



A USAID - supported project managed by Nathan Associates Inc.

Quarterly Performance Report, October – December 2010

**Local Implementation of National
Competitiveness for Economic Growth
(LINC-EG) Project**

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Acronyms and Abbreviations

AER	Action for Economic Reforms
AIMPC	Asian Institute of Management Policy Center
AmCham	American Chamber of Commerce - Philippines
ASOG	Ateneo School of Government
BIR	Bureau of Internal Revenue
BIRE	Business Intelligence for Revenue Enhancement
BOSS	Business One-Stop Shop
BPLS	Business Permitting and Licensing System
CDIA	Cities Development Initiative for Asia
CDO	Cagayan de Oro City
CODE-NGO	Caucus of Development - Non-government Organizations Network
COTR	Contracting Officer's Technical Representative
CSOs	Civil Society Organizations
CU	Capitol University
DA	Department of Agriculture
DBM	Department of Budget Management
DepEd	Department of Education
DILG	Department of Interior and Local Government
DOE	Department of Energy
DOF	Department of Finance
DOTC	Department of Transportation and Communication
DPWH	Department of Public Works and Highways
DTI	Department of Trade and Industry
e-TAILS	Electronic Transparency and Accountability Initiative for Lump Sums
EO	Executive Order
FGD	Focus Group Discussion
FOG	Fixed Obligation Grant
GIS	Geographic Information System
ICIP	Investment Climate Improvement Project
IFC	International Finance Corporation
INCITEGov	International Center for Innovation, Transformation and Excellence in Governance
IPD	Institute for popular Democracy
IRA	Internal Revenue Allotment
IRR	Implementing Rules and Regulations

JIT	Joint Inspection Teams
JFC	Joint Foreign Chambers
LGA	Local Government Academy
LGU	Local Government Unit
LINC-EG	Local Implementation of National Competitiveness for Economic Growth
M&E	Monitoring and Evaluation
MMDA	Metro Manila Development Authority
NCR	National Capital Region
NERBAC	National Economic Research & Business Assistance Center
NGA	National Government Agency
Pag-IBIG Fund	Home Development Mutual Fund
PBR	Philippine Business Registry
PCCRP	Philippine Cities Competitiveness Ranking Project
PDAF	Priority Development Assistance Fund
PDF	Philippine Development Forum
PhilDHRA	Philippine Partnership for the Development of Human Resources in Rural Areas
PhilHealth	Philippine Health Insurance Corporation
PHILSSA	Partnership of Philippine Support Services Agencies
PIDS	Philippine Institute for Development Studies
PMP	Performance Monitoring Plan
PPP	Public-Private Partnership
SDB	Sub-national Doing Business Survey
SEC	Securities and Exchange Commission
SOW	Scope of Work
SSS	Social Security System
STE	Short-term expert(s)
TAP	Technical Assistance Package(s)
USAID	United States Agency for International Development

INTRODUCTION

The Local Implementation of National Competitiveness for Economic Growth (LINC-EG) project (the Project) began on October 1, 2008, and is implemented by Nathan Associates Inc. through DNG, a joint venture of Development Alternatives Inc. and Nathan Associates Inc. The Task Order and original Scope of Work (SOW) called for a four year program and seven technical program areas:

1. Measuring Factors of Competitiveness
2. Setting the Competitiveness Policy Agenda
3. Streamlining Business Permit and Licensing Processes
4. Improving Property Rights and Land Use Administration
5. Improving Tax Collections Efficiency
6. Improving Trade Facilitation and Customs Administration
7. Improving the Availability of Infrastructure

Fifty percent of the Project's resources were earmarked to support initiatives in the island of Mindanao in Southern Philippines. Technical assistance was to be provided through discrete Technical Assistance Packages (TAPs).

In a February 25, 2010 correspondence with Nathan Associates, USAID/Philippines requested that the project be restructured to focus only on program areas with the most promise for achieving results over the remaining period of the Task Order. A memorandum and a revised SOW attached to that correspondence requested that project components be limited to Program Areas 1, 2 and 3, and a new Program Area 4 be created to replace the original. All other areas, and the project's office in Mindanao, were to be phased out or closed down. The new program area was designed to address the need to ensure that national fiscal resources are expended effectively and efficiently. Negotiations between USAID/Philippines and Nathan Associates Inc. were formally concluded on May 3 upon USAID/Philippines transmission to Nathan Associates Inc. of an amended Task Order. It was agreed that the Project will end on September 30, 2011.

LINC-EG Phase II Technical Program Areas

1. Measuring Factors of Competitiveness
2. Setting the Policy Agenda, Establishing and Addressing Implementation Gaps
3. Streamlining Business Regulations at the National and Local Levels (City)
4. Ensuring fiscal responsibility through national budget monitoring

This reporting quarter marked the busiest three-month period of LINC-EG so far and successes in several areas as the Project worked through government and private sector counterparts to

bring about improvements in the national and sub-national business enabling environment. Most notable successes include progress toward the institutionalization of business environment reforms through the passage of administrative circulars at key national government agencies (TAP 2.1b), and knowledge transfer through the completion of several study tours and capacity building workshops in beneficiary cities in Mindanao (TAPs 1.1b, 3.2, 3.6, 3.7 and 3.8). This quarterly report documents the Project's key activities during the period October to December 2010.

The report is laid out in four sections, four annexes, and five appendices. Section 1 reports the Project's main technical activities for the quarter, including the designing and submission of the final year work plan and TAPs by the Chief of Party (COP) Alid Camara to the Contracting Officer's Technical Representative (COTR) John Avila for the latter's approval. The final year work plan submitted on November 18 contained 14 TAPs, of which 11 are carried over from the previous work plan and 3 are new. The on-going TAPs are 1.1(a), 1.1(b), 2.1(b), 2.2(b), 2.5, 3.1, 3.2, 3.3, 3.6, 4A, and 4C. The new TAPs are 3.7, 3.8 and 4B.

The financial data for the TAPs that were submitted before the revision of LINC-EG's Task Order (i.e. 1.1(a), 1.1(b), 1.2, 2.1(b), and 3.2) are not reflected in this report. Several TAPs will conclude next quarter and will be closed. The TAPs to be closed include a grant to the American Chamber of Commerce in the Philippines (AmCham) under 2.1b. A follow-on grant to AmCham is expected to be awarded and classified as TAP 2.1c upon the Project's receipt of USAID's approval.

Section 2 reports the key program management and administrative events during the quarter and Sections 3 and 4 provide summary data on labor utilization and the amount of financial resources expended during the quarter. The annexes consist of the following: Annex 1 summarizes the status of TAPs/implementation mechanism approval, Annex 2 provides an update for the set of project indicators in each TAP, Annex 3 illustrates the project expenditure pipeline, and Annex 4 highlights the major activities and accomplishments attained during the reporting period.

SECTION 1 - PROGRAM TECHNICAL ACTIVITIES

Approved TAPs specify the period of implementation, the budget, technical resources, and counterpart commitment needed to achieve a particular set of project deliverables, outcomes, and impact. Grant funding, as part of a TAP, is another mode for technical assistance through LINC-EG. A Special Activity Fund, previously used as another mode of delivering technical assistance through the project, was discontinued upon instructions from USAID/Philippines at the end of March 2010. This section of the report focuses on the results of specific TAPs and the key processes, including the management of project resources, which have led to these results.

Program Area 1: Measuring Factors of Competitiveness

This program area provides the empirical basis for the formulation of the reform agenda being pursued by the Project. In particular, it supports research initiatives that measure and monitor improvements in national and sub-national competitiveness levels through regulatory and non-sector specific perceptions based surveys.

During the quarter, initiatives launched under this program area were completed as planned. These initiatives are the provision of support to the Sub-national Doing Business (SDB) survey of the International Finance Corporation (IFC) and the Philippine Cities Competitiveness Ranking Project (PCCRP) of the Asian Institute of Management Policy Center (AIMPC). The IFC surveyed lawyers and intermediaries in business regulation to measure the practices of cities in three areas of business activity, namely: starting a business, dealing with licenses, and registering a business. The survey was completed and its results were released to the public during the quarter. The AIMPC project surveyed managers of business establishments to measure the competitiveness of Philippine cities in six areas: the cost of doing business, dynamism of the local economy, human resources and training, infrastructure, responsiveness of LGU to business needs, and quality of life. It classified the cities into clusters or strata of cities with similar socio-economic profiles and then ranked each city within these clusters. The details of these activities are reported below per TAP.

Key Activities Accomplished:

TAP 1.1(a): Support to IFC's Sub-national Doing Business in the Philippines 2010

Work under this TAP culminated during the quarter with the public release of the results of the *Doing Business in the Philippines 2011* on December 8, 2010. The survey, the second subnational survey following *Doing Business in the Philippines 2008*, compares the regulatory environment facing enterprises in 25 cities. The survey focuses on national and local regulations that affect 3

stages in the life of a small to medium-size enterprise: starting a business, dealing with construction permits, and registering property. LINC-EG's assistance made it possible for the 5 cities in Mindanao to be included in the survey.

The new round of the survey found that, over the past two years, 13 out of 20 cities in the Philippines carried out 19 regulatory reforms to make it easier to start and operate a business. General Santos City in Mindanao supported by LINC-EG was judged the most business-friendly city in terms of starting a business. It takes 22 days and costs 15.3% of income per capita to comply with the 17 requirements for business start-up. Securing a construction permit was easiest in Davao City at 57 days, another LINC-EG priority city in Mindanao.. The survey also found that it is a challenge to register property in Cagayan de Oro and General Santos, with



USAID/Philippines Mission Director with other panellists discuss the survey results

delay factors mostly associated with inefficiencies in dealing with the national government aspects of securing these clearances.

The launch of the IFC's survey was held at the Shangri-la Hotel in Makati City and attended by an invited group of over 200 participants that included city mayors, senior government officials, chambers of commerce, the academic community and donors. Speaking at the event, the Mission Director of USAID/Philippines, Ms. Gloria Steele, encouraged donor coordination to improve the

business climate for small and medium enterprises which comprise more than 85% of the private sector in the Philippines.

After the public launch of the IFC study, LINC-EG worked with Mayors of the Project's four beneficiary cities in Mindanao to appreciate and reflect the findings of the benchmarking survey in their economic development strategies. AIMPC was contracted for the well-attended "City Competitiveness Forum" in Davao on December 14th where technical experts from LINC-EG assisted over 70 senior officials from Butuan, Cagayan de Oro, Davao and General Santos to robustly assess their strategic development plans against the findings and insights from the IFC study and the AIMPC's own similar work (see TAP 1.1b) completed earlier in the quarter.

TAP 1.1(b): Support to the Philippine City Competitiveness Ranking Project (PCCRP) 2009

Activities under this TAP were completed during the quarter after LINC-EG received from AIMPC the main deliverable of the TAP, a published document titled *Cities and Enterprises, Competitiveness and Growth: Philippine Cities Competitiveness Ranking Project 2009*. More than 300 copies of the report were distributed to government agencies, local government units (LGUs), the private sector, academia, and donor agencies. Following a national launch of the results last

quarter in Manila, the results of the study were presented this time at the sub-national level during the *City Competitiveness Forum 2010* mentioned above.

Table 1 below illustrates the performance of major Mindanao cities within clusters and on different drivers of competitiveness.

Table 1. Overall Ranking of the Four LINC-EG assisted cities by Stratum

Stratum	City	Rank						
		Overall	Dynamism of Local Economy	Cost of Doing Business	Infra-structure	Human Resources Training	Responsiveness of LGU	Quality of Life
Metropolitan Growth Centers	Davao City	2	2	1	2	2	1	1
Growth Centers	Cagayan de Oro	1	1	3	2	3	3	3
	General Santos	5	9	7	1	7	9	3
Emergent Cities	Butuan	16	16	16	14	2	14	1

Total Number of Cities: Metropolitan Growth Centers (2); Growth Centers (10); Emergent Cities (17)

Source: Cities and Enterprises, Competitiveness and Growth: Philippine Cities Competitiveness Ranking Project 2009

The report underscored the need for cities to address various issues affecting private sector development such as the lack of access of small businesses to formal credit mainly as a result of stringent requirements imposed by banks and other formal lending institutions, transparency in governance, and pollution.

Activities Planned Next Quarter

TAP 1.1(a):

- This TAP will be formally closed next quarter.

TAP 1.1(b):

- This TAP will be formally closed next quarter.

Program Area 2. Setting the Policy Agenda, Establishing and Addressing Implementation Gaps

During the first phase of LINC-EG, this program area focused on policy advocacy and implementation issues as they affect foreign investors. Support was provided to the American Chamber of Commerce (AmCham); to Filipino organizations that promoted a fairer playing field for both foreign and local investors; and to the Philippine Veterans Investment Corporation (Phividec) in its efforts to encourage foreign investments into its 3000-hectare estate in Northern Mindanao. LINC-EG's technical assistance through this program area in the final months will be focused on investment climate reform efforts at the national government level while maintaining attention to reforming particular problems facing foreign investors. Specific project achievements per TAP are discussed below.

Key Activities Accomplished:

TAP 2.1(b): Investment Climate Improvement Project (ICIP) – Phase VI

A major output under the ICIP VI project during the quarter was the publication of *Arangkada Philippines 2010: A Business Perspective*, a roadmap for Philippine economic development authored by the AmCham in partnership with the Joint Foreign Chambers (JFC). The book contains 471 recommendations formulated in consultation with local and foreign business groups and focused on increasing growth through a sector-based strategy for attracting investments in seven industries that AmCham and the JFC consider to have the greatest potential for raising economic growth in the Philippine.

Excerpts and draft from *Arangkada Philippines 2010* were formally presented to the Secretaries of the Departments of Agriculture (DA) and of Transportation and Communication (DOTC) and the National Economic and Development Authority (NEDA), the overall coordinator for the formulation of the Medium-Term Philippine Development Plan, 2011-2016. Consultative forums at which the draft findings were discussed include a policy workshop on October 28, 2010 that was attended by 207 representatives from the government and private sector.

Arangkada was launched on December 17, 2010 and a copy ceremonially received from the JFC by DTI Secretary Domingo who welcomed it as an important input into the government's formulation of its development programs. One of *Arangkada's* recommendations, the rationalization of holidays in country, received a boost with the President's announcement before the year ended limiting holidays in 2011 to 16 from 21 in 2010.

In addition to addressing broad policy investment-related issues, ICIP VI also focused on two major constraints to investments, i.e., infrastructure and energy. For the quarter, the JFC Joint Transportation and Infrastructure Committee conducted two briefings: the October 29, 2010

Department of Public Works and Highways (DPWH) briefing on the status of the government's public-private partnership (PPP) toll road projects and other DPWH plans, and the November 24, Manila Metropolitan Development Authority (MMDA) briefing on its plans to improve living conditions in Metro Manila, especially the traffic situation in the region. An Energy Workshop was organized on November 23, on the "Aquino Administration's Energy Policies" where Secretary Rene Almendras forecasted electricity generating prospects by island grouping and revealed the plans of the Department of Energy (DOE) in response to these projections.

With the impending conclusion of the implementation period of ICIP VI on December 31, 2010 AmCham submitted on November 15, 2010 an unsolicited proposal to LINC-EG requesting co-funding for a program that is focused on the enactment of specific policy recommendations of *Arangkada Philippines 2010*. Upon technical assessment, a LINC-EG review committee accepted and reached agreement with AmCham on a final technical and financial proposal for a six-month extension of ICIP VI. A request for approval for this grant extension was submitted to USAID for approval on December 14, 2010.

TAP 2.2(b): Liberalizing and facilitating foreign participation in the Philippine economy (Phase II)

USAID/Philippines' approval to issue a grant to the AER was received on October 15, 2010 and the grant agreement between LINC-EG and AER was signed on November 12, 2010. AER submitted an inception report and a work plan that was finalized on December 17, 2010.

This current grant to AER has four major components: (1) eliciting a more liberal interpretation of the restrictive 60-40 rule on foreign equity in some sectors of the economy (e.g. public utilities) by applying a control test to cover all corporations that are majority owned by Filipinos; (2) redefining through legislation the legal meaning of public utility, especially in relation to the telecommunications sector; (3) improving legal specialists' understanding of economic principles by introducing training modules on law and economics that use case studies of controversial legal issues involving foreign investments, for the benefit of the Philippine Judicial Academy (PHILJA) and the Mandatory Legal Education; and (4) conducting a workshop on the outcome of a past study on legal barriers to foreign investments, for chiefs of staff of members of the Senate and the heads of the Committee secretariats in the House of Representatives.

At a meeting with the SEC, Commissioner Raul Palabrica of the Securities and Exchange Commission on December 3, commented that in practice, the liberal interpretation of the 60-40 rule was in use. The suggestion was that a legal intervention is unnecessary and should be replaced with a seminar that disseminates information about this current practice as it relates to the computation of foreign equity participation. AER expects to conduct additional research on Commissioner Palabrica's comment. .

On work related to telecommunications reform, the AER team secured the commitment of Congressman Mel Senen S. Sarmiento to sponsor a Telecommunications Convergence Bill at the House of Representatives which aims at motivating industry operators to realign business development and technology innovation across products and processes across functions and sub-sectors. A draft bill is expected to be submitted to Congressman Apacible in January 2011, after consultations with major telecommunications companies such as Smart Communications and Globe Telecom.

AER also held preliminary discussions with Justice Adolfo Azcuna of PHILJA on December 17, 2010 to identify possible modules for the proposed law and economics course for judges. The suggested modules include those on toll regulation and the Philippine International Air Terminals Corporation (PIATCO) case to illustrate the potentially pernicious effects of contract nullification and expropriation. A formal letter and proposal will be sent to PHILJA for the approval of its academic council by January 2011.

TAP 2.5 Strengthening Key National Government Agencies to Set the Competitiveness and BPL Agenda

Following the two *Training of Trainers* Workshops held in August and September 2010, LINC-EG supported two Business Permits and Licensing System (BPLS) Self-Assessment Workshops in General Santos City and Davao City on December 1-2 and December 2-3, respectively. The participants from the two cities assessed their current business registration processes against the standards set by the LINC-EG supported National BPLS Streamlining Project of DTI and DILG (see TAPs 3.6 and 3.8).

Following the BPLS assessment workshops, a BPLS helpline called the *BPLS e-group* was established on the internet to assist in addressing coaching and implementation problems encountered as LGUs reform their business registration procedures. The *BPLS e-group* provides the venue for the consultants and the LGUs to interact through a group chats and archives of topical messages relevant to streamlining business registration procedures. As of December 2010, there were about 50 applications from select LGUs for membership in the *BPLS e-group*.

TAP 2.6 - Private Sector Advocacy for Transportation & Shipping Costs Reduction in Mindanao and Nationally

As explained in more detail in LINC-EG's Final Year Work Plan submitted on November 18, the implementation of this proposed TAP was cancelled and its planned resources reallocated in response to a general thrust to support reform priorities of the Aquino administration and direct demand for technical assistance from the Department of Finance (TAP 4C) and the cities of Butuan and General Santos in Mindanao (TAPs 3.7 and 3.8).

Activities Planned Next Quarter

TAP 2.1(b):

- USAID/Philippines approval of the request to co-fund the extension of ICIP VI is expected.

TAP 2.2:

- AER will complete the drafting of the SEC policy brief, the Telecommunications Convergence Bill, and some of the training modules for the PHILJA.

TAP 2.5:

- Counterpart agreements for the following follow-through activities will be finalized: (1) drafting of a policy brief on BPLS, guidelines on the computerization of BPLS, and guidelines on business inspections; and (2) coaching for selected Mindanao cities as they continue to improve their respective BPLS.
- LINC-EG will assist the DTI in preparatory work leading to the Philippine Development Forum (PDF) on March 2011, including the formulation of the competitiveness framework and working paper and facilitating the Competitiveness break-out session. The PDF is the national forum for dialogue between the Philippine government and donor agencies on matters of economic reform and growth.

TAP 2.6:

- A close-out memo for this TAP will be drafted and submitted to USAID/Philippines.

Program Area 3. Streamlining Business Regulations at the National and Local Levels

This quarter, high achievements were recorded under this program area. The Project was able to secure the full ownership of reform by the Mayors of the cities of Cagayan de Oro, Davao, Butuan, and General Santos on initiatives to improve the BPLS and the overall local investment climate.

Most notable of these successes was the launch and operation of a streamlined BPLS in Butuan and establishment of a functioning Business One-Stop Shop (BOSS), making the city the first in the entire Region 13 to do so. Following the earlier success in Cagayan de Oro, LINC-EG is continuing with similar project objectives in other Mindanao's economically important cities - Davao and General Santos.

Key Activities Accomplished:

TAP 3.1. Improving the Policy Framework and Implementation of Market Support Services through the National Economic Research and Business Assistance Centers (NERBACs) – Phase I

The activities under this TAP progressed further during the reporting period, particularly the review and analysis of the NERBAC Law; organizational and operational assessments of NERBAC centers in key cities in Mindanao; and a policy and institutional assessment of the NERBAC.

During the previous quarter, LINC-EG's legal specialist who reviewed the NERBAC Law and its implementing rules and regulations (IRRs) identified a range of critical issues¹ that need to be addressed by the DTI in order for the NERBAC to effectively function as mandated. In October, following DTI's review of the legal specialist's submission, DTI's NERBAC Managers conducted a two-day assessment of the NERBAC, which included a review of the NERBAC Law and a discussion of a proposed focus on knowledge management as promoted by LINC-EG. In early November, a proposed amendment to the NERBAC law was drafted and is currently being considered by Representative Apacible of Batangas for his sponsorship at the Lower House of Congress.

Following its submission and LINC-EG's approval of the study instruments on September 30, Capitol University (CU), which is based in Cagayan de Oro, started conducting the NERBAC assessment which sought to determine private sector demand for and feedback on the services provided by the NERBAC in the cities of Cagayan de Oro, Butuan, Davao, and General Santos. A series of focus group discussions (FGDs) and a service provider survey were undertaken and then completed in November. On December 23, 2010 CU submitted a draft final report.

An international expert on small business development was mobilized to Manila and was in-country from November 18 to December 3, to undertake an assessment of the NERBAC according to international good practices and design a multi-year strategy that DTI could adopt for the NERBAC. . The international short-term expert (STE) went on field visits to 5 NERBAC centers² and consulted with key officials of DTI. The review and the draft report revealed a number of constraints facing NERBAC centers, including the lack of standard policies and

¹ These issues include inconsistencies between the NERBAC Law and the current operations of the NERBAC, the overlaps in the functions and mandate of the NERBAC in relation to other government agencies, and the relationship of the NERBAC Law vis-à-vis the development plans embodied in the MSME Magna Carta.

² The visited NERBACs were Angeles City (Region 3), General Santos City (Region 12), Cagayan de Oro City (Region 10), Butuan City (CARAGA Region), and Davao City (Region 11).

procedures, insufficient capacity building efforts, an unclear relationship with DTI and LGUs, and the difficulty of sustaining the presence of national government agencies (NGAs) in the centers.

TAP 3.2: Support to streamlining of processes for Business Permits and Licenses issuances in Cagayan de Oro City.

Significant accomplishments under this TAP were achieved during the quarter. On November 15, the Office of the City Administrator issued Directive No. 137-2010 enjoining more than 30 City Hall personnel to participate in an “Integrated Capability Development Training for Improved Service Delivery”. The training was held on November 24-26 with support from LINC-EG. The training for personnel of the BPLS units that will form the CdO BOSS, sought to enable participants to work harmoniously within groups and to provide efficient and customer-friendly services to entrepreneurs interacting with the city for permits and licenses. The instructions modules covered review of the organizational structure and processes in a BOSS; the roles of personnel in a BOSS; Total Quality Service in the context of the BPLS and the other services provided in a BOSS; and principles of customer relations. It also included simulations of the various situations BOSS personnel may encounter in dealing with the center’s customers. The training-workshop participants consisted of representatives of the City Mayor’s Office, Treasurer’s Office, Planning and Development Coordination Office, Office of the Building Official, Health Office, and the Fire Office.

