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Report on the Forum on Business Permits and Licensing System (BPLS) and Inspection Reforms

Investment Enabling Environment (INVEST) Project

Submitted to

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List of Acronyms

AF	Application Form
ARTA	Anti-Red Tape Act
BFP	Bureau of Fire Protection
BIR	Bureau of Internal Revenue
BLESS	Business Licensing Electronic Support System
BOSS	Business One-Stop Shop
BP	Business Permit
BPAP	Business Processing Association of the Philippines
BPLD	Business Permits & Licensing Division
BPLO	Business Permits & Licensing Office
BPLS	Business Permit Licensing System
CEC	City Environmental Certificate
CESO	Canadian Executive Service Organization
CHO	City Health Office
CIDA	Canadian International Development Agency
CFM	City Fire Marshall
CPDO	City Planning and Development Office
CTO	City Treasurer's Office
DBP	Development Bank of the Philippines
DILG	Department of the Interior and Local Government
DOF	Department of Finance
DOST	Department of Science and Technology
DPWH	Department of Public Works and Highways
DTI	Department of Trade and Industry
eGOV4MD	eGovernance for Municipal Development
eLGU	Jumpstarting Electronic Governance for LGUs
GIS	Geographic Information System
GIZ	German Development Cooperation
ICT	Information and Communications Technology
ICTO	Information and Communications Technology Office
IFC	International Finance Corporation
INVEST	Investment Enabling Environment Project
IT	Information Technology
JMC	Joint Memorandum Circular
LBP	Land Bank of the Philippines
LCE	Local Chief Executive
LGA	Local Government Academy
LGSP LED	Local Government Support Program for Local Economic Development
LGU	Local Government Unit
LINC-EG	Local Implementation for National Competitiveness for Economic Growth
MDFO	Municipal Development Fund Office
MOA	Memorandum of Agreement
NCC	National Computer Center
NCC2	National Competitiveness Council
OST	Open Source Technology
PBR	Philippine Business Registry

PhilHealth	Philippine Health Insurance Corporation
PVB	Philippine Veterans Bank
SEC	Securities and Exchange Commission
SSS	Social Security System
TWG	Technical Working Group on BPLS Automation
TIN	Tax Identification Number
USAID	United State Agency for International Development
WINGS	Wireless Internet-Based Governance System

I. Introduction

In October 2010, the Department of Trade and Industry (DTI), in collaboration with the Department of the Interior and Local Government (DILG), launched the Nationwide Business Permit and Licensing System (BPLS) Streamlining Program. The reform program consists of four (4) components, namely: (1) simplification and standardization of the BPLS process, (2) computerization of the BPLS process, (3) institutionalization of the reforms; and (4) improvement in customer relations. It seeks to enhance the country's business environment by streamlining the business permitting processes of as many LGUs as possible through standards setting and capacity building.

Government reported that most of the Program's objectives had already been achieved, four years ahead of the end of its implementation period in 2016. To date, a total of 692 cities and municipalities have streamlined their BPLS consistent with the service standards set in the DTI-DILG Joint Memorandum Circular No. 01 series of 2010 (JMC). This singular achievement gives impetus for the pursuit of the next generation of reforms in the area of streamlining BPLS in the country, which both DILG and DTI define as the automation of BPLS and the institutionalization of a more business-friendly inspections system.

As an initial move to promote BPLS automation and a more streamlined inspection system, the Department of Science and Technology (DOST), DTI and DILG organized a forum entitled **"Moving Forward: From BPLS Streamlining to Automation (Sustaining Partnerships for BPLS Reforms)"** on July 24-25, 2012 at the Crowne Plaza Hotel in Pasig City. The forum was supported mainly by USAID's INVEST Project in partnership with the Local Government Support Project for Local Economic Development (LGSP-LED) of the Canadian International Development Agency (CIDA), the National Competitiveness Council (NCC2), and the Decentralization Project of the German Development Cooperation (GIZ).

This report contains highlights of the Forum, the organization of which is one of the outputs of the INVEST Project under its Component 1, Program Area 1.2 on "Strengthening National Government Support to BPLS Reforms." There are seven parts to this report namely: the forum objectives; the organization of the forum; the participants; the program; the list of issues raised; the results of the forum evaluation; and the lessons learned from, and the next steps on, the initiative. The report was based on the documentation funded by LGSP-LED, and the evaluation of the forum by the Local Government Academy (LGA) under the DILG, based on responses contained in the evaluation forms distributed to the participants.

