different set of parameters for Muslim women's status, rights and behavior in the home and in society, parameters that often conflict with national mandates and non-Muslim value systems.

For this reason, gender and development (GAD) mainstreaming finds a problematic milieu and operationalization in the Autonomous Region of Muslim Mindanao. While promoting GAD mainstreaming has been difficult in most other non-Muslim areas in the country, the extent of GAD mainstreaming in ARMM has been influenced by this added context of Islam, which plays an essential part in the identity and culture of the people in the region.

Nevertheless, the Foundation ventured on promoting gender and development mainstreaming in the ARMM region through assistance to DAWN Foundation. As a first step, DAWN Foundation, in partnership with STRIDES, a research organization, conducted an assessment of the current state of GAD mainstreaming in ARMM local governments, as well as the factors that may shape the local governments' receptivity and level of preparedness undertaking a GAD mainstreaming and gender budgeting program. STRIDES, in partnership with a local resource partner in ARMM, conducted the short study between June 15 to September 15, 2003. Aiming to assess the level of receptivity and preparedness of selected functional ARMM local government units in four ARMM provinces for GAD mainstreaming, particularly GAD budgeting, the study had the following specific objectives: to assess the level of preparedness of selected ARMM LGUs for GAD budgeting, and to assess the level of preparedness of civil society organizations (defined by the study as NGOs and community organizations) for GAD advocacy in relation to GAD planning and budgeting.

Since the study was subsumed under a capacity enhancement project, part one of the project also aimed to work with TAG-local resource institutions towards strengthening their capacities in conducting gender analysis and research. Data gathering for the provincial and municipal levels was conducted in partnership with the Al Mujadilah Foundation from July to August 2003. It included the conduct of secondary data gathering at the Lanao del Sur provincial capitol and at the Balindong municipal government. The site research for the province of Basilan and the municipality of Maluso was conducted on July-August 2003. The actual data gathering was conducted by Kahapan Foundation with support from a STRIDES project staff.

The results of the study showed that provincial and municipal governments are unprepared to undertake the rather advanced process of gender-responsive budgeting. Several preliminary steps appear to be called for before such a potential is reached. These steps include improving the level of functional local government structures, mechanisms and processes; building the capacities of the leadership and the rank and file on good governance and development work; and introducing the local governments to developmental concepts and frameworks, as well as practices and experiences.

At the civil society level, local organizations also need significant capacity building to enable them to capture the dynamics, the needs and critical issues in the area, and eventually develop the proper foci for work. Organizations need to evolve further, from being limited to relief and charity work or economically-oriented directions, towards more progressive engagement with local communities and government structures.

The Asia Foundation, in partnership with the Regional Commission of Bangsamoro Women and the Institute for Strategic Initiatives, has conducted preliminary project consultations with the provincial governments of the ARMM regarding women's development issues. Provincial conferences in the ARMM were then conducted, creating a venue for the review of the Bangsamoro Women Mobilization Strategic Plan and discussion of possible strategies for implementation. A proposed methodology to pursue the implementation of the plan and its strategies was recommended for its adoption by the provincial legislative assembly. The conference also served as a venue to formulate policy recommendations to consolidate GAD budgets of barangays, municipalities and provinces with those of the respective provinces. In December 2003, a regional summit was held to enable the provinces to present their women development mobilization plans, and to consolidate these into the regional women development mobilization campaign plan. A proposal on the creation of a Muslim Mindanao Women Development Mobilization Council was also crafted. Representatives from regional agencies and offices, as well as other donor agencies and organizations, were invited to the summit to gather support for the activities in the mobilization plan.

Awareness Building for Bangsamoro NGOs

Recognizing the critical role that civil society organizations play in the entire gamut of local governance especially in ARMM, The Asia Foundation has been instrumental in strengthening the Consortium of Bangsamoro Civil Society. This consortium comprises 57 civil society organizations in ARMM and its neighboring conflict-affected areas.

The assistance to the Bangsamoro Consortium is being undertaken by the Kadtuntaya Foundation Inc. (KFI). The idea is to increase civil society's understanding of the provisions of the Local Government Code, and of governance and leadership in the Islamic context, and to strengthen the civil society organizations' skills in conducting effective advocacy programs and constructive dialogues with local governments. The Foundation's grant to KFI was issued in October 2002, and project activities were completed by October 2003 (many of the activities and trainings were conducted in the previous reporting period). From July to October 2003, additional activities conducted by the Consortium included the following: an anti-corruption seminar facilitated by Prof. Klitgaard of RAND Graduate School in August, the Technology of Participation Training in September, and strengthening the community towards participatory governance through advocacy work in September 2003.

