
**TRANSPARENT ACCOUNTABLE GOVERNANCE (TAG3)
LOCAL GOVERNANCE IN MINDANAO**

FINAL REPORT

October 1, 2007-December 31, 2009

(Cooperative Agreement No. 492-A-00-07-00021-00)

Submitted by



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Acronyms

BDP	Barangay Development Planning and Budgeting
BPLS	Business Permits and Licensing System
BMC	Butuan Medical Center
BPLO	Business Permits and Licensing Office
BOSS	Business One Stop Shop
CAC	Citizens' Action Center
CCTAG	City Coalitions for Transparent Accountable Governance
CEEDO	City Economic Enterprise Office
C-ENRO	City Environment and Natural Resources Office
ELA	Executive and Legislative Agenda
GIS	Geographic Information System
HRM	Human Resource Management
ICWS	Iligan City Water System
KPH	Kabasalan Pathfinder Hospital
LGU	Local Government Unit
MEEDO	Municipal Economic Enterprise Development Office
MRT	Mobile Renewal Team
MEEC	Municipal Economic Enterprise Code
PALS	Philippines Australia Local Sustainability
PEE	Public Economic Enterprise
PSEEAP	Public Service Excellence Ethics and Accountability Program
RPTA	Real Property Tax Administration
SB	Sanggunian Bayan (Municipal Council)
SIR	Service Improvement Recommendation
SWM	Solid Waste Management
SP	Sangguniang Panglusod (City Council)
SWS	Social Weather Stations
TAG	Transparent Accountable Governance
TIPIAB	Tacurong City Investment Promotions and Incentives Administration Board
TWG	Technical Working Group
USAID	United States Agency for International Development

I. Introduction.

This final report covers the activities and accomplishments of the Transparent Accountable Governance (TAG3): Local Governance in Mindanao Project. The Asia Foundation implemented the project from October 01, 2007 to December 31, 2009 with generous support from the United States Agency for International Development (USAID) under Cooperative Agreement No. 492-A-00-07-00021-00. Over-all, the project aimed at strengthening local governance and mechanisms for economic development in Mindanao.

Problems of security, law and order, poverty, and economic underdevelopment have been hounding Mindanao for more than two decades now. To address these intricate problems and sustain peace and development, multi-dimensional approaches are needed. Improving local governance is one such approach. This approach is particularly important because local governments serve as citizens' primary point of contact with government and are the main venue for participation in its processes. While many of these local governments struggle with poor organizational structures, limited budgetary resources, inadequate and ill-equipped staff, they play a critical role in business development, conflict management, and resource allocation in communities.

The project implemented five major components to improve local governance in Mindanao. These are:

- Technical Assistance to Nine Mindanao Cities
- Technical Assistance to 30 Conflict-Affected Municipalities in Mindanao
- Development of Service Standards for Business Registration and Real Property Tax Administration (RPTA)
- Expansion of reach and ensuring the sustainability of TAG
- Books for Asia (Mindanao).

TAG3 worked, in particular, to:

- Improve the overall business environment and increase the competitiveness of cities Mindanao through better governance.
- Institutionalize a good governance agenda in Mindanao local governments.
- Provide models of good governance tools and practices that interested local governments may benefit from.
- Measure improvements in local governments' quality of service delivery in two service areas: business registration and real property tax administration.
- Strengthen public-private partnerships in Mindanao cities.
- Increase availability of reading materials in conflict affected areas of Mindanao.

II. Implementation Strategy.

The project took advantage of the opportunities provided by the decentralized governance set-up in the Philippines, and made the most of the gains of previous TAG projects. The

Asia Foundation's extensive history in promoting better and effective local governance in the Philippines and throughout Asia also provided valuable lessons for the project.

To make sure the project provided relevant interventions, it adopted a *demand-driven* and *assisted self-reliance* approach in providing technical assistance to cities and municipalities. Demand in Mindanao for local governance technical assistance was great but not all local governments were willing to make the commitment to pursue and support reforms. Thus, an invitation to avail of the TAG3 technical assistance was extended only to those local governments where technical assistance from the TAG project was previously implemented.

Aside from being TAG project enrollees, these local governments also demonstrated their willingness to partner with, and involve civil society and business in the reform process. Through Executive Orders issued by the Mayors and through Local Council Resolutions, these local governments expressed their commitment to provide counterpart contribution (cost of meals, transport and venue) for project-related activities.

To ensure that assistance to local governments was tailored to local contexts and specific local circumstances, the results of the post-technical assistance monitoring conducted during the previous TAG project informed the design of the technical assistance. The TAG3 technical assistance took on the following forms:

- In cities where governance institutions, administrative capacity, and budgeting structures are already present and where substantial impact on reforming bureaucratic processes have been achieved under previous TAG projects, activities were designed to improve the overall business environment and to increase the city's competitiveness. The project involved the private sector and civil society in engaging the cities in reforming regulations, reducing regulatory compliance costs, and limiting opportunities for corruption.
- In municipalities considered as high performers in the previous TAG project and whose officials have developed an appreciation of accountable governance, the technical assistance was directed to assist these municipalities generate additional local revenues, and develop the capacities of local officials for sound financial management. The project also helped municipalities install a set of indicators that track for example, the number of business registered in their locality, or the increase or decrease of collection from business and realty taxes.
- In municipalities where local government officials and employees have little sense of governance and public service, little knowledge of consultative and participatory processes, and perhaps even little sense of direction, activities were designed to enable local governments to plan and manage their budget efficiently, respond to the needs and priorities of the citizens, and improve service delivery.
- For local governments that were not enrolled in TAG3, a manual containing tools and approaches on how to implement TAG processes was developed. Thematic

sharing sessions and conferences were also held for cross fertilization of learning and spread the achievements and gains of the project.

III. Coverage and Partners.

The Foundation worked with nine cities and 30 municipalities in conflict-affected areas throughout Mindanao. The Mindanao region encompasses seven of the ten poorest provinces in the Philippines. Many areas of the region are poorly governed. Feudalistic and clan-based forms of authority and patronage are widespread. There is also a history of insurgency and clan conflicts, which until now creates a considerable social tension. The investment climate, while attractive and improving in some places, is largely negative. Government services and mechanisms while present, clearly needs improvements.

IV. Project Activities.

A. Technical Assistance in nine Mindanao Cities.

a) Objective.

This project component aimed at improving the overall business environment and increasing the competitiveness of Mindanao cities through better governance.

b) Description of Activity.

The project provided direct technical assistance to nine Mindanao cities to improve their overall business environment, to increase their competitiveness, and to improve their revenue collection. The technical assistance to cities tried to achieve these objectives through local policy reforms, enhancement of the human resource management, and implementation of procedural reforms in specific city government services. These reforms were chosen by the cities themselves through a participatory and consultative process facilitated by the TAG project.

Local Policy Reforms examined city government regulations, policies, and priorities that directly affect businesses and have impact on the competitiveness of cities and in the vibrancy of local economies. Amendments to existing policies were introduced, or new policies were proposed as deemed necessary.

The *Human Resource Management (HRM)* component helped cities improve programs and processes related to management of human resources. This component specifically looked into city governments' staff assignments, training and development, welfare, recruitment, selection and promotion, and performance evaluation. It also tried to look into programs related to skills development of city residents and their readiness to supply the human resource requirement of investors.

The *Procedural Reforms* component introduced improvements in selected city government systems and services deemed crucial in providing support to businesses and investors. City

services where technical assistance was provided include: *Real Property Tax Administration*, management of *City Economic Enterprises*, *Water System*, *Hospital*, and a *Citizens' Action Center*. The table below shows the cities and their respective reform agenda:

Table 1

Reform Agenda	Cities
Local Policy Reforms	<ul style="list-style-type: none"> • Butuan • Iligan • Oroquieta • Tacurong
Human Resource Management	<ul style="list-style-type: none"> • Butuan • Dipolog • Panabo • Surigao • Tacurong • Oroquieta • Zamboanga
Management of City Economic Enterprises	<ul style="list-style-type: none"> • Oroquieta • Tacurong
Investment Promotion	<ul style="list-style-type: none"> • Butuan • Dipolog • Panabo • Iligan
Management of City Waterworks	<ul style="list-style-type: none"> • Iligan
Management of City Hospital	<ul style="list-style-type: none"> • Butuan
Management of Citizens' Action Center	<ul style="list-style-type: none"> • Surigao

B. Technical Assistance to 30 Conflict-Affected Municipalities in Mindanao.

a) Objective.

This component aimed at improving municipal governments' operations for better service delivery, institutionalizing participatory process in municipalities in Mindanao, and reducing opportunities for corruption through more efficient, open, transparent, and accountable local government processes.

b) Description of Activity.

The project provided direct technical assistance to 30 Mindanao municipalities to improve service delivery; increase revenue generation capacities; enhance financial management and public economic enterprises (revenue projection, collection, budgeting, and expenditure tracking); and advance the professional growth of municipal employees through effective human resource management plans.

Below is the summary list of municipalities with its corresponding technical assistance:

Table 2

Province	Municipality	Reform Agenda
Lanao Sur	Tangkal	Real Property Tax Administration
	Kapatagan	Real Property Tax Administration
	Wao	Human Resource Management
Sulu	Jolo	Business Permit and Licensing System
	Patikul	Participatory Barangay Development Planning and Budgeting
	Panamao	Participatory Barangay Development Planning and Budgeting
Tawi- Tawi	Bongao	Business Permit and Licensing System
Basilan	Lamitan	Business Permit and Licensing System
Zamboanga Norte	Labason	Business Permit and Licensing System
	Leon B. Postigo	Business Permit and Licensing System
	Piñan	Management of Economic Enterprise and Services
Zamboanga Sibugay	Siay	Business Permit and Licensing System
	Tungawan	Business Permit and Licensing System
	Alicia	Business Permit and Licensing System
	Ipil	Management of Economic Enterprise
	Kabasalan	Hospital Administration
Zamboanga Sur	Bayug	Business Permit and Licensing System
Sultan Kudarat	Isulan	Human Resource Management
Cotabato	Pigcawayan	Human Resource Management
	Kabacan	Management of Economic Enterprise
	Tulunán	Management of Economic Enterprise
	Pikit	Management of Economic Enterprise
	Midsayap	Management of Economic Enterprise
	Magpet	Human Resource Management
Maguindanao	Sultan sa Barongis	Human Resource Management
	Upi	Management of Economic Enterprise
	South Upi	Public Service Excellence Ethic and Excellence
Lanao Norte	Kolambugan	Business Permit and Licensing System
	Baroy	Business Permit and Licensing System
	Kauswagan	Management of Economic Enterprise

C. Development of Service Standards for Business Registration and RPTA.

a) Objective.

