
TAG3: LOCAL GOVERNANCE IN MINDANAO

First Quarterly Report
31 October to 31 December 2007
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Submitted by



The Asia Foundation

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I. Introduction.

This quarterly report covers activities from October 1, 2007 to December 31, 2007 under the Transparent Accountable Governance 3 (TAG3): Local Governance in Mindanao Project of The Asia Foundation. The program is funded through a Cooperative Agreement with the United States Agency for International Development (USAID) and runs from October 1, 2007 to September 30, 2009.

Amidst the ongoing conflict in Mindanao, the population faces serious problems of security, law and order, poverty and economic underdevelopment. Improved local governance is a key building block towards sustainable peace and development. Local governments are particularly important because local governments provide the primary points of citizen contact with, and participation in, governance processes. While many of these local governments struggle with poor organizational structures, inadequate and ill-equipped staff, and limited budgetary resources, they have the potential to play a critical role in business development, conflict management, and resource allocation.

In order to strengthen local governance mechanisms particularly in conflict-affected areas in Mindanao, The Asia Foundation (the Foundation) through the TAG3: Local Governance in Mindanao Project (TAG3), is providing technical assistance to nine cities and 30 municipalities in Mindanao to improve governance in ways conducive to restoring peace and order condition as well as addressing poverty reduction, by using participatory methods that involve local government officials, business people and civil society members. Technical assistance is being provided local governments to:

- enable them to become more efficient, open, transparent, and accountable;
- improve planning, and budgeting processes;
- efficiently monitor the management of public expenditures;
- improve the business environment by streamlining governmental systems, clarifying procedures, and reducing opportunities for corruption;
- reduce regulatory burdens and regulatory compliance costs thereby reducing barriers to economic activity and consequentially increasing revenues available for additional services and projects.

Governmental service standards will also be developed in particular localities that could allow comparisons between jurisdictions and create measures by which local governments can assess their own performance and fashion improvements. TAG3 builds upon the successes and achievements of the Foundation's previous work in 16 cities and 103 municipalities since 2002 under the previous TAG projects.

II. Objectives.

The overall goal of TAG3: Local Governance in Mindanao project is to strengthen local governance and mechanisms for conflict resolution and local economic development in

Mindanao cities and municipalities. Specifically, the project aims to 1) improve the overall business environment and increase the competitiveness of cities in Mindanao through better governance; 2) institutionalize a good governance agenda in Mindanao local governments; 3) provide models of good governance tools and practices that interested local governments may benefit from; 4) measure improvements in local governments' quality of service delivery in two service areas: business registration and real property tax administration; 5) strengthen public-private partnerships in Mindanao cities and 6) increase availability of reading materials in conflict affected areas of Mindanao.

III. Approach and Strategy.

TAG3's objectives are pursued through an integrated approach of technical assistance, education and training, advocacy efforts, sharing of good practices, information dissemination, and discussions to engage all stakeholders to improve governance mechanisms at the local level. Political leadership is encouraged both to undertake the reform process and to recognize that the benefits of good governance reform can serve their interests. Technical assistance is being provided to local governments through local consultants or local institutions in a manner that improves outcomes to the citizenry while building local capacity to address problems over time.

In implementing the TAG3 project, the Foundation is using a *demand-driven* and *assisted self-reliance* approach in the conduct of the cities and municipal-level activities of the project.

The project will work with local governments interested in the reform process. During TAG2, the League of Cities and the League of Municipalities sponsored competitive processes to inform all possible local governments of what the project entailed, solicit expressions of interest, and help select project sites. In these resulting 16 cities and 103 municipalities, technical assistance was provided and results were evaluated at the end of the TAG2 period.

Thus, the project primarily works with local governments

- where technical assistance from an earlier TAG project was previously provided,
- whose political leaders are willing to work with the project,
- committed to partner with, and involve the civil society groups and the business sectors in undertaking the reform process in a participatory fashion,
- prepared and committed to implement and institute reforms by way of an Executive Order issued by the Mayor, a Local Council Resolution or a Local Ordinance passed by the Local Council,
- that are willing to provide counterpart contribution for project-related activities.