II. Forum Objectives

As a follow-through to the launching of the Nationwide BPLS Streamlining Program in August 2010, the Forum was organized for the following reasons:

1. To launch the next component of the business permitting process, automation, with the signing of a Memorandum of Agreement (MOA) among the oversight agencies that will be tasked to implement the project, namely, DOST as lead, DTI and DILG;
2. To orient local government units (LGUs) on two areas which constitute the next wave of reforms in business registration – automation and business-friendly inspections - through the launching of three knowledge products developed by the National Computer Center (NCC) and the DILG with support from USAID's Local Implementation for National Competitiveness for Economic Growth (LINC-EG) Project: (a) the BPLS Automation

Planning and Implementation Guide: Computerizing Business Permits and Licensing System in the Philippines; (b) the BPLS Automation Baseline Guide: Automation Baseline Design; and (c) Setting-Up a Business-Friendly Inspection System; and

3. To provide a venue for LGUs and the private sector service providers engaged in BPLS automation to share experiences and discuss issues that have arisen in the undertaking of reforms in the LGUs' BPLS.

III. Organization of the Forum

The idea of organizing a BPLS automation forum was first presented by the ICT office of DOST (after discussions with INVEST) during the BPLS Oversight Committee Meeting held on June 19, 2012. An informal Technical Working Group on BPLS Automation (TWG-eBPLS) was set up, led by DOST and composed of DTI and LGA, which is the BPLS Project coordinator, with the INVEST Project providing technical and secretariat support, especially in refining the MOA among the oversight agencies (refer to Annex 1 for the membership of the TWG). CIDA expressed interest in partly funding the forum. In order to accommodate the participation of more LGUs, DTI sought financial assistance from the National Competitiveness Council. GIZ, through the Decentralization Project, also asked USAID to be allowed to be part of the Forum and provided funding assistance. The Forum thus became a model of partnership among government and donor organizations, led by USAID through the INVEST Project, that embodies the principles of ownership and harmonization espoused in the Paris and Marrakesh Declarations for Aid Effectiveness.

IV. Participants

A total of 476 participants attended the Forum, representing 176 LGUs nationwide (Table 2), an impressive turnout considering that the participants paid for their airfare and lodging expenses. The invitations were coursed through the regional offices of DILG and DTI, with priority given to the 480 LGUs that went through the BPLS process re-engineering training from the two agencies.

The event was attended by 31 local chief executives (LCEs) and 445 other city officials, mostly coming from Business Permits and Licensing Divisions, Treasurer's Offices, and IT Departments/ Divisions.

Table 2. Distribution of Participants by Region, Position, and Gender

Region/Office	No. of LGU Officials	No. of Participants		Gender		Total
		Mayor	Other City/ Agency Officials	Female	Male	
Region 1	7	0	15	6	9	15
Region 2	5	1	12	7	6	13
Region 3	34	1	75	34	42	76
Region 4a	14	2	37	11	28	39
Region 4b	1	0	2		2	2
Region 5	13	1	25	14	12	26
Region 6	11	3	25	13	15	28
Region 7	6	1	17	14	4	18
Region 8	39	13	62	32	43	75
Region 9	11	1	17	11	7	18
Region 10	8	0	23	14	9	23
Region 11	4	0	7	5	2	7
Region 12	18	7	40	16	31	47
ARMM	1	1	1	0	2	2
CAR	2	0	5	1	4	5
NCR	2	0	3	1	2	3
Other Offices	NA	0	37	24	13	37
Guests & Organizers	NA	0	42	23	19	42
Total	176	31	445	226	250	476
Shares (in %)	---	6.5	93.5	47.5	52.5	100.0

There were 58 cities and 118 municipalities represented (Table 3). Region 8 had the largest delegation (representing 39 LGUs) followed closely by Region 3 with 34 participants. ARMM and Region 4B, on the other hand, had the least representation.