This component aimed to create measures by which cities can assess their own performance and fashion improvements that could allow comparisons between jurisdictions.

b) Description of Activity.

The project developed a service standards guidebook for *business permitting and licensing* and *real property tax administration* to help assess the performance of local government service providers. The standards focused on processing time, requirements, costs of services, and assessments. Below are the six cities that participated in the development of the guidebook. Three of these cities: Iriga, Roxas, and Santiago were also receiving technical assistance on counter corruption reforms funded by the British Embassy Manila under Localizing Counter Corruption Project for Cities in Luzon and Visayas.

Table 3

Island Groups Distribution	Participating Cities
Luzon	<ul style="list-style-type: none"> • Iriga • Santiago
Visayas	<ul style="list-style-type: none"> • Roxas
Mindanao	<ul style="list-style-type: none"> • Butuan • Surigao • Tacurong

D. Expanding the reach and ensuring the sustainability of TAG Activities.

a) Objective.

To undertake set activities that will sustain TAG and local government accomplishments, and provide information and resources to other local governments that the project does not reach. This is to maximize the benefits of the resources made available for this project, and ensure that local governments who were previously involved in the earlier TAG project but are no longer part of TAG3 project will still benefit from the richness of information and lessons generated by the project.

b) Description of Activities.

1) Development of Manual on TAG Processes.

To share the learning from the earlier TAG project, the Foundation published a manual on TAG processes for local governments. The manual contains tested tools and processes that will assist interested local governments to undertake reforms, improve operations, involve citizens in governance processes, and put in place business-friendly regulations. The

manual also includes specific experiences and approaches adopted by various local governments in undertaking reforms.

2) Strengthening public-private partnerships through the City Coalition for Transparent Accountable Governance (CCTAG).

The Foundation worked with the Mindanao Business Council to strengthen private sector and city government partnerships. It made use of the City Coalitions for Transparent Accountable Governance (CCTAG) which started in the earlier phases of the TAG project. CCTAGs are local partnerships among the city government, the business sector, and civil society organizations. The project also continued to build the capacity of the CCTAGs to undertake revenue-generating activities, and to raise and leverage funds from the local business community and other sources for counter corruption activities.

3) Sharing workshops and conferences.

The TAG project hosted thematic sharing workshops and conferences for its partner cities and municipalities to share learnings, lessons, and innovations as well as collectively explore possible solutions to emerging trends and problems facing local governments like climate change, conflict, and urbanization among others.

E. Books for Asia (Mindanao).

a) Objective

To increase the availability of reading materials in conflict affected areas of Mindanao.

b) Description of Activity

With USAID's support through the TAG3 project, the Foundation continued its Books for Asia (Mindanao) initiatives – providing schools in conflict-affected areas of Mindanao with easy access to high quality English language reading materials. The Asia Foundation provided the books for free, while TAG3 project resources were used to support packing and some domestic shipping costs.

Donations of books (over 95 percent new) for this program are largely made possible through the contributions of American publishers and bookstores. The subject areas of books and journal donations vary from year to year. At present, the Books for Asia Program in the Philippines is largely focused on providing basic texts and supplementary reading materials for elementary and high schools; collections for university law schools and business programs; and resource materials for non-governmental organizations (NGOs). The level of materials ranges from elementary to university levels, with educational and professional references in such varied fields as governance, health, environment, information technology, social science, and international relations.

Aside from the educational and developmental aspects, Books for Asia (Mindanao) complements the reform efforts of the project as it helps to build good will with the local communities and is an excellent venue for showcasing to the general public the involvement of USAID and The Asia Foundation in the developmental and governance aspects of Mindanao. The Foundation worked with local governments, academic institutions, parent-teacher organizations, and local NGOs in organizing events which highlighted USAID contributions to education.

V. Major Accomplishments.

A. Technical Assistance to nine Mindanao Cities.

Below are the notable accomplishments of the cities as a result of TAG assistance:

Table 4

Reform Area	Cities	Accomplishments
Local Policy Reforms	Butuan	<ul style="list-style-type: none"> Formulated a Convergence Plan that harmonizes the Investment Promotion Program, the Executive-Legislative Agenda, and City Development Investment Plan.
	Iligan	<ul style="list-style-type: none"> Drafted a proposed Ordinance on the New Water Tariff
	Oroquieta	<ul style="list-style-type: none"> Formulated the Agriculture and Fisheries Modernization and Industrialization Plan Rationalized the mandate and structure of the City Agriculture Office
	Surigao	<ul style="list-style-type: none"> Produced a working paper defining the mandates and functions of the City Environment and Natural Resources Office (C-ENRO) Issued Executive Order No. 10, series of 2009 mandating the C-ENRO to take on the function of solid waste management
	Tacurong	<ul style="list-style-type: none"> Reconstituted the Tacurong City Investment Promotions and Incentives Administration Board (TIPIAB) through Executive Order No.2, series of 2009.
Human Resource Management	Butuan	<ul style="list-style-type: none"> Adopted the HRM Plan through SP Resolution No. 223-2009 Activated the Personnel Development Committee of the City Government Systematized the employee recruitment, selection, and promotion process within the city government.
	Dipolog	<ul style="list-style-type: none"> Adopted the HRM Plan through SP

Reform Area	Cities	Accomplishments
		Resolution No. 09-879 <ul style="list-style-type: none"> Initiated an employee welfare program.
	Oroquieta	<ul style="list-style-type: none"> Adopted the HRM Plan through SP Resolution No. 2009-06-432.
	Panabo	<ul style="list-style-type: none"> Adopted the HRM Plan through SP Resolution No. 464, series of 2009. Systematized the employee recruitment, selection, and promotion process. Initiated an employee welfare program.
	Surigao	<ul style="list-style-type: none"> Adopted the HRM Plan through City Council Resolution No. 165-2009 Activated the Personnel Development Committee of the City Government
	Tacurong	<ul style="list-style-type: none"> Adopted the HRM Plan through City Council Resolution No. 120-4th SP series of 2009-11-09 Activated the Personnel Development Committee of the City Government Systematized the employee recruitment, selection, and promotion process. Initiated an employee welfare program.
	Zamboanga	<ul style="list-style-type: none"> Adopted the HRM Plan through SP Resolution No. 427
Management of Economic Enterprises	Oroquieta	<ul style="list-style-type: none"> Created the City Economic Enterprise Development Office (CEEDO) through SP Ordinance No. 311-2008 Developed a Strategic Plan for the CEEDO Allocated city funds through SP Ordinance 08-006 for the operation of the CEEDO
	Ozamiz	<ul style="list-style-type: none"> Facilitated the drafting of proposed Economic Enterprise Ordinance which was later adopted by the City Council as Ordinance No. 1011-09
	Tacurong	<ul style="list-style-type: none"> Improved the accounting and disbursement systems of the city economic enterprises Formulated service improvement recommendations to enhance the collection of account receivable at the public market
Investment Promotions	Butuan	<ul style="list-style-type: none"> Developed the Investment Promotion Strategies of the City and Creation of the Investment Promotion Center. Both

Reform Area	Cities	Accomplishments
		<p>were legislated through SP Ordinance 3466-2009.</p> <ul style="list-style-type: none"> Trained city government personnel in the basic work of investment promotion.
	Dipolog	<ul style="list-style-type: none"> Formulated the Investment Promotion Strategies of the city most of which were adopted in SP Ordinance 08-210. Trained city government personnel in the basic work of investment promotion.
	Iligan	<ul style="list-style-type: none"> Produced a working paper on proposed Investment Promotion Strategies for the city. Trained city government personnel in the basic work of investment promotion.
	Panabo	<ul style="list-style-type: none"> Formulated the Investment Promotion Strategies of the city which were recognized through SP Resolution No. 17. Reconstituted the Panabo Investment Board. Trained city government personnel in the basic work of investment promotion.
Management of City Waterworks	Iligan	<ul style="list-style-type: none"> Allocated city funds for the purchase of computer hardware and software for the integration of Iligan City Waterworks System's (ICWS) databases Developed recommendations on clustering of water meter to lower the cost of billing and collection.
Management of City Hospital	Butuan	<ul style="list-style-type: none"> Drafted the Guidelines on the Grant of Discounts and Use of Promissory Notes which was later adopted by the Board of Directors of the Butuan Medical Center, and by the City Council through SP Resolution No. 305, series of 2009. Improved the workflows in the hospital to benefit the customers.
Management of Citizens' Action Center (CAC)	Surigao	<ul style="list-style-type: none"> Crafted the Manual of Procedures of the Citizens Action Center (CAC). Issued Executive Order No. 02, series of 2009, creating and defining the functions of the CAC.

B. Technical Assistance to 30 Conflict-Affected Municipalities in Mindanao.

Below are the notable accomplishments of the municipalities as a result of TAG assistance:

Table 5

Reform Area	Municipalities	Major Accomplishments
Business Permit and Licensing System	Alicia Zamboanga Sibugay	<ul style="list-style-type: none"> Made the real property tax clearance a requirement in processing the business permits. Renovated the offices of the Treasurer, Assessor, and Licensing Officer to make the offices more convenient for customers.
	Baroy Lanao del Norte	<ul style="list-style-type: none"> Changed the renewal of business permits from quarterly to annual as indicated in the Local Government Code of 1991. Issued closure orders to delinquent business establishments. Set up a GIS-based business tax mapping dataset.
	Bayug Zamboanga del Sur	<ul style="list-style-type: none"> Passed Sanggunian Bayan (SB) Ordinance No. 10-50-08 adopting the use of business plates and stickers instead of the usual paper sheets. Passed SB Ordinance No. 10-51-08 penalizing violators for non-display of business plates. Conducted an information drive on the existing Local Revenue Code.
	Kolambugan, Lanao del Norte	<ul style="list-style-type: none"> Implemented the new process flows for business registration. Arrangement of desks and tables at the Municipal Treasurer's Office was re-arranged to reflect this. Posted service flow charts and instructional signs outside the office to guide the customers. Conducted tax mapping of business establishments and started using a GIS database.
	Labason Zamboanga del Norte	<ul style="list-style-type: none"> Updated the Local Revenue Code Relocated to the ground floor of the municipal hall all offices involved in the Business-One-

Reform Area	Municipalities	Major Accomplishments
		Stop- Shop (BOSS).
	Leon B. Postigo Zamboanga del Norte	<ul style="list-style-type: none"> Oriented Barangay Treasurers about the BOSS. Converted all section maps of real properties into digital files.
	Tungawan Zamboanga Sibugay	<ul style="list-style-type: none"> Conducted information drive on the new system of business permit registration. Adopted a "Mobile Renewal System" –an on-site (barangay-level) registration of business establishments.
	Jolo Sulu	<ul style="list-style-type: none"> Amended the Local Revenue Code through SB Ordinance No. 006, Series of 2008 to reflect the new schedule of fees. Simplified the application form for business permit. Set up a new database for business registration. Conducted business tax mapping.
	Lamitan Basilan	<ul style="list-style-type: none"> Drafted the suggested amendment on the local revenue code. Crafted a comprehensive application form called Business Enterprise Information Sheet to be used for data banking.
	Bongao Tawi-Tawi	<ul style="list-style-type: none"> Drafted the recommended amendments to the local revenue code. Distributed information materials on the licensing process. Mounted a BPLS billboard at the entrance of the municipal hall.
	Siyay Zamboanga Sibugay	<ul style="list-style-type: none"> Installed a computerized business tax mapping system. Conducted business tax assessments in preparation for the January 1-20 business registration period.

