

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

USAID-funded project with The Asia Foundation
January 2004 – June 2004

This semi-annual report covers activities from January 2004 through June 2004 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 September 22, 1999 to September 30, 2005.

As instructed under the Office of Regional Procurement (ORP) No. 18 dated August 19, 2003, and ORP No. 20 dated February 2, 2004, The Asia Foundation submitted a copy of the TAG Semi-Annual Report to the Development Experience Clearinghouse covering the period January 2003 through June 2003 on November 19, 2003, for the period July 2002 through December 2002 on November 21, 2003, and for the period July 2003 through December 2003 on April 23, 2004.

The goals of the TAG Project are 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 in Mindanao through a comprehensive focus on transparency and good governance.

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 (ARMM) and 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 initiatives. During this reporting period, The Asia Foundation worked with partners to advocate for reforms at the Bureau of Internal Revenue. Other Foundation's initiatives were designed to support legislation to promote transparency in government transactions and information, to promote procurement reforms, to monitor a second round of textbook delivery by the Department of Education, and to monitor public perceptions on the extent of government corruption. The Foundation's partners during this period were the Makati Business Club, the Ateneo Center for Social Policy and Public Affairs, the Social Weather Stations, the La Salle Institute for Governance, and the Transparency Accountability Network.

In seven cities in Mindanao efforts are underway, with private sector and civil society engagement, to improve transparency and accountability in city governance through reforms that focus on simplifying city government procedures, reducing the monopoly of power and discretion of city employees and increasing transparency and the availability of information to citizens. Public perceptions concerning the performance of city governments has been measured through the use of scorecards, the results of which local chief executives have used as a guide to establish policy directions with respect to the promotion of transparency and accountability in city government. Capacity building activities designed to make city government processes and employees more customer-focused, transparent, and accountable also have been 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, the Notre Dame Business Resource Center, and the Ateneo de Davao University's Center for Local Governance.

In Mindanao municipalities, The Asia Foundation is implementing a variety of initiatives to address specific needs and priorities through assistance designed to improve local government operations in the municipalities and barangays of the Autonomous Region of Muslim Mindanao (ARMM). To date, the Foundation has assisted 379 barangays and forty-three municipal governments to identify, prioritize, and implement community projects and to budget available resources. It has helped twenty-six municipalities to identify possible sources of revenue for increased resources, mobilized the capacity of fifteen local institutions to ensure the availability and accessibility of expertise at the local level, and enhanced the service delivery capacity of fifty-seven civil society organizations in partnership with local governments. As of June 30, 2004, the Foundation has provided technical assistance through its partner organizations to a total of fifty-nine different municipalities. Partner institutions include the League of Municipalities of the Philippines, the Mindanao State University's Center for Local Governance, the Bangsamoro Women Foundation for Peace and Development, the Maguindanao Foundation for Good Governance and Development, the Federation of Lanao del Sur Farmers Multi-Purpose Cooperative, the Muslim Christian Agency for Rural Development, the Tawi-Tawi Outreach Development Foundation, the Metro Kutawatu Development Alliance-Project Management Office, the Alternative Center for Organizational Reform, the Development Through Active Women Networking Foundation, the Institute for Strategic Initiatives, the Kahapan Foundation, Pakigdait, Inc., and the Advocacy Mindanow Foundation.

USAID commissioned an independent organization, Management Systems International, Washington D.C., to evaluate the impact of the TAG Project during March-April 2004. The objectives of the evaluation were to determine accomplishments and impact at both the national and local levels, to draw lessons relative to overall anti-corruption efforts and to identify possible future directions for the project. Among the major findings of the evaluation are the following:

- Broad civil society and private sector engagement;

- Effective advocacy support for the passage of the new Procurement Law;
- Engaged mayors and committed city employees, as the RAND visit played a significant role in building enthusiasm;
- Effective coalitions, such as CCTAGs and TANs, that are very active and influential; and,
- Effective indirect approaches in combating corruption that bring citizens into the planning and budgeting process, an opportunity they were not previously afforded.

To present TAG's holistic project approach in advancing good governance in the Philippines, this report is divided in accordance with 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 the capacity of partner institutions and local government units.**

Increasing Transparency and Accountability in Government Transactions

Pervasive corruption in government at both the national and local levels, including bureaucratic and judicial red tape, is one of the major deterrents to the entry of new foreign investments in the Philippines. It also dampens the confidence of current investors that their businesses will be successful. To address this problem, The Asia Foundation seeks through the Transparent Accountable Governance project to build and sustain public pressure within the private sector and civil society for counter-corruption reforms that will significantly reduce corruption through greater transparency and accountability.

Reforms at the Bureau of Internal Revenue

Since April 2004, the Foundation has provided technical assistance to improve the capacity of the Bureau of Internal Revenue (BIR) to manage, track and evaluate the performance of its staff. By piloting a competency-based performance evaluation system in the Large Taxpayer's Service (LTS), the Foundation's core initiative seeks to promote the regular measurement of the results and impact of LTS programs and services on tax collections, taxpayer level of compliance and taxpayer satisfaction with LTS services. The objectives of this exercise are to maximize each employee's capability and to allow officials and employees to participate in developing tax collection performance standards. A strategy map has been formulated to show the cause-effect relationship between the objectives culled from the BIR's Blueprint and the LTS Action Plan to provide management with a measurement tool as the basis for identifying and cascading performance measures. Taxpayer feedback on LTS services has revealed that performance attributes important to large taxpayers are accuracy and quality of service, timeliness of service delivery and the customer service orientation of LTS staff and management. These findings underscore the need to measure other performance attributes other than the collection process, which previously has been the sole focus in assessing LTS performance.

The Foundation supported preliminary activities to assist the Bureau of Internal Revenue (BIR) to develop its expertise in computer-assisted audits. By procuring the Audit Command Language software, and recognizing the need for knowledgeable people to run the program, Huwag Taxsil and The Asia Foundation, in a meeting held on June 16 with Assistant Commissioner Trinidad, agreed that a training program is needed. In mid-July, seventy BIR examiners and internal auditors from the Large Taxpayers Service will receive Computerized Systems Audit training. The project will provide greater understanding of both the general concepts and intricacies behind a computerized systems audit. The objectives of the training are: 1) to train BIR examiners and reviewers in computerized systems audit; 2) to better equip participants to use and understand audit tools; and, 3) to prepare qualified participants for the Certified Information Systems Auditor Examination. A review exam will be conducted at the end of each training.

In June 2004, the Transparency and Accountability Network (TAN) began developing a case study based on the strategies used to advocate for *House Bill 5465: Creation of the National Authority for Revenue Administration*. The study will delve into practices, methods, and tools used to advocate for reforms in tax administration through House Bill 5465. The results of the study will be incorporated into a cohesive, focused, and effective strategy focused on passage of the law in the next Congress. The Foundation has engaged the services of Mr. Joel Mangahas to prepare the analysis and write the report.