Table 3. Distribution of LGUs Represented in the Forum by Region and LGU Level

Region	City	Municipality	Total
Region 1	4	3	7
Region 2	0	5	5
Region 3	8	26	34
Region 4a	8	6	14
Region 4b	0	1	1
Region 5	10	3	13
Region 6	4	7	11
Region 7	5	1	6
Region 8	2	37	39
Region 9	4	7	11
Region 10	4	4	8
Region 11	2	2	4
Region 12	3	15	18
ARMM	0	1	1
CAR	2	0	2
NCR	2	0	2
<i>Total</i>	<i>58</i>	<i>118</i>	<i>176</i>
Share (in %)	33.0	67.0	100.0

V. The Forum Program

The program for the two-day forum was divided into five parts (Annex 2), which are described below:

Opening Ceremonies

The Forum was opened with a message from DILG Undersecretary for Local Government Austere Panadero and messages from representatives of the development partners that provided financial support to the Forum, i.e., USAID Economist Thomas Rojas, CIDA Country Program Manager Luke Myer and GIZ Program Manager Dr. Herwig Meyer.

Part I. Overview of BPLS Automation in LGUs

This part of the program had three objectives: (1) to update the participants on the progress achieved in BPLS reforms; (2) to present automation options or solutions for LGUs desiring to automate their BPLS from three perspectives, i.e., those from government, the private sector, and the development partners; and (3) to inform participants of learnings from successful LGUs that have automated their operations.

DTI Undersecretary Zenaida Maglaya, one of the conveners of the BPLS Oversight Committee, reported on the status of the BPLS Streamlining Project. She reported that a total of 748 LGUs have re-engineered their BPLS procedures with the assistance of DTI and DILG.

The participants were then informed of the automation initiatives of government. DOST, as reported by Ms. Madeleine Arevalo, is piloting an open source technology or OST-based and web-enabled system, through the Jumpstarting Electronic Governance for LGUs (eLGU) Project, which is targeting 375 pilot LGUs. The GIZ (German Development Cooperation), on the other hand, is implementing the iTax system in ten pilot cities, helping LGUs establish easier means of collecting local taxes. The private sector representative highlighted the advantages of cloud computing as an option to consider in BPLS automation.

Four LGUs were invited to share their own experience in automating business permits and taxation systems:

1. Mayor Hernani Braganza of Alaminos City (Pangasinan) reported on the city's Wireless Internet-Based Governance System (WINGS), which has led to the automation of the business permits and licensing, land tax, assessor's, and budget offices, as well as the development of 19 other systems that cover the major functions of the LGU.
2. Mayor Carolyn Farinas of San Felipe (Zambales) related their experience in being a recipient of technical assistance from the eGov4MD Project and the Canadian Executive Service Organization (CESO) in establishing their automated BPLS.
3. Atty. Renchie Padayao, Business Permits and Licensing Officer, and Mr. Randy Sison, Head of the IT Department of Valenzuela City, described the computerization program of the City and the plans to use the Geographic Information System (GIS) in their business permitting system.
4. Ms. Chrysalene Cunanan of Angeles City (Pampanga) described the automation of their BPLS, the processes it adopted to qualify for ISO 2000 certification, and the quality of service in its Business One-Stop Shop, e.g., establishing a taxpayers' lounge.

Part 2. Institutional Support for BPLS Reforms

This part of the program set the stage for the promotion and implementation of an important reform in business permitting – the automation of business processes. There were three significant events in this part of the program:

1. Signing of a Memorandum of Agreement (MOA) by the Secretaries of DILG, DTI and DOST (Annex 3). The MOA delineated the respective responsibilities of the three agencies in the implementation of BPLS automation and set the institutional support to the project by formalizing the organization of a BPLS Automation Committee headed by DOST Undesecretary Louis Casambre. After the signing ceremonies, the agency heads/representative expressed their support for the project.
2. Signing by Partners of the Commitment Scroll to Support the BPLS Automation. Five partners expressed their commitment to support the BPLS Automation Project by signing a commitment scroll. The partners were the NCC2 represented by its Private Sector Co-Chairman Mr. Bill Luz, the League of Cities represented by its Executive Director Jeremy Philippie Nishimori, the National ICT Confederation of the Philippines represented by its Chair Atty. Jocelle Batapa-Sigue, the Philippine Chamber of Commerce and Industry represented by Assistant Director-General Edwin Glindro, and the International Finance Corporation, representing the development partners, as represented by Mr. Hans

Shrader. IFC is the Co-Convener of the Working Group on Growth and Investment Climate.

3. Turn-Over of Knowledge Products on BPLS Automation and Inspection by USAID. Mr. Reed Aeschliman, Deputy Mission Director of USAID/Philippines, turned over three (3) knowledge products that may serve as guides for LGUs in BPLS automation and in making BPLS inspections business-friendly: (1) *The BPLS Inspection Guide*; (2) *BPLS Automation Planning and Implementation Guide*; and (3) *The BPLS Automation Baseline Design Guide*. The first material was prepared for the DILG while the last two were developed in partnership with the National Computer Center. The materials were turned over to DTI, DILG, DOST and the Leagues of Cities.