Reform Area	Municipalities	Major Accomplishments
Management of Public Economic Enterprise	Tulunán Cotabato	<ul style="list-style-type: none"> • Amended and expanded the Market Code into the Municipal Economic Enterprise Code. • Set up a separate accounting system for municipal economic enterprises. • Crafted a new lease contract for market stall owners; also crafted a payment index form. • Passed Sangunian Bayan (SB) Ordinance No.011-00 adopting a fix rate for the use of public toilets. • Conducted business tax mapping.
	Kabacan Cotabato	<ul style="list-style-type: none"> • Passed SB Resolution No. 2009-181 granting authority to the Mayor to open a dedicated account for the revenues from the economic enterprises in order for the local government to keep track of the earnings of the economic enterprise and have accurate and transparent records keeping
	Pikit Cotabato	<ul style="list-style-type: none"> • Drafted a proposed ordinance creating the Municipal Economic Enterprise Development Office (MEEDO). • Installed additional 50 “Tapangkols” (display tables) in the Market to increase revenues for the local government. • Designed a new traffic plan in the market; set up a permanent terminal for motorcycles for hire. • Deployment additional security personnel in the market to deter crimes. • Sectioning of the market stalls according to goods sold.
	Kauswagan Lanao del Norte	<ul style="list-style-type: none"> • Restored the capacity of the MEEDO to manage the economic enterprises.
	Piñan Zamboanga del Norte	<ul style="list-style-type: none"> • Crafted a new Municipal Enterprise Code. • Created a Municipal Economic Enterprise Management Board.

Reform Area	Municipalities	Major Accomplishments
	Ipil Zamboanga Sibugay	<ul style="list-style-type: none"> Enacted a new Municipal Economic Enterprise Code, through SB Resolution No. 06-665-2009. Drafted the Operations Manual for the municipality's Integrated Bus Terminal.
	Kabasaran Zamboanga Sibugay	<ul style="list-style-type: none"> Formulated the guidelines for patient's classification. Convened the Hospital Management Board
	Midsayap Cotabato	<ul style="list-style-type: none"> Reviewed the proposed amendments to Economic Enterprise Code, which will lead to the creation of the MEEDO. Padlocked the stalls of delinquent stallholders who failed to comply with their promissory notes.
	Upi Maguindanao	<ul style="list-style-type: none"> Revised the 2002 Market Code to include the operation of the municipal slaughter house. Drafted the Operations Manual for the slaughter house.
Human Resource Management	Wao Lanao Sur	<ul style="list-style-type: none"> Approved and adopted Human Resource Management Plan.
	Sultan sa Barongis Maguindanao	<ul style="list-style-type: none"> Approved and adopted the Human Resource Management Plan.
	Magpet Cotabato	<ul style="list-style-type: none"> Formulated the Human Resource Management Plan and implemented some of the priorities in the Human Resource Development Plan.
	Isulan Sultan Kudarat	<ul style="list-style-type: none"> Approved and adopted the Human Resource Management Plan.
	Pigcawayan Cotabato	<ul style="list-style-type: none"> Approved and adopted the Human Resource Management Plan.
Real Property Tax Administration	Tangkal Lanao del Norte	<ul style="list-style-type: none"> Trained municipal employees on real property tax administration.
	Kapatagan Lanao del Sur	<ul style="list-style-type: none"> Trained municipal employees on real property tax administration.
Public Service Excellence Ethics and Accountability	South Upi Maguidanao	<ul style="list-style-type: none"> Produced respective Service Vision, Service Values, Service Standards, and Service Cycles and implemented service improvements in seven offices within municipality.
Participatory	Patikul	<ul style="list-style-type: none"> Conducted participatory planning

Reform Area	Municipalities	Major Accomplishments
Barangay Development Planning and Budgeting	Sulu	and budgeting exercises in 30 barangays of the municipality and had these adopted by the respective barangay councils.
	Panamao, Sulu	<ul style="list-style-type: none"> Conducted participatory planning and budgeting exercises in 10 barangays of the municipality and had these adopted by the respective barangay councils.

C. Development of Service Standards for Business Registration and RPTA.

The printing of the Service Standard Guidebook which was developed through a participatory approach and based on the experiences of cities that participated in the development the materials was completed. In coordination with the League of Cities of the Philippines, the Foundation will distribute the Guidebook to 120 city governments around the country.

D. Expanding the reach and ensuring the sustainability of TAG Activities.

1) Development of Manual on TAG Processes.

The printing of the Manual on TAG Processes was completed. The Manual is based on the project's experience in implementing reforms in local governments. It will be distributed to 1500 both cities and municipalities in the country in coordination with the League of Cities of the Philippines and the League of Municipalities of the Philippines. Thirty civil society partners of the project and local academic research institutions will also be given copies of the manual.

2) Strengthening public-private partnerships through the City Coalition for Transparent Accountable Governance (CCTAG).

The project provided a sub-grant to the Mindanao Business Council to help strengthen the CCTAGs in ten cities¹. Below are the most notable accomplishments under the project of select CCTAGs:

¹ Butuan, General Santos, Iligan, Island Garden City of Samal, Malaybalay, Oroquieta, Panabo, Surigao, Tacurong, Zamboanga,

Table 6

CCTAG	Accomplishments
<ul style="list-style-type: none"> • Butuan • Oroquieta • Panabo 	<ul style="list-style-type: none"> • Secured financial support from the city governments for CCTAG activities.
<ul style="list-style-type: none"> • Panabo 	<ul style="list-style-type: none"> • Secured grant and loan commitments from the Provincial Office of the Department of Science and Technology for research and to support the building of facilities for milkfish processing.
<ul style="list-style-type: none"> • Butuan • General Santos • Iligan • Island Garden City of Samal (IGACOS) • Malaybalay • Oroquieta • Panabo • Surigao • Tacurong • Zamboanga 	<ul style="list-style-type: none"> • Trained the members of the ten CCTAGs in policy formulation and advocacy.
<ul style="list-style-type: none"> • Panabo • Surigao • Butuan • Zamboanga 	<ul style="list-style-type: none"> • Developed three policy briefs for four CCTAGs. The policy briefs represented the common concerns of the CCTAGs in their respective cities.
<ul style="list-style-type: none"> • Zamboanga 	<ul style="list-style-type: none"> • Enforced the solid waste management program for the city of Zamboanga.
<ul style="list-style-type: none"> • Butuan • General Santos • IGACOS • Malaybalay • Oroquieta • Panabo • Surigao • Tacurong • Zamboanga 	<ul style="list-style-type: none"> • Built a consensus among CCTAGs and the business community in Mindanao around the issues of power and shipping costs.

3) Sharing workshops and conferences

To culminate the city-level technical assistance, a Joint Cities Conference on Transparency, Accountability, and Competitiveness was held in Makati in September 2009. The conference, which was supported by USAID and the British Embassy, became a venue for sharing of experiences of the cities in Luzon, Visayas, and Mindanao that are part of the TAG project². Cities were also provided with information on coping with the challenges of urbanization, climate change, and the global economic crisis. One hundred eleven delegates from 10 city governments from Mindanao attended the conference. Of the

² The British Embassy Manila is supporting the implementation of similar TAG activities (PSEEAP, Procedural Reforms, and Public-Private Partnership) in four cities in Luzon and two cities in the Visayas.

delegates, seven were mayors, two were vice mayors, and four were councillors. The rest were department heads, mid-level officers, administrative personnel, and representatives from business chambers and local civil society organizations.

A similar conference was also conducted by the project for its municipal-level. The event entitled “Municipalities Conference on Transparent Accountable Governance” was a venue for 62 municipalities in Mindanao to share the success factors and the challenges in improving transparency and accountability in municipal governance. The municipalities also came up with recommendations on how to improve the design of technical assistance for local governments. They were also provided with information on conflict-transformation, coping with climate change, and cooperation among local governments. Twenty seven of these municipalities were enrolled in the TAG project while the rest are ARMM municipalities-- those that attended the roll-out orientation on Rationalized Planning System which the TAG project conducted in partnership with the ARMM DILG. One hundred twenty seven delegates attended the conference, with 10 mayors in attendance. The rest of the participants were Municipal Vice Mayors, Councilors, and technical staff.

E. Books for Asia (Mindanao)

During the project more than 130,000 new books were distributed throughout Mindanao. The project also supported seven major events in the cities of Koronadal, General Santos, Iligan, Cotabato, the Island Garden City of Samal, and the provinces of South Cotabato and Lanao del Sur. During these events 88,556 books were distributed to 1,663 schools. Below are the number of books distributed to different schools and libraries around Mindanao:

Table 7

PERIOD		REGION						Total
Oct. 2007 to Sept. 2009		IX	X	XI	XII	ARMM	CARA GA	
Elementary	Public	1,135	3,635	21,020	12,050	38,645	6,200	82,685
	Private	0	65	344	3,830	2,612	0	6,851
Secondary	Public	436	515	3,768	1,199	2,709	60	8,687
	Private	95	150	882	1,192	876	0	3,195
Colleges & Universities	Public	643	583	362	761	193	422	2,964
	Private	877	1,606	3,546	2,112	2,356	636	11,133
Non- Academic	Public	1,860	1,130	1,441	1,735	1,730	385	8,281
	Private	163	0	567	165	480	0	1,375
	Day Care	50	1,450	3,355	0	50	0	4,905
Total		5,259	9,134	35,285	23,044	49,651	7,703	130,076

VI. Results.

Result 1: Simplified procedures and processes on civil applications.

Indicator 1: Reduced number of days to process civil applications and clearances from an average of three days to less than a day per civil application.