Immediately after the training, the city government formally established the CdO BOSS and organized a joint inspection team (JIT) through the issuance of Executive Order (EO) #083-2010 on December 9, 2010³. The EO’s provisions include the adoption and implementation of the streamlined BPLS at the BOSS, designation of authorized business permit signatories, and the composition and responsibilities of the joint inspection team.

Subsequently, the EO was supplemented by Directive #448-2010, which was issued on December 20, 2010 authorizing the city’s BPLS personnel to compose the BOSS team. The authority was given to personnel of the following offices: City Finance Department, Business Processing and Licensing Division of the City Mayor’s Office, City Fire Department, Office of the Building Official, City Health Office, City Planning and Development Office. The Directive also provided for responsibilities of the BOSS Team and the adoption and implementation of the LINC-EG supported streamlined BPLS process at the BOSS.

³ Joint Inspections teams reduce corruption in the business inspections system by enforcing strict guidelines for inspecting agencies to visit an entrepreneur together instead of individually.

Further, as was envisaged in the approved TAP and after extensive consultations and agreements, LINC-EG and the city government of CdO have agreed to co-fund a set of limited



Staff using USAID donated equipment at the BOSS in CdO.

commodities that complement LINC-EG's current technical assistance and that would help CdO to eventually transition to the use of a modern information technology platform for a more efficient administrative processing of permits. After undertaking a competitive selection process for private service providers, LINC-EG submitted to USAID/Philippines a request for approval to award two separate purchase orders for various pieces of equipment to two service providers on December 1, 2010 and the COTR's approval was received on December 3, 2010. The equipment was delivered on December 16-17, 2010. The CdO government also fulfilled its part and installed in the BOSS some necessary computer hardware and a software it developed to

monitor regulatory compliances by registered companies. LINC-EG's equipment support equipment includes a back-up server, computer sets, and printers.

TAP 3.3: Increasing investment through review and harmonization of the Investment Codes of select LGUs.

The full implementation of this TAP had been delayed due to the health-related unavailability of the contracted local government expert. In his absence, the COP and the Mindanao Coordinator have conducted rapid assessments and identified possible areas for the cities to address such as reviewing and updating important publicly available investment policy documents such as comprehensive development plans and investment incentive codes; establishing better monitoring systems of private sector concerns and institutionalizing more formal ways of conducting public-private dialogues and forging public-private partnerships. As a more permanent arrangement for the absence of the in-house investment specialist, LINC-EG is considering recruiting an expert on a short-term basis. The Project intends to have a STE on board in January 2011 to assist with full implementation of this TAP.

TAP 3.4: Support to full implementation of the Philippine Business Registry (PBR).

As explained in the LINC-EG Year III work plan approved by the COTR on December 15, this TAP was discontinued as a stand-alone activity to free up resources for more urgent assistance demanded by counterparts. Achieving the connectivity of the four cities to the PBR will be pursued as part of the direct support that would be provided to individual cities on BPLS reforms. (TAPs 3.2, 3.6, 3.7, 3.8).

TAP 3.5: Improving the business enterprise inspection system nationally and in Mindanao.

As explained in the LINC-EG Year III work plan approved by the COTR on December 15, this TAP was discontinued as a stand-alone activity to free up resources for more urgent assistance demanded by counterparts. Reforming the business enterprise system in Mindanao will be pursued as part of the direct support that would be provided to individual cities on BPLS reforms (TAPs 3.2, 3.6, 3.7, 3.8).

TAP 3.6: Streamlining business entry permitting in Davao City.

Following successful consultations with the senior management of LINC-EG and Davao City last quarter, Davao enthusiastically mobilized for its own initiative to streamline its approval processes for business permits and licenses. On October 5, consultations between the Project and USAID/Philippines, on one hand, and the heads of departments of Davao City government and the City Mayor's IT Consultant, on the other, were conducted to assess the BPLS reform requirements of the city and the possible assistance that can be provided by LINC-EG. Shortly thereafter, a Technical Working Group (TWG) co-chaired by the City government and the President of the Davao City Chamber of Commerce was established to take the lead in formulating and implementing BPLS reform measures in the city and report directly to Mayor Duterte. The city government, national government agencies, private sector, and academia are represented in the TWG.

On December 2-3, LINC-EG assisted the city government to conduct an assessment workshop through which the city's administrative personnel formulated a new process that sought to cut down the processing of new applications for business permits to three steps and renewal of licenses to five steps. The participants also formulated a plan to streamline the processes for the issuance of certificates of compliance with the regulatory requirements from both city government and national government agencies such as DTI, Bureau of Internal Revenue, Social Security System, Philippine Health Insurance Corporation, and Pag-IBIG Fund.

TAP 3.7: Streamlining business entry permitting in Butuan City.

LINC-EG has its most significant achievement this quarter under this TAP. Following technical assistance covering a study tour to Lapu-Lapu, technical guidance on process review and advice on improving service delivery to enterprises, on December 8th Butuan City Mayor Vicente Amante inaugurated the city's refurbished Business Processing and Licensing Office (BPLO) and demonstrated in the presence of representatives from other LGUs how the city could process an application for a new business permit in 9 minutes, much faster than their previously ambitious target of 15 minutes. The mayor also unveiled a marker for the city's "Business Fast Lane", a special track that further expedites permits for particular types of investors. With the

inauguration, Butuan City became the first LGU in the Region 13 to establish a streamlined BPLS and establish a BOSS.

This success during the quarter started with Butuan's issuance of Executive Order #11-2010 on October 4 which created the steering committee and TWG for the streamlining project, and created the JIT. More specifically, the issuance provided for the creation of a unified form, standard steps, and a standard processing time, and the identification of signatories for applications for new business permits and for business renewals. It also assigned the Steering Committee to manage the implementation of the city's BPLS streamlining reforms, with the assistance of the TWG. Finally, it identified the duties and members of the JIT for the city's business establishments, while allocating a budget for the implementation of the BPLS streamlining activities.

On November 23-26, 2010 LINC-EG assisted the city government to bring selected members of the steering committee and the TWG on an observation/study tour that took them to two cities recognized for having put in place recent reforms: Lapu-Lapu and Cebu. The group learned about, and gathered insights from, good administrative practices already existing in the Philippines and which could be adopted as reform in Butuan. These practices include one-time payment systems, joint inspections, and the utilization of Geographic Information System (GIS) software. The group also realized the need to strengthen the legal framework of the BOSS, the streamlined BPLS, and JITs through the passing of an ordinance supporting these processes and practices.

The study tour was immediately followed by training for selected personnel of the city government who would be stationed at the BOSS. The training was held from November 30 to December 2, with 40 participants from the City Business and Licensing Division, other city government offices, as well as the regional offices of particular national government agencies that will comprise the BOSS.

TAP 3.8: Streamlining business entry permitting in General Santos City.

Intermediate results have been achieved under this TAP during the quarter as the work program for this TAP commenced.

On December 1, 2010 the LGU conducted a 2-day BPLS Assessment Workshop that resulted in the drafting of a strategic plan to guide its efforts to streamline its processes. More than 30 participants in this workshop, consisting of personnel of city government offices and national government agencies involved in the BPLS, were provided with the knowledge and skills for mapping out and then assessing the current system and comparing it with national standards. They were also assisted with LINC-EG's expert facilitation to formulate a responsive and effective plan for the implementation of the city's BPLS reform agenda.



General Santos Mayor Custodio with her counterpart and staff in Marikina City.

To ground truth the output of the workshop, General Santos City Mayor Darlene Antonino-Custodio headed a delegation of 9 of her senior officials to tour Manila, Muntinlupa, and Marikina in the National Capital Region (NCR), and the cities of Angeles and Olongapo in Region III. In the three NCR cities, Mayor Antonino-Custodia and her team discussed with her fellow mayors lessons learned and the reform strategies and approaches other cities used that proved effective. The

study tour also included a visit to observe day-to-day operations at the BOSS of Marikina City.

Activities Planned Next Quarter

TAP 3.1:

- Capitol University and the visiting international business support services expert will revise their respective NERBAC organizational and operational assessments based on feedback from the Project. The final drafts of these reports will serve as the bases for the formulation of a “business model” most appropriate for NERBAC operations.
- LINC-EG will closely coordinate with DTI to formulate amendments to the NERBAC Law after due discussion with the NERBAC Heads.
- Follow-on activities, including support for NERBAC’s knowledge management efforts, will be explored.

TAP 3.2:

- The CdO BOSS is expected to be launched in the next quarter. LINC-EG will then hold further consultations with the city on the next steps in the reform effort.
- This TAP is expected to be closed by the end of February 2011.

TAP 3.3:

- LINC-EG will conduct consultations with the LGUs of the four cities to identify specific activities towards attaining the objectives of this TAP.
- LINC-EG will prioritize the hiring of the LGU Investment Expert and other STEs needed for full implementation of this TAP.

TAP 3.4:

- A close-out memo for this TAP will be drafted and formally submitted to USAID/Philippines.

TAP 3.5:

- A close-out memo for this TAP will be drafted and formally submitted to USAID/Philippines.

TAP 3.6:

- LINC-EG will conduct follow-on consultations with the Davao City government to identify specific technical assistance it would provide to the city, including possible support to launch the city's self-initiated "Knowledge Management Project".

TAP 3.7:

- LINC-EG will coordinate with the city government of Butuan to identify and move forward the implementation of this TAP after the end of the legally mandated period for the renewal of business permits in January 2011.

TAP 3.8:

- LINC-EG will coordinate with the city government of General Santos to identify and move forward the implementation of this TAP after the end of the legally mandated period for the renewal of business permits in January 2011.

Program Area 4. Fiscal Responsibility through National Budget Monitoring

With the response and agreement to support the Department of Finance (DOF) with technical assistance in revenue forecasting and benchmarking, LINC-EG has broadened the coverage of Program Area 4 to include enhancing revenue administration in addition to the original design focused on budget management and transparency in collaboration with the Department of Budget and Management (DBM).

Key Activities Accomplished:

TAP 4A. Strengthening Fiscal Responsibility through National Budget Monitoring by Civil Society

Work on this TAP during the reporting period focused on preparing, submitting to USAID/Philippines, and amending requests for approval to award two Fixed Obligation Grants (FOGs) to INCITEGov, a civil society organization involved in policy advocacy on budget transparency and good governance. Initial agreements with INCITEGov on the deliverables of

the two FOGs, particularly for FOG 1, had to be amended to take into account similar and complementary initiatives of the DBM under its new leadership. FOG 1 had gone through to ensure that there will be no duplication or overlapping of activities.

FOG 1 will lay the groundwork for institutionalizing processes for a more open budget policy in the country while FOG 2 will focus on enhancing the budget monitoring capacity of civil society organizations (CSOs) and their research activities.

FOG 1 will deliver four outputs, namely: (1) a Citizen's Budget; (2) drafting of guidelines on, or the protocol of, the engagement of CSOs in the preparation of the 2012 budget; (3) an assessment of the implementation of the 2010 budget as well as an analysis of the 2011 budget and the budget call for 2012; and (4) a study on the current practices of government agencies on utilize and realigned savings from their appropriations, to come up with implementing rules and guidelines..

FOG 2 is focused on sustaining, building on, and expanding the Philippine Budget Monitoring Network. Five CSOs, namely the Caucus of Development-NGO Networks (CODE-NGO), the Philippine Partnership for the Development of Human Resources in Rural Areas (PhilDHRRA), the Partnership of Philippine Support Service Agencies (PHILSSA), the Institute for Popular Democracy (IPD) and the Ateneo School of Government (ASOG), will conduct studies to enable a more in-depth budget monitoring of certain government departments and programs. FOG 2 will also work on expanding the budget monitoring network by expanding to the Visayas and Mindanao, and to other areas and stakeholders such as the business sector.

After extensive discussions among USAID/Philippines, DBM, INCITEGov and LINC-EG, a request for approval for FOG 1, entitled "Strengthening Philippine Budget Network Engagement towards Transparent, Accountable and Participatory Philippine Public Financial Management," was submitted to the USAID/Philippines on December 30, 2010. FOG 2, earlier submitted last quarter, was re-submitted to USAID/Philippines on December 22, 2010 after addressing the COTR's second sets of suggestions and comments.

TAP 4B. Strengthening Fiscal Responsibility through a More Transparent and Accountable National Budget Process

After the submission of the 2011 National Budget and after it had been deliberated on and passed by Congress, DBM was finally able to focus on the activities that it wants supported by USAID through LINC-EG. After discussions with Undersecretary Laura Pascua, agreement was reached that LINC-EG would support DBM activities that promote transparency and accountability in the national budget process as well as the active engagement of CSOs in the process. Subsequently, a TAP proposal was re-submitted on November 18, to USAID/Philippines and was approved on December 15. The milestones and key expected deliverables under this TAP are: (1) launching of the Electronic Transparency and

Accountability Initiative for Lump Sums (eTAILS 1)⁴; (2) engagement of an expert to help DBM design the enhancement of eTAILS 1 (to be called eTAILS 2); and (3) a baseline survey to generate data on the public's knowledge and perceptions about the budget and its processes.

On December 20, a meeting between the DBM and LINC-EG was held to discuss the details of the three deliverables under the TAP. Tentative timelines for the deliverables were set. The DBM agreed to send to LINC-EG an official acknowledgement regarding the proposed partnership as well as the activity and budget details of the proposed technical assistance that the DBM is requesting.

TAP 4C. Business Intelligence and Revenue Enhancement (BIRE) and Forecasting

The hiring of industry experts that would compose the Fiscal Team located at the Department of Finance was fast-tracked in October 2010 but was still behind schedule due to misalignments with USAID's approval process for consultant salaries. A revised inception report was submitted by the team on November 7 detailing the six industries that will be the subject of study: telecommunications, tobacco, alcohol, banking, automotive and petroleum. Each industry profile will have four components: the industry profile, the data validation and forecasting model for the industry's gross revenues, a tax calculation model to be applied to each industry to estimate tax gaps and project the potential tax revenues for the next five years, and a benchmarking of tax payments of prominent companies within the specific industry.

Towards the end of the quarter, the profiles of the telecommunications, automotive, banking, and tobacco industries were completed and submitted to the Finance Secretary. The industry profiles provide a general background on the industry, the major industry players, the products and services being produced and the production processes, the upstream and downstream users of the products, the industry's contribution to the economy, and the industry's tax treatment. The industry profile provides the context for analyzing the tax issues and the application of the tax calculator model to determine non-compliance and to project potential industry revenues.

Activities Planned Next Quarter

TAP 4A:

- USAID/Philippines' approval of the request to award two FOGs to INCITEGov is expected. Thereafter, full implementation of the two FOGs will officially commence.

⁴ For purposes of transparency and accountability, eTAILS 1 seeks to provide to the public through the DBM website information on the lump-sum appropriations for the Priority Development Assistance Fund (PDAF), the financial support to local government units (FSLGUs), the school building program of the Department of Education (DepEd) and the Internal Revenue Allotment (IRA) to local governments.

TAP 4B:

- A detailed work plan and the resources required for the proposed technical assistance will be submitted by the DBM to LINC-EG and full implementation of the TAP will commence.

TAP 4C:

- All the six industry studies will be completed and estimates of the tax gaps and revenue forecasts will be prepared and handed over to the Secretary of Finance.

Key "Special" and other Technical Activities

There are no special activities to report this quarter.

Cross Cutting Components: Gender and Public-Private Alliances

Gender:

There were no specific gender related activities this reporting quarter.

Plans for the Next Quarter:

- The "on-call" gender specialist of LINC-EG will conduct an assessment of the impact of project activities in BPLS on gender.

Public-Private Partnership (PPP):

There were no specific PPP related activities this reporting quarter.

Plans for the Next Quarter:

- The Project will continue to explore opportunities for a PPP or Global Development Alliance with private sector involvement.

TAP Concepts under Development:

No new TAPs are expected to be designed in this final project implementation year.

SECTION 2 - MAJOR MANAGEMENT & ADMINISTRATIVE EVENTS

The key management and administrative tasks for the quarter covered (i) key day-to-day office administration activities, including negotiations with and contracting and mobilization of personnel and service providers and (ii) managing the design and implementation of TAPs.

Preparing and submitting the Project's final year work plan consumed a great deal of the time of the senior management of the project this quarter. Following an earlier agreement reached with the COTR on August 12, the restructuring of some then ongoing activities was explained in the final year work plan submitted to USAID/Philippines on November 18. These include planned activities under TAPs 2.6, that were stopped and the TAP discontinued and cancelled. The implementation of TAPs 3.4 and 3.5 were redesigned, with certain parts folded into other TAPs that are providing direct BPLS support to LINC-EG priority cities in Mindanao. Two new TAPs under Program Area 3 were submitted along with the work plan – TAPs 3.7 and 3.8 - to support the cities of Butuan and General Santos respectively. These TAPs are expected to be less comprehensive than the Project's ongoing support to Cagayan de Oro City but will cover some of the same areas of assistance provided to the city namely, site visits to benchmark performance, training and capacity building on BPLS and investment policy making, and streamlining of BPLS. The work program for Program Area 4 was expanded, in line with an expressed priority of President Aquino in his state of the nation address to improve the transparency of the national budget process. TAP 4B was resubmitted in order to support the DBM's effort to obtain public feedback on budget transparency, improve internal capacity in connection with the ranking of the Philippines in the Open Budget Index of the International Budget Partnership Organization, and launch *e-TAILS*, an IT-enabled software system for tracking and public dissemination of lump sums amounts in Congressional appropriations.

The COTR's approval of the Project's final year work plan was received on December 15 and with it the authority to proceed with implementation of the "new" TAPs namely 3.7, 3.8 and 4B.

The COP departed Manila on vacation on December 27, and Ms. Ofelia Templo, LINC-EG's Deputy Chief of Party, served as Interim COP until January 7, 2011.

Box 1 provides a summary of other key management and administrative events during the quarter.

Box 1. Key Program Management Events in the Quarter:

- October 1 - The monthly technical staff meeting is held.
- October 5 - USAID/Philippines and LINC-EG traveled to Mindanao and conducted project briefings and counterpart consultations with Davao City Mayor Sarah Duterte-Carpio, NEDA Regional Director Lourdes Lim, DTI Regional Director Marizon Loreto, and Davao City Local Chamber President Robert Quinto.
- October 8 - The LINC-EG Mindanao Coordinator participated in a workshop entitled “Finding New Buyers through Effective Market Research and Analysis” in Cagayan de Oro. The workshop is relevant to activities under TAP 3.1.
- October 12 - USAID/Philippines approval was received for Nathan Associates’ Arlington based Accountant Nancy Wong to travel to Manila.
- October 16 to 23 - Nathan Associates Finance Head reviews and assesses the financial and project accounting practices and systems of LINC-EG and finds general compliance to USAID and Nathan Associates policies.
- October 27 -The COTR discusses the draft final year work plan with LINC-EG.
- November 5 - USAID/Philippines and LINC-EG conducted project briefings and counterpart consultations with the General Santos City government.
- November 10 - The Project held its monthly Administrative Support Team Meeting.
- December 3 - A debrief of his assessment of the NERBAC was provided to USAID by the international small business expert.
- December 3 - A formal LINC-EG project status briefing was provided to Mr. Thomas Rojas of USAID/Philippines.

Administration of Grants and Special Activities Fund (SAF)

Working with concerned program managers and directly with counterparts and USAID/ORP as necessary, LINC-EG’s administrative team for grants reviewed documents pertinent to the development of grant proposals for INCITEGov and AmCham for activities under TAPs 4A and

2.1(c), respectively, and for a Purchase Order to the Scientific Research Foundation of the Asian Institute of Management (SRF/AIM) for the conduct of a city development planning workshop for the cities of Butuan, Cagayan de Oro, General Santos and Davao under TAP 1.1(a).

Grants:

TAP 2.1(c) – A proposal to extend the ICIP VI grant was reviewed and finalized in December. The request for approval to award the said extension was submitted to USAID on December 10, and is awaiting approval as of the end of the reporting quarter.

TAP 2.2(b) – A grant to the AER was awarded on October 15. The grant is a follow-on to AER’s Phase I activities. An initial meeting in October with AER served as the official start of the implementation of the grant activities.

TAP 4A – As part of LINC-EG’s response to the COTR’s comments, a revised budget for FOG 2 to INCITEGov was submitted on December 22, 2010.

The request to award FOG 1 to INCITEGov was submitted to the COTR on December 30, 2011.

Purchase Order (PO):

TAP 1.1(a) – A PO to the Scientific Research Foundation of the Asian Institute of Management (SRF/AIM) was issued on December 12, 2010 for the conduct of the *City Competitiveness Forum* covering the cities of Butuan, Cagayan de Oro, General Santos and Davao in Mindanao. The total cost of the activity was PhP590,270 (\$13,727.21), of which PhP128,450 (\$2,987.21) was allocated for the SRF/AIM PO, and the balance to pay logistic costs directly.

Performance Monitoring and Evaluation (M&E)

During the quarter, monitoring and evaluation (M&E) activities were intensified in line with the completion of several project-sponsored events and in preparation for the evaluation of project inputs in improving the BPLS systems in the cities of Davao, Cagayan de Oro, General Santos and Butuan prior to the annual renewal period of business permits and licenses that will begin and end in January 2011. The following activities took place during this quarter:

- **Updating of the Performance Management Plan.** Baseline data related to the issuance of business permits and licenses were collected from the city governments of Davao, Cagayan de Oro, General Santos and Butuan during the quarter. The city-level data on the number of business permits issued, investments generated, and corresponding city government revenues collected were organized into a standardized reporting format for easy reference. The latest data on the impact and outcome indicators (including updates

on national-level indicators explained below) were inputted into the Project Indicator Table. (See Annex 2)

- **Monitoring of National-level Indicators of Competitiveness.** The monitoring of the performance indicators of the state of Philippine competitiveness was resumed in the quarter upon the release of the 2010 Open Budget Index by the International Budget Partnership in late October. The Philippines' overall score increased from 48 in 2008 to 55 on account of more comprehensive information released in the latest budget proposal from the executive branch of government. Despite this improvement, the country remains one of 74 out of the 94 countries assessed to have failed to meet basic standards of transparency and accountability with national budgets. The report's key recommendations of publishing a Citizen's Budget and of producing more comprehensive, fully detailed budget documents to enable the government and private sector to exercise more effective and diligent oversight are the subject of the Project's activities with selected civil society organizations and the Department of Budget and Management scheduled for implementation early next quarter.

Another report on global competitiveness -- the Doing Business 2011 report of the International Finance Corporation -- was launched in early November. Based on this report, the Philippines was overtaken by Cambodia in the global rankings on the over-all ease of doing business. Even as this unwelcome development was partly due to major changes in the data collection methodology, the negative decline in Philippine competitiveness can be traced primarily to higher costs in obtaining an electrical connection. The removal of the reimbursement scheme by the national government for the purchase and installation of new transformers transferred the full cost into the accounts of new power consumers. The negative effect of this new business regulation was sufficient for the country's overall ranking to fall from 144th to 148th -- one rank below Cambodia and within the bottom two deciles of 183 countries. (More details in Appendix 1)

- **Technical Support for Non-M&E Project Activities.** The M&E Specialist was also tasked to provide technical assistance in the implementation of Project activities during the quarter. All the project documents related to the *Training of Trainers* workshops for the Upgrading BPLS program of the DTI and DILG under TAP 2.5, which the M&E Specialist helped organize last quarter, were turned over to the Deputy Chief of Party after her designation as the new Program Manager for PA-2 in early October.

The M&E Specialist was also assigned to manage the conduct of the City Competitiveness Forum that was held in Davao City in mid-December. A new workshop design was developed with the event organizer Asian Institute of Management Policy Center based on a Strength-Weakness-Opportunities-Threats

(SWOT) framework. The work was done two days before the event because of the failure of the contracted consultant to deliver his expected outputs.