Textbook Monitoring with the Department of Education

Corrective measures have been taken by the Department of Education (DepEd) against gaps that were identified during the first round of monitoring the textbooks delivery which was also funded by the Foundation under this project. Some of these corrective measures include increasing the delivery period from 5 days to 10 days in the case of large provinces and to address the demanding logistics of delivery; prioritized opportunities to inform districts and schools to address the problem of information dissemination and issuance of a simplified, one-page “Guideline on Textbook Delivery, Receipt and Inspection of Textbooks.” To further institutionalize these reforms, the Foundation issued a grant to the Transparency and Accountability Network (TAN) to strengthen the ongoing involvement of all stakeholders and promote greater transparency and accountability in the delivery. Orientation workshops were held on June 21 for Luzon and April 30 for Visayas and Mindanao for all civil society monitors in these areas numbering to almost a hundred people. Forms to be used during the monitoring were distributed to the monitors, including information materials, identification cards and schedules of delivery.

Procurement Reform

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

The Office of the Ombudsman, in collaboration with the Transparency and Accountability Network and Procurement Watch, Inc., implemented a capacity building program for members and partner-organizations to monitor and evaluate public procurement practices. Thirty representatives from civil society organizations were trained as Bids and Awards Committee (BAC) observers on May 12-14, 2004. Efforts to design a training program, in cooperation with the Civil Service Commission and the Commission on Audit, are underway. Training for BAC members from the University of the Philippines, the Department of Health, the Land Transportation Office, the Department of Agriculture and the Armed Forces of the Philippines will commence in August 2004.

In an effort to ensure harmony between the Procurement Manual and the Standard Bidding Documents (SBD) applicable to locally-funded procurement, the Foundation provided technical assistance to the Government Procurement Policy Board-Technical Service Office (GPPB-TSO) from June through July 2004. Two Technical Working Group workshops were conducted on June 28 and 30 to review provisions of the GPRA and the SBD on the procurement of consulting services, infrastructure, goods and services. Upcoming IRR-A amendments that will be included in the review are: 1) a revision of the table for threshold bidding amounts for small, medium and large businesses; and 2) the conversion of foreign currencies to Philippine Pesos during bid opening for purposes of bid evaluation. The report and the findings will be submitted to the GPPB-TSO on July 9 for approval and action.

Procurement Reform in Local Government Units

In partnership with Procurement Watch, Inc., the Foundation sponsored an awareness-building session in Cebu City on January 27-28 on the new procurement law for the members of the Bids and Awards Committees of seven cities in Mindanao: Cotabato, Dapitan, Iligan, General Santos, Marawi, Samal, and Surigao. Through this two-day workshop the participants developed a greater understanding of the GPRA and its implementing rules and regulations. They also drafted a Code of Ethics and Standards of Conduct, outlining the basic principles of transparency, accountability, efficiency, due diligence, and fairness that are required in the performance of BAC duties and responsibilities. The draft code of ethics and standards of conduct will be further refined and presented to the other members of the Bids and Awards Committees for adoption by the city governments. Three separate sessions for civil society organizations and business associations from the seven cities were held on February 24-25 in Davao City, March 29-30 in General Santos City, and April 29-30 in Cagayan de Oro City.

Mock bidding sessions were part of the training exercise designed to simulate probable scenarios in the submission and opening of bids for the procurement of goods and infrastructure projects. The participants also were trained on how to use the e-reporting website, an electronic feedback and reporting mechanism uploaded into the PWI website for use by PWI-trained civil society and professional associations to monitor procurements.

On May 27-28, 2004, thirty-two participants attended the “Procurement Training for Trainers” program held in Davao City. Attendees included members of business associations and civil society organizations from the cities of Cotabato, Iligan, Gen. Santos, Marawi, Samal, and Surigao, Dipolog and Davao. The two-day training consisted of a more in-depth session on the procurement of goods and services, a mock bidding, case studies, and hands-on training on e-reporting. The trainers’ training provided the participants with the knowledge and skills to train other BAC observers, especially those outside of the seven TAG cities.

As a result of the training conducted by Procurement Watch, key actors from local governments, civil society and the private sector now have a clearer understanding of the pertinent provisions of the new procurement law and its implementing rules and regulations. City governments should improve their implementation of the law during the bidding process and become more transparent because BAC members now are more aware of their roles and responsibilities.

On June 7, a Memorandum of Agreement between the Evelio B. Javier Foundation and the League of Municipalities of the Philippines was signed to launch a procurement training program in other selected cities and municipalities in Luzon, the Visayas and the Autonomous Region of Muslim Mindanao. Career BAC personnel and representatives from civil society organizations and the private sector (belonging to third, fourth, fifth, and sixth-class municipalities or cities nominated by their respective Leagues) from twelve cities and forty municipalities will start their training in mid-July 2004.

Guidebook on Government Processes

The Transparency and Accountability Network completed a government guide on Conducting Lifestyle Checks, which it will publish and disseminate in July 2004. This is the second in a series of popularized guidebooks on government processes and transactions published by the Transparency and Accountability Network in cooperation with concerned national government agencies, and other civil society organizations. Each guidebook contains simple, step-by-step guidelines on transacting business with selected government agencies, including frequently-asked questions on everyday transactions.

Litigation Support to the Office of the Ombudsman

The Lawyer’s League for Liberty (Libertas), in its efforts to augment and support the litigation work of the Office of the Ombudsman, has provided lawyers and paralegals with the necessary

competencies to investigate cases, gather evidence and determine whether or not it is appropriate to file a case. Counterpart teams have been formed consisting of lawyers from the Office of the Ombudsman and Libertas to refine strategies for litigation depending on the nature of each case, to assist in evaluating the sufficiency of the evidence and to prepare witnesses. Three priority cases focusing on major (big fish) corruption incidents have been identified to date. These are:

- ***PEA Amari Case.*** This involves two consolidated cases to be tried jointly in the Sandiganbayan. In the first case, the parties are being prosecuted for having entered into a highly questionable Joint Venture Agreement with a private developer. The parties in the second case are being prosecuted for receiving P6.25 million in consideration for their favorable action on the Joint Venture Agreement.
- ***RSBS Case.*** This case concerns the fraudulent registration of unilateral deeds of sale covering properties in Iloilo City, which reflected prices lower than the amount in the bilateral deeds of sale executed between the RSBS (representing government) and the property owners. As a result of this fraud, the computation of taxes due the government were lower than they should have been, resulting ultimately in the underpayment of taxes.
- ***Dumangcas Case.*** This case focuses on illegal disbursements covering a series of transactions involving officers in the Armed Forces of the Philippines.

The preliminary investigation of each of these cases has been concluded, and on the basis of the investigative results, Libertas has sent the cases to the Ombudsman. The prosecuting teams hope that Ombudsman Marcelo will complete his review and provide recommendations by early July 2004 in order to start the cases moving through the judicial system.