Simplification of procedures and processes in civil applications (e.g. permits and licenses, clearances, certificates) can be measured by tracking indicators like processing time, number of steps, number of signatories, number of forms, and number of clearances issued. The aim of simplification is to reduce the cost of securing clearances and permits both on the part of the local government and the customers. The technical assistance that targeted simplification of processes was mainly in business permits and licensing systems (BPLS) in eleven municipalities.

Except for Kolambugan, the municipalities that focused on reforms in business licensing reduced the processing time of permits from an average of 3 days to 3 hours or even less. The conduct of pre-assessment and the early issuance of clearances by Siay, Alicia, Bongao, and Bayug, Leon Postigo contributed to the time reduction. For Tungawan, the “Mobile Renewal Strategy” not only reduced processing time but also provided an avenue for barangay officials to participate in the tax collection effort of the local government. These improvements came despite the fact that many of these municipalities are located in conflict-affected areas.

The table below compares the conditions of business permitting in municipalities in January 2008 when BPLS technical assistance started and on January 2009 a year after introducing some reforms:

Table 8

Municipality	Processing Time		No of Steps		No. of Signatories		No. of Forms		No. of Clearances	
	Jan 08	Jan 09	Jan 08	Jan 09	Jan 08	Jan 09	Jan 08	Jan 09	Jan 08	Jan 09
Tungawan	3 days	30 min	6	6	5	5	3	3	4	4
Bongao	1-2 days	3 hrs	6	6	2	3	1	1	6	6
Siay	3hrs	1 hr	4	4	2	1	3	3	5	5
Alicia	4 hrs	1 hr	6	4	2	2	2	2	6	4
Bayug	45 mins	5 mins	6	6	4	4	3	3	6	6
Jolo	5 days	1 day	11	4	6	4	5	1	9	9
Lamitan	2 hrs	1 hr	8	8	6	6	2	3	4	4
Leon B. Postigo	2-3 days	3 hrs	6	6	8	8	2	2	7	7
Baroy	45	5-30	8	8	6	6	5	5	6	6

Municipality	Processing Time		No of Steps		No. of Signatories		No. of Forms		No. of Clearances	
	Jan 08	Jan 09	Jan 08	Jan 09	Jan 08	Jan 09	Jan 08	Jan 09	Jan 08	Jan 09
	mins	mins								
Labason	No Data	1 hr	4	10	5	6	1	1	6	6
Kolambugan	2 days	2 days	6	6	6	6	3	3	1	1

Zamboanga City focused on the simplification of procedures for issuance of the locational clearance from the City Planning and Development Office. The clearance is a requirement as part of the application of business permit from the city government.

Below is a comparison of the processing time in the issuance of locational clearance in Zamboanga City:

Table 9

Indicator	Kind of Application	September 2008	September 2009
Processing Time	Application that requires inspection	A minimum of 7 days	3 days
	Application that does not require inspection	3 days	1 hour

The technical assistance provided to the Citizens' Action Center (CAC) of Surigao City, and to the Butuan Medical Center also resulted in simplification of processes and procedures. But measurement and comparison is not possible because of the absence of baseline information.

Customers though have expressed satisfaction with the services of the CAC. After clarifying procedures for service delivery and clarifying as well the tasks of each staff, waiting time for customers at the CAC was reduced to an average of four minutes. The referral system installed at the CAC also fast-tracked the response time of frontline departments to the concerns of customers.

In Butuan City, reforms introduced at the Butuan Medical Center (BMC) resulted in the simplification of processes and procedures that made the services of the hospital easier for customers to avail. Posting hospital services and the workflows of the different departments in big tarpaulins made it easier and faster for customers to look for the services and people they need inside the medical center. The physical rearrangement of some offices in the hospital also had the same effect on customers.

Indicator 2: Increased the number of registered businesses by 25 percent from 2008 level.

Not all municipalities have data for same period comparison, but a few have. The municipalities of Tungawan, Siay and Baroy for instance, registered substantial increase in

the number of applicants for new and renewed business permits. These municipalities attributed the increase to the effectiveness of the education and information drive among members of the business community, and among barangay leaders.

Unfortunately though, Jolo and some other municipalities posted a decline in the number of businesses that renewed their permits because of the deterioration in the peace and order situation of the place, low economic activity, and opposition on the new tax rate.

The table below compares the number of registrants in these municipalities in January 2008 and January 2009:

Table 10

Municipality	January 2008		January 2009		% Increase/ Decrease	
	New	Renewal	New	Renewal	New	Renewal
Tungawan	No Data	75	114	116	100.0	55.0
Bongao	18	216	7	66	(61.0)	(69.4)
Siay	29	168	41	176	41.0	4.7
Alicia	8	298	14	194	75.0	(35.0)
Bayug	20	382	7	237	(65.0)	(38.0)
Lamitan	15	702	23	418	(53.0)	(40.0)
Leon B. Postigo	49	171	11	92	(77.0)	(46.0)
Baroy	12	38	0	60	-	57.0
Labason	32	355	-	-	-	-
Kolambugan	52	388	38	228	(27.0)	(35.0)
Jolo	68	773	5	194	(93.0)	(74.0)

Some municipalities registered increases in the number of applicants during the January 2-20 renewal period. This increase can be attributed to the aggressive information drive conducted by the local governments. A few municipalities though posted a decline in applicants which the local governments blame on the closure of many businesses.

Result 2: Increased city government investments on infrastructures and programs that promote economic growth.

Indicator 1: Increased budget allocation for economic growth related infrastructure/program by 25 percent from 2008 level.

Of the cities that participated in the TAG3 project, a few have invested in, and increased their allocation for programs, and projects related to economic growth or those that would indirectly lead to making cities more business-friendly and competitive.

In their attempt to increase local revenues and increase available funds for infrastructure and other projects, the city government of Zamboanga embarked on a reform of their real property tax system. The city has allocated PhP160,000 for the purchase of computers and training of their staff in map digitization. In previous years, the City Assessor's Office had to make do with old computers incapable of handling large files because the city would not

invest on computer hardware. Digitization of parcel maps is still ongoing as of the writing of this report.

After the creation of the CEEDO in Oroquieta City which the project facilitated, the City Council passed Ordinance No.08-006, approving Supplemental Budget No.6 for CY2008 with a total appropriation of PhP2.7million. Of the amount, PhP755,000 or 28 percent was allotted for the operations of the economic enterprises.

In the Annual Investment Plan of Oroquieta City that was adopted through SP Resolution No. 2008-01-031, the city government also set aside PhP5.96million for the improvement of the Manual L. Quezon (Canubay) fish port. The fish port and the fishing industry are the major sources of income for the city government and the people of Oroquieta.

Oroquieta City also successfully leveraged a grant from the AusAID-funded PALS project. The grant was intended for the computerization of the CEEDO's market revenue collection system, which the TAG project helped design. The grant amounted PhP400,000 for the procurement of desktop computers and printers, and the purchase or development of the software. Part of the grant was also intended for the training CEEDO staff.

From a minimal investment of PhP147Th in 2008 for purchases of computers to improve the management of the Iligan City Waterworks System, the city government in 2009 allocated PhP1.3million for a contract package described as *Hardware, Software and Accessories of the Upgrading of Billing and Collection Computerization System Including Water Meter Reading Automation of the ICWS*. The package aims to: 1) automate the meter-reading system by using handheld computers to eliminate data entry and posting errors while improving monitoring by recording the date and time of reading; 2) upgrade the existing programs and databases of the billing and collection system to cope up with increasing workloads while effectively linking with the collection system and with GIS for planning; and 3) minimize the waiting time of paying costumers by automating the issuance of official receipts.

The table below shows the investments of the cities for priority reforms that will bring in more revenues for the local governments:

Table 11

City	CY2008	CY2009	% Increase from 2008
Oroquieta	PhP 5,735,098	PhP 8,100,000	41.24%
Iligan	Php146,800	Php 1,313,200	795%
Zamboanga	PhP40,000	Php PhP160,000	300%

Oroquieta City's investments includes allocation for personnel services, capital outlay, and miscellaneous and other operating expenses of the newly created CEEDO

Result 3: More accountable, responsive, professional and innovative local government personnel.

Indicator 1: Employees' individual ratings showed at least 50 percent improvements in performance.

Implementation of proposed Human Resource Management (HRM) activities resulted in improved staff performance. Quantifying the improvements may not be possible, since implementation of improvements was still on-going when the project ended. Tardiness and absenteeism for instance were noticeably reduced among city government employees in Panabo city. In 2008, 61 percent of employees (115 out of 189) were tardy while in 2009 only 51 percent of employees (237 out of 462) were tardy³. In addition, after the city government purchased a bus that ferries workers to and from the city hall, and strictly enforced the use of locator slips, punch cards and daily time records, the number of late employees decreased by 10 percent (from 752 in October to 677 in November).

In Butuan, Tacurong, and Oroquieta, more employees were sent to trainings after their city government constituted their respective Personnel Development Committees and developed training calendars.

Table 12

City	CY2008	CY2009	% Change
Butuan	769	1,167	51%
Oroquieta	128	490	73%
Surigao	164	236	43%

The results of the pre and post implementation survey conducted after the project's technical assistance however showed a general decrease in the ratings for the 10 questions answered by management and rank and file employees. It is worthy to note through that the post implementation survey was done before the full implementation of the HRD plan, thus, initial gains are still few. Furthermore, the increase in employees' awareness of their rights and expectations from the city government as a result of the HRM technical assistance resulted in low rating during the post implementation survey.

³ Based on the annual count and records of the HRM office.