Part 3. Parameters for Planning, Implementing and Financing BPLS Automation

This session was organized to provide the participants with tips on how to prepare for, plan, and manage automated systems for business processing and on financing schemes that could be tapped to support BPLS computerization.

The officials of the NCC, which formulated the knowledge products on BPLS computerization, spearheaded the briefing by covering three topics: (1) LGU readiness for automation; (2) planning for automation; and (3) managing BPLS automation. After the discussions on BPLS computerization, the following institutions presented different financing facilities: (1) the Municipal Development Fund Office (MDFO) under the Department of Finance (DOF); (2) the Philippine Veterans Bank (PVB); (3) the Development Bank of the Philippines (DBP); and (4) the Land Bank of the Philippines (LDB).

Part 4. National Government and Private Sector Initiatives in Support of BPLS Automation

This session informed the participants of the various reforms implemented by oversight agencies as well as the private sector in relation to BPLS automation. On the government side, these reforms include: (1) the *SEC iView* of the Securities and Exchange Commission, which is an online system to help investors see and monitor their records; (2) the *eTIN* of the Bureau of Internal Revenue which is a web-based program that aims to lessen the burden for business owners in securing their Tax Identification Number (TIN); and (3) the Philippine Business Registry managed by DTI which is a web-based IT system designed to facilitate the registration processes of businesses in the Philippines through the online filing of applications.

The DOST also presented two projects that may impact on the computerization projects of LGUs namely: (1) the *Next Wave Cities* identified jointly by the ICT Office of DOST and the BPAP, which are selected cities being marketed as ideal sites for information technology and business process outsourcing investments in the Philippines; and (2) the *iGov Philippines Project*, which was launched to address the need to simplify and standardize government services through the use of information and communication technology.

Service providers from the private sector also shared their experiences in automating the operations of LGUs. The companies that presented their products were Infoman, Geodata Solutions, Inc, and Total Information Management Corporation. GIZ also demonstrated the iTax software distributed to some cities in the Visayas.

Part 5. Setting up Business-Friendly Inspection Systems

This part of the program discussed reforms in the inspection system based on a study commissioned by the DILG. There were two parts in the session: (1) briefing on the possible areas of reform in the conduct of business-related inspections based on the salient points of the paper on “Setting-Up a Business-Friendly Inspection System” and the inspection study commissioned by IFC; and (2) presentation of two government agencies, the Department of Public Works and Highways (DPWH) which is in charge of implementing the Building Code, and the Bureau of Fire Protection, on the current efforts to streamline the permitting process for building permits and fire safety inspection certificates.

Concluding Remarks

The forum ended with a raffle and the closing remarks was delivered by DOST.

The highlights of the presentations are found in Annex 4. All forum presentation materials can be downloaded from the BPLS Help Desk: <https://sites.google.com/site/bplsph/>

VI. Issues Raised

The Forum generated a number of questions related to BPLS in general and to BPLS computerization and inspections. The major areas of concern raised in the open forum sessions are summarized below:

On BPLS

1. Clarifications on the Additional Mandatory Documents from NGAs. The participants inquired about the possibility of removing SSS and PhilHealth clearances as additional requirements in the business permitting process. According to them, securing copies of these documents lengthens the business permitting process. In response, the resource persons stressed that these are ‘mandatory’ documents, and all LGUs are directed to comply with this requirement. The challenge of making the BPLS more efficient is to improve services such as setting up special lanes for SSS and PhilHealth in their BOSS and/or providing clients the option to comply with the requirement within a certain period of time.
2. Difficulties in Connecting LGUs to the PBR. Participants pointed out some of the more important challenges faced in connecting LGUs to the PBR. Among the difficulties mentioned was coordinating with the BIR and other government agencies and the lack of information on the process and requirements in connecting LGUs to the PBR. Some LGUs were also cynical about the idea of sharing information and expressed concerns over privacy. DTI stressed that the purpose of computerizing the system is to improve transparency, share information, and make transactions more effective. It reported that it will conduct massive information dissemination campaigns on PBR and encouraged LGUs to maximize the benefits of connecting to the system.