Other supplementary tasks accomplished in the quarter include conducting a review of the inception report of Capitol University on its operational and organization assessment of NERBACs located in selected cities in Mindanao, and assisting the consultant tasked to formulate strategic planning inputs for the development of NERBACs in his trip to meet government officials and business chambers of General Santos City. (See Appendices 2 and 3)

- **Preliminary Evaluation of Selected Project Activities.** In this quarter, the initial evaluation on the *training of trainers* workshops for the Upscaling BPLS Reforms program of the DTI and DILG were made available by the Local Government Academy (LGA) which organized the events. The events, which were managed by the M&E Specialist as the acting manager of TAP 2.5 at that time, were held in Cagayan de Oro City and Davao City last August and September respectively. Among the major findings of the survey instruments developed by the M&E specialist with LGA were:
 1. In the first event at CDO city, some participants became confused on the relation of the BPLS standards promoted by DTI and DILG to the Anti-Red Tape Law. This confusion was indicated by the lower scores achieved by the participants on the same test questions at the end of the event compared to those they achieved at the start. The confusion was eventually traced to certain slides in the presentations which was susceptible to misinterpretations. These were corrected during the second event in Davao City.
 2. In both events, the levels of knowledge, capability, and confidence of the participants increased based on the pre- and post-evaluation ratings. The rating shows that after the necessary inputs were provided to them, the participants became more capable to undertake the responsibility in leading initiatives for BPLS reforms in the LGUs.
 3. Overall, the participants greatly appreciated the efforts to reforms the BPLS and most of them mentioned that they got new learnings and insights on the BPLS from the training. There was better understanding of the BPLS and better appreciation of the move of the government to upgrade the system. The workshop enhanced their knowledge and skills thus making them more confident that the goal of ensuring that LGUs become more business friendly through introduction of BPLS reforms will be achieved.

The activities planned for the next quarter include:

- Preliminary evaluations of city-government operations during the renewal of business permits and licenses conducted in January 2011.
- Development of reporting template to track the use and relevance of research outputs produced by the Project.

SECTION 3 - TIME INPUTS

At the end of the reporting quarter (December 31, 2010), LINC-EG had expended 4,726.19 person-days, or 64.31 percent of the contract budget total of 7,349 person-days.⁵

SECTION 4 - FINANCIAL PERFORMANCE

At the end of the reporting quarter (December 31, 2010), the Project's expenditures totaled \$4,633,049.38, or 62.21 percent of the total budget ceiling of \$7,448,429.34.

⁵ The total contracted level of effort (LOE) in person-days includes the actual expended LOE in LINC-EG Year I and the total approved LOE for LINC-EG for Year II and III.

ANNEXES

Annex 1. Summary of the Status of TAPs/Implementation Mechanism Approvals (as of December 31, 2010)

TECHNICAL ASSISTANCE PACKAGES (TAPS)	PERIOD OF PERFORMANCE		APPROVAL STATUS (dates include actual receipt of COTR/ORP approvals)		IMPLEMENTATION MECHANISM(S) (Grant, STTA, PO, etc.)	IMPLEMENTATION MECHANISM APPROVAL STATUS (dates include actual receipt of COTR/ORP approvals)						
						Grant		STTA		Purchase Order		
No.	Title	Start Date	End Date	Submission dates	Approval Dates	Submission dates	Approval dates	Date awarded	Submission dates	Approval dates	Submission dates	Approval dates
1.1(a)	Support to IFC's Subnational <i>Doing Business</i> in the Philippines 2010 Project **	03-Dec-09	30-Dec-10 (extended from 15-Nov-10 And further from 30-Jun-10)	02-Oct-09 30-Sep-09 (revised TAP) 11-Jun-09 22-May-09 21-May-09	COTR: 03-Dec-09 (CO Approval relegated to COTR) 11-Jun-09 (revised TAP) 22-May-09	Grant: IFC PO: AIMPC ODC: City Competitiveness Forum					10-Dec-10	COTR: 12-Dec-10 ORP: N.A.
1.1(b)	Support to AIMPC's Philippine Cities Competitiveness Ranking Project 2009 **	15-Jul-09	30-Dec-10 (extended from 30-Oct-10 and further from 31-May-10; and from 31-Aug-10)	30-Jun-09	COTR: 1-Jul-09 ORP: 15-Jul-09	Grant: AIMPC STTA: Ana Marie Tabunda; Lito League	12-Aug-09 11-Aug-09 29-Jul-09	COTR: 31-Jul-09 ORP: 19-Aug-09	10-Sep-09	30-Jul-09	COTR: 17-Aug-09 ORP: 18-Aug-09	
2.1(b)	Investment Climate Improvement Project (ICIP) – Phase VI**	01-Jan-10	31-Dec-10	25-Nov-09 05-Nov-09	COTR: 8-Dec-09 ORP: 22-Dec-09	Grant : AmCham PO : Grace Dilag, Layout Artist; Corces Printing	25-Nov-09 05-Nov-09	COTR: 8-Dec-09 ORP: 22-Dec-09	01-Jan-10		26-Aug-10 (Dilag) 17-Nov-10 (Corces)	COTR: 13-Sep-10 (Dilag) 22-Nov-10 (Corces)
2.1(c)	ICIP Phase VI extension	TBD	30-June-11	22-Dec-10 14-Dec-10		Grant: AmCham	22-Dec-10 14-Dec-10					
2.2(b)	Formulating policy reforms to address barriers	01-Aug-10	01-Jun-11	11-Jun-10 19-May-10	USAID/COTR: 17-Jun-10	Grant: AER	26-Aug-10	COTR: 2-Sep-10 ORP: 15-Oct-10	15-Oct-10			

TECHNICAL ASSISTANCE PACKAGES (TAPS)		PERIOD OF PERFORMANCE		APPROVAL STATUS (dates include actual receipt of COTR/ORP approvals)		IMPLEMENTATION MECHANISM(S)	IMPLEMENTATION MECHANISM APPROVAL STATUS (dates include actual receipt of COTR/ORP approvals)						
						(Grant, STTA, PO, etc.)	Grant			STTA		Purchase Order	
No.	Title	Start Date	End Date	Submission dates	Approval Dates		Submission dates	Approval dates	Date awarded	Submission dates	Approval dates	Submission dates	Approval dates
	to the entry of investments in the Philippines (Phase II)												
2.5	Strengthening key national government agencies to set the competitiveness and BPL agenda	14-Jul-10	30-Jun-10	7-Jul-10 19-May-10	USAID/COTR: 14-Jul-10	Grant: TBD STTA: Noel Macalalad, Benjamin Baretto, Marieta Patag				13-Jul-10	COTR: 3-Aug-10 ORP: 10-Aug-10		
3.1	Improving policy framework and implementation of market support services through the NERBACs (Phase I)	28-May-10	28-Feb-11	19-May-10 2-Feb-10 14-Jan-10	USAID/COTR: 28-May-10	STTA: Rachel Follosco PO: Capitol University				6-Jul-10	COTR: 7- Jul-10 ORP: N.A.	20-Aug-10	25-Aug-10
3.2	Streamlining business permitting and licensing in Cagayan de Oro City **	03-Dec-09	31-Dec-10	09-Nov-09	COTR: 03-Dec-09 ORP: 03-Dec-09 (relegated to COTR)	STTAs: Menchie Kho; Ofelia Oliva; Querubin Momongan; Mary Ann Cortes & Gay Caponong ODC: Workshops, Travels, etc. PO: Capitol University; Commodity Support				4-May-10 (Oliva and Momongan) 24-Jan-10 (Kho) 19-Nov-10 (Cortes) 24-Nov-10 (Caponong)	COTR: 17-May-10 (Momongan) 30-Nov-10 (Caponong) 11-Dec-10 (Cortes) ORP: 1-Feb-10 (Kho) 7-May-10 (Oliva)	9-Mar-10 (CU) 1-Dec-10 (Commodity Support)	COTR: 22-Apr-10 (CU) 3-Dec-10 (Commodity Support) ORP: N.A.

TECHNICAL ASSISTANCE PACKAGES (TAPS)		PERIOD OF PERFORMANCE		APPROVAL STATUS (dates include actual receipt of COTR/ORP approvals)		IMPLEMENTATION MECHANISM(S)	IMPLEMENTATION MECHANISM APPROVAL STATUS (dates include actual receipt of COTR/ORP approvals)						
No.	Title	Start Date	End Date	Submission dates	Approval Dates	(Grant, STTA, PO, etc.)	Grant		STTA		Purchase Order		
							Submission dates	Approval dates	Date awarded	Submission dates	Approval dates	Submission dates	Approval dates
											9-Jun-10 (Momongan) 6-Dec-10 (Caponong) 7-Dec-10 (Cortes)		
3.3	Increasing investments through review and harmonization of the Investment Codes of select LGUs	28-May-10	15-Mar-11	19-May-10 19-Feb.-10	USAID/COTR: 28-May-10	STTA: Lito League				11-Jun-10 (League)	COTR: 15-Jul-10 ORP: N.A.		
3.6	Streamlining business permitting and licensing in Davao City	01-Jul-10	30-Apr-11	19-May-10	28-May-10	Grant: TBD STTA: TBD PO: TBD ODC: BPLS Assessment Workshop							
3.7	Streamlining business permitting and licensing in Butuan City	15-Dec-10	30-Jun-11	18-Nov-10	15-Dec-10	Grant: TBD STTA: TBD PO: TBD ODC: Study Tours; Capability Development Training							
3.8	Streamlining business permitting and licensing in General Santos City	15-Dec-10	30-Jun-11	18-Nov-10	15-Dec-10	Grant: TBD STTA: TBD PO: TBD ODC: Study Tours; BPLS Assessment Workshop							

TECHNICAL ASSISTANCE PACKAGES (TAPS)		PERIOD OF PERFORMANCE		APPROVAL STATUS (dates include actual receipt of COTR/ORP approvals)		IMPLEMENTATION MECHANISM(S)	IMPLEMENTATION MECHANISM APPROVAL STATUS (dates include actual receipt of COTR/ORP approvals)						
No.	Title	Start Date	End Date	Submission dates	Approval Dates	(Grant, STTA, PO, etc.)	Grant		STTA		Purchase Order		
							Submission dates	Approval dates	Date awarded	Submission dates	Approval dates	Submission dates	Approval dates
4A	Strengthening fiscal responsibility through national budget monitoring by civil society	01-Jun-10	01-Jun-11	19-May-10	28-May-10	Grants (2): INCITEGov	FOG 1: 30-Dec-10						
4B	Strengthening fiscal responsibility through a more transparent and accountable national budget process	15-Dec-10	30-Jun-11	19-May-10	15-Dec-10	To be determined once the implementation mechanism is finalized and approved, and full implementation commenced							
4C	Business intelligence and revenue enhancement (BIRE) and forecasting	10-Aug-10	30-Apr-11	6-Aug-10 2-Aug-10 26-Jul-10	10-Aug-10	STTA: Guillermo Parayno, Rosario Manasan, Janet Cuenca; Rafaelita Aldaba, Ferdie Sia; Sheryl Famador; Miguel Andaya,				6-Aug-10 (Parayno) 6-Sep-10 (Manasan) 28-Sep (Cuenca) 10-Nov-10 (Aldaba) 19-Nov-10 (Sia and Famador) 2-Dec-10 (Andaya)	COTR: 10-Aug-10 (Parayno) 13-Sep-10 (Manasan) 12-Oct-10 (Cuenca) 15-Nov-10 (Aldaba) 30-Nov-10 (Sia and Famador) ORP: 19-Aug-10 (Parayno) 20-Sep-10 (Manasan)		

TECHNICAL ASSISTANCE PACKAGES (TAPS)		PERIOD OF PERFORMANCE		APPROVAL STATUS (dates include actual receipt of COTR/ORP approvals)		IMPLEMENTATION MECHANISM(S)	IMPLEMENTATION MECHANISM APPROVAL STATUS (dates include actual receipt of COTR/ORP approvals)						
No.	Title	Start Date	End Date	Submission dates	Approval Dates	(Grant, STTA, PO, etc.)	Grant			STTA		Purchase Order	
							Submission dates	Approval dates	Date awarded	Submission dates	Approval dates	Submission dates	Approval dates
											12-Oct-10 (Cuenca) 23-Nov-10 (Aldaba) 6-Dec-10 (Famador) 7-Dec-10 (Sia) 21-Dec-10 (Andaya)		
<p>*** On-going TAPs from previous work plan</p> <p>This report includes TAPs that were submitted and on-going during the reporting period. TAPs that were completed and/or cancelled are not reflected in this report.</p>													

Annex 2. Project Indicators

PA/ Level	IN TASK ORDER FROM USAID	POSSIBLE INDICATORS (SOURCES)	BASELINE DATA/STATUS
PA-1 Impacts	(a) A better understanding of the local and national competitiveness factors that affect the business environment	No. of cities covered by data	IFC Sub-National Doing Business covers 5 cities including CDO, Zamboanga, General Santos, Iloilo and Batangas. PCCRP 2009 covers 29 cities nationwide of which 10 are Mindanao cities including Davao, CDO, Zamboanga
		No. of times study used as reference in official development plans	Official development plans of cities receiving technical assistance from the Project still under development
	(b) Capacity to monitor progress towards achieving objectives of certain competitiveness and business enabling environment activities	No. of cities covered by data	Incorporation of city-level competitiveness indicators still to be determined upon the completion of official development plans in cities receiving technical assistance from the Project
No. of times study used as reference in official development plans			
PA-1 Outcomes	None		
PA-2	(a) Increased Philippines	RP share of ASEAN 12	2.5% (2008)

PA/ Level	IN TASK ORDER FROM USAID	POSSIBLE INDICATORS (SOURCES)	BASELINE DATA/ STATUS
Impact	share of FDI in the region	(UNCTAD)	5.3% (2009)
	(b) Increased gross capital formation share of GDP as a proxy for domestic investment	Share of Gross capital formation to GDP (<i>National Statistical Coordination Board</i>)	14.6% (2009) 17.2% (2010)
PA-2 Outcomes	(a) Higher scores on competitiveness indices or measures of economic freedom	Average Rank Percentile of below	0.33 (2009) 0.36 (2010) excluding Index of Economic Freedom 2011 which is scheduled to be released in Jan 2011
		World Competitiveness Yearbook (<i>Institute for Management and Development</i>)	Score (out of 100): increased from 54.49 in 2009 to 56.53 in 2010 Rank Percentile: increased from 0.25 (43 out of 57) to 0.33 (39 out of 58)
		Global Competitiveness Report (<i>World Economic Forum</i>)	Score out of 7.00: increased from 3.90 in 2009 to 3.96 in 2010 Rank Percentile: increased from 0.35 (87 out of 134) in 2009 to 0.39 (85 out of 139) in 2010
		Index of Economic Freedom (<i>The Heritage Foundation</i>)	Score: 56.35 out of 100 (2009) Rank Percentile: 0.39 (109 out of 139)
	(b) Improved scores on Doing Business	Ease of Doing Business (<i>International Finance</i>)	Rank Percentile: Decreased from 0.23 (141 out of 183) to 0.19 (148 out of 183) in 2010 data period

PA/ Level	IN TASK ORDER FROM USAID	POSSIBLE INDICATORS (SOURCES)	BASELINE DATA/ STATUS	
	Indicators	<i>Corporation</i>) = National score encompasses City of Manila only		
		To Start a Business	Rank Percentile: improved from 0.11 (162 out of 183) to 0.15 (156 out of 183) in 2010 data period	
			Procedures: no change at 15 in 2010 data period	
			Days: fell by 27% from 52 to 38 in 2010 data period	
PA-2-F	Number of Investment Measures Made Consistent with International Investment Agreements Chapters in U.S. Free Trade	E.g. the WTO Agreement on trade related investment measures (TRIMS), bilateral investment treaties (BITs) with the United States or other countries, WTO services commitments allowing foreign ownership, regional harmonization protocols, or Investment Chapters in U.S. Free Trade Agreements.	To be determined upon consultation with concerned National government agencies and LGUs	
			Cagayan de Oro City	Davao City

PA/ Level	IN TASK ORDER FROM USAID	POSSIBLE INDICATORS (SOURCES)	BASELINE DATA/ STATUS	
PA-3 Impact	(a) Increase in business tax collections	Business tax collections	P439m in 2008 P457m in 2009 P435m as of Sep 2010	
		Income from local source		
		Ratio of Local income to Total Income		
	(b) Increase in number of business permits, renewals, or new registrations	New Business Permits issued	3052 in 2009 3027 as of Sep 2010	5840 in 2009 4839 as of Sep 2010
		Renewal of Business permits issued	11,932 in 2009 14,197 as of Sep 2010	23,077 in 2009 24,200 as of Sep 2010
				Cagayan de Oro City
PA-3 Outcomes	(a) Simplification of forms and procedures;	Steps (<i>City Government</i>)	New: 7 Renewal:	New: 18 *Excludes other regulatory agencies and national government agencies
		Steps (<i>Business Survey</i>)	New: 8	

PA/ Level	IN TASK ORDER FROM USAID	POSSIBLE INDICATORS (SOURCES)	BASELINE DATA/ STATUS	
			Renewal:	
	(b) Decrease in the number of signatories	Signatories (<i>City Government</i>)	New: 7	
		Signatories (<i>Business Survey</i>)	New: 8 Renewal:	
	(c) Decrease in time to get approval	Processing Time (<i>City Government</i>)	New: 510 minutes or 2 days Renewal: 2425 minutes or 6 days	New: 1 day Renewal: 1 hour
	(d) Decrease in processing or approval time (?)	Processing Time (<i>Business Survey</i>)	New: 6235 minutes or 13 days Renewal: 5052 minutes or 11 days	
			<i>*All data above on BPLS processes exclude processes in other regulatory agencies and national government agencies</i>	
PA-3-F	> Number of Municipalities Receiving USG Assistance with Regulatory or Administrative Simplification	BPLS Program of DTI/DILG	From 1 last quarter to 4 in this quarter (cities of Davao, Cagayan de Oro, Butuan and General Santos)	

PA/ Level	IN TASK ORDER FROM USAID	POSSIBLE INDICATORS (SOURCES)	BASELINE DATA/ STATUS	
PA-4 - Impact	(a) Improved ranking of the Philippines in the Open Budget Survey	Targeted score depends on survey questions addressed in Work plan	2008 Overall Score (out of 100): improved from 48 in 2008 to 55 in 2010 Rank Percentile: Improved from 0.60 (34 out of 85) in 2008 to 0.65 (33 out of 94) in 2010	
PA-4 - 1 Outcomes	(a) Improved policies and legislation for tighter oversight on the national budget	No. of recommended procedures /policies/practices established, improved or strengthened (<i>i.e. control mechanisms</i>)	To be determined upon consultation with concerned CSOs and National government agencies	
	(b) Macro/national fiscal /budget baseline data established	Population of database = for Fiscal Statistics Handbook or Budget Scorecard?	To be determined upon consultation with concerned national government agencies	
	(c) Civil society- led oversight mechanisms on the national budget established	MOA? MOU?	To be determined upon consultation with concerned CSOs and national government agencies	

PA/ Level	IN TASK ORDER FROM USAID	POSSIBLE INDICATORS (SOURCES)	BASELINE DATA/ STATUS
	/strengthened		
	(d) Legislative activism on the national budget exercised	No. of recommended amendments on budget allocations that are enacted	To be determined upon consultation with concerned CSOs and national government agencies
PA-4-1 F	> Number of governmental and non-governmental mechanisms supported with USG assistance for oversight of executive branch	Mechanisms for oversight include Inspectors-general, independent audits, accessible websites, ombudsmen, task forces, commissions of enquiry, public complaints /suggestion boxes	To be determined upon consultation with concerned national government agencies
4 - 2 Expected Outcomes	(a) Improved policies and legislation for more transparent national budget	No. of recommended procedures /policies/practices established, improved or strengthened (<i>i.e. disclosure, transparency</i>)	To be determined upon consultation with concerned CSOs and national government agencies
	(b) Budget information repository established	Not in work plan	

PA/ Level	IN TASK ORDER FROM USAID	POSSIBLE INDICATORS (SOURCES)	BASELINE DATA/ STATUS
	(c) Audit scorecard developed	Not in work plan	
PA-4-2-F	> Number of executive branch personnel trained with USG assistance	Training in areas of administration, management or leadership skills or good governance practices. Training refers to all training or education events whether short-term or long-term, in-country or abroad.	To be determined upon consultation with concerned national government agencies
	> Number of executive office operations supported with USG assistance	Executive office refers to the office of the president, prime minister, or cabinet. Operations include strategic planning, formalization of decision making processes, personnel management systems, communication protocols within the executive office, communication procedures with and among ministries, communication procedures	To be determined upon consultation with concerned national government agencies

PA/ Level	IN TASK ORDER FROM USAID	POSSIBLE INDICATORS (SOURCES)	BASELINE DATA/ STATUS
		with media, scheduling system, financial management, introduction of information technology and equipment, and monitoring and evaluation.	

*Data on cities of General Santos and Butuan in City Reference Sheets of the PMP

Annex 3. LINC-EG Expenditure Pipeline (as of December 31, 2010)

Cost Element	Contract Budget	Actual Reporting Period						Projected Jan-Mar 2011	December 2011	
		Nathan Oct to Sept 2010	DAI Oct to Sept 2010	Nathan October 2010	Nathan November 2010	Nathan December 2010	DAI October-December 2010		Cumulative	% used
1 Labor	4,052,475.55	2,162,240.51	275,363.81	102,512.70	118,715.72	163,037.60	-	375,000.00	2,821,870.34	69.6%
General Project Technical Labor	4,052,475.55	2,162,240.51	275,363.81	102,512.70	118,715.72	163,037.60	-	375,000.00	2,821,870.34	69.6%
Expat Labor	1,513,139.75	881,308.83	10,051.99	39,194.82	30,223.16	53,683.04		97,500.00	1,014,461.84	67.0%
CCN Labor	2,539,335.80	1,280,931.68	265,311.82	63,317.88	88,492.56	109,354.56		277,500.00	1,807,408.50	71.2%
SAF Funded labor	-	-	-	-	-	-	-		-	
Expat Labor	-	-	-	-	-	-	-		-	
CCN Labor	-	-	-	-	-	-	-		-	
2 Travel, Transportation and Per Diem	357,178.48	124,175.86	1,094.94	4,691.06	16,343.58	11,116.79	-	30,050.00	157,422.23	44.1%
International Travel	40,940.09	34,203.23		50.00	5,816.90				40,070.13	97.9%
Local/Regional Travel	38,065.64	19,787.31	433.37	1,715.58	3,246.25	4,120.25		10,250.00	29,302.76	77.0%
International Per Diem	36,842.80	23,190.97							23,190.97	62.9%
Local/Regional Per Diem	220,234.00	37,873.28	628.35	2,703.21	7,045.26	6,423.12		19,800.00	54,673.22	24.8%
Other travel related costs										48.3%

Cost Element	Contract Budget	Actual						Projected Jan-Mar 2011	December 2011	
		Reporting Period							Cumulative	% used
		Nathan Oct to Sept 2010	DAI Oct to Sept 2010	Nathan October 2010	Nathan November 2010	Nathan December 2010	DAI October- December 2010			
	21,095.95	9,121.07	33.22	222.27	235.17	573.42		1,200.00	10,185.15	
3 Allowances	304,228.50	212,469.30		3,552.09	3,528.84	3,767.83		10,840.00	223,318.06	73.4%
4 Furniture and Equipment	51,169.50	35,209.24	-	-	-	4,568.35	-	32,225.00	39,777.59	77.7%
Office Furniture	6,058.50	7,157.85							7,157.85	118.1 %
Office Equipment	10,561.00	10,562.93							10,562.93	100.0 %
Computers	34,550.00	17,488.46				4,568.35		32,225.00	22,056.81	63.8%
Vehicles	-	-							-	
5 Other Direct Costs	1,163,281.16	607,911.48	3,355.01	37,038.37	66,881.67	49,854.70	-	138,280.00	765,041.23	65.8%
Local Office Costs - Manila	823,770.25	502,211.58	3,261.51	35,875.58	65,960.47	49,172.37		135,500.00	656,481.51	79.7%
Local Office Costs - Cagayan de Oro	121,908.69	42,942.49							42,942.49	35.2%
Local Office Costs - Zamboanga	-	-							-	
Local Office Costs - Davao City	-	-							-	
Other direct program costs	168,618.95	38,261.69	12.32	335.79	441.09	406.67		1,200.00	39,457.56	23.4%
Home Office Costs	48,983.27	24,495.72	81.18	827.00	480.11	275.66		1,580.00	26,159.67	53.4%

Cost Element	Contract Budget	Actual						Projected	December 2011	
		Reporting Period							Jan-Mar 2011	Cumulative
		Nathan Oct to Sept 2010	DAI Oct to Sept 2010	Nathan October 2010	Nathan November 2010	Nathan December 2010	DAI October- December 2010			
6 General & Admin - 8.5% x Table Ref 2* thru 7	266,042.46	120,381.29	404.93	3,848.93	10,545.91	6,733.14	-	95,857.16	141,914.20	53.3%
7 Grants & SAF	1,254,053.69	436,484.60			37,315.40	9,905.73		164,515.43	483,705.73	38.6%
TOTAL (U.S.\$)	7,448,429.34	3,698,872.28	280,218.69	151,643.15	253,331.12	248,984.14	0.00	846,767.59	4,633,049.38	62.2%

Annex 4. Highlights for the Quarter (October 30, 2010 to December 31, 2010)

LINC-EG Advocates for Local Governance Reform in 20th Anniversary Rites for Local Autonomy in RP

LINC-EG recently advocated for increased investments in population management, jobs generation, and infrastructure to boost the competitiveness of local governments to draw in investments. It did so during the Local Governance Policy Forum held on October 18, 2010 at the Heritage Hotel. The Forum, which was the culminating activity in the month-long celebration of local autonomy in the Philippines, was attended by some 700 participants, mainly local chief executives and representatives of national government agencies, Congress, the civil society organizations and development partners.