Table 13: Pre and Post Perception Survey

Pre and Post Survey Percentage of employees who strongly agreed to the following statements	Butuan		Dipolog		Oroquieta		Panabo		Surigao		Tacurong	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post	Pre	Post	Pre	Post
1. I am contented with my job at the city government												
a) Management	42	86	60	32	46	33	57	77	11	11	61	69
b) Rank and File	50	33	47	27	31	31	30	46	21	13	36	44
2. There are enough resources to support me in doing my job at the city government												
a. Management	25	29	33	26	0	15	35	15	5	3	61	43
b. Rank and File	29	15	27	27	7	13	24	20	5	3	36	27
3. I have a good working relationship with my boss												
a. Management	83	95	70	66	38	46	64	54	12	8	61	73
b. Rank and File	44	50	55	48	52	60	61	48	27	14	36	57
4. The city government is a good place to work												
a. Management	75											
b. Rank and File	49	76	62	41	54	46	57	61	12	11	61	60
		43	51	38	50	46	59	54	22	12	36	59
5. I am given enough freedom to make decisions about my present work												
a. Management	33	67	38	41	31	23	29	15	8	7	61	60
b. Rank and File	24	38	18	16	17	22	25	30	5	4	36	38
6. Generally, people around me are nice to work with												
a. Management	50	38	42	57	23	14	43	31	3	7	61	47
b. Rank and File	19	25	37	27	19	17	23	33	10	6	36	28
7. Civil Service laws and rules are observed in the selection and promotion process												
a. Management	50	33	20	9	15	25	29	14	3	6	61	40
b. Rank and File	15	19	19	7	2	4	23	30	10	4	36	36
8. My work performance is recognized by my boss												
a. Management	75	57	62	32	46	23	38	15	6	5	61	53
b. Rank and File	30	26	37	23	21	43	31	27	14	9	36	37
9. I am confident in doing my job												
a. Management	75	90	62	49	38	43	79	69	11	10	61	73
b. Rank and File	56	38	58	34	43	47	44	48	24	11	36	57
10. My boss provides me direction that I need in my job												

Pre and Post Survey Percentage of employees who strongly agreed to the following statements	Butuan		Dipolog		Oroquieta		Panabo		Surigao		Tacurong	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post	Pre	Post	Pre	Post
a. Management	83	52	54	38	15	38	50	38	5	6	61	47
b. Rank and File	36	34	38	34	26	40	30	27	13	10	36	39

Indicator 2: Customer Feedback results show at least 75 percent satisfactions with interaction with service provider.

In South Upi, the Public Service Excellence Ethics and Accountability Program (PSEEAP) has greatly contributed in improving the services of the seven participating offices. Pre and post project implementation customer perception surveys were administered by each office to 25 respondents which established the level of customer satisfaction to their services. The survey used a 4-scale rating, where 1 is the lowest and 4 is the highest. The rating of 3 or 75 percent and above is considered good performance, while 2.9 or 74 percent and below means there is a need for improvement.

Table 14 shows the customer satisfaction rating in the following areas: office environment, personnel and job performance. All offices got a rating of 75 percent and below during the pre-implementation surveys. However, after PSEEAP implementation, most of them obtained a rating of 75 percent and above.

Table 14: PSEEAP Pre and Post Satisfaction Ratings for South Upi

Participating Office General Average Rating	On Office Environment		On Office Personnel		On Job Performance	
	Pre (%)	Post (%)	Pre (%)	Post (%)	Pre (%)	Post (%)
Mayor's Office	51.75	82.75	76.5	86.5	77.5	83.25
Planning Office	64.75	89.0	68.0	89.0	61.0	89.5
Treasurer's Office	55.0	81.25	67.0	89.5	59.5	86.25
Engineering Office	61.25	80.75	72.5	87.0	61.0	84.5
Civil Registrar's Office	55.0	88.0	70.0	89.5	62.5	90.0
Budget Office	49.75	69.75	70.5	85.5	60.25	84.0
Assessor's Office	60.25	77.5	64.5	82.5	59.0	78.5
Sangguniang Bayan	65.0	88.25	73.5	89	61.5	88.0

Under the three categories, most offices obtained a good performance rating. These are the offices of the Mayor, the Planning and Development, the Treasurer, Engineering, Civil Registrar, Assessor, and the Sangguniang Bayan. The Budget Office obtained a rating of 75 percent in two categories: Personnel and Job Performance, but got a rating of below 75 percent for Office Environment.

In August 27-30, 2009, the Social Weather Station conducted a Survey on Good Local Governance which among others, measured citizens' satisfaction on the services of the TAG cities. There were 100 respondents per city, and all are household heads, distributed in 20 barangays of each city. Although a baseline is not available, the survey provides good insight into the view and experiences of citizens after the implantation of the project. It

will also serve as a valuable baseline for future surveys. The table below shows the number of respondents who say they are satisfied with the service of city employees and the reasons of the respondents' satisfaction:

Table 15: SWS Survey on Good Governance

City	% of Satisfied Customers	Reasons for Satisfaction
Butuan	50%	City hall staff are helpful, approachable, courteous
Dipolog	54%	City hall staff is honest, helpful, and courteous.
Iligan	54%	City hall staff is helpful, approachable, and honest.
Oroquieta	55%	City hall staff are helpful, approachable, and courteous.
Panabo	57%	City hall staff are helpful, courteous, and approachable.
Tacurong	68%	City hall staff are helpful, approachable, and prompt.
Surigao	45%	City hall staff are helpful, approachable, and honest,
Zamboanga City	69%	City hall staff are helpful, professional, and courteous.

Result 4: Increased responsiveness of local governments to citizens' needs.

Indicator 1: At least 50 percent of the identified programs and projects are anchored on the municipal government's vision, sectoral strategies, core issues, and needs

In the municipality of Patikul in Sulu, the participatory barangay development planning and budgeting exercises resulted in the identification of top 10 projects most needed by the communities. These are: construction of water system facilities, construction and/or repair of school buildings, construction of barangay hall, construction of health centers, purchase of medicines, construction of *madaris*, construction or rehabilitation of barangay roads, provision of livelihood, renovation of mosques, and access to electricity.

Of the identified projects more than five projects are aligned with the municipal development plan and with the 2009 Executive and Legislative Agenda (ELA). The top 5 municipal identified projects in the ELA are: construction and rehabilitation of farm to market road (PhP100million), construction of rock causeway (PhP5million), construction of seawall with wave reflector (PhP5million), rehabilitation of school buildings (PhP2million), and provisions of medicines and other medical supplies with PhP500,000). For this reason, the Mayor is firmly supporting the implementation of four commonly identified projects in the ten barangays. These are: repair of school buildings, new farm to market roads, water system, and livelihood. Although there was no mention yet of the exact amount that the municipal government will provide to the barangays, the Mayor has

already committed to provide technical support in the design of the projects and to lend its heavy equipment for the construction of the roads and school buildings.

In Panamao, the following are the top five priority projects of the ten barangays where participatory planning and budgeting exercises were conducted: repair or rehabilitation of farm to market road, construction of timberports/ rock causeway, construction of barangay hall/ multi purpose building, spring water development, and aqua-marine livelihood program. The barangay government has allocated budget for the implementation of these projects from their 20 percent development fund beginning CY 2010 until CY 2012. More than 50 percent of the five priority projects are supported by the municipal government. In their Annual Investment Plan for 2009, municipal government have allocated a budget for the implementation of the following: construction of farm to market road (PhP21million), seminar on agri-aqua marine modern production technologies (PhP100,000), construction of wharf (PhP5million), construction of flea market/ multi-purpose building (PhP3.5million), and construction of water supply system (PhP4million).

Result 5: Sustained governance improvements in selected municipalities and cities in Mindanao.

Indicator 1: Number of municipalities self replicating the conduct of technical assistance activities in the local government (or continuing the process that the TAG technical assistance has started, or has allocated budget to fund the activities, projects, programs resulting for TAG technical assistance)

There are at least four municipalities known to have sustained the initial reforms introduced by the project. These are Tulan, Piñan, Ipil, and Kabasalan.

In the municipality of Tulan, Cotabato, the project's assistance on administration and management of public economic enterprises inspired the local leaders to apply continuous service improvements even beyond the project life. Completed activities of the technical assistance facilitated the revision and expansion of the Market Code into the Municipal Economic Enterprise Code (MEEC) which was considered as the most remarkable accomplishment of the Technical Working Group.

To further these initial gains, another service improvement recommendation was implemented in November 2009, the transfer to a new Public Economic Enterprise (PEE) office complete with basic amenities. The new PEE office is visible and accessible to the people. The functionality of the office served as an avenue for professionalizing service delivery, providing prompt and efficient services, installing monitoring and feedback mechanisms, and promoting transparency and accountability where relevant information were posted and kept. With the expanded MEEC, the newly installed office, and the staff trained in recording and handling customers, the leadership is hopeful of increasing collection of fees and charges in the coming years.

Similarly, the municipality of Pinan in Zamboanga del Norte allocated PhP1million for the improvement of economic enterprises - an indication of local leadership's commitment to the swift implementation of TWG's planned activities. The project's technical assistance

facilitated the revision and approval of the Municipal Revenue Enterprise code. With the Code fully implemented, significant increases in collection are expected, given the market performance of 87 percent occupancy, and 97 percent collection efficiency during the first quarter of 2009. There was also a noted decrease in the municipal government's subsidy to public market and the Slaughterhouse operations which only accounted for 18.92 percent of the total municipal budget in 2009, compared to more than 22 percent in 2008.

In Kabasalan, Zamboanga Sibugay, the Sangguniang Bayan (Municipal Council) approved and passed Resolution No. 2K-1008-156 allowing the Kabasalan Pathfinder Hospital (KPH) to retain its income and have a separate book of account. With it, tracking and recording of actual hospital income will become straightforward. Through SB Resolution # 2K8-1008-155 and SB Resolution # 2K8-1203-181, a functional and duly constituted multi stakeholder Hospital Management Board was created earlier. The TAG project facilitated the passage of these local ordinances in order for the KPH to have separate governing board and financial management system from the rest of the municipal government's economic enterprises, thereby making the management of the hospital insulated from political interference. Prior to the project's assistance, KPH had no system for referrals, its rates were not commensurate to cover the full cost of the service, its standards did not conform to Department of Health Standards, and the financial accounting was done by the Municipal Accounting Office rather than by the hospital itself.

With the above challenges in KPH operation, the project assisted the municipality: 1) develop the criteria for transparent classification and selection of indigent patients; 2) install flowcharts of services; 3) adopt the Expanded Senior Citizen's Act of 2003; 4) include in the Municipality's Executive and Legislative Agenda and the Annual procurement Plan majority of the proposed improvements for the KPH; 5) approve the manual of operation of the KPH by the SB; 6) finalize the KPH's Charts of Accounts and; 6) complete of the licensing process for hospital laboratory equipments.

In Ipil, Zamboanga Sibugay, the Sangguniang Bayan approved the construction of new the slaughter house, and an additional public market building with corresponding budget of PhP18million and PhP44million respectively. These projects are programmed to start in 2010.

Indicator 2: Availability of at least three trained facilitators in each of the municipalities.

The project trained nine facilitators in the municipality of Patikul, and eight facilitators in the municipality of Panamao, Sulu. These facilitators were equipped with skills in handling group processes as well as facilitating the conduct of participatory barangay development planning and budgeting using participatory techniques.

Also, at least five municipal employees from each of the following municipalities were trained on Service Processes and Improvements. These are from the municipalities of Leon Postigo, Labason, Tungawan, Siay, Alicia, Bayug, Bongao, Lamitan, Jolo, Baroy, and Kolabugan. These personnel can be tapped in the future by mayors or department heads

should the local governments decide to improve their operations or services other than business permit and licensing.