Direct Legal Support to the Transparency Group of the Office of the President on Lifestyle Checks in the Department of Education

The Lawyer's League for Liberty (Libertas), in partnership with the Transparency Group of the Office of the President, has focused on "top five reported cases" within the Department of Education, based on recommendations from monitoring groups as well as information appearing on employees' Statements of Assets and Liabilities (SAL). Currently, Libertas lawyers are in possession of the SALs of Regional Directors, Assistant Regional Directors, Schools Division Superintendents and Assistant School Division Superintendents. A marked lack of enthusiasm was observed to do the lifestyle checks during the election period as the entire bureaucracy was in the thick of the electoral fever. Currently, the team has yet to meet with the Legal Affairs Unit of the Department of Education.

Anti-Money Laundering

The Foundation donated network servers and accessories to the Anti-Money Laundering Council (AMLC) to enable it to carry out the initial step in their Transaction Monitoring and Analysis System. In this step Covered Transaction Reports and Suspicious Transaction Reports undergo security checks and format validation prior to uploading to the data servers of the AMLC. These network servers and accessories will support the databases that serve as an intelligence databank from which matching searches could be made for reported suspects. The Foundation made this donation in anticipation of an increase in the volume of transactions the AMLC will have to review due to an amendment to the Anti-Money Laundering Act that reduces the threshold amount for a review, as well as new penal sanctions effective April 1, 2004 that will be imposed on institutions for non-compliance.

Procedural Reforms in Seven Mindanao Cities

The findings, diagnosis and recommendations for procedural reforms prepared by the League of Cities for seven Mindanao cities were presented on January 29, 2004 in Manila to the mayors and officials of the cities. Priority areas for reform were identified through a participatory diagnosis and strategy report that are outlined in an implementation plan completed in December 2003 (follow-through activities to the action planning exercise during the RAND Training on Effective Local Governance held in September 2002). The priority areas for reform are: public market and slaughterhouse operations for Cotabato; procurement systems for Dapitan, Iligan, General Santos, Marawi and Surigao; and a procurement system and a shelter for Samal. Operational inefficiencies and ways to promote good governance as the basis for city operations were identified for each priority area. Based on the recommendations of League of Cities consultants, the local governments have been tasked with the responsibility for implementing the action plans. Subsequent to the presentation of the findings and recommendations, the seven local governments received orientation training on the implementation of the new procurement law.

In the case of Cotabato City, the public market would be a good income-generating venture if there were an increase in the collection of stall rentals and fees. Improvement measures are now being planned to renovate the existing structure of the public market and to raise rental collections. In Samal City, better city planning to identify areas for socialized housing is being initiated in order to accommodate the influx of informal settlers. The city government is required to adhere to zoning criteria to designate economic, industrial, and residential areas while construction of public shelter is ongoing.

Business Permit Renewal Process

To support the procedural reforms being undertaken by the seven Mindanao cities, The Asia Foundation, in partnership with several local resource institutions, conducted a second round of process documentation for business permit renewals. The objective of the second round of process documentation was to monitor improvements made by city governments in their

renewal of business permits based on the findings and recommendations made during the first round of process documentation conducted in January 2003. From February to March 2004, findings and recommendations from the second round were presented to the city governments for their consideration and action. Significant improvements in the renewal process were noted this year as initiatives by cities had made the procedures easier and faster.

In General Santos, for example, the study undertaken by the Notre Dame Business Resource Center demonstrated that the renewal process was faster, with 42% of business permits being released by the January 20 deadline, compared to the previous year when only 30% had been released. A number of changes made this year's overall improvement possible. For instance, fees were consolidated and paid at only one time, rather than the previous practice of paying fees at each clearance step. Registrants were provided with a "local imposition sheet," which computes the different fees.

Local Governance Scorecards

The Foundation offered twenty-two cities an opportunity to join the second round¹ of the local governance scorecard program by inviting them to attend a September 2003 training program on the use, content and methodology of the scorecard. These cities were Cotabato, Dapitan, General Santos, Iligan, Marawi, Samal, Surigao, Puerto Princesa, Balanga, Muntinlupa, Science City of Munoz, Valencia, Antipolo, Calbayog, San Juan, Binangonan, Iloilo, Pasay, Daraga, Urdaneta, Bayambang, and Mandaluyong. Of these, only twelve cities accepted this offer, including the seven pilot cities², and five new participants: Puerto Princesa, Balanga, Muntinlupa, Science City of Munoz, and Valencia. The Holy Name University Center for Local Governance (HNU-CLG) conducted the scorecard from October through December 2003.

The scorecard results were presented at a conference convened in Manila on January 29, 2004 by the League of Cities of the Philippines. It was attended by the mayors of the twelve cities and their representatives. The facilitators explained the methodology that had been used and how the results were calculated. During the presentation, there were no questions raised about the credibility of the process. However, the city mayors raised several concerns: 1) mayors think that the 70% passing grade is too high and suggested it be lowered to 50% -60% instead; 2) Marawi City questioned the profile of the respondents, perceiving that the respondents belong to the opposition; and, 3) they recommended that the timing of survey be changed to June-July since businessmen usually pay their taxes during the last quarter of the year.

Public Service Excellence, Ethics and Accountability Program

1 The first round of the local governance scorecard, which is a product of a series of working meetings among select government agencies, the League of Cities of the Philippines, the Governance Advisory Council, and The Asia Foundation, was administered to the seven pilot cities in Mindanao in November 2002.

2 The seven pilot cities are the following: Cotabato, Dapitan, General Santos, Iligan, Marawi, Samal, and Surigao.

Since February 2003, the Foundation has supported the Public Service Excellence, Ethics and Accountability Program (PSEEAP) in key city government departments to promote procedural reforms being implemented by the League of Cities of the Philippines. PSEEAP is an intervention that promotes transparency in service delivery, strengthens the accountability of local bureaucrats, and encourages a customer-oriented culture in the delivery of basic services.

The selected departments within the seven cities participated in a series of workshops on basic customer service skills, the improvement of services, values formation and ethics, standard behavior in decision making and public service, accountability in public service, corruption tendencies and perceptions, 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. Action plans were crafted for “hot spots” or problems in processing applications for the micro-finance loan program, business permit renewals, real property tax assessments, the issuance of community tax certificates, and the evaluation of building permit applications. Six of the seven cities were able to complete the program by December 2003, while the remaining activities for Samal City were completed in February 2004. The workshops served as a strategy to improve their organizational culture, thereby encouraging a shift from a culture of graft and corruption to a culture grounded in public service ethics and accountability that promotes good governance.

eGovernance Initiatives

On May 3, 2004, The Asia Foundation hosted the first meeting among prospective members of the Working Group on eGovernance at the Foundation’s office. The meeting agenda included a discussion on the mandate and terms of engagement of the Working Group with relevant national government agencies and the Union of Local Authorities of the Philippines; the identification of a “home” for the Working Group on eGovernance; and, the identification of a practical project that would help other local governments pursue eGovernance, such as an introductory workshop on eGovernance or an eGovernance website. Meeting participants included representatives from Bulacan, Naga City, Capiz, and General Santos City, and representatives from the Union of Local Authorities of the Philippines, the League of Provinces and the Galing Pook Foundation.