To ensure that assistance to local governments is tailored to local context and circumstances, the project uses the results of the post-technical assistance monitoring conducted by the Foundation in the earlier TAG project. The demonstrated responsiveness and cooperation of the local government in the TAG project also serves as a basis for selecting local governments and in the design of the technical assistance.

The Foundation's experience in the past five years found that different levels of local government call for different kinds of interventions. Cities are more complex and sophisticated than municipalities and barangays. By contrast, municipalities and barangays, where governance is often poor and public participation, transparency, accountability, and responsiveness are woefully lacking-- have more elemental technical assistance needs. Thus the nature of technical assistance provided to cities differs from what is provided for the municipalities. In the same way, technical assistance across municipalities may also vary depending on their needs and absorptive capacity.

At the city level where governance institutions and administrative and budgeting structures are already present and where substantial impact on reforming bureaucratic processes have been, activities are designed to improve the overall business environment and increase the competitiveness of cities through better governance by reducing regulatory burden and regulatory compliance cost. The project also works with the private sector members and civil society representatives how to engage in regulatory reform, reduce regulatory compliance costs, and limit opportunities for corruption.

At the municipal level, the project adopts a two-pronged approach. Municipalities that are considered as high performers (e.g. Upi in Shariff Kabunsuan and Sultan Sa Barongis in Maguindanao), where local officials have a deep sense of governance and public service and uses consultative and participatory processes, the project's assistance is directed to assist these municipalities generate additional local revenues. They are assisted to efficiently track and manage their income and expenditures and develop the capacities of local officials for sound financial management. The project will develop a set of indicators that will help municipalities track for example, the number of business registered in their locality, or the increase or decrease of collection from business or realty taxes. However, in Municipalities where local government officials and employees have a weaker grasp of governance and public service, little knowledge of consultative and participatory processes, and even little sense of direction, activities are designed to model good governance at the most basic level. These activities enable local governments to plan and manage their budget efficiently, respond to the needs and priorities of the citizens, and improve levels of service delivery.

Similarly, for cities and municipalities that are not participating in this project either because they failed to show significant improvements or local governments failed to demonstrate substantial cooperation and political support in the implementation of the technical assistance given by the earlier TAG project, a manual containing tools and approaches on how to implement TAG processes will be made available to local

governments. Sharing sessions will also be held to spread the achievements and gains of the project, and a cadre of local resource partners and institutions will be trained on TAG processes to make knowledge and local expertise available to local governments interested to undertake the reform process on their own.

This report describes the accomplishments of the project covering the period from 31 October 2007 to 31 December 2007.

IV. Accomplishments

A. Technical Assistance to Nine Mindanao Cities.

Objective:

To improve the overall business environment and increase the competitiveness of Mindanao cities through better governance.

Description of Activity:

The project will provide direct technical assistance to nine Mindanao cities to improve the overall their business environment, increase their competitiveness, and increase city revenues for additional services and projects.

Accomplishments for 1st Quarter of Fiscal Year 2008.

An evaluation of the performance of the 16 TAG cities covered by the TAG2 project was conducted. Of the 16 cities, nine cities were selected which include: Butuan, Iligan, Dipolog, Surigao, Oroquieta, Ozamiz, Panabo, Tacurong, and Zamboanga.

Letters of intent signed by the Mayor, City Council Resolution and endorsement from the private or civil society organizations were also secured from these cities.

Accomplishments	2007		
	1 st Qtr		
	O	N	D
Reviewed performance of cities in TAG2.			
Selected the nine cities for TAG3			
Notified the selected cities of the requirements to be finally included in the project			
Secured commitment of, and support from nine cities to participate in the project			
Briefed cities on the project and the nature of technical assistance.			

B. Development of service standards for business registration and real property tax administration.

Objective:

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

Description of Activity:

The project will develop service standards in at least two service areas (business registration and real property tax administration), to assess the performance of local government service providers. Standards will focus on such matters as processing requirements and times, costs of service, and assessments. While the standards could allow comparisons between jurisdictions, the aim is not to use them as scorecards, but to create measures by which cities can assess their own performance and fashion improvements.