LINC-EG DCOP with Senator Ferdinand Marcos, Chair of the Senate Committee on Local Government and Ms. Veron Hitoris of the League of Cities of the Philippines.

The Policy Forum had seven concurrent sessions on the following topics: (1) crisis management; (2) improving competitiveness in local governments; (3) improving local fiscal capacities; (4) institutionalizing transparency and accountability in governance; (5) addressing the plight of the informal settlers; (6) strengthening collaboration to address human trafficking; and (7) up-scaling best practices in LGUs. The sessions sought to discuss policy recommendations that could be presented to the President on the second day of the policy forum.

During Session 2: Improving Competitiveness of Local Governments, which was moderated by LINC EG Deputy Chief of Party Ofelia Templo, the results of the LINC-EG supported Philippine City Competitiveness Ranking Project of the Asian Institute of Management were presented. The report highlighted three out of the 330 indicators of local government competitiveness that national and local governments need to prioritize - population management, jobs generation, and investment in infrastructure (including energy, hard infrastructure, education and health). Asian Development Bank's Michale Lindfield also presented the Cities Development Initiative for Asia (CDIA) Experience in Developing Asia in Local Government Urban Infrastructure Development. CDIA, which has existing projects in the cities of Cebu and Iloilo, assists medium-sized Asian cities in bridging the urban infrastructure investment planning and programming gap with focus areas in infrastructure investment programming and pre-feasibility studies/project structuring. To give the session a flavor of actual efforts at improving local competitiveness, the mayors of Marikina and Koronadal and the administrator of Bacolod City shared their experiences in setting up business-friendly projects in their localities. The session, which was attended by Interior and Local Government Secretary Jesse Robredo,

produced the most number of recommendations (16) among the sessions. These recommendations focus on (1) addressing poor infrastructure at the local level; (2) enhancing LGU planning capacity for competitiveness; (3) implementing business friendly reforms; and (4) enhancing human resource development; and (5) improving governance at the local level.

The month-long celebration, which adopted the theme “*Biyaheng Pinoy: Matapat na Palakad, Bayang Maunlad*” for 2010, also included following events: (1) the launching of the *Biyaheng Pinoy* exhibit; (2) the multi-sectoral pledge of commitment which was participated in by representatives from the LGU leagues, the NGO community, the private sector, the academe, media; development partners; and the national government (DILG); (3) signing of six separate joint memorandum circulars covering topics on full public disclosure, anti-trafficking and violence against women and children, schedule of market values, idle land tax, anti-human trafficking; and (4) the awarding of 10 LGUs which qualified to avail of the Performance Challenge Fund set-up by the DILG as a performance grant to deserving LGUs. The government also presented formally to the Chairs of both houses of Congress 10 proposed amendments to the Local Government Code.

General Santos City Puts Up P 30-M to Computerize Operations to Offer Better Services and Attract More Investments

General Santos City Mayor Darlene Antonino-Custodio announced recently that the city government has earmarked P 30 million to improve its services and attract more and better investments. The program will fund the computerization of the city government’s operations and the improvement of the investment climate in the city, especially in investment areas other than the tuna industry.



Mayor Darlene-Antonino Custodio with the Butuan City government, USAID and LINC-EG.

The mayor made the announcement during the November 5 meeting with the top officials of the LINC-EG Project of the USAID/Philippines at her offices. The LINC-EG Project will provide the city with technical assistance in, among other areas, streamlining the city’s BPLS, reviewing the city’s investment policies, and computerizing its operations.

The mayor identified as one of her priority projects the establishment of the city’s BOSS, which will process business permits and provide assistance to those planning to invest in the city. The center is envisioned to provide the city’s services on investment promotion, business development and facilitation, permitting to operate, and even employment and industry matching. With plans to incorporate the services from national

government agencies, the center shall also house the regulatory offices and work together with the Department of Trade and Industry for business assistance services.

A team has been set up to study the operations of the city government's business development division for the past five years and to put in place the necessary process re-engineering. A benchmarking activity will also be conducted to enable the city to learn from the existing good practices among other local government units. A training program on client servicing is also being arranged for the employees.

Energy Secretary Reveals Energy Prospects in the Near Term

The energy situation in Luzon next year will be "challenging" although the island would "probably not have serious rolling brownouts." Meanwhile, the Visayas will have adequate supply and Mindanao's energy situation will remain critical. These were the assessments revealed by Energy Secretary Rene Almendras before the Energy Workshop, entitled "Aquino Administration Energy Policy" hosted by the Joint Foreign Chambers (JFC) on November 23 at the Intercontinental Hotel in Makati.

To mitigate the projected energy situation in Luzon, should this be needed, Almendras revealed that the DOE plans to reallocate 150 megawatts (MW) from the Visayas, require the SMC-owned Limay Plant to operate, and put NPC-owned Sucat and other old peaking plants back into operation, even if their inefficiency will push up costs. Almendras also reported that



Energy Secretary Rene Almendras speaking before the Energy Workshop.

beginning in 2013, he expects several coal baseload plants to become operational, thus stabilizing the energy supply in the Luzon grid.

The Visayas grid, according to Almendras, has and will have adequate supply because of the construction and operation of new coal plants in Cebu and Iloilo. For Mindanao, the DOE plans to have NPC rehabilitate the Agus/Pulangi hydropower plant for an additional generation of 100MW; DOE targets the generation of 500 more MW in new coal plants.

Secretary Almendras also revealed that the DOE plans to support the development of liquefied natural gas (LNG) for electricity generation and as a clean fuel for transport.

According to him, there exist floating LNG infrastructure components which can be made operational in less time than conventional greenfield plants. The LNG infrastructure, the secretary said, could be located in Southern Mindanao close to new gas fields off the shore of North Australia.

This year's Energy Workshop, which is held annually, is the fifth sponsored by the JFC. This series of workshops is part of the activities of the ICIP VI of the American Chamber of Commerce. ICIP VI receives support from the LIN-EG Project of the USAID/Philippines.

Butuan City Completes Study Tour of Cebu and Lapu-Lapu BPLS; Now More Confident in Establishing Own System

Having seen how two BPLS operate, 11 members of the Steering Committee and TWG of Butuan City's BPLS Project are now more confident and enthusiastic in designing and implementing the city's own system. This was the consensus among the members after having completed a study tour of two cities recognized for having put in place recent reforms: Lapu-Lapu and Cebu. The assessment was made at a meeting of the group on November 26 at the Parklane Hotel in Cebu City.

During the study tour, which was held on November 23-26, the group, headed by Butuan City Councilor Ryan Culima, held talks with officials of the cities of Cebu and Lapu-Lapu who shared the lessons they learned and the reform strategies and approaches that proved effective.



Butuan City Councilor Ryan Culima (center) with Cebu City Mayor Michael Rama and City Treasurer Ofelia Oliva.

The group also visited and observed the day-to-day operations at the BOSS of the two cities and the NERBAC in Cebu that facilitate the administrative processing of approvals and clearances for business start-up licenses and permits.

The study tour was supported by the LINC-EG Project of the USAID in its efforts to assist local government units in Mindanao create investment-friendly environments that, in turn, would make the communities within the jurisdiction of these governments more competitive.

Among the administrative good practices that the group learned about during the tour were one-time payment systems, joint inspections, and the use of the Geographic Information System (GIS) software to streamline BPLS. The group also realized the need to strengthen the legal framework of the BOSS and BPLS through the enactment of an ordinance. A strategic plan is under development in Butuan City to establish a BOSS and BPLS within the city government.

CDO BOSS Strengthened Further with Training on Inter-Agency Coordination and Customer Service

The city government of Cagayan de Oro moved a step further toward setting up a completely operational and automated BOSS. On November 24-26, the city government, in cooperation with the LINC-EG Project, conducted the Integrated Capability Development Training for Service Delivery for the BPLS units, which will form the CDO BOSS. The training sought to



The participants of the CDO Capability Development Training on Service Delivery for BPLS Units in the BOSS.

enable its participants to work harmoniously within groups and to provide efficient and customer-friendly services to businessmen using the BPLS. LINC-EG provided technical and logistics support to this activity.

The training, which was held at the Pryce Plaza Hotel, included modules on a review of the organizational structure of, and processes in the BOSS; the roles of personnel in the BOSS; Total Quality Service in the context of the BPLS and the other services provided in the BOSS; and principles of customer relations. It also included simulations of the various situations the BOSS

personnel may encounter in dealing with the center's customers. The training-workshop participants consisted of representatives of the City Mayor's Office, Treasurer's Office, Planning and Development Coordination, Office of the Building Official, Health Office, and the Fire Office.

The Cagayan de Oro BOSS is a joint project between the city government, the provincial office of the DTI, and the Promote CDO Foundation and is a recipient of technical assistance from LINC-EG. It is expected to be inaugurated before the end of the year.

Butuan City Prepares for Business One-Stop Shop, Trains Personnel

The local government unit of Butuan City, the center of trade and commerce in the CARAGA region in northwestern Mindanao, recently trained its personnel to man the city's BOSS which it will launch on December 8. The training sought to establish effective and efficient working relationships between and among the various units of the city government engaged in the processing of business permits and licenses. It also aimed to hone the customer relations skills of the personnel of these units.



The participants of the Butuan City Capability Development Training on Service Delivery for BPLS Units in the BOSS.

The training, which was held on November 30 to December 2 at the Dottie's Place Hotel, was participated in by 40 personnel from the City Business and Licensing Division as well as the other city government offices and the regional offices of concerned national government

agencies that will comprise the BOSS. The Butuan City BOSS will house not only the city government units implementing the city's BPLS but also the national government agencies whose permits and clearances are needed to secure a business permit in Butuan City. These agencies include the DTI, Bureau of Internal Revenue (BIR), Social Security System (SSS),

Philippine Health Insurance Corporation (PhilHealth), and Home Development Mutual Fund (Pag-IBIG Fund).

The BOSS will streamline the issuing of permits and licenses in the city, thus reducing the cost of doing business and ultimately creating a more investor-friendly environment. Its establishment is being supported by the USAID/Philippines, through the LINC-EG project.



The participants during one of the sessions of the training.

General Santos City Benchmarks NCR and Region 3 Cities and Charts a Course for Comprehensive Business Registration Reforms

The city of General Santos took the initial steps in establishing a long-term comprehensive policy for the BPLS. With assistance from the USAID, through the LINC-EG Project, the city assessed its BPLS and drafted a plan for streamlining it. It also sent a delegation to 3 cities in Metro Manila and 2 others in Region 3 to study these cities' BPLS.



The participants of the BPLS workshop formulating a strategic plan to streamline BPLS in General Santos City.

On December 1, 2010 the LGU conducted the 2-day BPLS Assessment Workshop that resulted in the drafting of a strategic plan that would guide its efforts to streamline its processes for the approval and issuance of business permits and licenses. Attended by more than 30 participants consisting of personnel of city government

offices and national government agencies involved in the processing of applications for business permits and licenses, the workshop provided its participants with the knowledge and skills to map out and then assess the BPLS and compare this with national standards. The workshop also capacitated the participants so that they would be able to formulate a responsive and effective plan for the implementation of the city's BPLS reform agenda.

To validate the workshop outputs, General Santos City Mayor Darlene Antonino-Custodio headed a delegation of 9 senior officials from the City BPLS units to undertake a study tour in the cities of Manila, Muntinlupa, and Marikina in Metro Manila, and Angeles and Olongapo in Region 3. In these cities, the group held discussions where counterparts shared their lessons learned and the reform strategies and approaches that were effective. The study tour also included a visit to observe day-to-day operations of the Manila



General Santos City Mayor Darlene Custodio discusses BPLS reforms with Marikina City Mayor Del De Guzman.

and Mandaluyong cities' Business One Stop Shop (BOSS)s that facilitate the administrative processing of approvals and clearances for business start-up licenses and permits.

Participants of the BPLS workshop and the study tour will work together to craft and concretize a streamlined BPLS that will involve 6 steps for the registration of new businesses and 4 steps for the renewal of business licenses.

Davao Sets Business Registration Streamlining Plans

The city of Davao has firmed up its plans to streamline its processes for the granting of business permits and licenses. In a 2-day workshop held at the Davao City Hall on December 2-3, 2010 the city administrative personnel formulated a new process under which the processing of new



The participants of the Davao City BPLS Assessment Workshop.

applications for business permits has been cut down to three steps and that for the renewal of licenses to five steps. The workshop was supported by the LINC-EG project.

Under the proposed changes, applicants for new permits and licenses and for the renewal of existing ones will be allowed to go through with registering their businesses even before complying with the regulatory requirements for permits and licenses. They will be issued temporary business permits which will be replaced with permanent ones after they have complied with the regulatory requirements within a set period of time. Failure to comply with the requirements within this period would mean the revocation of the temporary license.

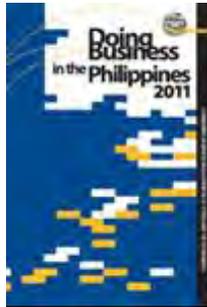
The plan also involves the streamlining of the processes for the issuance of certificates of compliance with the regulatory requirements from both city government and national government agencies. The national government agencies involved in the issuance of business permits include the Department of Trade and Industry, Bureau of Internal Revenue, Social Security System, Philippine Health Insurance Corporation, and Pag-IBIG Fund.

During the workshop, more than 20 participants mapped out and assessed the current registration process and compare it with the standards prescribed under the National BPLS Streamlining Program of the DTI and DILG. The standards include reducing the number of steps in the application process to 5 and shortening the time within which the processing is completed and the permit or license is issued to 5 days.

Based on the analysis, they identified the ways through which the current process can be improved.

Doing Business in the Philippines 2011 Launched

Efforts to improve the business environment in 25 local governments in the Philippines can now be based on robust feedback from accountants and accounting firms which help entrepreneurs



City	Ease of starting a business	Ease of dealing with construction permits	Ease of registering property
Barangay City	18	7	11
Cagayan De Oro	14	16	4
Cebu City	11	14	4
Davao City	7	1	25
General Santos	1	20	11
Iloilo City	20	10	11
Lapu-Lapu	5	10	20
Las Pinas	26	9	11
Makati	29	22	11
Manila	16	21	11
Mandaluyong	9	8	11
Muntinlupa	11	13	11

The *Doing Business in the Philippines 2011* publication

navigate the administrative processes of government to obtain regulatory clearances and approvals. These feedback were measured by the *Doing Business in the Philippines 2011* sub-national survey whose results were released to the public on December 8, 2010 at the Shangri-la Hotel in Makati City. The survey was conducted by the IFC of the World Bank Group with

support from the LINC-EG Project of the USAID. It covered three areas/indicators of business regulation that affect the performance and growth of small and medium sized enterprises: Starting a Business, Dealing with Construction Permits, and Registering Property.

This sub-national survey is the application in the Philippines of the IFC's Doing Business Project which is being implemented worldwide. USAID/Philippines, through the LINC-EG program, provided technical and financial support to the IFC to expand the coverage of the sub-national study to include Davao, Cagayan de Oro, General Santos and Zamboanga, the four most economically vibrant cities in Mindanao. These cities, except for Zamboanga, are also currently receiving technical assistance from LINC-EG to streamline the administration of business regulations.

The findings in the report suggest that reform is gaining momentum and that 13 out of the 20 cities in the 2008 survey have carried out 19 separate reforms. However, these reforms were predominantly in the area of Starting a Business, and not so much in the areas of Dealing with Construction Permits and Registering Property. While there is room for improvement, General Santos City was ranked number one on the ease of setting up a new business as it takes 22 days and 17 procedures to do so in that city. Davao City ranked highest on the ease of Dealing with Construction Permits. Nonetheless, across all three indicators, the need to comply with a high number of procedures remains the number one challenge of businesses.



Participants at the Launch listen to the presentation of findings.

The Launch was attended by an invited group of over 200 participants from government, chambers of commerce, the academic community and donor agencies. As a member of the panel of reactors to the survey findings and in response to a question from the audience, the

Mission Director of USAID/Philippines, Ms. Gloria Steele, remarked that coordination amongst development partners can help to improve the effectiveness and absorptive capacity of technical assistance for business environment reform at the local level.

Butuan City Takes Lead in Business Permitting and Licensing Reform in Region 13



Butuan City Government unveils a marker for the "Business Fast Lane".

On December 8, Butuan City took the lead in efforts to streamline BPLS in Region 13 or CARAGA, in Northwestern Mindanao. Mayor Ferdinand Amante inaugurated the city's refurbished Business Processing and Licensing Office (BPLO) and demonstrated, in the presence of representatives from other LGUs in the region, how the city could process an application for a new business permit in 9 minutes, much faster than their planned target of 15 minutes. The mayor also unveiled the marker for the city's "Business Fast Lane", a special

track that further expedites permits. With the inauguration, Butuan City became the first LGU in the Region 13 to establish a streamlined BPLS.

The inauguration in Butuan was attended by 220 participants from the private sector, local offices of overseas development agencies and senior government officials, including the mayors of the municipalities of Claver and Tubod. The experience of Butuan provided a model of reform possibilities to the attendees from the other LGUs in the region. The LINC-EG Project's Deputy Chief of Party, Ofelia Templo, provided opening remarks at the event. The Butuan BPLO is expected to begin operations as a fully fledged BOSS upon full relocation of all the relevant local regulatory offices to the site in the coming weeks.



LINC-EG Deputy COP provides the opening remarks.

The initiative in Butuan was made possible with the help of USAID/Philippines through the LINC-EG Project and followed a three-month intensive reform program that provided (i) technical advice on the organization and establishment of a technical working group that reported to the Mayor; (ii) funding support for a study tour and benchmarking trip to Lapu-lapu and Cebu cities which are recognized as good practice cities in BPLS and investment promotion in the Philippines; (iii) a three-day capability training program for the members of the expected BOSS; and (iv) technical support for the design and introduction of modern technology through computerization of the administration of business permits and licenses. Future assistance from LINC-EG will focus on legal and regulatory reform to strengthen the business inspections system and electronically connecting Butuan to the Philippines Business Registry, a national web-based portal and business registry.

Arangkada Philippines 2010 Launched

The Secretary of the Department of Trade and Industry, Gregory Domingo, assured foreign investors of the commitment of the government to improve the investment climate in the Philippines. Speaking at a press briefing held for the launch of *Arangkada Philippines 2010: A Business Perspective* on December 13 at the Board of Investments offices, Secretary Domingo remarked that the government recognizes the role of foreign investment in the economic development of the Philippines and is actively pushing for dramatic increases in the current inflows of foreign direct investments and exports in the first two years of the administration.



Secretary Domingo speaks at the Press Conference.

The *Arangkada Philippines 2010* publication was authored by the ICIP VI of the American Chamber of Commerce, in partnership with the JFC of overseas investors in the Philippines. *Arangkada* means “to accelerate” and is a proposed Roadmap of the JFC on how the Philippine economy could grow twice as fast if reform efforts are focused around 471 recommendations from Filipino and foreign businesses that is contained in the report.



The Joint Foreign Chambers presents the *Arangkada Philippines 2010* to Trade and Industry Secretary Domingo.

The reform agenda is centered around efforts to address policy and business environment constraints facing seven sectors identified as “Seven Big Winners” with the greatest potential for growth: agribusiness; creative industries; information technology-business process outsourcing; infrastructure, manufacturing and logistics; mining; and the tourism, medical travel, and retirement industries. Future efforts of the JFC include vigorous public advocacy to publicize the specific measures proposed in the publication. A plan to monitor the progress of reform that is specific to these measures and recommendations is under preparation.

The public consultations, drafting and publication of the *Arangkada Philippines 2010* was supported by the USAID/Philippines through the LINC-EG Project.

Mindanao Cities Gear Up to Attract More and Better Investments

The cities of Davao, General Santos, Cagayan de Oro, and Butuan are formulating plans to attract more and better investments in their areas. Representatives from these cities, as well as the regional offices of national government agencies, the private sector, and the academe participated in a planning workshop conducted by the Asian Institute of Management (AIM) to

train LGUs in strategic development planning to increase their competitiveness and therefore attract increased investments. Increased investments will, in turn, create more economic activities and therefore raise standards of living and reduce poverty. The workshop, which was



General Santos City Mayor Darlene Antonino-Custodio speaks before the participants of the forum.

held during the City Competitiveness Forum 2011 on December 14 at the Grand Regal Hotel, was supported by the LINC-EG Project of the USAID/Philippines which aims to increase the competitiveness of LGUs, especially in Mindanao.

The workshop consisted of discussions on the factors that make cities competitive and on the planning framework for increasing the competitiveness of LGUs in the country. After these discussions, the participants, grouped into the cities to which they belong, assessed whether or not the current programs and projects of their

respective LGUs help increase the cities' competitiveness and attractiveness to local and foreign investments. These assessments, which were based on feedback from the representatives of the business sector and the academe, were then used to recommend revisions to the designs of the programs and projects. The results of the assessments will be given to the respective city mayors for consideration.



The speakers and participants of the City Competitiveness Forum.

The more important of the recommendations are conducting more consultations with the business community to ensure that the incentives provided them for investing actually respond to their needs; providing for incentives that would actually channel investments to where these are most needed; and ensuring that the infrastructure facilities that are needed by investors are available and at competitive costs. Also recommended were the identification of a few sectors where the cities are most competitive in and the full development of these sectors, as well as the review of the city investment codes and comprehensive development plans, all of which have remained unchanged for several years.

AER Secures Support for Addressing Legal Constraints to Investment

After formally signing a grant agreement with LINC-EG on November 7, 2010 the AER, a non-government organization involved in advocacy and policy analysis, lost no time in securing the support of the Securities and Exchange Commission (SEC), the Philippine Judicial Academy and some members of Congress in addressing the legal bottlenecks to investment. AER will be using two approaches in working towards a more relaxed interpretation of the foreign ownership/equity rule: (1) to persuade the SEC to come out with a rule or policy on the

60-40 rule; and (2) file a convergence bill in Congress on public policy for the information and telecommunication sector.