On BPLS Automation

3. Capacity and Readiness of LGUs to Automate. While BPLS automation plays a significant role in efforts to fast-track BPLS reforms and to improve the delivery of government services at the local level, the participants raised concerns over the capacity

and readiness of the LGUs to set-up infrastructure, purchase necessary computerization packages, and manage the automated system. It was pointed out that BPLS automation entails resources (physical and financial) to make it work effectively and efficiently. The participants requested the national government to provide financial and capacity development assistance to LGUs for free. In response, DILG mentioned that it was currently implementing an LGU Readiness Survey to assess the capacities of LGUs and identify the specific assistance they will need from government or other agencies. The DOST and DTI further mentioned the forthcoming partnership agreement to be signed with DILG to fully support LGU automation. These initiatives aim to support the LGUs' effort to automate their operations in part or as a whole. Responding to financial constraints, on the hand, can be explored by the national government with the donor partners.

4. Free Distribution of eBPLS Software. The participants requested that the acquisition of said software be for free. The NCC mentioned that the eBPLS open-source software is free but some funds are required for training. For iBPLS (web-based eBPLS), the conveners will ask for the support of development partners to fund the effort.
5. Creation of Plantilla Posts for IT Officer/s at the LGU Level. The participants pointed out the need to create a plantilla post for IT officer/s and to create an ICT Office/Unit to make sure that automation is continued and sustained at the local level. In response, the NCC agreed to consider this suggestion in developing policy guidelines on LGU automation.
6. Absence of an Accreditation Body to Accredite the IT Vendors for LGUs. The participants raised the need to accredit software vendors as some LGUs have become victims of fake software and substandard services. The NCC agreed that there is a need to create an accreditation unit. However, it admitted that, at present, it could only regulate and provide standards. It enjoined LGUs to consult it prior to choosing and purchasing software.

On Inspection (Securing Building Permits and Fire Safety Inspection Certificate)

7. Appointment of BPLO and Building Officials. The participants argued that most of the appointed BPLOs and Building Officials at the local level perform concurrent tasks and are usually co-terminus with the Mayor. To ensure the sustainability of BPLS reforms, the participants recommended the creation of a plantilla post for the BPLO and the formulation and promotion of a set of criteria that would govern the selection of 'Building Officials' to guide LGUs in appointing the most qualified person to the post. The resource persons mentioned that the ideal 'Building Official' is the City Planning and Development Officer (CPDO), but since the later performs other important tasks, the inspection process slows down.
8. Lack of Transparency at the BFP. The participants raised concerns over the poor performance of the BFP in conducting inspections effectively. Graft and corruption in the purchase of fire extinguishers and the lack of transparency during business inspections were some of the common problems at the local level cited by the participants. According to them, such inefficiencies on the part of the BFP affect the performance of the BPLO. BFP's Engr Mariano remarked that the capacities of the BPLO, building officers and fire marshals should all be improved for them to be more efficient and effective. He encouraged all LGUs and the private sector to directly report to him BFP

officers who sell fire extinguishers or harass business enterprises during inspections. DTI, on the other hand, mentioned that it can assist in accrediting suppliers of fire extinguishers.

9. Remittance of BFP Inspection Fee. The participants inquired about the size of the share an LGU can request from the inspection fees of the BFP. The BFP representative stated that the inspection fee is collected from the business taxes (10% of the total business tax) and is used to ensure that inspections are done efficiently.

Annex 5 summarizes the questions raised during the Forum and the responses to these. This set of questions can be included in LGA's "frequently asked questions (FAQs) " in the latter's BPLS Help Desk.

VII. Forum Evaluation

The LGA conducted a survey to gather feedback from the participants on two aspects: (1) the attainment of the Forum's objectives; and (2) assessment of the Forum's design and management. A total of 397 responded to the survey. Among the respondents representing LGUs, the response rate of 73.5% was achieved (Table 4). The female respondents numbered slightly more than the male respondents.

Table 4. Respondents to the Forum Evaluation by Office and Gender

LGU/Office	Male	Female	Total
LGUs	174	176	350
DILG	7	19	26
DTI	2	19	21
Grand Total	183	214	397

Source: Local Government Academy

The participants gave a mean rating of **3.46 (high)** on the achievement of forum objectives (Table 5). The highest rating, **3.6**, was given to the relevance of the forum to the participants' work. The appropriateness of the design and management of the Forum was given the rating of **3.40**, with the organization of the sessions, the preparedness and effectiveness of the presenters and the moderator each getting a score of **3.5**. Overall, the forum was well accepted by the participants.