A two-day Planning Session for the eGovernance Working Group was held May 24-25, 2004 in Bulacan. The objectives of the planning session were to formulate strategies and to identify specific activities to promote eGovernance. At the end of the workshop, seven priority programs were identified by the group: 1) establishing a League of Information and Communication Technology (ICT) Officers, 2) advocating for ICT Policy Harmonization (Advocacy for an eGovernance Law), 3) the creation of eLGU online, 4) organizing an ICT Forum, 5) development of a Local Government Interoperability Framework, 6) creation of an LGU-National eGovernance Center, and 7) creation of an LGU Geographic Information Infrastructure. Attendees of the planning session included ICT champions from General Santos

City, Cagayan de Oro, Capiz, Naga City, Bulacan and La Union. Other government offices represented in the workshop were the Land Registration Authority and the Land Management Bureau. Representatives from ULAP and the Galing Pook Foundation were also present during the planning session.

The presentation of the priority projects to the Leagues will be held in July 2004. The eGovernance Orientation workshop is being designed with inputs from the technical working group, and it will focus on how local governments can manage eGovernance projects and contracts. Discussions are ongoing on: a) posting of information about LGU eGovernance projects on the web (with Director Estanislao Granados of the Procurement Service); and, b) the possibility of organizing ICT service providers and contractors into an industry association.

Media Involvement

The media has provided considerable attention to the cities in Mindanao that joined the TAG Project, which has raised public awareness about transparency and accountability in local governance. During this reporting period, interviews with key players were conducted and articles on successful partnerships were published in major newspapers nationwide. The mayors of Surigao, Iligan, Marawi and Samal Island all appeared at different times on ANC, the major TV cable news channel. To highlight the partnership among local governments and the Asia Foundation, Mayor Rogelio Antalan of the Island Garden City of Samal cited the importance of the Foundation's contribution to the activities when he was interviewed by ANC host Dan Andrew Cura on January 31.

In order to generate an exchange of ideas to promote policy agenda setting and reform, as well as theory and model-building in local governance, The Asia Foundation is working in partnership with a local media organization, the Mindanao News and Information Cooperative Center (Mindanews). Beginning in January 2004, a series of articles, which were focused on best governance practices and governance mechanisms and innovations that can be found in Mindanao, were published and disseminated in print and online by Mindanews. A separate webpage on governance was posted on the online publication of Mindanews (www.mindanews.com) on February 14, 2004. The articles generated have been edited and compiled for a book project. All video clips on the locations covered have been filed and are now ready for production. The script for each area is being put together and will be finalized after the data has been validated. Field visits to other areas to be documented are scheduled this coming July. A launching event will be held to announce the publication of the book and video release before September 30, 2004.

The Asia Foundation also has provided support for the Center for Media Freedom and Responsibility to administer the Jaime V. Ongpin Awards for Excellence in Journalism. There are two types of awards. The Awards for Investigative Journalism were designed to promote the practice of investigative reporting "so that people may know," while the Awards for Explanatory Reporting were designed to promote greater clarity, because so much of what

happens can be muddled by the press. By encouraging straightforward explanations, it is hoped that citizens will be able to develop a sufficient understanding about complex issues and developments. The winners of the awards will be announced in a ceremony on July 1, 2004 at the AIM Conference Center, Makati City.

The Philippine Center for Investigative Journalism has published its book entitled, The Rulemakers: How the Wealthy and Well-Born Dominate the Congress, which examines the multifaceted and troubling ins-and-outs of the Philippine legislature. It evaluates the various assets and sources of wealth, and also the family lineage, of the men and women who make up the legislature. The Center held a book launching event on March 25, 2004 in Quezon City.

Making Cities Work

The Making Cities Work Initiative aims to foster local economic growth and job creation in the cities of war-torn Mindanao. Working with the private sector to advocate for improved institutions and with the local government to improve service delivery to businesses the project will focus on streamlining licensing and permitting processes. Roundtable discussions between private businesspersons and local government officials will be supported, clear guidelines on how to apply for licenses and permits at the local level will be developed, and downloadable application forms created.

Consultations with the business sector (Mindanao Business Council), Mindanao Economic Development Council, and the League of Cities of the Philippines were conducted to discuss the criteria for selecting seven cities to be included in the research that will start in July. These cities are: Tacurong, Bislig, Koronadal, Malaybalay, Dipolog, Zamboanga and Ozamis. The scheduled activities were delayed due to the election period which has greatly affected the implementation of activities especially for this new activity which counts principally on the receptiveness of the local officials to implement changes.

Public-Private Partnership and Constituency Building

To complement our 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. Through the TAG Project, the Foundation has relied on a variety of strategic approaches in its counter-corruption initiatives to identify reformers in government interested in collaborating with the Transparency and Accountability Network and the private sector. Among these reformers are the Presidential Commission on Effective Governance, the Presidential Anti-Graft Commission, and the Office of the Ombudsman. The Foundation is coordinating city-level initiatives, through the City Transparency and Accountability Network and the City Coalition for Transparent Accountable Governance, with ongoing work being undertaken by the League of Cities of the Philippines.

Surveys

Enterprise Survey

For the 2004 round of the Enterprise Survey, a module was added on Campaign Financing, while another module was added seeking answers to questions on 1) whether corruption is learned at the workplace or during childhood, 2) when corruption was last witnessed, 3) the risk of punishment for corrupt executives, 4) opinions on proposed anti-corruption programs and activities (lifestyle checks, salary supplements, prosecution, whistle-blower protection, extra-legal measures), and 5) willingness to be a member of the counter-corruption fund. The survey ended in January 2004, and on June 11 the Makati Business Club hosted a public briefing on the results. Representatives from the business sector, civil society organizations and the media attended. Among the findings the survey indicated: 1) the government should punish corruption severely and reward corruption fighters, 2) most firms are willing to give 3% of their net income to an anti-corruption program fund, 3) business net income could recover by 10%, 4) government could save on contracts by 20%, 5) businesses could save on contracts by 10%, 5) an anti-corruption program is a good investment, and 6) the private sector must clean up its own ranks.