In December, AER made headway in generating support for its proposals. In a meeting held on December 3, 2010 Securities and Exchange Commissioner Raul Palabrica agreed to assist AER in ensuring that SEC opinions are based on the liberal interpretation of the 60-40 equity ruling as reflected in Department of Justice opinion on the control test. Further discussions will follow



The AER Team (right) in a meeting with Supreme Court Justice Azcuna.

with the SEC in deciding the best approach in assisting the commission in either disseminating information on current SEC views on the issue or in preparing a legal policy brief that could be used as a reference in future cases.

The Convergence bill, while still in the drafting stage, has found a champion in the person of Congressman Cesar Sarmiento. In a meeting on December 6, 2010 with AER officials and consultants, the congressman agreed to sponsor the bill in Congress, and will even solicit support from colleagues (e.g. Congressman Roilo Gomez), after the AER has undertaken informal consultations with stakeholders in the industry. In the Senate, Senator Guingona has been identified as a possible author of the convergence bill.

Part of the AER project is to introduce a new orientation in judicial training that involves law and economics as a pedagogical approach that will hopefully lead to investment-friendly decisions in the judicial system. The project will develop modules in law and economics for submission to the Philippine Judicial Academy, which is the training arm of judges under the Supreme Court Justice Adolfo Azcuna, in a meeting held on December 17, 2010, agreed to assist in bringing up the modules for the approval of the Philippine Judicial Academy (PHILJA) Academic Council and in identifying the judges that will participate in the pilot-testing of the modules. In the same meeting, PHILJA agreed to work closely with AER in drafting the proposal and eventually conducting the judicial training on law and economics.

LINC-EG Submits First Set of Industry Studies to DOF; Better Tax Collection Expected

The Department of Finance (DOF) will soon be able to improve its tax collection effort and thus better support the Aquino administration's development agenda. This expectation was raised recently as it completed three industry profiles which will be used in formulating revenue forecast and tax calculation models for three of the biggest industries in the country, i.e. telecommunications, automotive and banking. The tax revenue estimates from the models will

enable the DOF to determine the tax compliance levels and tax liabilities of particular industries while assessing the tax collection efficiency and effectiveness of certain units at the Bureau of Internal Revenue.



DOF Assistant Secretary Teresa Habitan (3rd from left) receives the industry data sets from LINC-EG. Others in the photo are Mr. Ferdinand Sia, DCOP Ofelia Templo, Mr. Miguel Andaya, Ms. Janet Cuenca and former BIR Commissioner Guillermo

The industry profiles are initial outputs of the Business Intelligence for Revenue Enhancement (BIRE) Project, which is supported by the LINC-EG Project of the USAID/Philippines. The Project turned over the completed industry studies to DOF Assistant Secretary Ma. Teresa Habitan, who represented Secretary Cesar Purisima, in a simple ceremony held at the Project office at the DOF on December 22, 2010. The Project will soon finish the industry profiles and the construction of the models for three additional industries, i.e. tobacco, alcohol and petroleum industries.

The BIRE Project tapped industry experts in consolidating the industry data sets and ultimately constructing the models. It acquired the services of Mr. Miguel Andaya, former Vice President of both Bank of the Philippine Islands and Citytrust Banking Group, as the Banking Industry Expert; Dr. Rafaelita Aldaba, Research Fellow of the Philippine Institute of Development Studies (PIDS) as the Automotive Industry Expert; and Atty. Shelamae Famador, Regulatory Compliance Expert on Telecommunications, and Mr. Ferdinand Sia, Management Consultant, as the Telecommunications Industry Experts. The project is headed by former Internal Revenue and Customs Commissioner Guillermo Parayno, Jr. as the Team Leader, and PIDS Research Fellow Dr. Rosario Manasan as the Tax Policy Economist.

APPENDICES

Appendix 1: Report on Doing Business 2011

10 November 2010

To : Alid Camara, Chief of Party
From : Leandro Tan, Monitoring and Evaluation Specialist
Subject: Summary Notes on Doing Business 2011 Global Report Launch

The launch of the latest Doing Business report (DB 2011) was held at the IFC Conference room, 11F, Tower One, Ayala Triangle, Ayala Avenue, Makati City last 4 November 2010. *Doing Business 2011: Making a Difference for Entrepreneurs* is the eighth in a series of annual reports released globally by the International Finance Corporation since 2003.

1. **Major changes in the data collection methodology has led to Cambodia overtaking the Philippines in the global rankings on the over-all ease of doing business.** The composition of employing workers indicators which measure flexibility in hiring, work schedule and redundancy procedures is under review for updating and was not included in this year's aggregate ranking on the ease of doing business. The non-inclusion of this set of indicators has reduced the weighted data set to cover only the other nine remaining areas of business regulation including (1) starting a business; (2) registering property; (3) getting credit; (4) protecting investors; (5) enforcing contracts; (6) dealing with construction permits; (7) paying taxes; (8) trading across borders; and (9) closing a business. There are plans to incorporate pilot indicators on the procedures, time and costs of getting electricity that are already part of the set on dealing with construction permits into the ease of doing business ranking as a separate indicator area. DB 2011 covers events from June 2009 to May 2010.

The data revisions to make the DB 2010 data comparable with DB 2011 amount to a correction rate of 5.7%. The side effects are fundamentally detrimental for the Philippines where the country ranking of the worker employment indicators (115th) is relatively better than the overall unadjusted ranking (144th). The back sliding of the Philippines country ranking from 144th to 146th is sufficient for the country to slip behind the 145th ranking of Cambodia which remained constant in DB 2010.

	Country Rank (DB 2010)		
	Original	Adjusted	Change
Philippines	144	146	-2
Cambodia	145	145	0
*Out of 183 countries in DB 2010 and DB 2011			

2. **The launch program focused on the rising competitiveness on the cost of doing business in the East Asia Pacific (EAP) region more than in the Philippine setting.** The EAP region was the third-best performing region in 2009/10 with an average ranking of 87 out of 183 countries which trails the OECD high income countries (30th) and the Eastern Europe and Central Asia nations (72nd) but is far ahead of the Latin America & Caribbean

/ Middle East & North Africa (96th), South Asia (117th) and Sub-Saharan Africa (137th). The region presents a dichotomy of divergent business conditions with global leaders Singapore (1st), Hong Kong (2nd) followed by the fast developing tigers Thailand (19th), Malaysia (21st) and Taiwan (33rd) with the relatively less developed nations at Laos (171st) and Timor Leste (174th) at the tail-end. The countries in the region posted the highest average improvement in DB scores since 2006 as 75% of all the countries (18 out of 24) in the region posted at least one major reform in reducing costs of doing business. This is a marked increase from 2006 when only a third of the countries implemented reforms. Among the most active countries with the most reforms since 2006 were China (12), Vietnam, Indonesia and Timor-Leste with 10 reforms each. In contrast, the Philippines is late in introducing reforms with only 6 major reforms reported since 2008 and none during the 2006 to 2007 period. (See Figure 1)

3. **Streamlining of procedures to start a business was one of two major reforms accredited to the Philippines in 2009/2010.** The setting up of the computerized business-one-stop-shop in Manila effectively removed the procedure on on-site inspections and cut the processing time for new firms in obtaining the mayors permit in city hall to a single day. This in addition to the two other procedures involving the community tax certificate (1 day) and barangay clearance (2 days) means that the segment of procedures at the LGU level has been cut by 15 days to the bare minimum of 4 days from the 19 days reported in 2008/09. This implies that *reducing the processing time further below the present 38 days will require a refocusing of reform efforts to shorten processing times of documentary requirements at national government agencies rather than LGUs.* (See figure 2).
4. **The implementation of the electronic-to-mobile (e2m) project at the Bureau of Customs has led to major gains in improving business regulations on trading across national borders.** The Philippines was noted as among the top ten countries who improved the most in trading across borders. The addition of new features introduced under this system including electronic payments and online submission of declarations has resulted in a one-day cut in processing times as well as the reduction of costs to import and export goods by 11% and 17% respectively. This translated to a seven-notch climb in country rankings for the trading across borders indicator to 61st which is in the top third in global rankings from 68th in DB 2010.
5. **The effects of the cut in corporate tax rates made paying taxes easier in 2009/10 even as the reform was reported earlier in DB 2010.** Tax burden on businesses was eased with the reduction of the corporate income tax rate from 35% to 30% effective 1 Jan 2009 to match the tax rates of Japan and Thailand which are the highest in the region. The impact of this reform that led to a nine notch climb in indicator rankings for paying taxes to 124th was only reflected this year as DB 2010 monitored events for 2008 only.
6. **Notwithstanding the above-mentioned successes, higher electrical connection costs for opening a medium-sized warehouse in the Philippines has allowed Cambodia to retain its one-slot lead over the country that arose from the technical correction in DB 2010.** The overall country ranking of the Philippines adjusted for the exclusion of the worker employment indicators on the ease of doing business slipped by two notches to 148th from

146th in DB 2010. Cambodia also slipped by two notches from 145th to 147th to maintain its one slot lead over the Philippines. Cambodia continues to be ranked higher than the Philippines in paying taxes (+67), protecting investors (+58), getting credit (+39), starting a business (+14) and dealing with construction permits (+10). (See figures 3a and 3b)

The negative decline in Philippine competitiveness can be traced primarily to higher costs in obtaining an electrical connection as measured under the area of dealing with construction permits. Specifically, the cost of connecting with MERALCO rose by 770% upon the issuance of a recent ruling in the Energy Regulatory Commission last April 2010 removing the reimbursement scheme for the purchase and installation of transformers which is now charged in full to the account of the new business consumer of electricity. The negative effect of this new business regulation was sufficient for the country to fall 22 notches to 156th to reach the bottom 30 out of 183 countries.

Figure 1. Major Reforms on Business Regulation in the Philippines

DB Report	Description	Gain in Rank
2011	Starting a Business: The Philippines eased business startup by setting up a one-stop shop at the municipal level.	+6
	Trading Across Borders: The Philippines reduced the time and cost to trade by improving its electronic customs systems, adding such functions as electronic payments and online submission of declarations.	+7
2010	Getting Credit: Access to credit was enhanced with a new credit information act that regulates the operations and services of a credit information system.	0
	Paying Taxes: The corporate income tax rate was cut from 35 percent to 30 percent	+9
	Closing a Business: Reorganization procedures were promoted by introducing prepackaged reorganizations and regulating the receiver profession.	0
2009	Trading Across Borders: The risk management and electronic data interchange system for customs were upgraded, reducing the time to import by a day.	0

Figure 2: Streamlining of Steps for Business Start-ups in the Philippines

Number		Procedure	Days		
2011	2010		2011	2010	Change
15	15	TOTALS	38	53	-15
1	1	Verify and reserve the availability of the company name with the Securities and Exchange Commission (SEC)	1	1	
2	2	Deposit paid-up capital in the Authorized Agent Bank (AAB) and obtain bank certificate of deposit	1	1	
3	3	Notarize articles of incorporation and Treasurer's affidavit with notary public	1	1	
4	4	Register company with the Securities and Exchange Commission	3	3	
5	5	Payment of documentary stamp taxes (DST)	1	1	
6	6	Obtain community tax certificate (CTC) from the City Treasurer's Office (CTO)	1	1	
7	7	Obtain Barangay clearance	2	2	
8	8	Obtain mayor's permit to operate at the Licensing Section of the Mayor's Office	1	11	-10
	9	Receive inspection from the BPDO		5	-5
9	10	Buy special books of account at bookstore	1	1	
10	11	Register for taxes at the Bureau of Internal Revenue (BIR)	2	2	
11	12	Obtain the authority to print (ATP) receipt/invoices from the Bureau of Internal Revenue (BIR)	1	1	
12	13	Print receipts and invoices at the print shops accredited by the BIR	14	14	
13	14	Have books of accounts and Printers Certificate of Delivery of Receipts and Invoices (PCD) stamped by the BIR	1	1	

Number		Procedure	Days		
2011	2010		2011	2010	Change
14	15	Initial registration with the Social Security System (SSS)	7	7	
15	16	Complete registration with SSS and Philippines Health Insurance Company (PhilHealth)	1	1	

Figure 3a: Comparison of Competitiveness between Philippines and Cambodia

Indicator	Philippines		Cambodia		Advantages of Cambodia over RP
	DB 2011 Rank	Gains from DB 2010	DB 2011 Rank	Gains over RP	
EASE OF DOING BUSINESS	148	-2	147	+1	
Starting a business	156	+6	170	+14	• Fewer procedures: 9 vs. 15
Dealing with construction permits	156	-22	146	+10	• Fewer procedures: 23 vs. 26 • Lower cost (as % of income per capita): 54.2 vs. 778.5
Employing workers	NA		NA		
Registering property	102	0	117	-15	• Fewer procedures: 7 vs. 8
Getting credit	128	-3	89	+39	• Higher strength of legal rights (0-10): 8 vs. 3
Protecting investors	132	-1	74	+58	• Higher extent of disclosure (0-10): 5 vs. 2 • Higher extent of director liability (0-10): 9 vs. 2
Paying taxes	124	+9	57	+67	• Fewer no. of payments: 39 vs. 47 • Shorter time spent: 173 hr vs. 195 hr
Trading across borders	61	+7	118	-57	

Enforcing contracts	118	0	142	-24	• Shorter time: 401 days vs. 842 days
Closing a business	153	0	183	-30	

* out of 183 countries in DB 2010 and DB 2011

NA – not available

The strengths of the regulatory framework in Cambodia includes the following which are absent in the Philippines:

Higher strength of legal rights index

- Allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral
- Allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral
- Extension of security right to future or after-acquired assets, and its automatic extension to the products, proceeds or replacements of the original assets
- Allows for a general description of debts and obligations permitted in collateral agreements, so that all types of obligations and debts can be secured by stating a maximum amount rather than a specific amount between the parties
- Existence of a collateral registry in operation, that is unified geographically and by asset type, as well as indexed by the grantor's name of a security right
- Absolute priority of secured creditors to their collateral in bankruptcy procedures
- Exemption of secured creditors' claims from an automatic stay on enforcement during reorganization

On Extent of Disclosure Index

- Requiring approval from shareholders / board of directors on transactions involving firms owned by majority shareholder
- Requiring disclosure on transaction and possible conflict of interest to the board and public with all material facts

On Extent of Director Liability

- Liability extends to majority owner and/or approving body (e.g. CEO / board of directors) for damages payable to shareholders on existence of conditions unfair to firm alone (i.e. no need to prove negligence or actions influencing transaction)
- Allows court to void the transaction upon a successful claim by a shareholder plaintiff
- Allows for the repayment of profits made from the transaction upon a successful claim by the shareholder plaintiff

Figure 3b: Detailed Comparison of Competitiveness between Philippines and Cambodia

Country	DB 2011 Ease of Doing Business Rank	Starting a Business					Dealing with Construction Permits			
		Rank	Procedures (number)	Time (days)	Cost (% of income per capita)	Min. capital (% of income per capita)	Rank	Procedures (number)	Time (days)	Cost (% of income per capita)
Cambodia	147	170	9	85	128.3	37	146	23	709	54.2
Philippines	148	156	15	38	29.7	6	156	26	169	778.5
Lead of RP	-1	14	-6	47	98.6	31	-10	-3	540	-724.3

Country	Registering Property				Getting Credit				
	Rank	Procedures (number)	Time (days)	Cost (% of property value)	Rank	Strength of legal rights index (0-10)	Depth of credit information index (0-6)	Public registry coverage (% of adults)	Private bureau coverage (% of adults)
Cambodia	117	7	56	4.3	89	8	0	0	0
Philippines	102	8	33	4.3	128	3	3	0	7.4
Lead of RP	15	-1	23	0	-39	5	-3	0	-7.4

Country	Protecting Investors					Paying Taxes						
	Rank	Extent of disclosure index (0-10)	Extent of director liability index (0-10)	Ease of shareholder suits index (0-10)	Strength of investor protection index (0-10)	Rank	Payments (number per year)	Time (hours per year)	Profit tax (%)	Labor tax and contributions (%)	Other taxes (%)	Total tax rate (% profit)
Cambodia	74	5	9	2	5.3	57	39	173	18.9	0.1	3.5	22.5
Philippines	132	2	2	8	4	124	47	195	21.3	10.3	14.2	45.8
Lead of RP	-58	3	7	-6	1.3	-67	-8	-22	-2.4	-10.2	-10.7	-23.3

Country	Trading Across Borders							Enforcing Contracts				Closing a Business			
	Rank	Documents to export (number)	Time to export (days)	Cost to export (US\$ per container)	Documents to import (number)	Time to import (days)	Cost to import (US\$ per container)	Rank	Procedures (number)	Time (days)	Cost (% of claim)	Rank	Recovery rate (cents on the dollar)	Time (years)	Cost (% of estate)
Cambodia	118	10	22	732	10	26	872	142	44	401	102.7	183	0	na	na
Philippines	61	8	15	675	8	14	730	118	37	842	26	153	4.5	5.7	38
Lead of RP	57	2	7	57	2	12	142	24	7	-441	76.7	30	-4.5	na	na

Appendix 2: After-Trip Report on BPLS Data Gathering from CDO City Government

27 October 2010

To : Alid Camara, Chief of Party
 From : Leandro Tan, Monitoring and Evaluation Specialist
 Subject: After- trip report to Cagayan de Oro (October 14-16)

Date	Time	Location	Attendance
Oct 14	11:00am - 12:30pm	Capitol University (CU)	Luvismin Sy-Ares, VP for Academic Affairs
	3:00pm - 4:30pm		Dr. Numer Escalante, Statistician Noreen Pontillas, Research Coordinator Jake Neri,
	4:30pm - 6:00pm	Dept of Trade and Industry (Regional office / NERBAC)	Linda Boniao, Asst Regional Director Jocelyn Rosales, NERBAC Coordinator Dr. Numer Escalante, Research Coordinator
Oct 15	8:30am - 10:30am	National Economic Development Authority	Alan Olavides, OIC-Asst. Regional Director Cecilo Y. Clarete Leonila Cajarte, Chief, Cleoffe Dequitio, Senior Eco Devt Specialist
	11:00am - 12:30pm	DTI Provincial Office	Ma. Eliza Pabillore, Director
	1:30pm - 4:15pm	City Hall	Lino Daral, City Treasurer Isidro Borja, City Planning and Devt Officer Ramon Antonio Mendoza, Business Tax Division Chief
	4:45pm - 6:45pm	DTI NERBAC	Linda Boniao, Asst Regional Director

1. The objectives of this visit were two-fold: (1) to conduct a survey of existing data sources necessary to establish the baseline data in determining the measures of the expected outcomes resulting from the project's technical assistance to the operations of the Business Permit and Licensing Office and the National Economic Research and Business Assistance Center (NERBAC); and (2) to ascertain the incorporation of LINC-EG's suggestions that was relayed to CU in the implementation of survey activities for the needs assessment of NERBAC operations.
2. The visit was primarily successful in obtaining a comprehensive view of the city's economic profile and development reports for the region. Annual and quarterly reports from NEDA and DTI provided regional, provincial and city-level data on production and investment across sectors as well as other indicators on energy consumption, port statistics and export performance which serve as proxies to city-level GDP data which Philippine cities lack. The relevant actual data and release schedule of the reports will be incorporated into the Performance Monitoring Plan. These reports will serve as essential references during the process of updating the city development plans of 2000 which is a topic under consideration for the breakout sessions following the PCCRP presentation planned for December in Davao City. All the reports and reference materials will be electronically stored in the office database which can be accessed and downloaded thru the internet by designated project staff.

Business Environment Indicators in Cagayan De Oro City			
	2007	2008	2009
Business Name Registrations	2,350	2,776	2,312
Investments (PhP millions)	4,925	3,903	754
Employment Generated	13,382	10,004	7,665
<i>Source: Dept of Trade and Industry</i>			

3. Introductions were made to city hall officials on the need to establish a monitoring system to track the expected outcomes to show the conditions before and after the intervention of the project. To help determine the baseline data, complete access was granted to obtain virtually all the transactions data of individual BPLS applicants which included the value of capitalization and gross sales for new and renewing businesses respectively. It was reported that the present practice involved the reporting of data that was limited to only the collection of business taxes and fees. Data on the number of permits issued, the employment generated and the capitalization of applicant firms exists but is not part of any regular

report. Its manner of breakdown as regularly reported will be known once the latest annual report of the Mayor is emailed to LINC-EG.⁶ It was also observed that the data tables generated by the database software are not readily exportable to MS Excel. Discussion with the IT-BPLS consultant is needed to determine the capability of the new software to track the processing times of each application.

BPLS Basic Data for Cagayan De Oro City			
	2008	2009	2010*
No. Of Permits			
• New	3,008	3,052	3,027
• Renewals	11,567	11,932	14,197
Business taxes	P440m	P457m	P435m
*As of 15 Oct 2010			
<i>Source: City Treasurer's Office</i>			

The base data provided may be utilized to form other indicators which are applicable also to the effectiveness of joint inspections such as the renewal rate of permits from the new and renewed permits from the previous year. Additional data on taxes and fees collected per firm will be made available through the LINC-EG Mindanao coordinator by end-October.⁷ It is suggested that the next round of consultations in the development of a monitoring plan involving city officials and Capitol University (if the data gathered during the BPLS survey is to be used) be held by mid-November so that the baseline indicators may also be presented during the launch of the new BPLS center in early December.

⁶ The existence of the 2009 annual report was not made clear on account of change in leadership in city hall leading to and following the 2010 elections.

⁷ City hall apparently has no qualms about sharing information which may be considered as confidential by others such as firm-level data. To be on the safe side, it is best to accept firm-level data without any identification information (e.g. business name, address, etc.).

4. Further data mining will be done by Capitol University to clarify data descriptions pursuant to the use of the BPLS survey conducted by Capitol University as baseline data. Of primary concern are (1) the limited scope of the listed processing times which excludes other regulatory offices; (2) lack of details surrounding choice of the subject firm / sector being profiled; and (3) the listed processing times for new and renewing applications refer to different types of businesses. To address these concerns, it was determined that extractions will be attempted from the survey data to produce new data including the processing times of each mandatory regulatory offices for the same industry group if possible. It was made clear that the conduct of any similar surveys in the future hinges on the resolution of these technical questions.

Business Permit	Days*		Remarks
	Govt	Private	
New	2	13	internet cafe
Renewal	5	11	real estate firm
* excludes transactions involving regulatory offices and national government agencies			

5. Initial assessment shows the inherent limitations of the rapid appraisal approach which are nevertheless being addressed by Capitol University. The signs are evident as collaborated by some observations of the NERBAC head which are generally applicable only for activities in CDO and not from other three cities of Davao, Butuan and General Santos where no major complaints have been reported:
- (a) *The scoping of NERBAC's complete line of services and management support systems appears incomplete.* That observation is based on the alleged incomplete attendance of CU during the once-a-month orientation activities held last October 7 when CU skipped the afternoon presentations on promoting entrepreneurship after attending the orientation on BPLS and business name registration. There is also no mention in the inception report of the satisfaction rating survey required from all NERBAC users that forms the feedback mechanism of the NERBAC.
 - (b) *No serious attempt was made to obtain information on the generation of local investments and jobs which is the ultimate objective of the NERBAC.* The lack of relevance associated with the data has led to the predominant focus on the absolute number of NERBAC users (based on business name registration function alone) and not the outcomes generated with the establishment of the firms.
 - (c) *Protocols in inviting the participation of government respondents have not been followed on at least one occasion.* The scheduled focus group discussion on October 14 which the M&E Specialist was supposed to observe did not push through on account that the 2 respondents from DTI were only given the official invitation the day before the event even as the event schedule is stated in the Inception report. The NERBAC head

reminded CU of the government protocol requiring the submission of invitations 1 week in advance in order to obtain clearances from superiors to attend the FGD.⁸

- (d) *The said pre-testing in the use of the survey forms appear to be inadequate.* The survey forms have been described by respondents as “complicated” which prompted the NERBAC head to remark that the forms need simplification and extensive clarification especially on the 1-to-5 ratings scales which in lacking definitions are prone to misinterpretation. To illustrate, there is no guideline on which rating is “passing” or even from what perspective as it may connote satisfaction according to expectations for example. The question on budgets also caused some confusion among NERBAC staff as NERBAC as a unit does not have its own budget line item. It is treated as a line service but its resources including staffing and equipment are sourced from other DTI units with similar functions. Overall, the language and structure of the survey form appear to be unsuitable for some NERBAC users who as simple entrepreneurs need a guided interview to effectively go through the form in its present state. The extent of the problem for some respondents was reportedly sufficient for them to simply give-up in trying to complete the survey form on their own.