Indicator 3: At least 50 percent of Service Improvement Recommendations are budgeted and implemented.

Cities that implemented reforms in systems and procedures have implemented most of the service improvement recommendations (SIRs). Tacurong and Oroquieta implemented reforms in their public enterprises, Surigao implemented reforms in its Citizens Action Center, Iligan introduced change in the management of the Iligan City Waterworks System, and Zamboanga implemented service improvements in its real property tax administration.

Tacurong City implemented all the SIRs related to the improvement of the collection efficiency at the public market. Among the SIRs implemented are: conduct of intensive information drive about allowing payments at the satellite office of the city hall, strict enforcement of the provisions of the Local Revenue Code about delinquent accounts, cancellation of sub-lease arrangements of stalls, remittance of cash ticket collections everyday at 3pm, and designation of an area at the public market mainly for ambulant vendors and the assignment of a collection clerk specifically for the area.

The implementation of these SIRs, and the vigorous efforts of the collection clerks of the City Treasurer's Office led to the increase in collection efficiency⁴ of the economic enterprises of the city from 93 percent in 2007, to 109 percent in 2008. Improvement in collection efficiency also led to increases in the revenues of the economic enterprises as well increases in city government support for these enterprises. The table below shows these increases:

⁴ Computed as actual tax collection divided by the total tax collectibles.

Table 16: Oroquieta Economic Enterprises

A. Quantitative	Key Performance Indicators		Desired Outcomes/Results	
	2007	2008	2009	
1. Income from Economic Enterprises		1 st Qtr: Public Market Php 2,773,013	1 st Qtr: Public Market Php 3,078,996	
		1 st Qtr: Slaughterhouse Php 97,442	1 st Qtr: Slaughterhouse Php 110,725	
		1 st Qtr: Integrated Terminal Php 740,500	1 st Qtr: Integrated Terminal Php 748,200	
a. Revenue Collection	Market: Php 7,178,986	Market: Php 8,674,277		
	Slaughterhouse: Php 429,357	Slaughterhouse: Php 466,500		
b. Collection Efficiency (Actual Occupancy Levels)	Integrated Terminal: Php 2,810,000.00	Integrated Terminal: Php 2,659,800		
	Total for 3 PEEs: Php 10,418,344	Total for 3 PEEs: Php 11,800,578		
	93.33% (Average of 10 sections)	109.10% (Average for 10 sections)		
c. Cost Recovery	Public Market & Slaughter -house: 73.37%	Public Market & Slaughter -house: 103.35%		
	Integrated Terminal: 136.41%	Integrated Terminal: 20.45%		
	For 3 PEEs: 83.82%	For 3 PEEs: 106.77%		
2. Service Volume			Stall occupancy levels was 84.59% (as of March 2009)	
3. Budgetary Support	PM & S: Php 10,369,566 (included payment of domestic loan amounting Php 2,579,439)	PM & S: Php 8,844,366 (included payment of domestic loan amounting Php 2,831,930)		PM & S: Php 11,958,395
	Integrated Terminal: Php 2,059,958	Integrated Terminal: Php 2,208,298		Integrated Terminal: Php 2,549,936
	Total 3 PEEs: Php 12,429,525	Total 3 PEEs: Php 11,052,665		Total 3 PEEs: Php 14,508,331

In Oroquieta City, six of the eleven SIRs in the operation of the economic enterprises were so far implemented. Among these are the computerization of the tellering system, the segregation of payors according to mode of payments, the grant of discount to early payors, the conduct of regular meeting with revenue collectors, and the reporting of their remittances with breakdowns.

These reforms also led to increases in collections and improvement in collection efficiency of the city economic enterprises. These increases are shown in a Table 16 of this report. Like in Tacurong, what account for the increases and improvement are not only the reforms in procedures but also the rigor demonstrated by the staff in collecting revenues from the enterprises.

The city government of Surigao implemented all the SIRs prescribed for the Citizens Action Center. First, the city came up with an executive order that outlines the mandate and functions of the center. Second, the city streamlined the process of attending to customers, referral, and delivery of requested service from the center. And third, the city improved the documentation of customers and services delivered by the center. These reforms generated some positive feedback from both internal and external customers of the city government.

To improve the management of the Iligan City Waterworks System (ICWS), the project recommended the clustering of water meters and the integration of ICWS' databases. Both recommendations have not yet been implemented but the city government has already allocated funds for them.

In Zamboanga City, the project recommended the implementation of the following service improvements for the city's real property tax administration:

1. Training in service documentation, analysis, and design.
2. Digitization of parcel maps.
3. Design of software that will automatically print the Property Identification Number (PIN), sketch the Field Appraisal and Assessment Sheet (FAAS) form, and sort out properties according to amount of delinquencies.
4. Allow documents to be directly endorsed to tax mapper.
5. Requests for revision of assessments be taken up with the Local Board of Assessment Appeals.
6. Streamline the processing of locational clearance at the City Planning Office.

All recommendations were implemented, but the third has yet to be finished. Recommendations two and three that entail funds were both funded.

Table 17 below shows the percentage of SIRs implemented and budgeted by cities that implemented procedural reforms:

Table 17

City	No. of SIRs	No. of SIRs Implemented	% of SIRs Implemented	No. of SIRs that Entail Budget	No. of SIRs Budgeted	% of SIRs Budgeted
Oroquieta	11	6	54%	2	2	100%
Surigao	3	3	100%	0	-	n.a.
Tacurong	6	6	100%	0	-	n.a.
Zamboanga	6	5	80%	2	2	100%
Iligan	2	0	0	2	2	100%
Butuan	3	2	100%	1	1	100%

In South Upi, prior to the implementation of PSEEAP, it was normal for two or three offices to occupy the same room. There were also no signs that indicate the name and location of offices, and no waiting areas for customers having transactions with the various offices. In August 2009, as a result of the recommendation from the project, the Mayor approved the construction of an additional structure in order to provide a separate space for each office. Although there is no available data to show how much is needed for the construction of the additional office space, the Sangguniang Bayan approved an appropriation of Php500,000 for CY 2010 to fund the renovation of physical conditions of various offices. A portion of the budget will also be used to purchase additional tables and chairs at the waiting areas for customers. The municipality is also embarking on an information and education program to inform the people of the different services of the municipal government.

To address the problem of health and sanitation in the public market, the municipal government of Piñan implemented a plan to clean and rehabilitate the public market's septic tank in December 2008. It has also allocated Php2million in CY 2010 to purchase land for the transfer of their municipal cemetery to a bigger space. The municipality has an- ongoing renovation and construction of an additional market building which will be completed in May 2010.

In Ipil, Zamboanga Sibugay, the Mayor approved the hiring of additional public market personnel starting January 2010. The additional personnel will augment the current level of security personnel that are expected to provide a 24-hour 3-shift watch service to secure the buying public and that of local stallholders. In addition, seven market sweepers were added into the pool to provide a 2-shift service from 5:00am to 10:00pm. The Mayor has also approved an increase in the daily wage for street sweepers from Php180.00 per day in 2009 to Php231.00 per day beginning January 2010. Furthermore, to maintain cleanliness and sanitation, the Mayor submitted a Php5million budget proposal to the Sanggunian Bayan for the purchase of 2-unit 5-tonner garbage truck to replace its two garbage trucks that are already not functional, approved the repairs of steel doors of at least 30 market stalls with a budget allocation of Php90,000 and allocated Php10,000 and Php20,000 for the repair of damaged roofing and the installation new electric lamp post, respectively. To

improve congestion in the public market area, a new traffic rerouting plan will be implemented, together with the transfer of the “Bagsakan” (satellite market) to a new site.

In Bayug, Zaboanga Sur, the municipality conducted on site business permit registration, with priority on areas that are far from the town site. The business registration team will schedule the renewal date starting January 2010 and will be coordinated with the Barangays concerned. This system of on-site business permit registration is patterned after the Tungawan experience of “Mobile Business Renewal”.

In Alicia, Zamboanga Sibugay, the municipal government installed information boards in 20 barangays where the business permit registration guidelines were posted. A total of PhP100,000 or PhP5,000 per barangay was spent for this project. At the municipal hall, a television set and an air-conditioning unit costing PhP11,000 and PhP18,000 were also installed. This additional equipment provided comfort to customers waiting for their transactions at the municipal hall.

In Labason, Zamboanga del Norte, the Mayor submitted a budget proposal to the Sanggunian Bayan amounting to PhP30,000 to Sanggunian Bayan for the purchase of additional computer to be used for business permit processing and database. The municipal government also hired a municipal service information officer beginning January 2010 to help provide instructions and directions to the public. To complete the tax-mapping activity in 2010, PhP100,000 was allocated to supplement the efforts of the business permits and licensing team who have already conducted a door-to-door early inspection and business assessment starting in October 2009.

With the initial success of its business registration efforts, the Mayor of Tungawan, Zamboanga Sibugay, approved the renovation of the Municipal Treasurer’s Office, Licensing Office, Planning and Development Office, and the Assessor’s Office. The PhP400,000 budget includes the provision of a convenient customer waiting area in preparation for the January 2010 business registration. A budget of PhP30,000 was also allocated for the installation of BPLS and RPTA information boards to be installed within the municipal grounds.

To sustain customer satisfaction, the Municipality of Siay, Zamboanga Sibugay continued to conduct early business inspection and tax assessment. For 2010, the municipality also issued advance clearances like sanitary permits and fire safety. The new practice of issuing early clearance for 2010 is in response to customer feedback gathered during the 2009 renewal period and it is anticipated that this will speed up the process.

The municipalities of Baroy and Kolambugan implemented a massive information campaign on business registration, prior to January 2010. In Jolo, Sulu, the Municipal Treasurer is yet to implement fully the plan to conduct a massive education campaign to business owners on the payment of the right business taxes. The implementation is quite slow due to resistance to paying taxes that have not been routinely / ever collected in the past as well as security concerns in the area.

To improve BPLS related collection in Bongao, the Business Permits and Licensing Office in coordination with the Municipal Treasurer's Office made available in advance the business registration forms to business owners in order to help speed up the processing of their business registration and also to serve the forms as an advance notice to business owners that the business permit is due for renewal.

To improve accessibility for stall holders in paying their taxes, the municipalities of Tulunan, Kabacan, and Pikit installed satellite offices inside the public market.