Pre-Election Survey

Implemented by the Social Weather Stations, the 2004 Pre-election Surveys was a special series of five monthly pollings of registered voters to publicly track voter preferences for the candidates for national positions during the May 10, 2004 election. Six questions on voting irregularities were formulated and included as riders to the April and May 2004 pre-election survey rounds. Results of the April 2004 survey indicated that half (49%) of the likely voters expected vote buying would happen in their area during the May 2004 elections, a response similar to when this question was asked before the 2001 election (48%). Those who expected cheating in the counting of votes were 36%, flying voters 29%, bribing not to vote 28%, and harassment of voters 22%. In contrast to these “expectations”, in the May 2004 survey only 4.3% of likely voters said they had been offered something to vote for a particular candidate (money, 2.0%; job, 1.1%; material goods, 1.1%), while 95% indicated that they were not offered anything. Respondents indicated such offers were made by candidates for mayor (2.0%), city councilor (1.2%) and congressional representative (0.5%). The acceptance of an offer from any candidate was somewhat higher in Mindanao and Class E districts.

Citizen Education in Election Reforms

Anatomiya ng Korupsyon

From April to May 2004, the Transparency and Accountability Network, in partnership with the Foundation for Communication Initiatives and the Cultural Center of the Philippines, staged five presentations of Malou Jacob's "Anatomy ng Korupsyon" (Anatomy of Corruption) in five cities (Quezon City, Baguio City, Bacolod City, Davao City and Naga City). The play, seen by 1,500 people, dramatized the roots and consequences of corruption, as well as the cost of taking a personal stand in an effort not to be eaten up by the system. A documentary was produced by Radio Pitlag and aired over Radio Mindanao Network from April 26-30. The radio series ended with a forum discussing current issues on corruption. Also, during the same week, anti-corruption messages sponsored by TAN were aired every 30 minutes. Five hundred compact discs containing the radio documentary, film footage of the stage play, copies of the social messages and an election song will be ready for distribution in July 2004.

Ehem!

To aid the "Ehem!"³ campaign of the Philippine Province of the Society of Jesus' Committee on the Evangelization of Culture, the "Walang Hihingi"⁴ campaign was put forward to curb the practice of soliciting contributions from politicians, especially during election campaigns. The Asia Foundation provided support for the conceptualization and production of one independent television commercial in the form of "advocacy interstitials" – value based advertising that "sells" an idea or objective as opposed to products and services. The advocacy interstitial, which ran for 30 seconds, presented a dramatized "real-life" scenario depicting a situation where the protagonists are faced with a financial dilemma that would normally be solved by soliciting funds from incumbent or campaigning politicians. The advocacy commercial was aired nation-wide on major radio stations and television networks during the election period between March and May.

The campaign achieved moderate success, given less than four months' implementation. The idea was received as a fresh look at Filipino political and election culture. The Catholic Bishops Conference of the Philippines found it worthy of being the central theme of its pastoral statement on the elections. "Walang Hihingi" challenged several diocesan assemblies to examine their own practice of soliciting from politicians for religious projects. With the limited time for production and implementation, and the domination of the air-waves by election campaign ads, the campaign did not reach as many people as it could have. However, the campaign was a good start, a beginning to the promotion of fresh critiques and challenges to Filipino political culture.

Civil Society Constituency Building

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

³ Filipino term signifying discomfort or uneasiness

⁴ Filipino expression for "no asking" taken into the context of forbidding the practice of solicitations during election period

local level with opportunities to engage their respective local governments and business groups in promoting transparent, accountable and effective governance in seven cities in Mindanao.

Since April 2004, MINCODE has been conducting various activities in the seven TAG cities harnessing civil society agendas towards transparent and accountable governance. A multi-sectoral approach has been applied to the conduct of training, seminars, and focus group discussions with the participation of six sectors: the urban poor, women, religious groups, non-governmental and people's organizations, cooperatives, and academics. The multi-sectoral approach in identifying a common civil society agenda has enabled various groups to engage key actors in their respective cities. Interface activities through dialogue with key city government personnel and the local business chambers have further strengthened the overall thrust of the partnerships under the TAG project. Agreements to co-implement programs have been made with commitments by local governments to support civil society initiatives through financing and other resource assistance. The main objective of project activities is to advocate for a sectoral agenda through the process of focus group discussions, engagement with local governments, the formation of city-based Transparency and Accountability Networks and institution strengthening. From January to March 2004, training was held for the seven cities, including Training on Networking and Organizational Development, and the Ehem Training on Deepening Involvement in Combating Corruption.

Among MINCODE's accomplishments are:

- Broader participation through linkage with other institutions such as the Notre Dame Educational Association and the Philippine Association of Extension Program Implementers, and the inclusion of other sectors such as youth and senior citizens.
- Commitments forged through memorandum of agreements stipulating the civil society agenda of the cities and the creation of *ad hoc* committees in Iligan City and Surigao City.
- City-based TANs, established as core group leaders, established their organizational structure, defined the roles and responsibilities of their officers and working committees and acquired legal identity and accreditation through the Securities and Exchange Commission.
- Collaborative efforts of City Coalitions for TAG and city-based TANs were affirmed through the signing of a covenant.
- Ensured participation of stakeholders through Executive Orders from the local chief executives to make official the formation of TAN and CSO membership in the local special bodies, such as local development councils and Bids and Awards Committees.
- General Santos City has developed a scorecard system as an effective feedback mechanism to evaluate public perceptions of the city government and its delivery of services.
- Use of the media as part of public awareness campaigns, such as in Surigao City airing updates on the TAG Project and in Cotabato City with its "I-text mo sa CCTAN" Project.

The project culminated with the Mindanao Civil Society TAG Assessment Conference on April 28, 2004 in Davao City. The conference brought together MINCODE area coordinators, members of the city-based Transparency and Accountability Network (city-TAN),

representatives from local governments and the private sector. The conference served as a venue for assessing the achievements of the project, lessons learned and insights from the experiences of the city-TAN. Sustainability plans also were presented by city-level TAN coalitions with local government officials offering their support and commitment to continue the activities initiated by the city-TANs. Based on a general assessment of project impact, there is broader civil society participation in the promotion of good governance in the seven cities, stronger tri-sectoral collaboration and partnerships, reformed LGU performance through PSEP, more innovative approaches in assessing government performance, improved LGU-civil society partnerships and established independent structures. The Asia Foundation Representative Dr. Steven Rood, who attended the conference, gave remarks highlighting the tri-sectoral approach of the TAG Project involving local government, civil society and the private sector.

City Coalitions for Transparent Accountable Governance (the Private Sector)

The Mindanao Business Council (MBCI) has been working on "Promoting Investment through Transparent Governance." In partnership with local business chambers, city governments and various civil society organizations in Mindanao, MBCI has created the Mindanao Coalition for Transparent Accountable Governance with its component city-level coalitions throughout Mindanao. MBCI has been initiating efforts, through forums, training workshops and seminars to strengthen the commitment 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 been launched in the cities of Surigao, General Santos, Iligan, Cotabato, Marawi, Island Garden City of Samal and Dapitan. The working committees under each city coalition are actively pursuing reforms in the following areas: business permit renewals, procurement systems, feedback monitoring mechanisms, revisions in city investment codes, and modifying the composition of city development councils.