Notwithstanding these limitations, CU has displayed a considerable degree of openness and flexibility in improving the conduct of the study.

6. Another set of new revisions was proposed to the Inception report and survey forms in compliance with the suggestions of LINC-EG to improve the conduct of the survey for the study on NERBAC operations. In response to the comments of LINC-EG dated September 29, the Capitol University made revisions to the discussion guides and interview questions of the focus group discussion and key informant interviews on October 2. A summary report was prepared for the morning meeting of October 14 where it was determined that

- (a) The suggestions of LINC-EG have been complied with on the general level with the last set of revisions. As stated in the summary report from CU, these include:
- A revised research framework
 - A new section on research instrument development
 - Expanded guide questions on the possible indicators of NERBAC performance
 - Inclusion of matrix on performance of NGA representatives in the NERBAC
 - Removal of questions for clients / users pertaining to NERBAC administrative capacities

For details, see the Summary report on revisions and updated set of survey tools. (Attached in separate file)

⁸ A request for an email documenting the invited respondents and postponement of the FGD was made in the meeting which as of this writing remains pending.

(b) Any further revisions are restricted to the inception report and guide questions for the focus group discussions and key informant interviews on account that the surveys were already done in CDO, Davao and Butuan. These changes involve but are not limited to –

- Answering in general terms the conditions that allowed for the establishment of the regional NERBACs in absence of the IRR
- Determining the level of representation of the chamber membership to actual business sector in the area
- Obtaining information on and views of the potential and actual users of NERBAC
- Disaggregation of the satisfaction scores into the three main functions (BPL, Knowledge Management and Investment Promotion) of NERBAC operations
- Elaborating on prior research work (e.g. review of NERBAC operations as mandated in NERBAC Law, obtaining business name listings as population for computing sample sizes, clarifications on population data with DTI and City Hall, etc.)
- Inquiry on the management system of the NERBAC (e.g. use of performance indicators, manner/frequency of reporting, feedback mechanism from users, etc.) which can be used as the criteria for the operational assessment of the NERBAC apart from the survey questions

(c) All the revisions be based on an expanded study framework that contextualizes the operational and organizational needs and performance of the NERBAC in light of the roles and needs of the relevant agents for this specific service sector including the users/clients, information suppliers / cooperators, and private business consultancy service providers. The chart and text must show the link between the three major operational functions and the seven functions stipulated in the NERBAC law (sample table below):

Major Functions	<i>Business Permits And Licensing</i>	<i>Knowledge Management</i>	<i>Investment Promotion</i>
Operations in NERBAC Law	<ul style="list-style-type: none"> • One-stop shop services 	<ul style="list-style-type: none"> • Data banking • Pre-feasibility studies • Monitoring & dissemination of technological advances • Monitoring and collation of research output of all government agencies related to business • Formulation and coordination of research • Collection & facilitation of information on technology & machinery essential to industries • Facilitate gathering of information to harness indigenous resources and technologies 	<ul style="list-style-type: none"> • Information to prospective investors

(d) *The survey results cannot be limited only to micro- and small establishments.* So far it appears that all survey respondents are small and micro- in size although the data processing is still ongoing. The rationale of not following a population profile is that micro-sized establishments comprise 99% of current business name applicants as actual big investors in the area are often subsidiaries of large corporations whose business names are not registered locally in CDO. The latter point is particularly acute at this time when the new strategic plan of NEDA Davao apparently targets large firms for its investment promotion activities. It is also reported that NERBAC-CDO together with its 34 cooperating agencies have organized briefings and facilitated the compliance of medium and large firms with the regulatory requirements as part of its investment promotion activities, particularly in mining. Business matching activities have also been undertaken with the generation of proposals from which a foreign investor chose a local proponent in the exporting of soft-shell crabs.

No data has been provided in the inception report on the profile of the targeted population of business name registrants even as the size classification per firm was said to be part of the population data that was collected from DTI and used to determine the sample sizes. Data from NEDA reports obtained during this trip shows that investments from corporations (which have an average capitalization of above P300T) comprise about 15% of the capitalization of firms with newly registered business names in Misamis Oriental/Cagayan de Oro City for 2008 and 2009.⁹ A clearer picture on the relative size of medium and large-sized firms to other firms will be known once queries are conducted on the database files on the applicants of business permits obtained from City Hall by end-October.

If no data is generated on medium and large-scale firms, it was strongly suggested that a KII or even a FGD be held with representatives of this sector.

7. Questions over the survey have caused apprehensions in NERBAC-CDO on the possible results of the study. This concern was reinforced by their perception that no action was undertaken in response to the comments of NERBAC-CDO made a week earlier than the actual survey on October 7. These comments concerned the survey forms' lack of operational definitions on descriptive terms differentiating possible scores (e.g. For question C1. How much confidence is shown in subordinates?, the possible answers are labeled as "condescending", "substantial" and "complete" under which are 5 other possible ratings also undefined) and questions on the administrative capacity of NERBAC operations (which a new walk-in client/user cannot be expected to answer);¹⁰

⁹ Specifically, the capitalization of DTI business name registrants was valued at P5.5B and P1.0B in 2008 and 2009; while the capitalization of new corporations totaled P96M and P220M for the same periods.

¹⁰ These same questions were raised in the LINC-EG Comments paper after which the questions on administrative constraints were removed from the FGD discussion guide with NERBAC users.

To manage the situation, it is strongly suggested that a meeting be arranged with the NERBAC-CDO head to address her concerns on the conduct of the NERBAC study. The priority is to dispel any notion that the survey's focus on organizational and operational constraints may produce overly negative perceptions on NERBAC performance. Managing the situation is now paramount so as to prevent the establishment of a common defensive stance among NERBAC heads on the survey results which might poison the air and render impossible any meaningful dialogue on the improvement of NERBACs using the survey results. Note that she appears to be still very much supportive of research studies in general. She reportedly proposed and allowed the use of the DTI van in the transport of surveyors in another study to conduct interviews with businessmen-respondents outside of CDO. This appears to be the same case for possible KIIs and/or FGDs with medium and/or large-scale firm-users of NERBAC whose contact information can be provided by NERBAC but will require long distance travel away from CDO.¹¹

8. Official indicators on the performance of NERBACs exist and will be provided to LINC-EG upon submission of an email request to obtain such documents. These operational data are also part of the plan developed during a strategic planning workshop attended by all NERBACs in Butuan last Oct 13.

SHORT SUMMARY

ISSUE	ACTION UNDERTAKEN	NEXT STEPS
Baseline data gathering	<ul style="list-style-type: none"> obtained up-to-2009 data and reports from NEDA and DTI on investment levels and economic profile of the region, province and city obtained printouts of total business taxes collected obtained electronic files showing the capitalization, gross sales and employment generated of individual firms 	<ul style="list-style-type: none"> Incorporate data and data collection information into the data reference sheets in the PMP Consult with IT-BPLS consultant on monitoring capabilities of the BPLS software Consult with IT Consultant Michael Serrano on opening the database files Consult with PM-3 Ma. Carminda Kho in the drafting of the monitoring plan and preparations for the PCCR event
Use of data from BPLS	<ul style="list-style-type: none"> Sought clarification from CU on definitions and scope of survey data on processing times in their BPLS study 	<ul style="list-style-type: none"> Follow-up CU in providing data on processing times involving regulatory agencies which were not included in the final version

¹¹ One possible lead is a new corporation based in Uroquieta brought in thru the DTI provincial office of Misamis Occidental, among others.

Survey of CU	<ul style="list-style-type: none"> • Reiterated the need for baseline data that captures the impact of electronically linking the regulatory agencies with the current BPLS center 	of the BPLS survey report
Incorporation of proposed revisions to the conduct of NERBAC survey	<ul style="list-style-type: none"> • Observed a key informant interview with the NERBAC head that replaced a cancelled focus group discussion due to unavailability of participants • Commented on the reaction paper of CU to the suggestions of LINC-EG and USAID, stressing the need to solicit inputs from and about the large establishments in their actual and potential dealings with NERBAC • Interviewed NERBAC head on the conduct of survey 	<ul style="list-style-type: none"> • Consult with PM-3 Ma. Carminda Kho on possible recommendations to improve the quality of data to be generated given existing budget constraints • Plan to meet with NERBAC head to address concerns regarding survey design and negative results

Appendix 3: After-Trip Report for the Assessment of Consultant on NERBACs

3 December 2010

To : Alid David Camara, Chief of Party
From : Leandro Tan, Monitoring and Evaluation Specialist
Subject : After-trip report on meetings with NERBAC and business chambers of General Santos City with LINC-EG Consultant Tim Canedo (November 25-26, 2010)

Meeting with National Economic Research and Business Assistance Center (NERBAC) region 12

Attendees: NERBAC Division Chief Ethel Gumana; LINC-EG M&E Specialist Leandro Tan, LINC-EG Consultant Tim Canedo

Venue: NERBAC SOCCSKSARGEN office, General Santos City

Date: November 24, 2010

Time: 10:00AM-11:30AM

NERBAC head and DTI assistant regional director Dorecita Delima was not available for this interview meeting on account of being in another meeting at Koronadal city. Ms. Delima apparently did not confirm the invitation that was emailed to her earlier last week as she appeared surprised at the arrival of the LINC-EG team during the phone call that was made on the way to the NERBAC office from the airport. The team met instead with NERBAC operations chief Ethel Gumana who has been with the NERBAC since its establishment in July 2008.

As an update, Ms. Gumana stated that provincial-level NERBACs have been established in the provincial capitols of Sultan Kudarat, South Cotobato, and Sarangani starting in September 2010. The working arrangements with the regional NERBAC In General Santos City are yet to be finalized.

When asked about their primary functions and accomplishments, Ms. Gumana stated that almost all the processes involved in the granting business permits and licenses were present in the NERBAC. The only processes / NGA representatives absent that prevent the NERBAC from being a true 24/7 Business One Stop Shop (BOSS) include (1) the issuance of the BIR Tax Identification Number; (2) the issuance of the business permit itself which is done at City Hall;

(3) the servicing of requirements for opening new corporations which are coursed thru the Securities and Exchange Commission in Davao City; and (4) the Cooperative Development Authority which is only available two days in a week (Tuesdays and Thursday).

The challenges facing NERBAC region 12 include (1) sustaining the presence of NGA personnel 24/7 as current resource constraints of NGAs restrict their availability to service business permits applicants to only half-a-day in some cases; and (2) the lack of permanent technical staff to reinforce the current staff of three (3) in addition to one (1) administrative assistant which also services the city office of DTI. No hiring is possible until the passage of the rationalization plan establishing new staffing positions which remains pending with DBM since 2007. These concerns appear to highlight the primary pre-disposition of NERBACs towards servicing business permits and licensing applicants over the other services tasked to NERBACs under the law.

In response to the idea of charging service fees to reduce the reliance of NERBACs on government subsidies, Ms. Gumana replied that the NERBAC law actually allows for the charging of fees albeit requiring the approval of the Board of Advisers which currently does not exist. In practice, registration fees are charged to participants to help shoulder the cost of food served in seminars and investment conferences which are also financed through the assistance of sponsors. In some cases, NERBAC also provides honoraria and the airfare to resource persons of NERBAC activities such as the investment conference and business opportunity seminars. She appeared apprehensive to the notion of charging fees for all NERBAC services especially from the majority of the current clientele of NERBACs which consist of small sole-proprietorship start-ups.

Possible areas for improvement involve activities strengthening the business climate and research / networking to identify business opportunities for business matching purposes. The NERBAC is particularly interested in investment-mapping to provide investors the specific investment sites supported by location-specific feasibility studies.

Positive changes in the current regional structure of NERBACs are needed so that national-level agreements can be reached with national government agencies on working arrangements servicing the BOSS. This will be an improvement over the current setup which is beset with issues regarding jurisdictions. For example, existing arrangements with the BIR only involve the local revenue district which can only service taxpayers resident to General Santos City. Non-GSC residents need to transact with the BIR district office in their respective areas which would be unnecessary if an arrangement between a national-level NERBAC and the BIR National Office exists.

There is a present attempt to establish working arrangements between regional NERBACs under a national-level NERBAC secretariat currently based in NERBAC 13 which services the CARAGA region from Butuan city. This current set-up however is tied not to a permanent

position within DTI but to a specific person designated as the “NERBAC champion” within DTI from whose staff functions as the “national secretariat”. Its current functions involve organizing the national NERBAC conference, and the forwarding of memos and information to/from NERBACs including the collation of comments on the national policy issues affecting NERBACs (e.g. pending new legislation) and of accomplishment reports for submission to the DTI National Office. The body does not have a strategic plan at the national-level nor does have a standardized operations manual.

Meeting with General Santos City Chamber of Commerce & Industry, Inc.

Attendees: GSCCCI President Jan Ced, Executive Director Pilar Afuang, past president Manuel Fortunato Yaphockun; LINC-EG M&E Specialist Leandro Tan, LINC-EG Consultant Tim Canedo

Venue: GSCCCI office, General Santos City

Date: November 24, 2010

Time: 3:00PM-4:30PM

As a background to the GSCCCI, the chamber has been in existence since 1990 with about 160 members that are grouped into 13 industry sectors including agriculture, real estate, construction, livestock, banking and ICT). Chamber representatives serve in the city bids and awards committee, the city development council, and city councils on peace & order, reproductive health, waste management, etc. The chamber convenes bi-monthly with briefings on business prospects of specific sectors as well as the peace and order situation, and meets with the city mayor every quarter to ventilate their common concerns on the business climate. It is one out of the four business chambers representing GSC with others servicing the public interest of Chinese, Muslims and small-medium-and micro-sized businesses.

The knowledge and awareness of the chamber on NERBAC activities appear to be limited. The chamber made only general comments on the activities of the NERBAC and did not identify any specific program of NERBAC and appeared to be unaware when the group was briefed by the LINC-EG team on the current SMILE program (Supply Management thru Investment of Large Enterprises) of the NERBAC.

Mr. Yaphockun proposed that NERBAC function as the clearing house of business assistance services so as not to duplicate the services currently sourced from the Business Resource Center in Notre Dame University, the City Economic Management and Cooperative Development Office, the GS Investment Promotions Board and the Zoning Appeals and Adjudication Board.

This way NERBAC can serve as an information broker for all businesses apart from SMEs on identifying the entities whom to ask for specific business inquiries.

Mr. Yaphockun also proposed a multi-sectoral approach in operating the NERBAC starting with a multi-sectoral board so that its services may be expanded to cover socio-economic priorities such as environment protection.

Mr. Ced commented that NERBAC in this setup may also serve as a two-way venue in communicating and coordinating with national government agencies on common concerns. He cited the case of a big shopping mall which only hired a total of 7 permanent employees with the remainder consisting of casual employees.

Appendix 4: Evaluation of BPLS Training Workshop in Cagayan de Oro City

**Trainer's Training Workshop for Upscaling BPLS Reforms in 2010
Pryce Plaza Hotel, Cagayan De Oro City
August 16-18, 2010**

Evaluation Report

- I. Pre - Assessment Evaluation**
 - II. Post - Assessment Evaluation**
 - III. Test Questions Results**
 - IV. Post- Activity Evaluation**
 - a. Attainment of Objectives
 - b. Assessment of Learning
 - c. Assessment of Program Design and Management
 - d. Other Comments
 - V. Resource Person's Evaluation**
 - a. RP 1 - Noel Macalalad
 - b. RP 2 - Benjie Baretto
 - c. RP 3 - Mayet Patag
 - VI. Comments/Recommendations/Suggestions**
-

Background

The trainer's Training Workshop for Upscaling BPLS Reforms in 2010, was held at Pryce Plaza Hotel, Cagayan De Oro City. Fifty-eight (58) participants coming from the different provinces of Regions IX and X attended the 3-day activity. Among the various objectives of the activity were: to improve the current permit and licensing system of the country through the process of streamlining, simplification and standardization of the BPL system, which, it is hoped, will increase the revenue capacity of a LGU and the country as a whole; it is also intended to promote a business friendly system which will attract more business entrepreneurs to the LGU.

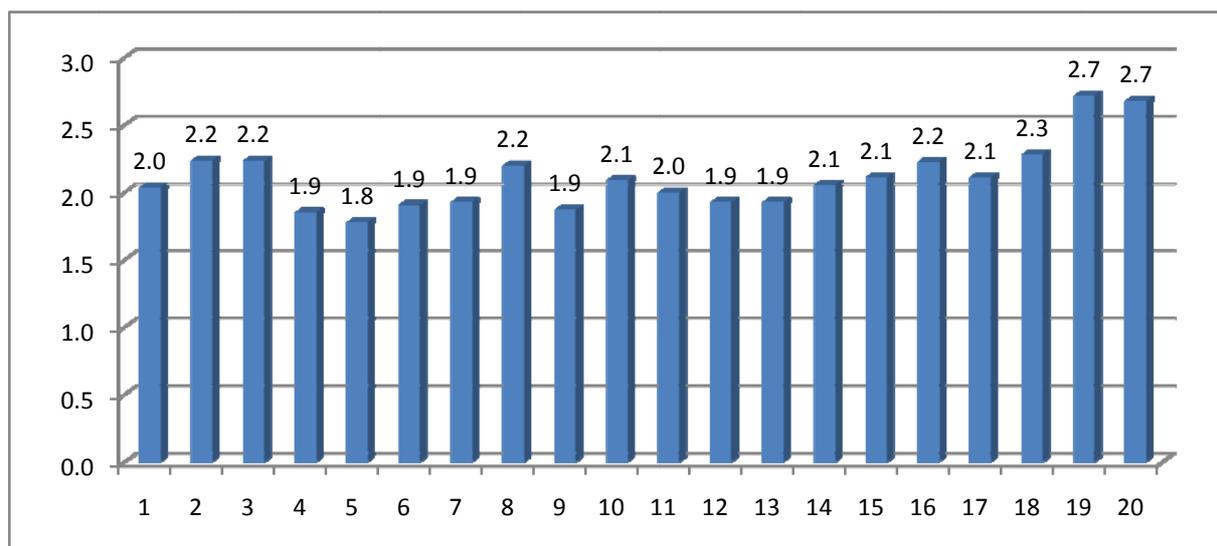
Pre-assessment, post-assessment and post activity evaluation questionnaires were administered to the participants, designed to assess their level of attainment of the activity's objective, learning and to solicit from them comments for the improvement of the conduct of the activity. Likewise, a resource persons' evaluation was also conducted to gauge their effectiveness.

Below is a brief summary of the evaluation results:

I. **Pre-assessment**

- # of Respondents: 58

Figure 1: Pre-Assessment Evaluation Results



Source: BPLS Cagayan De Oro Cluster, Pre-Assessment Evaluation Chart Result

Table 1.1: Pre-Assessment Evaluation Summary Table

<i>My level of knowledge in...</i>	<i>Rating</i>
1. Implementing BPLS Unified Form	2.0
2. No. of steps and length of time for processing new business	2.2
3. No. of steps and length of time for processing business renewals	2.2
4. Process for implementing BPLS Reforms	1.9
5. Coaching on BPLS unified form and reduction in the number of signatories	1.8
6. Coaching process flow/mapping	1.9
7. Coaching on the development of LGU reform strategies	1.9
8. Setting up Effective One-Stop-Shops	2.2
9. Setting up Joint Inspectorate Teams	1.9
10. Computerization of BPLS	2.1
11. Challenges in BPLS implementation	2.0
12. Upscaling BPLS Reforms	1.9
13. Monitoring & Evaluation for BPLS Reforms	1.9
Mean Rating	2.0

Source: BPLS Cagayan De Oro Cluster, Pre-Assessment Evaluation Form

Prior to the start of the activity, the participants were given pre-assessment evaluation questionnaires in order to assess their level of knowledge on the topics soon to be discussed.

Based on the result of their own assessment and as indicated by a mean rating of 2.0 [Table 1.1], the participants have, at this moment indicated a **low** level of knowledge on the topics listed. Out of the thirteen topics, three got an identical **rate of 2.2**; these were: #2 – No. of steps and length of time for processing new business; #3 – No. of steps and length of time for processing business renewals; and #8 – Setting up effective One-Stop-Shop. As shown by a **low rate of 1.8**, coaching on BPLS unified form and reduction in the number of signatories is the topic which few of the participants has the least knowledge.

Table 1.2: Pre-Assessment Evaluation Summary Table

<i>My level of capability in...</i>	<i>Rating</i>
14. Expressing orally the rationale for upgrading BPLS	2.1
15. Drawing a concise and clear process map of the steps in obtaining a business permit.	2.1
16. Effectively coordinating with national and local units involved in the BPLS process	2.2
17. Analyzing accurately the permit process from the local and national government perspective	2.1
18. Recommending doable actions to streamline the BPLS process.	2.3
Mean Rating	2.2

Source: BPLS Cagayan De Oro Cluster, Pre-Assessment Evaluation Form

Regarding the participant's level of capability, a mean rating of 2.2 indicates that the participants at this juncture still have low capability with respect to the BPLS process. A relatively higher rate of 2.3 shows, that the participants possess low **level capability** based on the indicators, to recommend doable actions to streamline the BPLS process. While a rating of 2.1 is indicative that the participants are not yet that confident with respect to: expressing orally, drawing a concise and clear process map and analyzing accurately the permit process.

Table 1.3: Pre-Assessment Evaluation Summary Table

<i>My level of confidence in...</i>	<i>Rating</i>
19. Working closely and cooperatively with other national government units to undertake BPLS reform	2.7
20. Engaging LGUs to undertake BPLS reform	2.7
Mean Rating	2.7

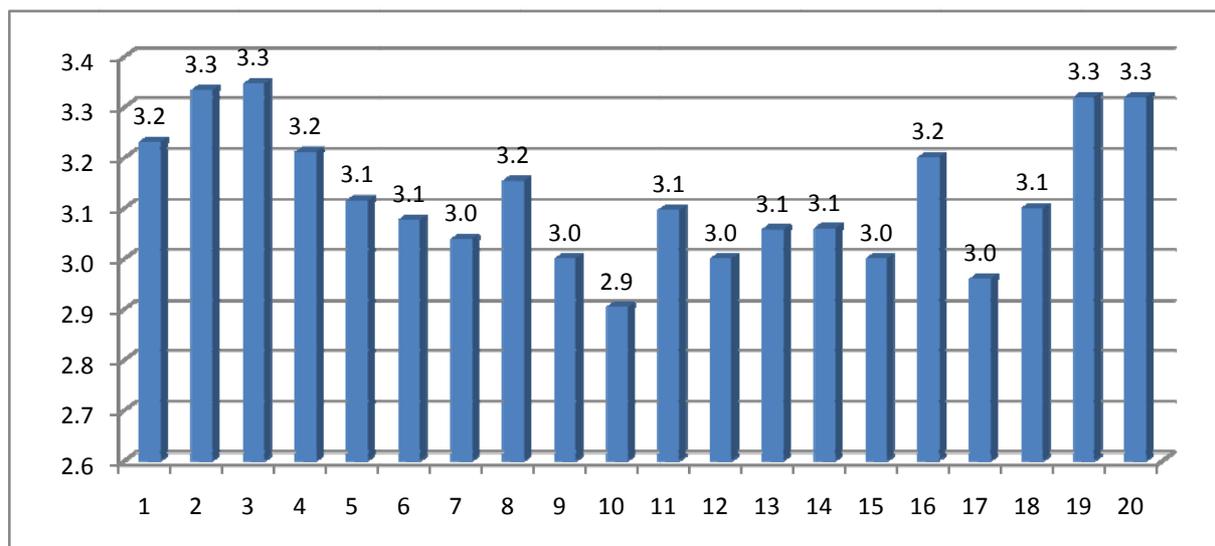
Source: BPLS Cagayan De Oro Cluster, Pre-Assessment Evaluation Form

However, with a rating of 2.7 (**high low**), the participants are confident that they can work closely and cooperatively with other national government units and engage LGUs to undertake BPLS Reforms.