The table below shows the percentage of SIRs implemented and budgeted in TAG3 municipalities:

Table 18

Municipality	No. of SIRs	No. of SIRs Implemented	% of SIRs Implemented	No. of SIRs that Entail Budget	No. of SIRs Budgeted	% of SIRs Budgeted
South Upi	53	27	51	8	8	100
Piñan	7	7	100	4	4	100
Ipil	13	11	84.6	11	9	81.8
Bayug	2	2	100	2	2	100
Alicia	5	5	100	3	3	100
Labason	5	4	80	3	2	67
Tungawan	3	3	100	2	2	100
Siay	4	4	100	1	1	100
Baroy	3	3	100	1	1	100
Kolambugan	3	3	100	1	1	100
Jolo	3	3	100	0	-	n.a.
Bongao	4	3	75	3	1	33
Lamitan	4	3	75	1	0	0
Upi	4	3	75	1	1	100
Tulunan	5	5	100	1	1	100
Kabacan	3	1	33	1	1	100
Pikit	5	4	80	3	3	100
Midsayap	3	3	100	1	1	100
Leon Postigo	4	3	75	1	1	100

Result 6: Increased local revenues available for local government programs and projects.

Indicator 1: Increased collection of local revenues by 25 percent from 2008 level.

The eleven municipalities that undertook reforms in their BPLS aimed at increasing business tax collection. Most of the municipalities succeeded, a few failed. The former attribute their success to the following factors: a) consistency of enforcing their Local

Revenue Code; b) building the capacity of the servicing offices; c) professionalizing the local revenue collectors; and d) involving the barangay officials and members of the business community in the campaign.

Only three out of the eleven municipalities posted more than 25 percent increase in collection from the January 2008 level. Others may not have achieved the desired percentile increase but the absolute amount collected was still significant for municipalities of their particular income classes, in conflict affected areas.

The table below shows the increases in business tax and regulatory fee collection in project assisted municipalities:

Table 19

Municipality	Jan-Sept 2008 (PhP)	Jan-Sept 2009 (PhP)	Amount of Increase	% of Increase
Tungawan	705,098	862,971	157,873	22.4
Bongao	664,537	696,545	32,008	4.8
Siay	999,515	1,834,062	834,547	83.5
Alicia	539,279	725,767	186,488	34.5
Bayug	694,318	781,242	86,924	12.5
Jolo	5,292,340	5,921,036	628,695	11.8
Lamitan	3,124,536	3,413,212	287,676	9.2
Leon B. Postigo	178,740	195,886	16,816	9.6
Baroy	872,770	2,207,521	1,334,760	153
Labason	1,110,168	1,178,380	68,212	6.1
Kolambugan	2,133,923	2,391,614	257,690	12.1

Among the cities, Zamboanga registered increased collection in real property taxes after improving the quality of data at the City Assessor's Office, and expediting the process of preparation and delivery of notice of assessment and tax bills to property owners. In 2008, the city posted a total collection of PhP84.5million in realty taxes from January to December. In 2009, the city government registered a collection of PhP87.6million, an increase of 3.6 percent from previous year, in a matter of nine months, that is, from January to September 2009.

An increase in the collection of revenues from city-managed enterprises was also noted in Oroquieta. The public market and bus terminal, the slaughter house, and gym posted significant increases in revenues. In January – March 2008, these enterprises only registered a revenue collection of PhP1.8million. A year after in the same three-month period, the revenue posted was PhP2.6million, representing an increase of 43.5 percent. The reforms introduced in the management of these enterprises are some of the factors that led to these increase.

Below is a table the shows the breakdown of the revenues and other indicators of the operational efficiency of these enterprises:

Table 20: Oroquieta Economic Enterprises

Performance Indicators	Actual Results		
	2007	2008	2009
1. Income from Econ Enterprises	January - March Total Revenue: N/A	January - March Total Revenue: Php 1,831,210.21	January - March Total Revenue: Php 2,628,290*
1.1 Rev Collection	Total Rev. Php 4,734,962 Total Expen. <u>Php 4,653,497</u> Net Income Php 81,465 Net income/type of econ enterprise: Public market & Terminal Total Rev. Php 4,179,000 Total Expen. <u>Php 4,179,497</u> (Net loss Php 497) Slaughterhouse Total Rev. Php 462,000 Total Expen. <u>Php 474,000</u> (Net loss Php 12,000)	Total Rev. Php 7,253,345 Total Expen. <u>Php 5,735,098</u> Net Income Php 1,518,247 Net income/type of econ enterprise: Public market & Terminal Total Rev. Php 6,281,315 Total Expen. <u>Php 4,990,907</u> Net Income Php 1,290,408 Slaughterhouse Total Rev. Php 864,193 Total Expen. <u>Php 642,118</u> Net Income Php 222,074	Breakdown as follows: Market Php 2,006,067 Terminal Php 318,328 Slaughterhouse Php 215,795 (*Sourced from CEEDO)
1.2 Cost Recovery	User Charge Coverage (UCC): ▪ 3 Econ. Enterp's = 99.73% ▪ Market&Term'l. = 99.99% ▪ Slaughterhouse = 97.47%	User Charge Coverage (UCC): ▪ 3 Econ. Enterp's = 126.47% ▪ Market &Term'l = 125.86% ▪ Slaughterhouse = 134.58%	
1.3 Collection Efficiency	Recording of accounts receivables and computations of penalties / arrears are done manually thus determining actual collection efficiency is not feasible.	Recording of accounts receivables and computations of penalties / arrears are done manually thus determining actual collection efficiency is not feasible.	

Indicator 2: Developed set of indicators that local governments can use to track local revenue generation performance

In consultation with municipal governments, the TAG3 project developed a set of indicators that local governments can use in tracking their revenue performance in the future. These indicators specifically concern the administration of business permits and licensing, and management of public economic enterprises:

Public Economic Enterprises' Operations

Table 21: Sample Monitoring Form

Key Performance Indicators	Year		
	Yr1	Yr2	Yr3
Quantitative			
• Revenue Generation			
• Collection Efficiency			
• Cost of Operations			
• Cost of Recovery			
• Service Volume			
• Budgetary Support			
• Income Retention			
Qualitative			
• Administrative and Legislative Mechanisms			
• Accountability Mechanisms in place			
• Service Delivery Enhancement			

Definitions of Key Performance Indicators

Quantitative Key Performance Indicators	
Indicators	Desired Outcome/ Result
Revenue Generation	<ul style="list-style-type: none"> Increase in revenue from PEEs operations (classified according to type of economic enterprise activity)
Collection Efficiency	<ul style="list-style-type: none"> Decrease in delinquent accounts (declining level of delinquency)
Cost of Operations	<ul style="list-style-type: none"> Decrease in expenditures (classified according to type of economic enterprise activity)
Cost of Recovery	<ul style="list-style-type: none"> User Charge Coverage (UCC > 100%)
Service Volume	<ul style="list-style-type: none"> Increase improvement in stall occupancy levels
Budgetary Support Mechanisms	<ul style="list-style-type: none"> Decrease in budgetary allotment expressed in absolute amounts/ 100% of total municipal budget. Absolute figures year by year; Percentage year by year.
Income Retention	<ul style="list-style-type: none"> 100% of PEE income retained/ deposited in separate depository account for exclusive utilization in PEEs operations Adoption of separate books of account/ deposit accounts Opening up of a separate repository account in Government Accredited Trust Bank.

Qualitative Key Performance Indicators	
Indicators	Desired Outcome/ Result
Administrative and Legislative Mechanisms	<ul style="list-style-type: none"> • Increase in political will measured in terms of: <ul style="list-style-type: none"> ○ Clear and collaborative policy statements of the local government's and other stakeholders' desire to institute reforms in the PEEs operations (e.g. ELA) ○ Enactment of resolutions, laws and ordinances providing legal basis for carrying out the identified reform strategies; ○ Strict enforcement of laws and implementation of formulated plans & programs for enhancement (Solid Waste Management [SWM], Peace & Order, Traffic Management)
Accountability Mechanisms in place	<ul style="list-style-type: none"> • 100% implementation of Identified Service Improvement • Recommendations (SIRs)/ Action Plan <ul style="list-style-type: none"> ○ Improved systems and procedures ○ Clear rules and regulations ○ More efficient management/ operations • Effective dissemination of information on PEEs operating/ financial performance to the public
Service Delivery Enhancement	<ul style="list-style-type: none"> • Facilities upgrading plan developed • Periodic Service Audit conducted (e.g. semi annual)

The municipalities of Kabasalan, Ipil, Piñan, Midsayap, Kabacan, Kauswagan, and Pikit are now using the indicators, and are already maintaining a separate book of account for recording the transaction of the individual enterprise. The separate book of account helps the municipal government periodically monitor the performance of every enterprise. This new accounting system is better than the usual practice of recording the transaction in their general ledger account.

Business Permits and Licensing

Table 22: Sample Monitoring Form

Key Performance Indicators	Year		
	Yr1	Yr2	Yr3
Quantitative			
Business tax collection			
Regulatory fees			
Number of registered business establishments			
○ New			
○ Renewal			
Number of applicants during January renewal period			
Processing			
○ Time (minutes/hours/days)			

Key Performance Indicators	Year		
	Yr1	Yr2	Yr3
o Number of steps			
o Number of signatories			
o Number forms			
o Number of clearances			
Qualitative			
o Presence of service improvement (local government officials and employees acquired knowledge and skills in continuous service improvements/ action plans)			
o Better Records Management			
o Type and Scope of Info Dissemination			

Result 7: Replication of good governance practices and innovations.

Indicator 1: Conducted at least one sharing workshop for municipalities

The project hosted three sharing workshops for the municipalities, one each for municipalities receiving technical assistance on management of economic enterprises (February 18-19, 2009); business permits and licensing administration (February 25-26, 2009); and human resource management (June 24-25, 2009). These sharing workshops enabled municipalities receiving similar assistance from the project to gather together to exchange ideas, initiatives, and lessons learned as well as to present the various innovations they developed during the project.

Indicator 2: Conducted at least one Sharing Workshop for cities

The project conducted a sharing workshop for the seven cities implementing reforms in Human Resource Management. Forty seven delegates from the seven cities participated in the conference. They shared their HRM initiatives and experiences, and learned from each other's good practices in HRM. During the conference each city provided a 15-minute presentation of their HRM initiatives. Some of the good practices presented are: Tacurong City's procurement of examination materials for job applicants; the use of service contracts between the city government of Surigao and city-funded scholars; Butuan City's ranking of top performers per city government department as integrated in their performance evaluation system; Panabo City's adoption of an innovative employee welfare program; and Oroquieta City's opening up of communication lines in all levels of the city government as part of their grievance machinery for employees.