On February 17, 2004, The Asia Foundation, in partnership with the MBCI, held a meeting for the Mindanao Coalition for Transparent and Accountable Governance in Davao City. The coalition, composed of the seven city coalitions from Cotabato, Dapitan, Iligan, General Santos, Marawi, Samal and Surigao, renewed its commitment to promoting good governance as experiences and best practices were shared, and resolutions and plans for future activities were presented.

To continue empowering city coalitions, MBCI will be organizing the 3rd TAG Forum to be held in July 2004, with the theme, "One Vision, One Culture, and One Goal." This Forum, which hopes to bring together 200 local leaders from all over Mindanao, will highlight the partnerships among city governments, civil society organizations and local chambers of commerce and industry in promoting transparent and accountable governance for the successful implementation of local economic reforms.

TAG Project Meeting and Sharing Conferences

On January 30, 2004, the 4th Project Steering Committee Meeting was convened by the League of Cities of the Philippines in Manila to update the members of the committee on the progress of the Transparent Accountable Governance Project being implemented by The Asia Foundation. Accomplishments by the Transparency and Accountability Network and the Bangsamoro Women Foundation for Peace and Development were presented and discussions about the issues concerning their initiatives were held during the meeting.

More than ninety participants, including mayors and municipal planning and development officers from the provinces of Basilan, Sulu, Tawi-Tawi, Zamboanga del Norte, Zamboanga del Sur and Zamboanga Sibugay joined the Transparent Accountable Governance (TAG) Project's Sharing and Assessment Conference held on February 19, 2004 in Zamboanga City. Twenty-six mayors attended the conference, including nine of the ten mayors from Tawi-Tawi Province. On February 24, 2004, another conference, with the same theme, was held in Davao City for participants coming from Lanao del Norte, Lanao del Sur, Maguindanao and Sultan Kudarat. Out of the thirty-eight municipalities represented, twenty-seven mayors were present.

The TAG sharing conferences provided an opportunity for selected municipalities to showcase projects that have been implemented under the TAG Project and to update participants and guests from other local governments, local resource institutions and the donor community about innovative interventions that have been successfully implemented. More focused discussions among breakout groups followed the presentations, where the participants were given the opportunity to pose detailed questions to project implementers. The representatives of partner institutions implementing the projects joined the lively discussions on the successes and challenges they have encountered in the field. The last part of the conference served as a donors' forum, which provided information on the different programs and key activities that donors are interested in funding, as well as the requirements needed to secure assistance. The League of Municipalities of the Philippines proved to be an excellent convener and mechanism for spreading stories about the TAG Project.

Enhancing the Capacity of Partners

The Asia Foundation's third project theme focuses on enhancing the capacities of partners, both in the government and the private sector. By and large, this theme is centered on project activities in Mindanao, with the primary objectives of accelerating the development of improved practices in local governance; increasing the interaction between civil society, local government, and the private sector; and ensuring the sustainability of governance efforts towards peace and development. Through the development of local expertise, and by partnering with local resource institutions, the Foundation ensures the sustainability of good governance practices and the ability of municipalities to access technical assistance. Currently, the Foundation provides eighty-one technical assistance packages to fifty-seven municipalities in the ARMM, and to two 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 sufficient, quality services. In order to augment their resources above the national government revenue transfers (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 Asia Foundation has been working with several local resource institutions to provide technical assistance on resource mobilization to twenty-six 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, the Muslim Christian Agency for Rural Development-Rural Integrated Assistance Program, the Metro Kutawatu Development Alliance, the Mindanao State University Center for Local Governance and the Southern Philippines Research and Extension Foundation. The following are examples of creative resource mobilization strategies initiated 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 to develop 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, they are usually prepared by external consultants or resource institutions, and therefore they rarely have “buy-in” from the local community. In other instances, municipal governments often fail to produce or update these basic tools for local development management and investment promotion because of the limited technical skills of their staff and difficulties in accessing information.

During January-June 2004, feasibility studies were developed by the on-site coaches from local resource partners together with the municipal technical working groups for the municipalities in Lanao del Sur. The working groups are composed of representatives from the offices of planning and development, agriculture, social welfare and development, accounting, treasury and the local government operations of the Department of Interior and Local Government, as well as representatives from civil society (e.g. farmer’s associations, business groups). The resource partners include the Federation of Lanao Sur Cooperatives, the Muslim Christian Agency for Rural Development-Panginam O Masa, the Muslim Christian Agency for Rural Development-Rural Integrated Assistance Program, the Mindanao State University Center for Local Governance and the Southern Philippines Research and Extension Foundation. The feasibility studies for each of the municipalities are outlined in the following table.

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 (Municipal Hospital)
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	Integrated Bus Terminal
Marantao	Corn Production
Piagapo	Potable Water System
Bumbaran	Construction of Farm-to-Market Roads
Bacolod-Kalawi	Municipal Hospital

During June 2004, a series of feasibility study review meetings were held with The Asia Foundation's local resource partners and municipal governments in Lanao del Sur. The objectives of the meetings were to review the fourteen project feasibility studies that had been selected based on the recommendations of The Asia Foundation's Project Consultant, Mr. Mario Abastar, and to establish a schedule for presenting the final drafts to their respective local government officials for approval and subsequent adoption by the municipal government councils. The feasibility studies are being revised to make sure they fulfill the specific requirements of six donor agency programs, including the Mindanao Basic Urban Social Service Program of the Department of Interior and Local Government, the Grant Assistance for Grassroots Program of the Embassy of Japan, the Canada Fund for Local Initiatives of the Canadian International Development Agency, the Growth with Equity in Mindanao, Peace and Equity Foundation, Philippine-Australian Community Assistance Program, and three government banks -- the Land Bank of the Philippines, the Development Bank of the Philippines, and the Philippine National Bank.

In Maguindanao municipalities, resource mobilization through community enterprise development is 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 agricultural-based enterprises, which are to be identified by the MKDA municipalities, and in implementing a modified public service excellence program for its members.

From February to March 2004, a series of training sessions was completed for community enterprise development teams (CEDT) on hybrid rice production at the municipality of Datu Odin Sinsuat, and a corporate governance workshop for the integrated livelihood project sector for the municipality of Upi, Maguindanao. On April 14-16, 2004, MKDA conducted an action planning workshop for the CEDT of Upi, which is composed of local government staff and Upi Agricultural School faculty. The workshop sought to identify and prioritize key strategic issues and concerns that need to be addressed, including the programs and projects that will support the community's economic development and to define the policy directions that would best secure social and economic reforms.

In May, a business planning workshop was conducted for the members of the CEDT to enable them to set-up their community economic enterprises by providing them with activities that will enhance their entrepreneurial competencies, business creation skills and business management skills. The different business plans to be formulated are outlined in the following table.