II. Post - Assessment

- # of respondents - 52

Figure 2: Pre-Assessment Evaluation Results



Source: BPLS Cagayan De Oro Cluster, Post-Assessment Evaluation Chart Result

Table 2.1: Post-Assessment Evaluation Summary Table

<i>My level of knowledge in...</i>	<i>Rating</i>
1. Implementing BPLS Unified Form	3.2
2. No. of steps and length of time for processing new business	3.3
3. No. of steps and length of time for processing business renewals	3.3
4. Process for implementing BPLS Reforms	3.2
5. Coaching on BPLS unified form and reduction in the number of signatories	3.1
6. Coaching process flow/mapping	3.1
7. Coaching on the development of LGU reform strategies	3.0
8. Setting up Effective One-Stop-Shops	3.2
9. Setting up Joint Inspectorate Teams	3.0
10. Computerization of BPLS	2.9
11. Challenges in BPLS implementation	3.1
12. Upscaling BPLS Reforms	3.0
13. Monitoring & Evaluation for BPLS Reforms	3.1
Mean Rating	3.1

Source: BPLS Cagayan De Oro Cluster, Post-Assessment Evaluation Form

Before the culmination of the 3-day activity, a post – assessment evaluation were again administered to the participants, to gauge their progress.

As shown by a mean rating of 3.1 [Table2.1], which is equivalent to **high**; a manifest improvement can be deduced from the participants after the conduct of the activities particularly with respect to their level of knowledge in the No. of steps & length of time for processing new and business renewals, which got a rate of 3.3. However, their level of knowledge regarding the computerization of BPLS is still not that high with a rate of only 2.9.

Table 2.2: Post-Assessment Evaluation Summary Table

<i>My level of capability in...</i>	<i>Rating</i>
14. Expressing orally the rationale for upgrading BPLS	3.1
15. Drawing a concise and clear process map of the steps in obtaining a business permit.	3.0
16. Effectively coordinating with national and local units involved in the BPLS process	3.2
17. Analyzing accurately the permit process from the local and national government perspective	3.0
18. Recommending doable actions to streamline the BPLS process.	3.1
Mean Rating	3.1

Source: BPLS Cagayan De Oro Cluster, Post-Assessment Evaluation Form

A mean rating of 3.1 marks the improvement made by the participants regarding their level of capabilities, with their capability to effectively coordinate with the national and local units involved in the BPLS process having a **high rate of 3.2**. Getting the least score of 3.0 (**high**), the participants consider drawing a concise and clear process map of the steps in obtaining a business permit and analyzing accurately the permit process from the local and national government perspective a bit of a problem.

Table 2.3: Pre-Assessment Evaluation Summary Table

<i>My level of confidence in...</i>	<i>Rating</i>
19. Working closely and cooperatively with other national government units to undertake BPLS reform	3.3
20. Engaging LGUs to undertake BPLS reform	3.3
Mean Rating	3.3

Source: BPLS Cagayan De Oro Cluster, Post-Assessment Evaluation Form

After undergoing 3-day training, the level of confidence of the participants to work closely and cooperatively with other national government units, and to engage the LGU to undertake BPLS Reform is **high** as evidenced by a rating of 3.3.

III. **Test Question Results**

- # of Respondents – 58

Figure 3.1: Pre-Assessment Test Questions Results

Questions	Answers		
	Correct	Wrong	No Answer
<p>1. The Anti-Red Tape Act of 2007 sets the following limits except: (Correct: A)</p> <ul style="list-style-type: none"> a. Single unified form b. 5 working days for simple ministerial transactions c. 10 working days for complex discretionary transactions d. 5 signatories 	19 or 32.75%	31 or 53.44%	9 or 15.51%
<p>2. Documentary requirements for the renewal of business permits include the following except: (Correct A/D)</p> <ul style="list-style-type: none"> a. Business name registration, Barangay clearance and Community tax certificate b. Local tax clearances c. Audited financial statements d. National government agency documents from BIR, SSS, etc. 	23 or 39.65%	27 or 46.55%	8 or 13.79%
<p>3. If I am to newly register a purified water-refilling business in my own house, I will need the following documents except: (Correct: E)</p> <ul style="list-style-type: none"> a. Environmental Compliance Certificate b. Building Occupancy and zoning permits c. License from the Bureau of Food and Drug d. Fire safety inspection certificate 	14 or 24.13%	34 or 58.62%	10 or 17.24%

Source: BPLS Cagayan De Oro Cluster, Post-Assessment Evaluation Form

- # of Respondents – 52

Figure 3.2: Post-Assessment Test Question Results

Questions	Answers		
	Correct	Wrong	No Answer
<p>1. The Anti-Red Tape Act of 2007 sets the following limits except: (Correct: A)</p> <ul style="list-style-type: none"> e. Single unified form f. 5 working days for simple ministerial transactions g. 10 working days for complex discretionary transactions h. 5 signatories 	14 or 26.92%	33 or 63.46%	5 or 9.61%
<p>2. Documentary requirements for the renewal of business permits include the following except: (Correct A/D)</p> <ul style="list-style-type: none"> e. Business name registration, Barangay clearance and Community tax certificate f. Local tax clearances g. Audited financial statements h. National government agency documents from BIR, SSS, etc. 	11 or 21.15%	36 or 69.23%	5 or 9.61%
<p>3. If I am to newly register a purified water-refilling business in my own house, I will need the following documents except: (Correct: E)</p> <ul style="list-style-type: none"> d. Environmental Compliance Certificate e. Building Occupancy and zoning permits f. License from the Bureau of Food and Drug d. Fire safety inspection certificate 	22 or 42.30%	24 or 46.15%	6 or 11.53%

Source: BPLS Cagayan De Oro Cluster, Post-Assessment Evaluation Form

Three test questions were added to the pre and post assessment questionnaires to measure the participant's knowledge of BPLS Reform concept.

As can be seen from the results, the correct answers by the participants in question #1 in the pre-assessment phase is higher at 19 or 32.75% [Figure 3.1], than in the post-assessment which is only at 14 or 26.92% [Figure 3.2]. The same is true with question #2, wherein the participants scored 23 or 39.65% correct answers in the pre-assessment evaluation as compared to the post-assessment evaluation's score of 11 or 21.15%. It is only in the # 3 question that the participants were able to score higher in the post evaluation where they got a score of 22 or 42.30% compared to the pre-assessment evaluation where they were able to score only 14 or 24.13% correct answer for an increase of 18.17%.

IV. Post-Activity Evaluation

- # of Respondents: 44

i. Attainment of Objectives

Table 3.1: Post –Activity Evaluation Summary: Part 1 – Attainment of Activity Objectives

Attainment of Activity Objectives	Rating
1. Capacitate DILG and DTI personnel in training LGUs to implement BPLS reforms	3.1
2. Discuss the context of streamlining BPLS operations in the LGU	3.2
3. Demonstrate fundamental techniques in coaching LGUs with the new BPLS standards for new business applications and business renewals being promoted by the government	3.0
4. Formulate a regional short-term action plan for the next round of workshops for targeted LGUs in 2010 and a medium-term program for 2011-2014 including the required budget	3.0
Mean Rating	3.07

Source: BPLS Cagayan De Oro Cluster, Post-Evaluation Form

The overall attainment of the activity objective garnered a mean rating of 3.07 [Table 2.1], which when rounded off is 3.0 thereby manifesting *high attainment of the activity objectives*. Of the four objectives listed, the second objective, which is to discuss the context of streamlining BPLS operations in LGU got the highest rating of 3.2, whereas, the last two objectives listed, received an identical 3.0 rate from the participants.

ii. Assessment of Learning

Table 3.2: Post –Activity Evaluation Summary: Part 2 – Assessment of Learning

Assessment of Learning	Rating
1. You will be able to apply the learning in your work	3.3
2. It exposed you to new concepts on BPLS	3.4
3. You gained knowledge on the standards in BPLS reforms	3.4
4. It helped you improve your knowledge on BPLS support mechanisms	3.3
5. You had new insights on Upscaling BPLS reforms	3.3
6. It helped you appreciate the importance of implementing reforms in BPLS	3.5
7. It helped you to be familiar with mechanisms to effectively set up reforms in BPLS	3.2
8. The activity has provided opportunity to establish partnerships with other LGUs	3.2
Mean Rating	3.32

Source: BPLS Legazpi Cluster, Post-Evaluation Form

The participant's own assessment of what they learned from the activity based on the indicators provided shows a mean rating of 3.32 [table1.2], which indicates *high absorption* of new knowledge. Categories 7 & 8 on familiarizing the participants with mechanisms to

effectively set up reforms in BPLS, and providing opportunity to establish partnership with other LGUs got the least rating at 3.2. However, the activity opened the eyes of the participants on the importance of implementing BPLS reforms; hence category 5 received the highest rating of 3.5.

iii. Assessment of Program Design and Management

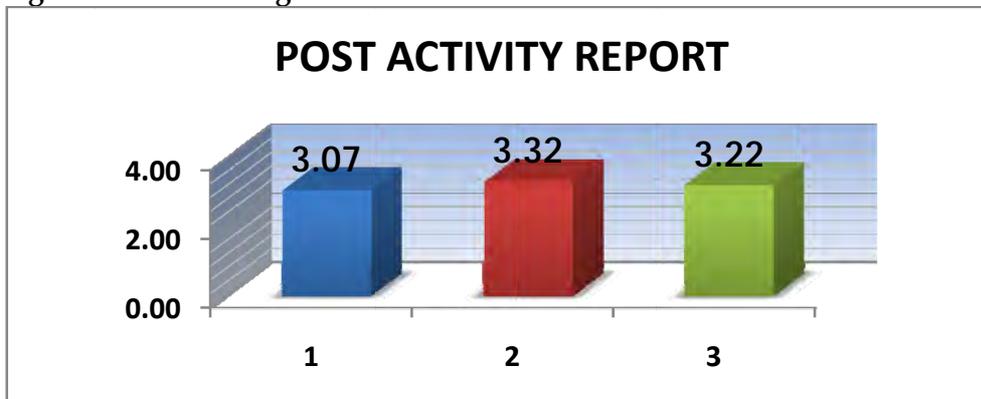
Table 3.3: Post -Activity Evaluation Summary: Part 3 - Assessment of Program Design and Management

Assessment of Program Design and Management		Rating
9.	Sessions and topics are relevant to your work	3.1
10.	Time allotted for each learning activity was adequate	2.9
11.	Sessions provided opportunities to raise questions and clarifications	3.3
12.	Materials provided were helpful in learning process	3.1
13.	Materials provided were reader-friendly and easy to understand	3.0
14.	Facilitators clearly explained the activity mechanics	3.1
15.	Facilitators were organized and capable to provide technical assistance	3.1
16.	The conduct of the activity was managed smoothly	3.1
17.	Training team has provided efficient logistical support to the participants	3.2
18.	Facilities were conducive for learning and gave comfortable setting	3.5
19.	Location of the activity was accessible and convenient	3.4
20.	Food and accommodation provided were of high standard	3.5
21.	Equipments and other devices used helped facilitate learning activities	3.4
Mean Rating		3.22

Source: BPLS Legazpi Cluster, Post-Evaluation Form

The last category in the Post-Activity Evaluation, deals with the Assessment of the program design and management wherein the mean rating of 3.22 [Table 2.3], is an indication that the participants were *highly satisfied* with the program design and management of the training activity. However, the participants felt that the time allotted for each learning activity was inadequate as evidenced by the rate of 2.9. Getting the highest satisfactory rating of 3.5, the participants agreed that the facilities were conducive for learning and gave comfortable setting and the food and accommodation provided were of high standard.

Figure 4: Post training Evaluation Result



Source: BPLS Legazpi Cluster, Post-Evaluation Form

iv. Other Comments

	22.) Please describe how you benefited (if at all) from this activity	23.) What did you find most useful in the activity and why?	24.) What advice can you give us to improve activities of this kind in the future
1	Gained a lot of new insights re upscaling BPLS reforms. Established methods with other LGUs.	Coming up with a unified form as this is an important component of simplification.	Please improve hand-outs (font size, lay-out, sequencing) *Rene Romulo Bokingo
2	Better understanding of possible challenges in streamlining the BPLS. Actual experience in the field.	Learning/output of workshop - real concerns to be considered in streamlining BPLS activities.	Just better processing of the workshop outputs. *Ma. Angelica Y. Evasio
3	This activity will enhance our present BOSS	Pinpointing challenges/reforms	Invite key LGU personnel, like: LCE, treasurer, SP & department heads involved in the BOSS process. *Carmen P. Magnaye
4	Gained knowledge and confidence in selling BPLS to LGUs.	Workshop because inputs, ideas especially from licensing officers are so valuable & help much in absorbing the training.	Show actual process flow of permitting & licensing. *Maridel Palpagan
5	With the joint undertaking of DTI-DILG, NCC, LGU and members of the Academe the activity brought different learning.	Programs that are priority of the P-NOY administration which I believe will take our LGUs to a higher economic status & lead to good governance.	Administrative concerns like clearing house for communications to guide participants & management for the smooth implementation of the project from beginning to end. *Anita Casipong
6	It has improved my knowledge in BPLS and learned the realities/operations of the LGUs.	The actual and existing system of the LGUs, for coaches cannot really know where to start if they don't have knowledge in the actual operation/system of the LGUs.	1. Speakers should not only be knowledgeable of the subject but must also know how to impart his/her knowledge. 2. Manual should be in order according to the program. 3. The program must be in chronological order. *Jill Marie P. Soco
7	As NCC employee, this activity would be of help to me in promoting the deployment of the NCC - developed eBPLS which can be a tool in the streamlining process of BPLS.	Real or actual stories of LGUs who undergone/implemented the streamlining process.	Involve people from LGUs who implemented or is successful in the streamlining process of BPLS. *Madeline R. Arevalo
8	Enlighten more on the benefits of unified form and implementation of the project will benefit both the clients and LGUs.	Kits - it serves as reference for the future.	Poor coordination in terms of participants' accommodation. *Anangisita Hassan
9	It gave me new and additional knowledge on BPLS which hopefully we can use to help in the implementation of the new system.		Make sure that the venue/lodging is in one place only. Feedbacks as to changes should be made earlier and not when the participants are already in or have arrived. *Rosario Peñaflor
10	I learned more how the BPLS is processed & how the reform will improve its flow. This will help us during our training session training	The workshop and role playing for it provided me with a different perspective and allowed me to understand BPLS better and how the	It would be better to provide the participants with concise & verifiable facts first before allowing them to do activities like role

	with the LGUs since we can also open up about streamlining & how our system (eBPLS) can assist them.	reform will affect it.	playing so that they will be able to portray the situation more convincingly & simulate it more properly. *Arlyn Amores
11	It gave me an opportunity to have the same level of awareness/knowledge as my co-workers.	Workshop - it gave an insight for us on the scenario of the LGUs.	Should have more substance on the BPLS to capacitate us as trainers. *Lodie Cadiz
12			Training kits/materials must bear page numbers and if possible a little bit clearer particularly the charts. *Estrella M. Roda
13	Additional knowledge on BPLS streamlining	The use of the simplified form, this will guide us in the coding of our new information system.	Provide sample documents from cities with best practices such as Joint inspection forms, etc. *Christopher Nodado
14	It gave me more insights on BPLS unified approach. The workshop generated additional learning experience and confidence in the conduct of similar workshop for LGUS.	The reduction of steps, signatories and time in processing business permits and renewals *Dino Sabellina	
15	More knowledge on BPLS Streamlining, networking on BPLS stakeholders		Better time management, more engagement of participants by speakers. *Noreen Pontillas
16	Sharing of experiences during workshops provided me more knowledge and skills in BPLS.	Discussion of strategies - strategies will be the major tool in implementing BPLS.	Put logistics to implement BPLS. *Joel Jose Tabil
17	From the academe's perspective, this thrust of the government to streamline BPLS gives the academic community a new avenue to research, develop and explore for a better and wider scope of discussion/learning.	The process of instituting reforms in the government.	Improve with the communication with the participants as to the venue/hotel accommodations early enough *No Name
18			Improve module & provide more concrete & relevant inputs. *no Name

I. Resource Persons Evaluation

i. Resource Person 1 - Noel

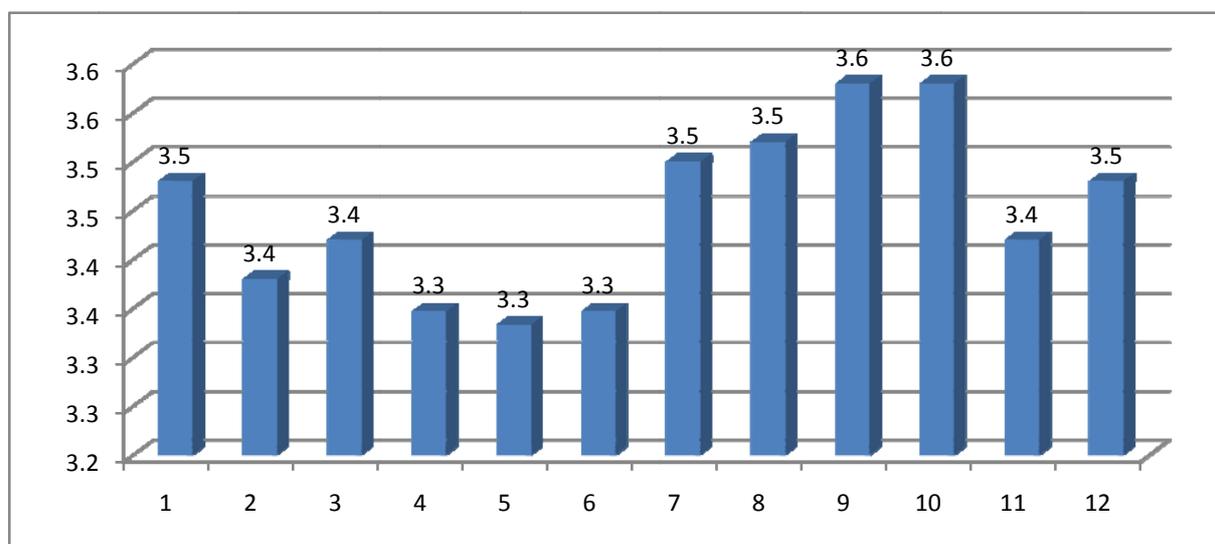
- # of Respondents - 50

**Table 4.1:
Resource Person’s Evaluation Summary Table: NOEL**

Assessment of Learning	Rating
1. Sessions presented were well organized and the presenter was well-prepared for the session.	3.5
2. Session objectives were clearly presented.	3.4
3. The presenter had sound knowledge of the subject covered.	3.4
4. The information and concepts were presented clearly.	3.3
5. The presenter made effective use of a range of training methods.	3.3
6. The presenter provided handouts and materials that will be helpful for future application or as reference materials.	3.3
7. The presenter spoke in a clear and well-modulated voice.	3.5
8. The presenter answered questions clearly and accurately.	3.5
9. The presenter related to participants with respect and sensitivity.	3.6
10. The presenter encouraged participants to express themselves freely and openly.	3.6
11. The presenter encouraged participants to synthesize and apply learning to real life.	3.4
12. The presenter challenged the thinking process of the participants requiring them to think critically, analytically, creatively and intuitively.	3.5

Source: BPLS Cagayan De Oro Cluster, Post-Evaluation Form

**Figure 5.1
Resource Person’s Evaluation Results**



Source: BPLS Cagayan De Oro Cluster, Post-Evaluation Form

As shown by both the summary table and the graph above, out of the twelve (12) categories for which the resource person was to be evaluated on, his highest ratings of 3.6 came from the way he interact and encouraged the participants to express themselves. However, they felt that he did not present the information and concept clearly, nor did he fully made effective use of the range of training methods available and they felt that less materials and handouts were provided so he got the least rating of 3.3 in these areas.

ii. **Resource Person 2 - Benjie**

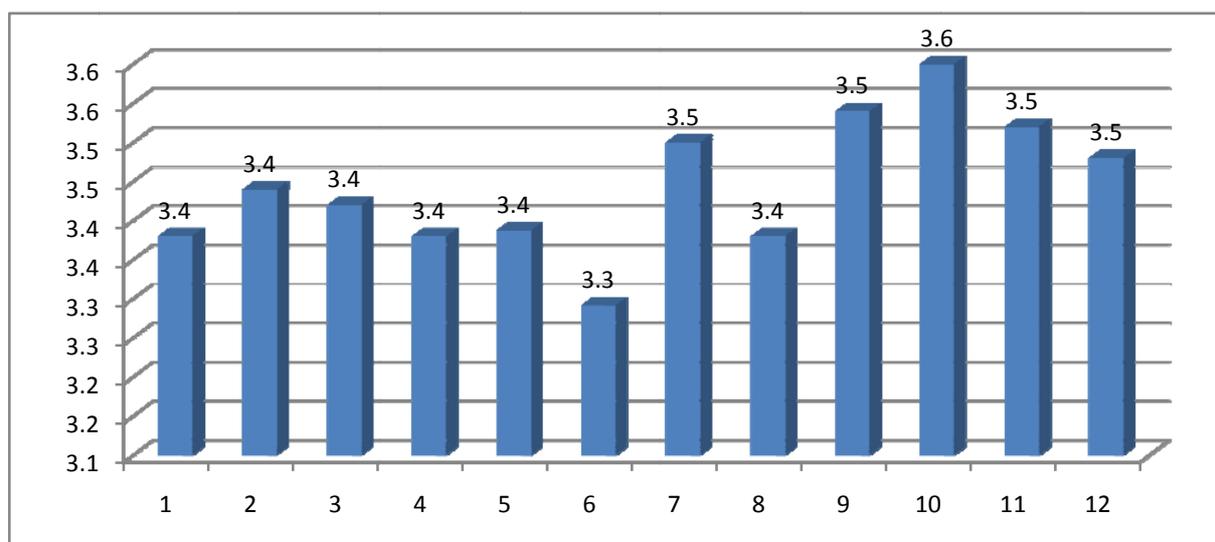
- # of Respondents - 50

Table 4.2:
Resource Person's Evaluation Summary Table: BENJIE

Assessment of Learning	Rating
1. Sessions presented were well organized and the presenter was well-prepared for the session.	3.4
2. Session objectives were clearly presented.	3.4
3. The presenter had sound knowledge of the subject covered.	3.4
4. The information and concepts were presented clearly.	3.4
5. The presenter made effective use of a range of training methods.	3.4
6. The presenter provided handouts and materials that will be helpful for future application or as reference materials.	3.3
7. The presenter spoke in a clear and well-modulated voice.	3.5
8. The presenter answered questions clearly and accurately.	3.4
9. The presenter related to participants with respect and sensitivity.	3.5
10. The presenter encouraged participants to express themselves freely and openly.	3.6
11. The presenter encouraged participants to synthesize and apply learning to real life.	3.5
12. The presenter challenged the thinking process of the participants requiring them to think critically, analytically, creatively and intuitively.	3.5

Source: BPLS Cagayan De Oro Cluster, Post-Evaluation Form

Figure 5.2
Resource Person's Evaluation Results



Source: BPLS Cagayan De Oro Cluster, Post-Evaluation Form

The resource person's highest rating of 3.6 came from category 10 wherein he encouraged participants to express themselves freely and openly. Having the lowest rate of 3.3 is the sixth category where the participants felt that few materials and handouts were provided that can serve as future reference.

iii. **Resource Person 3 - Mayet**

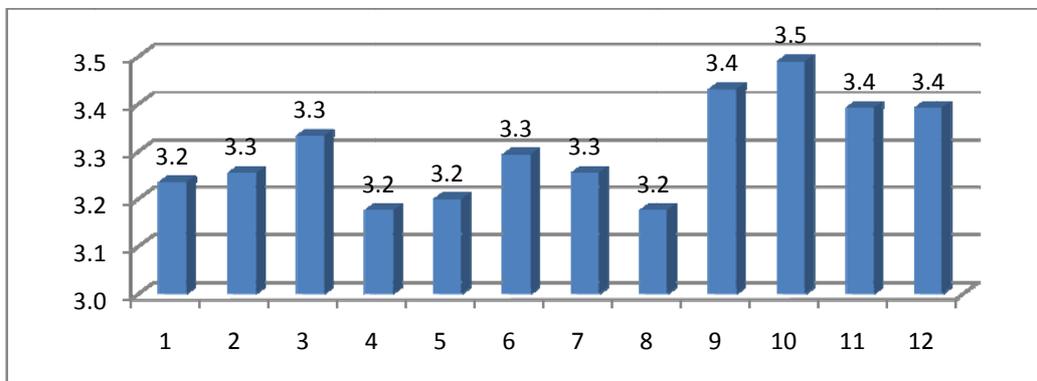
- # of Respondents - 50

Table 4.3:
Resource Person's Evaluation Summary Table: MAYET

Assessment of Learning	Rating
1. Sessions presented were well organized and the presenter was well-prepared for the session.	3.2
2. Session objectives were clearly presented.	3.3
3. The presenter had sound knowledge of the subject covered.	3.3
4. The information and concepts were presented clearly.	3.2
5. The presenter made effective use of a range of training methods.	3.2
6. The presenter provided handouts and materials that will be helpful for future application or as reference materials.	3.3
7. The presenter spoke in a clear and well-modulated voice.	3.3
8. The presenter answered questions clearly and accurately.	3.2
9. The presenter related to participants with respect and sensitivity.	3.4
10. The presenter encouraged participants to express themselves freely and openly.	3.5
11. The presenter encouraged participants to synthesize and apply learning to real life.	3.4
12. The presenter challenged the thinking process of the participants requiring them to think critically, analytically, creatively and intuitively.	3.4

Source: BPLS Cagayan De Oro Cluster, Post-Evaluation Form

Figure 5.3
Resource Person's Evaluation Results



Source: BPLS Cagayan De Oro Cluster, Post-Evaluation Form

Getting the highest rating of 3.5, the participants agreed that the presenter encouraged them to express themselves freely and openly. On the other hand, items one (1), four (4), five (5) and eight (8) received the lowest rating of 3.2, these items deals with effective presentation, preparedness and use of training methods.