Accomplishments for 1st Quarter of Fiscal Year 2008.

The detailed activity design for the service standards handbook was formulated and commitments from the participating cities were secured. Of the eight cities invited, six cities have responded and submitted the requirements. These included: Tacurong, Butuan, Tacloban, Roxas, Iriga, and Santiago. Letters of intent signed by the Mayors indicating their intention to become part of activities were also secured, particularly the cities from Luzon and Vizayas which have indicated willingness to become resource cities for the development of the handbook.

	2007		
	1 st Qtr		
	O	N	D
Formulated detailed activity design			
Awarded sub-grant to Ateneo de Davao Center for Local Governance			
Secured commitment of, and support from six cities to participate in the activity			
Started the review of existing data and information and the preparation of illustrative work breakdown structures, macro process maps and flow process charts.			

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

Objective:

To improve municipal government operations for better service delivery, institutionalize the consultative and participatory processes, in municipalities in Mindanao, and reduce opportunities for corruption through a more efficient, open, transparent, and accountable local government processes.

Description of Activity:

The project will provide direct technical assistance to 30 conflict-affected municipalities in Mindanao to improve local governance operations and institutionalize consultative and participatory processes for a more efficient, open and transparent and accountable local governments.

Accomplishments for 1st Quarter of Fiscal Year 2008.

Review of performances of the TAG2 municipalities were conducted from October-December 2007. Of the 103 municipalities, 45 were short-listed for the project. TAG3 Project Coordinators have started visiting the 45 municipalities and briefed them about the project, the nature of the technical assistance activities to be supported, as well as the requirements (e.g., letter of intent from the Mayor and Council Resolution) to be accepted into the project. Of the 45 short-listed municipalities, 13 municipalities had already submitted the full requirements as of the end of the reporting period.

	2007		
	1 st Qtr		
	O	N	D
Reviewed performance of municipalities in TAG2.			
Started briefing municipalities about the project and the requirements to be included.			
Secured commitment of, and support from 13 municipalities to participate in the project.			

For the list of the municipalities and provinces short-listed for TAG3, and the status of their application, please see Annex A.

D. Development of Manual on TAG Processes.Objective:

To provide models of good governance practices that interested local government units may benefit from in undertaking reform initiatives.

Description of Activity:

The TAG processes for working with local governments (cities and municipalities) on reforms has produced impressive results and improved local government operations over the past five years. The experiences provide models of good governance practices that interested local governments could utilize in undertaking reform initiatives. To share the learning from the earlier TAG project, The Foundation will publish a manual on TAG processes intended for local governments which are no longer part of the current TAG project. The manual will contain tested tools and processes that will assist interested local governments to undertake governmental reforms, improve local government operations, engage citizens in governance processes, and achieve business friendly regulatory results. Unlike other manuals which only contain “How Tos” or a series of illustrative steps, the Manual on TAG Processes will contain specific experiences and approaches adopted by various local governments in undertaking reform processes. It will also contain information to help them avoid the possible pitfalls.

Accomplishments for 1st Quarter of Fiscal Year 2008.

No activities yet for this quarter. Activities will commence during the third quarter of fiscal year 2008.

E. Public-Private Partnerships through the City Coalitions for Transparent Accountable Governance (CCTAG).¹Objective:

To strengthen public-private partnerships in TAG cities, institutionalize CCTAG participation in local governance and sustain governance reforms in Mindanao cities.

Description of Activity:

CCTAGs have played a key role in diagnosing inefficient and corrupt government operations and systems, suggesting improvements, and monitoring results. CCTAGs

¹ CCTAG is a city-level coalition that brings together reform-minded local governments officials with NGOs and businesses to advocate and support transparency and accountability in governance.

have also been successful in raising citizens' awareness regarding city government activities and effectiveness, and in increasing public participation in city development councils, local health boards and local school boards. With the aim of making CCTAGs self-sustaining, the Foundation will undertake activities that will 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.