The participants also gave very useful suggestions in moving forward. These include: (1) repeating the forum in each of the island groups (Luzon, Visayas, Mindanao) or in each region, to allow more LGUs to participate; (2) having resource persons to assist LGUs in automating their respective BPLS; (3) standardizing the software and making these available to LGUs at an affordable cost and possibly free for 4th-6th class municipalities; (4) informing LGUs of systems developers whose solutions are compliant with standards; (5) identifying other LGU automation models and having these LGUs share their experiences (e.g., Koronadal and San Fernando, Pampanga); (6) developing and conducting technical trainings on BPLS automation to ensure sustainability; and (7) monitoring the progress of the whole program of BPLS automation.

The other recommendations on the organization of the workshop were given. These are included in the LGA report (Annex 6).

Table 5. Participants' Assessment of the Forum

Areas for Evaluation	Ratings
A. Attainment of Objectives	3.46
1. The objectives of this Forum were clearly set out	3.5
2. The Forum fully achieved its objectives	3.3
3. The content of the Forum is relevant for the work that I do	3.6
B. Assessment of Program Design and Management	3.40
1. The sessions were information and interesting	3.5
2. The overall quality of the sessions and presentations were good	3.3
3. Time allotted for the activity was adequate	3.2
4. Presenters were organized and well prepared for the session	3.5
5. Moderators facilitated the discussions effectively	3.5

*Ratings: 1 – Very Low 2 – Low 3 – High 4 – Very High

VIII. Significance of the Forum/Next Steps

A. Significance of the Forum

The support provided by INVEST to the oversight agencies, DTI, DILG and DOST, was catalytic in paving the way for: (1) the forging of partnership among the three oversight agencies; and (2) institutionalizing the support to the automation of BPLS, which is the only way the government can raise the service standards for business processing. INVEST assisted in organizing the Technical Working Group on BPLS Automation that led to the finalization of the MOA that was signed during the forum. The meetings of the three agencies assisted by INVEST were instrumental in organizing the committee that was eventually formalized in the MOA.

In addition, the knowledge products developed with USAID assistance are important documents that will facilitate the adoption of further reforms in BPLS in the areas of BPLS computerization and inspection. These manuals provide vital support to the reforms in these two areas.

The Forum's program coverage addresses the usual concerns of LGUs interested in automation – planning and management, financing, and software and hardware solutions. The Forum also promoted public-private partnership since it linked the private sector software developers with LGU officials, who were exposed to the latest developments in ICT. At the same time, the DOST also provided tips for LGUs on managing private developers.

B. Lessons Learned

For INVEST, the organization of the Forum provided useful lessons that can be applied in future events.

First, champions within the agencies helped in the coordination and overall supervision of the event. Soliciting the commitment of the concerned Undersecretaries – Undersecretary Panadero (DILG), Undersecretary Maglaya (DTI), and Undersecretary Casambre (DOST) - proved critical in bringing the three partner agencies together. The

close relationship and coordination of INVEST with the aforementioned champions paved the way for the agencies to push for BPLS automation.

Second, technical level support is critical in the planning and management of the project. INVEST also ensured the full participation of the appropriate directors of the three agencies, who were responsible for ensuring that the event was managed well at the operational level. Related to this was the importance of managing the sensitivities of partners and being very patient at addressing gaps.

C. Next Steps

The launching of the BPLS Automation Project and the signing of the MOA are just the first steps in the promoting BPLS automation. Further steps to ensure that the project will take off include:

1. Activating the Technical Working Group (TWG) on eBPLS. Institutionally, the success of the project hinges on how well the TWG will operate, specifically on how plans and activities in support of the project's goals are designed, implemented, and evaluated. It is therefore vital that the DOST, as chair of the TWG on eBPLS, assigns personnel in charge of the project and formally organize the group.
2. Rolling out the Training Program on BPLS Automation and Inspection Reforms. The knowledge contained in the knowledge products on these reform areas must be disseminated by government, perhaps in partnership with the private sector, to the correct LGU personnel in the appropriate manner. This includes the designing of training programs, and developing the appropriate training modules out of the knowledge products and other resources, and then conducting the training. In the designing and implementation of the training programs, as well as other interventions that may be needed, the results of the eReadiness Survey that was conducted by the LGA must be taken into serious account. INVEST intends to turn over to DOST the training modules for the three knowledge products that were used in conducting the trainings on automation and inspection in its three target cities. These modules can be used by DOST and DILG in future trainings to LGUs in computerization and inspection, respectively.
3. Addressing the Issues Raised During the Forum. There were a number of concerns raised during the Forum that have to be addressed by national government agencies (refer to part VI of the report). These need to be discussed at the next BPLS Oversight Committee for action by the concerned agencies.
4. Activating the eBPLS Help Desk at the LGA. USAID assisted the LGA in setting up an online help desk in order to provide assistance to LGUs which are undertaking BPLS reforms. The help desk will be a good support tool to address the concerns of LGUs that will be automating. There may be a need for the LGA to sign a MOA with DOST so that questions on BPLS automation would be handled by the latter.