MAGUINDANAO	
MUNICIPALITY	PRIORITY PROJECT
Upi	Coffee Nursery and Plantation Development
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

Real Property Tax Administration

With Asia Foundation support, the Bangsamoro Women Foundation for Peace and Development is providing technical assistance to the municipality of Datu Montawal, (formerly Pagagawan) in Maguindanao, to mobilize barangay officials, teachers and school officials in the collection of real property taxes in the municipality.

A component activity to this technical assistance is the conduct of a social marketing workshop, which was conducted January 15-16, 2004. The purpose of the workshop was to enable the municipality to design effective strategies to disseminate information on the value of paying real property taxes. Awareness campaign strategies were identified based on an action plan created during the previous workshop held in December 2003. The participants, composed of staff from the municipal treasurer and assessor's office, barangay officials and school teachers, all contributed to the education campaign through the crafting of informative billboards, slogans and creative jingles.

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 needs of citizens. 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 forty-one municipalities. The Foundation's assistance on development planning relies on 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 under 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. Municipalities undertaking this technical assistance have focused on packaging the data of the different components of the Comprehensive Municipal Development Plan. The Maguindanao Foundation for Good Governance and Development in Sultan sa Barongis and Pagalungan have scheduled a meeting on July 8 to finalize the plans. The turnover of these plans to local government units is scheduled to occur before July 30.

Three –Day Barangay Participatory Planning and Budgeting

Currently, seventeen municipalities, involving ten 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, the Mindanao State University Center for Local Governance and the Department of Interior and Local Government-ARMM.

The Bangsamoro Women Foundation for Peace and Development has completed workshops for thirty-three barangays, and their barangay development plans have been turned over to the municipal government units. The turnover events were attended by the respective municipal mayors, other elected and non-elected officials and barangay officials. Prior to the turn over of these plans, the barangay development councils had adopted these plans through resolutions.

Peace-Focused Barangay Development Planning

In partnership with Pakigdait, Inc., peace-focused barangay planning and budgeting workshops were conducted in five conflict-affected barangays in Lanao del Norte, including Esperanza (Bacolod municipality), Poblacion, Kawit Oriental, Tugar and Inuduran (Kauswagan municipality). On January 28-30, 2004 a workshop was held in Bacolod. This pilot activity also will enable Pakigdait to produce a manual that integrates local development planning with community peace-building modules that could be used by conflict-affected barangays. A series of consultation meetings and workshops were held in March to edit the revised manual. The final version of the manual is currently being reproduced (printing was delayed due to the high demand for campaign materials during the national election) and will be submitted by the end of July 2004.

In celebration of the Kauswagan Week of Peace 2004 Commemoration, a Funders' Forum was organized by Pakigdait on March 19, 2004. The forum served as a venue for a breakthrough engagement and interaction between barangay officials and representatives of donor agencies following the outbreak of AFP-MILF war in 2001. The forum made it possible for the five pilot barangays to appreciate the funding opportunities of peace and development projects. A turnover ceremony also was held on March 22, 2004 to distribute books donated by The Asia Foundation to the five pilot barangays.

Barangay Development Planning through Participatory Rapid Appraisal

In the provision of technical assistance to the three former Camp Abubakar municipalities in Maguindanao, covering a total of thirty-four barangays, The Asia Foundation is working with the Institute for Strategic Initiatives (ISI); with the Alternative Center for Organizational Reforms and Development (ACORD) for two municipalities in Tawi-Tawi covering a total of fifty

barangays; and, with the Kahapan Foundation for five municipalities in Basilan covering a total of fifty barangays.

In Tawi-Tawi, the barangay development plans have been finalized and consolidated into a municipal development plan. ACORD is currently packaging the municipal plan in order that it will be ready for turn over to the municipal government.

In Maguindanao, thirteen barangays are currently revising and packaging their development plans with assistance from ISI. Three municipal development councils and thirty-four barangay development councils have been formed and strengthened. ISI also provided secretariat support to document the whole process of interventions from barangay to the municipal level. Other activities included networking and advocacy to secure support from national and local line agencies. The Iranun Development Council (IDC) is composed of the three municipalities of Barira, Buldon and Matanog, areas that are covered by ISI.

In Basilan, the Kahapan Foundation began consultations with five targeted local government units in September 2003. By December 2003, the Kahapan Foundation had completed Barangay Planning and Budgeting Workshops in thirty-one 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 are expected to be completed before August 31, 2004.

Comprehensive Human Resource Development Planning

In partnership with the Bangsamoro Women Foundation for Peace and Development, the Foundation is providing technical assistance to the municipality of Datu Paglas in Maguindanao Province to formulate an organizational structure that ensures the best use of existing human resources for both current and future projects. This module focuses on the capacity building of a human resource development (HRD) core team composed of HRD specialists, HRD advocates and change agents. This assistance also will include the installation of human resource systems, such as planning for people management, a recruitment system, an empowering system, development performance, and career management. Specifically, the objectives of this technical assistance are to aid the municipality of Datu Paglas to formulate an organizational structure that is supportive of the aims of HRD and run by competent personnel; to develop systems and procedures that will guide the implementation of HRD programs and the delivery of HRD interventions; to develop a vision and an action plan to achieve the goals of their HRD programs that are shared by everyone involved in the organization; and to develop a decentralized capacity-building framework plan that will serve as the basis for curriculum and staff development.

Training was held February 1-3, 2004 to prepare the Datu Paglas HRD Core Team for the crafting of the municipality's comprehensive human resource development plan. The team is composed of sixteen representatives from different departments of the Local Government Unit

headed by the Local Chief Executive. The activity consisted of training needs analysis, surveys, task analysis, and action planning for next steps. Subsequent workshops focused on more technical skills: “HRD Systems Assessment and Audit Workshop” on February 12-13, 2004, and “Matching LGU Needs with Civil Service Commission Standards” on February 19-21, 2004.

Participatory Local Governance

In February 2004, the Iloilo Caucus of Development NGOs (ICODE) began preparations for conducting a competency-based capacity building training program for good governance advocates in poor communities. The training is designed to showcase innovative development models and approaches featuring a comprehensive and integrated service package called the Participatory Local Governance (PLG) Strategy. This promotes multipartite partnerships to efficiently utilize available local resources for the delivery of development programs and services.

The project also will professionalize graduates from the ranks of civil society and NGOs by enabling them to achieve upgraded, university-certified credentials. Official classes started on June 19, 2004. Out of 110 applicants, twenty-two were selected for the certificate course and twenty-three for the diploma course. The class is composed of two newly-elected board members of the provincial council and seven barangay captains. The other members of the class come from non-governmental and people’s organizations from twenty-three local governments in Iloilo, Capiz, Aklan and Guimaras.