Local Monitoring Teams for the Cessation of Hostilities with the MILF

The creation of the Local Monitoring Teams (LMTs) is one of the positive things that came out of the Government of the Republic of the Philippines and the Moro Islamic Liberation Front (GRP-MILF) peace talks. It represented the efforts of both panels not only to involve a greater number of people from the grassroots in the peace process, but also to open up the peace process to the general public, creating awareness about a process which had been previously considered a secretive activity. LMTs as specified in agreements reached in August 2001 (Implementing Guidelines on the Security Aspect of the GRP-MILF Tripoli Agreement of Peace of 2001) are organized in thirteen provinces classified as conflict-affected areas in Mindanao. These provinces are Maguindanao, Lanao Sur, Lanao Norte, Cotabato, Sultan Kudarat, South Cotabato, Davao Oriental, Compostela Valley, Zamboanga Norte, Zamboanga Sur, Zamboanga Sibugay, Sarangani and Basilan. LMTs consist of five members with representatives from the local government units designated by the government, from the MILF Local Political Committee, from NGOs nominated by the government and by the MILF, and from the religious sector.

The Asia Foundation's assistance to LMTs largely focuses on ensuring a workable mechanism that will guarantee the uninterrupted implementation of the cease-fire agreement to prevent the escalation of conflict in the region, so that peace negotiations may prosper and economic development will not be hampered. A Project Coordinating Office for Local Monitoring Teams was established to support the peace process in Mindanao. Advocacy Mindanow Foundation was tasked by the Office of the Presidential Assistant on the Peace Process (OPAPP) and the Office of the Presidential Assistant for Mindanao (OPAMin) to implement the capability building of Local Monitoring Teams.

Monitoring visits have been conducted in Zamboanga Sibuguey, Lanao Norte, and Lanao Sur, and reports on specific incidents have been submitted to the Coordinating Committees on the Cessation of Hostilities. Coordination meetings are also held regularly to discuss updates and issues on the armed conflict in their respective provinces and in Mindanao as a whole. A commitment of members of LMTs was clearly conveyed during their interactions with the government peace negotiating panel and the coordinating office. Continued efforts to strengthen the LMTs are taking place despite the suspended peace negotiations. Through the Foundation's support to Advocacy Mindanow Foundation, dialogues between the LMTs and the military were held in Cotabato City in December 2002 and in Pikit, Cotabato in July 2003, keeping lines of communication open. Current talks with the Coordinating Committees on the Cessation of Hostilities (CCCH) emphasize the importance of these LMTs.

In October 5-6, 2003, the LMT Convergence Meeting and Reorientation Workshop was held in Davao City gathering all the thirteen provincial LMTs. The Convergence Meeting provided the forum for reorienting the LMTs on their roles, tasks and functions, in ensuring that the ceasefire agreement is properly implemented and the alleged violations are investigated. It was also an opportune time for the Ceasefire Committee to emphasize to the LMTs the strategic

importance of their respective positions, and the vital role they play in the ceasefire mechanism of the peace process.

A Joint CCCH GRP-MILF Meeting was conducted in October 23, 2003, where results of the Re-Orientation Workshop and Convergence Meeting, as well as issues and concerns of provincial LMTs were presented by the Office of the Presidential Assistant on the Peace Process (OPAPP) to the CCCH. Cases that needed immediate action from the panel and the CCCH were brought up. Among the concerns raised was the need for ground commanders from both the AFP and the MILF to be familiar with the LMT members and the LMTs' scope of work to ensure coordination especially in the investigation of conflict incidences. It was reported that in Sarangani and Compostela Valley, some LMT members who are MILF representatives were being harassed and invited for questioning by the AFP/PNP elements without any specific charges. A well-equipped feedback system is necessary for the successful coordination between the LMTs, CCCH, and OPAPP.

The Writeshop for the Production of the LMT Operations Manual was held in November 2003 and its results were presented to the CCCH. Suggested revisions are now being finalized. A training session on Report Writing for the Local Monitoring Teams is scheduled in February 2004. To increase the LMTs' visibility, regular offices, marked by billboards, will be established in provincial capitals to inform communities of their presence and functions.