Indicator 3: Conducted one Partners Conference

The "Cities Conference on Transparency, Accountability, and Competitiveness" was held in Makati in September 2009. The conference not only involved the Mindanao cities covered by the TAG project with USAID support, but also the other cities in Luzon and Visayas undertaking local level counter corruption initiatives funded by the British Embassy Manila. The cities shared their experiences in instituting reforms under the TAG

project. Inputs on coping with the challenges of urbanization, climate change, and the global economic crisis were also provided to the cities. From the conference, cities learned the many lessons from each other's experiences in introducing reforms. The Luzon and Visayas cities in particular, learned from the rich lessons of the TAG Mindanao cities which are quite advanced in their reform efforts. The inputs provided the cities with perspectives beyond their parochial concerns, and they also learned to plan out their programs and projects mindful of the global challenges that will surely affect their cities.

A similar conference was also conducted with the partner municipalities. The conference, entitled "Municipalities Conference on Transparent Accountable Governance", was a venue for 62 municipalities to share about the success factors and the challenges in improving transparency and accountability. The municipalities developed recommendations on how to improve the design of technical assistance for local governments. They were also provided with inputs on conflict-transformation, coping with climate change, and inter-LGU cooperation. One hundred twenty seven delegates attended the conference, with 10 mayors in attendance. The rest of the participants were Municipal Vice Mayors, Councilors, and technical staff.

Indicator 4: At least three local governments replicated the practices and innovation of project-assisted local governments.

Service Improvements facilitated by the various technical assistance provided to Butuan City from 2006 to 2008 were shared to other local governments in Luzon, Visayas and Mindanao. In July of 2007, key personnel from Iligan City and Laguna visited Butuan City to learn about the Geographic Information System and Real Property Tax Administration. Another set of personnel from Panabo City also went to the city for the same purpose on December 6, 2008.

Butuan's TAG focal person claimed that workshops on the BPLA and RPTA Service Standards in 2007 and 2008 as well as the PSEEAP modules in 2006 helped a great deal in improving their RPTA and developing the Citizen's Charter.⁵ The innovations done by the City Assessor's Office on RPTA were also confirmed when Butuan City championed the 2007 Public Service Delivery Audit (PASADA) of the Civil Service Commission (CSC). To this day, continuous improvements of the system have become part of the organizational culture in Butuan. Thus, in October 20 and 21, 2009, the cities of Cebu and General Santos also visited the city to benchmark the good practices of Butuan. In February 2009, officials from the Province of Dinagat Island also came for a benchmarking activity on the city's Citizen's Charter and Real Property Tax System.

In July 2009, the Iligan City CCTAG took time to learn from Panabo CCTAG experience. They requested the Chair of the Panabo CCTAG to lecture on how they successfully organized the coalition.

With regard to civil society-local government partnership, networks of civil society organizations from the cities of Iriga (Coalition for Bicol Development) and Calapan

⁵ A listing of government transaction required under Republic Act 9845.

(Kaunsayan Foundation for Community Development, Inc) visited TAG project partners in Mindanao in August 2008 to meet with the representatives from the Mindanao Coalition of Development NGOs (MinCoDe) and the Mindanao Business Council (MinBC) and learn from their experiences working with city governments, particularly on issues related to transparency and accountability. They also met with the members of the various CCTAGs during the forum on Mindanao Coalition for Transparent Accountable Governance. The approaches, strategies and activities which KafCode and CBD learned from their interactions with MinCODE, MinBC and CCTAGs were later replicated in the cities of Iriga and Calapan outside of Mindanao.

Result 8: Sustained involvement of CCTAGs in city government reform process.

Indicator 1: At least two specific policy reforms advocated by individual CCTAGs were adopted by city governments.

The ten cities with CCTAGs have adopted many of the policy recommendations, proposals, projects, and actions proposed by the coalitions. The table below presents the status of the proposals of the various CCTAGs:

Table 23

CCTAG	Priority Agenda	Status
Butuan	Establishment of an Investment Promotions Center (IPC) for Butuan City	Butuan City Investment Board / Promotion Center created through City Council Ordinance 3466-2009
General Santos	Review and amend the following local ordinances: <ul style="list-style-type: none"> • Development Plan • Zoning Ordinance • Land Use Plan • Establishment of the following: <ul style="list-style-type: none"> ○ Comprehensive City Shelter Plan ○ Integrated Information and Communications Technology Plan ○ Integrated City Communications ○ Information Plan 	The review of City Zoning Ordinance is ongoing. The Mayor has already agreed to the Chamber's suggestion of setting up an urban plan for the city and had already invited an urban planner to study the spatial characteristics of the city. The Mayor has already organized the Committee on Urban Planning where the Chamber of Commerce was identified as one of the members.
Island Garden City of Samal	Use of Environmental User's Fee	The revised Local Tax Code which already incorporates the rates for Environmental Users' Fee is now pending at the City Council for enactment.
Malaybalay	Computerization of existing city services	Ongoing implementation of the Geographic Information System at the city.

CCTAG	Priority Agenda	Status
Oroquieta	Establishment of Employment Assistance Center (EAC)	Discussion with CCTAG members on the mechanics of putting up the center are ongoing
Panabo	Institutionalization of CCTAG Creation of Public Safety Task Force Solid waste management Investment Promotions Center	<p>CCTAG is now registered with Securities and Exchange Commission. Regular meetings have been conducted and the city government has already allocated a budget for the organization</p> <p>The CCTAG Committee on Housing conducts ongoing monitoring on the relocation of informal settlers and the status of other housing concerns.</p> <p>CCTAGs supported the passage of the City Investment and Incentive Code which was facilitated by the TAG project.</p> <p>In partnership with the City Environment and Natural Resources Office, the CCTAG conducted Solid Waste Management training in all barangays of the city CCTAG has coordinated with the Philippine National Police regarding the creation of Public Safety Task Force.</p>
Surigao	Investments Priority Plan Surigao City Citizen's Charter	<p>CCTAG has requested the local office of the Department of Trade and Industry to help them come up with an Investment Priority Plan.</p> <p>The drafting of the city's Citizen Charter already finished and will soon be submitted to the City Council for adoption.</p>
Tacurong	Review and amendment to the following local ordinances: <ul style="list-style-type: none"> • Red Light Areas • Solid Waste Management • Traffic Management 	<p>The amendments and implementing rules for the following local ordinances have been signed by the City Mayor:</p> <ul style="list-style-type: none"> • Regulating employment of person working in bars and nightclubs • Ban of minors from movie

CCTAG	Priority Agenda	Status
		<p>houses and internet cafes during school hours.</p> <ul style="list-style-type: none"> • Prohibiting video karera machines • Disallowing the use of colored light bulbs and canopies at public market • Regulating operations of karaoke and videoke bars
Zamboanga	<p>Real Property Tax Collection and Payment</p> <p>Issuance of Business Permits</p> <p>Traffic Congestion</p> <p>High rates imposed by Philippine Ports Authority in Mindanao Ports</p>	<p>Digitization of city's lot parcel maps is ongoing which will lead to better land identification and increase real property tax collections.</p> <p>CCTAG has forwarded to the office of the Congressional Representative the policy brief on the high port rates. The Representative introduced House Resolution 909 requesting the Committee on Transportation and Communications to conduct an inquiry on the high cost of inter-island freight, and review existing shipping industry laws. The resolution is still pending with the House Committee on Transportation and Communications.</p> <p>CCTAG to coordinate with Traffic Division for the conduct of a dialogue with the tricycle drivers association.</p>

Indicator 2: At least five CCTAGs have representation in at least three committees or special bodies in their respective city governments.

Eight of the CCTAGs are represented in the City Development Councils, the development planning body of the cities. Noteworthy though are the representation of the Butuan, Panabo, and Tacurong CCTAGs in the investment boards of the cities. CCTAG Oroquieta is also represented in the Employment Assistance Center of the city government.

Result 9: Increased commitment from the business sector to pursue counter-corruption advocacy

Indicator 1: At least four CCTAGs are able to fully self-finance their activities.

Four CCTAGs, namely, Panabo, Butuan, Oroquieta, and Surigao had some of their activities funded by the coalitions themselves. Most of the activities, however, are still minor activities like coalition meetings. The CCTAG of Panabo having secured a registration at the Securities and Exchange Commission (SEC) has made itself eligible to apply for grants from donors. In fact, the coalition has already applied for a loan and secured a grant commitment from the Department of Science and Technology. Butuan CCTAG is still awaiting the release of their SEC registration but it has already started scouting for grants.

Result 10: Greater access to educational materials

Indicator 1: Held eight large-scale books donation events with around 100 thousand books to be donated to public and private elementary and secondary schools as well as to state colleges and universities.

The Books for Asia Program through the assistance of the project held seven major books turn-over in the cities of Koronadal, General Santos, Iligan, Cotabato, the Island Garden City of Samal, and the provinces of South Cotabato and Lanao del Sur. During these events 88,556 books were distributed to 1,663 schools. Separate from the large turn-over events, books were also distributed. During the TAG3 project a total of 130,076 books were distributed throughout Mindanao. (Please also see the table in the accomplishments portion of this report.)

The table below provides details on the book events held:

Table 24

Date of Event	LGU Recipient	No. Books	No. of Schools
March 6, 2008	Koronadal City	4,490	97
March 6, 2008	South Cotabato Province	18,056	369
March 7, 2008	General Santos City	3,510	84
October 7, 2008	Island Garden City of Samal	9,000	125
October 10, 2008	Iligan City	13,500	165
Nov. 12, 2008	Cotabato City	5,000	85
August 16, 2009	Lanao Sur Province	35,000	740
Total		88,556	1,665

VII. Challenges and Lessons Learned.

The following are the lessons learned in the implementation of the TAG3 project.

- *Earning the support of local officials for reform initiatives.* The project has experienced difficulties enlisting the support of local officials in passing ordinances and resolutions when they sense the potential of displeasing some sectors, even if the legislation will ultimately benefit the city as a whole. Presence of officials in project activities has sometimes been wanting even if at the outset these same officials expressed interest and support for the project through their letters of intent and resolutions.
- *Communicating with immediacy the project and its successes to a wider audience.* There is a recognized need to communicate the project to a wider audience, specifically for sharing of lessons to other local governments.
- *Pursuing the unfinished reforms, implementing the plans, and sustaining them even if there will be changes in local officials.* Some of the reforms initiated by the project have been institutionalized through resolutions and ordinances, but still these are not assurances that planned reforms will be implemented, priority projects will be funded, and initiatives started by the project will be replicated or scaled up.
- *Short project period.* The two year timeline for the project is not sufficient to demonstrate substantive gains and achievement. It is noteworthy to say though that despite the short duration of the project, initial gains were already demonstrated by the partners and more than half of the partner local governments. The design of the project to work only with local governments that had demonstrated commitment and active involvement during the earlier TAG projects facilitated these initial achievements.