The La Salle Institute of Governance, in collaboration with the Barangay-Bayan Governance Consortium, the Local Governance Citizens Network, the Local Governance Policy Network, the Galing Pook Foundation, Code-NGO and the Local Government Support Program, organized the “Participatory Local Governance Conference: Mainstreaming Innovations, Institutionalizing Gains” in Davao City, February 4-6, 2004. The conference provided a forum for the dissemination of information about participatory governance tools utilized by various local government mechanisms. It also offered an opportunity to strengthen networking among practitioners, advocates and supporters from the ranks of civil society and government. The conference highlighted best practices and case studies of public participation in Mindanao municipalities, cities and provinces. During the conference, participants generated policy recommendations that will promote the mainstreaming of innovations in participatory local governance in training curriculum and in a revised Local Government Code.

Assessing Gender Integration in Local Governance

On January 12-15, 2003 the Regional Commission on Bangsamoro Women (RCBW) held a Strategic Planning Workshop and Capacity Assessment Workshops in order to forge a consensus on its directions, strategies and programs. Prior to the workshops, the United

Nations Development Fund for Women (UNIFEM) had conducted a survey⁵ to better understand where the RCBW currently stands vis-à-vis Bangsamoro society. The survey, which was intended as a pre-workshop instrument and therefore for internal discussion only, revealed that the most serious problems in the ARMM include armed conflict, threatened loss of freedom, the burden of poverty, and weak representation in peace-making bodies. The most vulnerable women include the wives of soldiers, rural and urban Moro women, female-heads of households, and poor peasant and indigenous women. The survey also recognized the legal mandate of RCBW in addressing the concerns of Bangsamoro women.

The Strategic Planning Workshop focused on how Bangsamoro women envisioned the state of the ARMM and the means and mechanisms the Bangsamoro women might engage in to achieve their vision. As a result of the Strategic Planning Workshop, the RCBW realized that its role was more than serving as the lead agency to address women's issues. It also would have to promote people's participation and policy reforms to achieve responsive, good, moral and democratic governance. The RCBW recognized that Bangsamoro women should be able to consolidate their ranks, realize their immediate agenda, set-up mechanisms to achieve their agenda, and mobilize in their respective barangays and clusters of barangays. The RCBW, composed of Commissioners directly involved with grassroots women, needs to employ the twin strategy of community organization and community development in order to effectively engage Bangsamoro society in all the programs and activities of the ARMM government. However, as the Capacity Assessment Workshop revealed, the RCBW still needs capacity building in order to effectively implement its mandate and strategic plan. The RCBW needs technical assistance in order to lead, initiate and influence, and to be effective in its role of educating, mobilizing and empowering women, as well as in serving the local governments of the ARMM.

DAWN Foundation, in partnership with the Al Mujadillah Foundation, conducted "Women in Islam: Gender Sensitivity Training" on January 27-29, 2004 at the Crystal Inn, Iligan City for representatives and local government officials from the municipality of Balindong and the province of Lanao del Sur. Most of the participants were provincial employees representing the different offices and departments, while the municipal employees of Balindong were represented by the Engineers' Office and the executive assistant to the Mayor. During the opening program, Ms. Maribel Buenaobra talked about The Asia Foundation's gender projects and the Foundation's goal to mainstream gender issues in all development programs of the government in order to be able to operationalise the mandate for a GAD budget to fund gender responsive programs and projects. DAWN Foundation Program Officer, Annabelle Corral presented highlights of the rapid assessment on the receptivity of the Province of Lanao del Sur and Balindong for GAD and the rationale of the project. The training is part of a series of training seminars to mainstream gender and gender budgeting into the local budgets of Balindong and Lanao del Sur. As a follow-up to this training, DAWN Foundation conducted gender planning

⁵ Capacity Assessment Survey for RCBW

and gender budget advocacy training for the same participants on February 26-28, 2004 in Iligan City.

Local Monitoring Teams for the Cessation of Hostilities with the MILF

In cooperation with the Office of the Presidential Assistant on the Peace Process and the Advocacy Mindanow Foundation, The Asia Foundation is providing support to Local Monitoring Teams (LMTs) in thirteen conflict-affected provinces⁶ of Mindanao. The role of the LMTs is to ensure that the cease-fire agreement is implemented in order to prevent any escalation of conflict that might hamper peace negotiations and economic development. Each team consists of five members, with representatives from 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 LMTs assisted the Malaysian Advance Survey Team to prepare for field visits and arrange meetings and dialogues at separate venues with Commanding Officers of the Armed Forces of the Philippines and ground Commanders of the Moro Islamic Liberation Front. The LMTs played a significant role in the visit during March-April 2004, and were considered as local counterparts of the International Monitoring Teams.

The LMT Operations Manual is now being finalized in accordance with revisions and suggestions from the MILF representatives. The handbook is targeted for completion by September 30, 2004. The LMTs have installed information billboards at different sites in the thirteen provinces to increase the LMTs' visibility and to inform communities of their presence and functions.

Bridging Societal Divides

In partnership with the Asian Institute of Management's Mirant Center for Bridging Societal Divides, The Asia Foundation supported the participation of twenty community leaders from various non-governmental and people's organizations in Mindanao in the "Training of Trainers on Bridging Societal Divides" in Davao City from June 25 to 29, 2004. The training brought together non-government and community leaders for a five-day skills training workshop on conducting community dialogues and managing multi-stakeholder partnerships. The workshop started with an orientation on the concept and practice of bridging divides, and then focused on skills development so that the participants could design appropriate training or workshop activities in their own communities. Participants were able to develop a deeper understanding of the bridging concept and the skills required to spearhead the formation of partnerships at the community level.

⁶ These 13 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.

Books for Mindanao

The Asia Foundation launched its partnership on the Books for Mindanao Program with the Department of Social Welfare and Development of the Autonomous Region in Muslim Mindanao (DSWD-ARMM) on March 4, 2004 in Cotabato City. The program complements the Foundation's Transparent Accountable Governance Project by shipping new books and educational materials donated by American publishers to 75% of the targeted 100 municipalities in the Autonomous Region in Muslim Mindanao, and by ensuring that targeted municipalities have access to early childhood care and development materials. The signing of a memorandum of understanding (MOU) between The Asia Foundation and DSWD-ARMM was part of the launch. The MOU outlines the partnership between DSWD-ARMM and the Foundation for the distribution of books to 600 day care centers in ARMM. The Asia Foundation has received support from USAID to cover the shipment of the books to Cotabato City, while DSWD-ARMM provides a storage area and facilitates the distribution of the books to accredited daycare centers. Initially, seventy boxes of books were shipped to Cotabato City for distribution in Maguindanao Province.

A book turnover ceremony was held on April 29, 2004 in Kidapawan City to distribute 1,120 books from The Asia Foundation. Recipients are conflict-affected barangays in North Cotabato. Each of the sixteen barangays received a box containing seventy elementary and high school books. The Books for Mindanao Program of the Foundation is an effective way of providing access to reading materials to remote areas in Mindanao. This is done in partnership with local organizations such as the Mindanao Land Foundation, Inc. (MinLand), a Davao-based foundation advocating for low cost housing in Mindanao, who, aside from taking care of the distribution, also covers the shipping costs from Manila.