II. Comments/Recommendations/Suggestions

- Participants should, if possible be limited to personnel whose positions are directly/indirectly involved with BPLS.
- Packaging of materials needs to be enhanced
- Material needs improvement (font size, lay out and sequencing), some presentations were absent from the toolkit
- Contents of the toolkit lacking, strive to have chronological arrangement of the contents
- Please sequence the arrangement of hand outs with that of the presentation so pax will not have difficulty in searching for the topics in the hand outs.
- There is need to discuss the JMC and JDAO first for the participants to have better foundation and understanding of the training objectives
- More examples like pictures & forms of the actual BPLS Process used and practiced in other LGUs.
- Better time management so session will not drag on

Appendix 5: Evaluation of BPLS Training Workshop in Davao City

Trainer's Training Workshop for Upscaling BPLS Reforms in 2010

Evaluation Report

Introduction

The Trainer's Training Workshop for Upscaling BPLS Reforms for the Davao Cluster was held on 7-9 of September 2010 at the Apo View Hotel, Davao City. The three-day workshop was attended by DILG and DTI staff, together with Licensing Officers from select LGUs, representatives from the academe and business sector. LGA staff who managed the activity were Angelina Layugan (course manager), Elmo Dimaano (facilitator) Leah Marie Sanchez (evaluator), and Consolacion Locsin (administrative support).

This evaluation report covers the following:

- I. Pre and post Assessment
- II. Post-Activity Evaluation
 - a. Attainment of Objectives
 - b. Assessment of Learnings
 - c. Assessment of Program Design and Management
 - d. Other comments
- III. Resource Persons' Evaluation
 - a. RP 1 - Noel Macalalad
 - b. RP 2 - Benjie Barretto
 - c. RP 3 - Mayeth Patag

Analysis

I. Pre and Post Assessment

- # of respondents: Pre - 53 Post - 43

Table 1.1: Summary Table-Level of Knowledge

Areas for Evaluation				2.2	3.2
1-very low	2 - low	3 - high	4 - very high	Pre	Post
1. Implementing BPLS Unified Form				2.3	3.3
2. No. of steps & length of time for processing new business				2.4	3.3
3. No. of steps & length of time for processing business renewal				2.4	3.4
4. Process for implementing BPLS reforms				2.1	3.3

Areas for Evaluation				2.2	3.2
1-very low	2 - low	3 - high	4 - very high	Pre	Post
5. Coaching on BPLS unified form and reduction in the number of signatories				2.2	3.2
6. Coaching Process flow/ mapping				2.1	3.1
7. Coaching on the development of LGU reforms strategies				2.1	3.1
8. Setting up effective One-stop-shops				2.5	3.3
9. Setting up Joint Inspectorate Teams				2.2	3.3
10. Computerization of BPLS				2.2	3.0
11. Challenges in BPLS implementation				2.2	3.3
12. Upscaling BPLS Reforms				2.1	3.3
13. M&E for BPLS Reforms				2.1	3.1

Source: BPLS Davao 7-9 September 2010 cluster Pre and post assessment forms

Table 1.2: Summary Table-Level of Capability

Areas for Evaluation				2.3	3.1
1-very low	2 - low	3 - high	4 - very high	Pre	Post
14. Expressing orally the rationale for upgrading BPLS				2.3	3.1
15. Drawing a concise and clear process map of the steps in obtaining a business permit.				2.3	3.0
16. Effectively coordinating with national and local units involved in the BPLS process				2.3	3.2
17. Analyzing accurately the permit process from the local and national government perspective				2.2	3.1
18. Recommending doable actions to streamline the BPLS process.				2.3	3.2

Source: BPLS Davao 7-9 September 2010 cluster Pre and post assessment forms

Table 1.3: Summary Table-Level of Confidence

Areas for Evaluation				2.8	3.27
1-very low	2 - low	3 - high	4 - very high		
19. Working closely and cooperatively with other national government units to undertake BPLS reform				2.8	3.2
20. Engaging LGUs to undertake BPLS reform				2.8	3.3

Source: BPLS Davao 7-9 September 2010 cluster Pre and post assessment forms

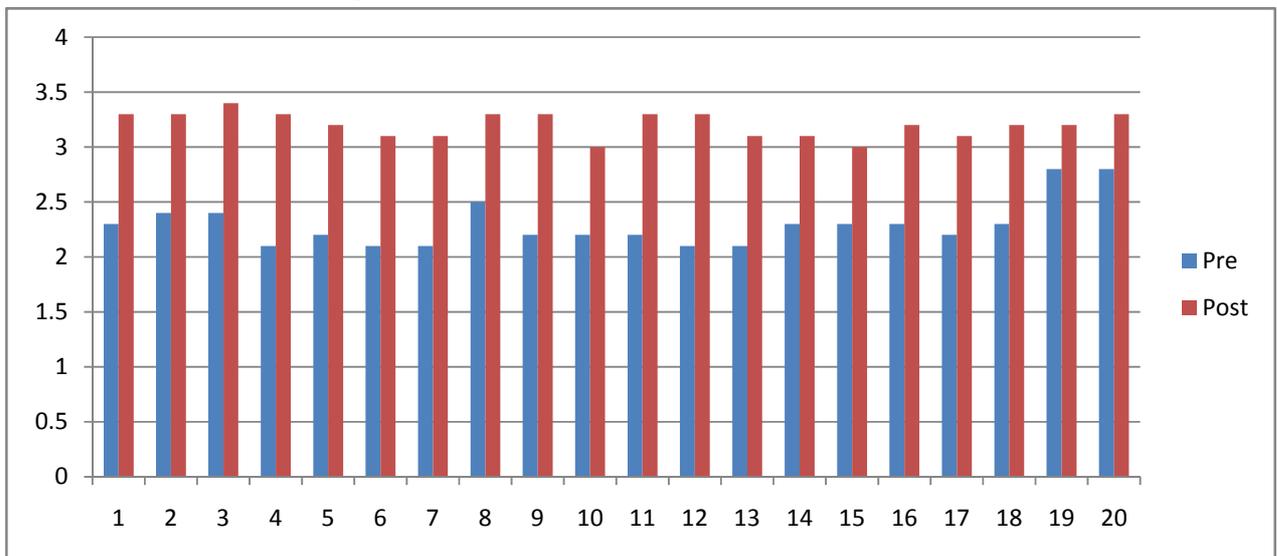
The overall mean rating for the pre assessment at 2.3 implied that participants had a *low initial level* of knowledge on concepts and issues regarding Business Permit and Licensing System (BPLS). Level of Knowledge was rated at 2.2, Level of Confidence at 2.8 and Level of Capability at 2.3.

Specifically, the rating which assessed initial levels of knowledge was least at 2.1, on items #4, 6, 7, 12 and 13. On the other hand, Figure 1 shows that most participants are relatively

more knowledgeable on the aspect of ‘setting up effective one-stop-shops’ at the beginning of the workshop. On the level of capability and confidence, most participants gave a low rating at 2.3 and 2.8, respectively.

After the workshop, the rating for all three aspects of knowledge, capability and confidence increased to 3.2, 3.1 and 3.27, respectively. The rating shows that after the necessary inputs were provided to them, they are now more capable to undertake the responsibility in leading initiatives for BPLS reforms in the LGUs.

Figure 1: Pre and Post Assessment Results



Source: BPLS Davao 7-9 September 2010 cluster Pre and post assessment forms

II. Post-Activity Evaluation

- # of respondents: 43

a. Attainment of Objectives

Table 2.1: Post-Activity Evaluation Summary: Part I - Attainment of Activity Objectives

Attainment of Activity Objectives		3.21
1. Capacitate DILG and DTI personnel in training LGUs to implement BPLS reforms		3.2
2. Discuss the context of streamlining BPLS operations in the LGU		3.3
3. Demonstrate fundamental techniques in coaching LGUs with the new BPLS standards for new business applications and business renewals being promoted by the government		3.2
4. Formulate a regional short-term action plan for the next round of		3.1

Attainment of Activity Objectives	3.21
workshops for targeted LGUs in 2010 and a medium-term program for 2011-2014 including the required budget	

Source: BPLS Davao cluster Post activity evaluation forms

The overall attainment of the activity objectives of the Trainer’s Training Workshop for Upscaling BPLS Reforms in 2010 was given a mean rating of 3.21 [Table 2.1] by the participants. When rounded off, this score will be down to 3.00 which equates to a *high rating on the attainment of activity objectives*. Among the four objectives, the formulation of a regional short-term action plan scored least at 3.1; on the other hand, objectives 1 and 3 got a rating of 3.2, while objective 2 got a 3.3 rating.

b. Assessment of Learnings

Table 2.2: Post-Activity Evaluation Summary: Part II - Assessment of Learnings

Assessment of Learnings	3.45
1. You will be able to apply the learning in your work	3.3
2. It exposed you to new concepts on BPLS	3.4
3. You gained knowledge on the standards in BPLS reforms	3.5
4. It helped you improve your knowledge on BPLS support mechanism.	3.5
5. You had new insights on upscaling BPLS reforms	3.5
6. It helped you appreciate the importance of implementing reforms in BPLS.	3.6
7. It helped you to be familiar with mechanism to effectively set-up reforms on BPLS	3.5
8. The activity has provided opportunity to establish partnerships with other LGUs	3.5

Source: BPLS Davao cluster Post activity evaluation forms

The next section of the post-activity evaluation reflected the participants own assessment of their learning based on the indicators provided. Overall, the participants gave a mean rating of 3.45 [Table 2.2] on this component of the assessment. However, the ‘targeted learning that scored least was on ‘the applicability of the learning in their work’ while ‘appreciation of the importance of implementing reforms in BPLS’ was rated the highest at 3.6.

c. Assessment of Program Design and Management

Table 2.3: Post-Activity Evaluation Summary: Part III - Assessment of Program Design and Management

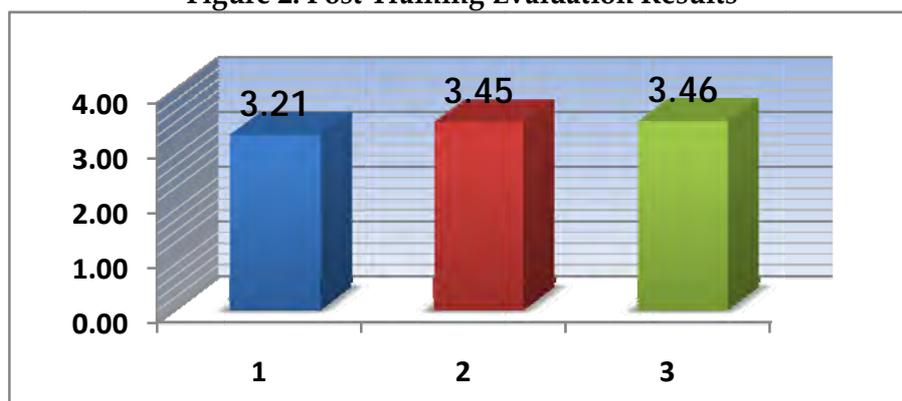
Assessment of Program Design and Management	3.46
1. Sessions and topics are relevant to your work	3.2
2. Time allotted for each learning activity was adequate	3.1
3. Sessions provided opportunities to raise questions and clarifications	3.4

Assessment of Program Design and Management		3.46
4. Materials provided were helpful in learning process		3.6
5. Materials provided were reader-friendly and easy to understand		3.5
6. Facilitators clearly explained the activity mechanics.		3.5
7. Facilitators were organized and capable to provide technical assistance		3.5
8. The conduct of the activity was managed smoothly.		3.5
9. Training team has provided efficient logistical support to the participants		3.4
10. Facilities were conducive for learning and gave comfortable setting		3.6
11. Location of the activity was accessible and convenient		3.6
12. Food and accommodation provided were of high standard		3.4
13. Equipments and other devices used helped facilitate learning activities.		3.5

Source: BPLS Davao cluster Post activity evaluation forms

The participants were also asked to rate the program design and management of the activity. Whereas an overall mean rating of 3.46 [Table 2.3] signified that the participants agree that the activity was managed well, the conduct of the workshop scored least on a number of indicators, namely: in the time allotted for each learning activity (3.1) and relevance of the sessions to their work (3.2). Meanwhile, the indicators that got the highest rating were on the materials provided, facilities and venue that were given a 3.6 rating.

Figure 2: Post Training Evaluation Results



d. Other comments

Benefits from the activity

Overall, the participants greatly appreciated the efforts for reforms in the BPLS and most of them mentioned that they got new learning and insights on the BPLS. There was better understanding of the BPLS and better appreciation of the move of the government to upgrade the system. The workshop enhanced their knowledge and skills thus they are now more confident that the goal of ensuring that LGUs become more business friendly through introduction of BPLS reforms will be achieved.

Most useful in the activity

The participants found the role playing methodology in the workshops as very helpful in making them understand the concepts that are being introduced. It will better prepare them in their role as coach and evaluator. The unified form was also mentioned as very useful as it will reduce the steps and processes in BPLS which is beneficial to both the applicant and the LGU. The insights and experiences of co-participants were also useful which they can apply in their respective LGUs.

Suggestions on improvement of activity

Most participants commented that the three days were not enough and that follow up sessions or training should be conducted for them to update their skills in upgrading the system. There was also a suggestion to present more before and after scenario from successful LGUs who have adopted BPLS reforms and that systems adopted in cities or localities in other countries can be presented as case studies.

III. Resource Persons' Evaluation

- a. Resource Person 1 - Noel Macalalad
- # of Respondents: 38
 - Areas for evaluation mean rating: 3.70

**Table 3.1:
Resource Persons' Evaluation Summary Table - Noel Macalalad**

<i>Areas for Evaluation</i>	<i>Rating</i>
1.) Sessions presented were well-organized and the presenter was well-prepared for the session.	3.6
2.) Session objectives were clearly presented.	3.7
3.) The presenter had sound knowledge of the subject covered.	3.7
4.) The information and concepts were presented clearly.	3.7
5.) The presenter made effective use of a range of training methods.	3.6
6.) The presenter provided handouts and materials that will be helpful for future application or as reference materials.	3.8
7.) The presenter spoke in a clear and well-modulated voice.	3.8
8.) The presenter answered questions clearly and accurately.	3.6
9.) The presenter related to participants with respect and sensitivity.	3.7
10.) The presenter encouraged participants to express themselves freely and openly.	3.8
11.) The presenter encouraged participants to synthesize and apply learning to real life.	3.6
12.) The presenter challenged the thinking process of the participants requiring them to think critically, analytically, creatively and intuitively.	3.7

Source: BPLS Davao cluster RPs Evaluation forms

The overall mean rating for all areas of evaluation is 3.70, which means that the respondents had a highly favorable evaluation for this resource person. The least rating that this resource person got was at 3.6, whereas the highest rating was at 3.8 [Table 3.1]. Most respondents expressed their agreement that the resource person provided handouts and materials that will be helpful for future application or as reference materials, spoke in a clear and well-modulated voice and encouraged participants to express themselves freely and openly.

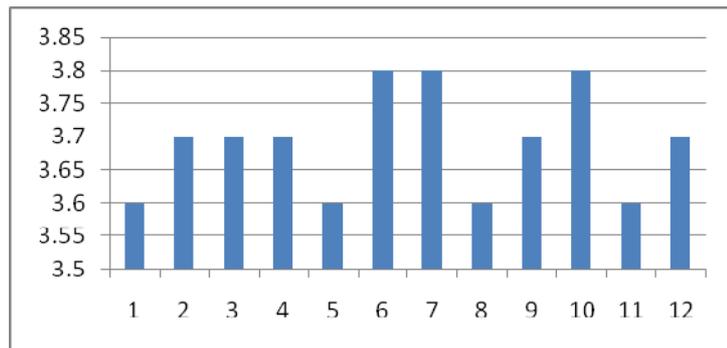
13.) *The positive aspects of the presenter are:*

- Knowledgeable of the subject
- Skills of a good communicator
- Humble and smart
- Very articulate

14.) *Suggested areas for improvement*

- Sometimes he tend to assume that all participants are well versed of the topic and forgets to slow down

Figure 3.1: Resource Persons' Evaluation Results



15.) *Any other comments*

- Very good facilitator and resource person
- Looking forward for more inputs from him

b. Resource Person 2 – Benjie Barretto

- # of Respondents: 38
- Areas for evaluation mean rating: 3.67

Table 3.2: Resource Persons' Evaluation Summary Table – Benjie Barretto

Areas for Evaluation	Rating
1.) Sessions presented were well-organized and the presenter was well-prepared for the session.	3.6
2.) Session objectives were clearly presented.	3.7
3.) The presenter had sound knowledge of the subject covered.	3.7
4.) The information and concepts were presented clearly.	3.7
5.) The presenter made effective use of a range of training methods.	3.6
6.) The presenter provided handouts and materials that will be helpful for future application or as reference materials.	3.7
7.) The presenter spoke in a clear and well-modulated voice.	3.7
8.) The presenter answered questions clearly and accurately.	3.6
9.) The presenter related to participants with respect and sensitivity.	3.8
10.) The presenter encouraged participants to express themselves freely and openly.	3.8
11.) The presenter encouraged participants to synthesize and apply learning to real life.	3.6
12.) The presenter challenged the thinking process of the participants requiring them to think critically, analytically, creatively and intuitively.	3.7

Source: BPLS Davao cluster RPs Evaluation forms

The overall mean rating for all areas of evaluation is at 3.67, which means that the respondents had a highly favorable evaluation for this resource person. The least rating that this resource person got was at 3.6 for items # 1, 5, 8 and 11; whereas the highest rating was at 3.8 [Table 3.2]. Most respondents expressed their agreement that the resource person presenter related to participants with respect and sensitivity and he encouraged participants to express themselves freely and openly.

13.) *The positive aspects of the presenter are:*

- He tries his best to impart to participants all the needed important points
- Articulate on the subject matter
- Accommodating/open

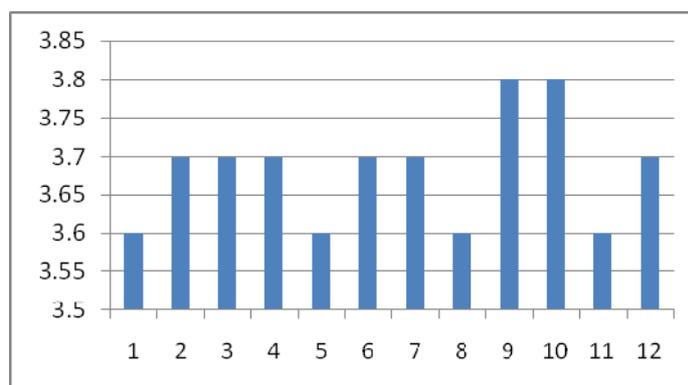
14.) *Suggested areas for improvement*

- Tone down voice a little bit

15.) *Any other comments*

- He showed that he is very hardworking
- Please continue giving us more inputs by conducting this kind of workshop

Figure 3.1: Resource Persons' Evaluation Results



c. Resource Person 3 – Mayeth Patag

- # of Respondents: 38
- Areas for evaluation: 3.54

**Table 3.3:
Resource Persons' Evaluation Summary Table – Mayeth Patag**

Areas for Evaluation	Rating
1.) Sessions presented were well-organized and the presenter was well-prepared for the session.	3.4
2.) Session objectives were clearly presented.	3.6
3.) The presenter had sound knowledge of the subject covered.	3.6
4.) The information and concepts were presented clearly.	3.5
5.) The presenter made effective use of a range of training methods.	3.6
6.) The presenter provided handouts and materials that will be helpful for future application or as reference materials.	3.7
7.) The presenter spoke in a clear and well-modulated voice.	3.4
8.) The presenter answered questions clearly and accurately.	3.4
9.) The presenter related to participants with respect and sensitivity.	3.7
10.) The presenter encouraged participants to express themselves freely and openly.	3.7
11.) The presenter encouraged participants to synthesize and apply learning to real life.	3.5
12.) The presenter challenged the thinking process of the participants requiring them to think critically, analytically, creatively and intuitively.	3.5

Source: BPLS Davao cluster RPs Evaluation forms

The overall mean rating for all areas of evaluation is at 3.54, which means that the respondents had a highly favorable evaluation for this resource person. The least rating that this resource person got was at 3.4 for items # 1,7 and 8; whereas the highest rating was at 3.7 [Table 3.3]. Most respondents expressed their agreement that the resource person provided handouts and materials that will be helpful for future application or as reference materials, related to participants with respect and sensitivity and encouraged participants to express themselves freely and openly.

13.) *The positive aspects of the presenter are:*

- Witty and knowledgeable
- Very passionate with her work, energetic

14.) *Suggested areas for improvement*

- Give more examples in a livelier way so that it will not be boring
- Needs strategies to get the whole attention of the participants

15.) *Any other comments*

- Skipped and summarized topics due to time constraints
- She is not concise/precise; she beats around the bush whenever she answers questions

Figure 3.3: Resource Persons' Evaluation Results