Accomplishments for 1st Quarter of Fiscal Year 2008.

The Foundation and the Mindanao Business Council have discussed the detailed design for this activity. Based on this discussion, Mindanao Business Council will finalize the activity design.

F. Fund support one winner of 2008 “Panibagong Paraan.”

Objective:

The Panibagong Paraan is a multi-donor, project grant competition which involved a nation-wide search for innovative ideas to address development challenges.

Description:

This year's theme is “Building Partnerships for Effective Local Governance”. The well publicized competition invites ideas for projects that help improve citizens' quality of life through effective local governance.

Accomplishments for 1st Quarter of Fiscal Year 2008.

The World Bank launched the competition in November 2007. The deadline for submission of concept entries is January 2008.

G. Books for Asia (Mindanao).

Objective:

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

Description of Activity:

Since 1954, The Asia Foundation has distributed more than 41 million books and journals to more than 50,000 institutions throughout Asia through its Books for Asia program. In the Philippines, Books for Asia has distributed over 13 million books and journals, as a contribution to national development, international understanding,

and English-language literacy. In Mindanao, since 2003 and with USAID support, Books for Asia has donated over 165,000 books to various institutions across Mindanao, thus providing many people in the opportunity to use and learn from English language works. The program also provided occasions for favorable public diplomacy events with the participation of USAID officials.

Accomplishments for 1st Quarter of Fiscal Year 2008.

No activities yet for this quarter. The first Books Turn Over Event will happen on March 6, 2008 for the City of Koronadal and the Province of South Cotabato, and on March 7, 2008 for the City of General Santos.

Annex A: List of Municipalities and Provinces short-listed for TAG 3 and the status of applications.

As of December 31, 2007

Local Governments	Briefing with Municipal Staff	Presentation to Mayor	Presentation to Sanggunian Bayan (Municipal Council)	Letter of Intent ²	SB Resolution
Tawi Tawi					
1. Provincial Government of Tawi-Tawi	√				
2. Bongao	√		√		
3. Sitangkai	X				
Sulu					
4. Provincial Government of Sulu	√				
5. Jolo	X				
6. Patikul	X				
Basilan					
7. Maluso	√	√	√		
8. City of Lamitan	√	√	√		
9. Isabela City	X			√	
Zamboanga Sibugay					
10. Kabasalan	√	√	√	√	√
11. Alicia	√	√	√	√	√
12. Siay	√		√	√	√
13. Tungawan	√	√	√	√	√
Zamboanga del Norte					
14. Jose Dalman	X				
15. Leon Postigo	√	√	√	√	√
16. Piñan	√	√	√	√	√
17. Labason	X				
Zamboanga del Sur					
18. Aurora	√	√	√		
19. Bayug	√	√	√	√	√

² Letter of Intent should be signed by the Mayor.

Local Governments	Briefing with Municipal Staff	Presentation to Mayor	Presentation to Sanggunian Bayan (Municipal Council)	Letter of Intent ²	SB Resolution
Lanao del Sur					
20. Wao	√	√	√	√	√
21. Kapatagan	√	√			
22. Sultan Gumander	√				
23. Saguiaran	X				
24. Marantao	√	√		√	
Lanao del Norte					
25. Baroy	√	√	√	√	√
26. Kolambogan	√	√	√	√	√
27. Kauswagan	√	√	√	√	√
28. Tangkal	√	√	√	√	√
Shariff Kabunsuan					
29. Upi	√	√	√	√	√
30. Parang	X				
31. Datu Odin Sinsuat	X				
32. South Upi	X				
Maguindanao					
33. Datu Abdulah Sangki	X				
34. Talayan	√	√			
35. Datu Saudi Uy Ampatuan	X				
36. Sultan sa Barongis	X	√	√	√	√
37. Guindulungan	X	√			
Sultan Kudarat					
38. Bagumbayan	√	√			
39. President Quirino	√	√			
40. Sen. Ninoy Aquino	X				
41. Lambayong	X				
Cotabato					
42. Magpet	√				
43. Midsayap	X				
44. Tullunan	X				
45. Kabacan	X				