Overall, the Forum was a significant event, where development assistance was important in forging partnerships, institutionalizing policies and paving the way for future improvements in regulatory reforms.

ANNEX 1. Members of the Technical Working Group on BPLS Automation

Chair: MS. GRACE AMBERONG
DOST-Information Communications Technology Office

Members: Department of Trade and Industry (DTI)

DIR. LOURDES YAPTINCHAY

MS. TERESITA REVILLA

DILG – Local Government Academy (DILG-LGA)

MS. ANGIE LAYUGAN

MS. SALLY JUMALON

USAID Investment Enabling Environment Project (INVEST Project)

MS. OFELIA TEMPLO

MS. JOVIE CORAZON IMPORTANTE

MR. ANTONIO AVILA, JR.

Local Government Support Program for Local Economic Development (LGSP-LED)

DIR. FRANCIS GENTORAL

MS. SEF CARANDANG

Secretariat: MS. MARYROSE LOURDES REGALIA, DOST-ICTO

MR. DON CHRISTIAN MARIANO, USAID INVEST Project

MR. TIMOTHY SALERA, USAID INVEST Project

MS. MA. CHARO PASCUA, USAID INVEST Project

MS. VERONICA PAULA MONZON, LGSP-LED

ANNEX 2. The Forum Program

Day 1, 24 July 2012

8:00 – 9:00 am	Registration
9:00 – 9:05 am	National Anthem and Invocation Director Maria Lourdes Yaptinchay Department of Trade and Industry
9:05 – 9:10 am	Welcome Remarks Hon. Austere A. Panadero Undersecretary, Department of the Interior and Local Government
9:10 – 9:30 am	Messages Mr. Thomas Rojas Economist, United States Agency for International Development / Philippines Mr. Luke Myers Country Program Manager, Canadian International Development Agency

PART 1: OVERVIEW OF BPLS AUTOMATION IN LOCAL GOVERNMENTS

There has been much progress in the Nationwide Streamlining of the Business Permits and Licensing System (BPLS) Program since its launching in August 2010. Since many local governments have adopted the standards for business processing, the government is currently promoting the automation of BPLS. There do exist software solutions on business processing that LGUs can tap to enable them to meet the BPLS standards. In fact, a growing number of LGUs have automated and are now benefitting from the investment. The experiences of these LGUs could provide insights that are useful for other LGUs that intend to go into automation in the near future.

9:30 – 9:50 am	Updates on the Nationwide BPLS Streamlining Program Hon. Zenaida C. Maglaya Undersecretary, Department of Trade and Industry
9:50 – 10:20 am	Options for BPLS Automation Ms. Madeleine Arevalo Field Operations Office, National Computer Center, DOST

cont'd

Mr. Angelo Timoteo M. Diaz De Rivera

Former Commissioner, Commission on Information and Communications Technology

Mr. Juergen Seelman

iTax Consultant, German International Cooperation

10:20 – 11:30 am

Learnings from the Automation Experiences of Selected LGUs

Hon. Hernani Braganza

Mayor, Alaminos City (Pangasinan)

Hon. Carolyn Fariñas

Mayor, San Felipe (Zambales)

Atty. Renchie Padayao

Chief, Business Permit and Licensing Division, Valenzuela City

Ms. Chrysalene Cunanan

Head, Quality Management Systems, Angeles City (Pampanga)

Open Forum

11:30 – 12:30 pm

Lunch

PART 2: INSTITUTIONAL SUPPORT FOR BPLS REFORMS

To further strengthen the implementation of the BPLS Nationwide Streamlining Program, the Department of Science and Technology, the Department of the Interior and Local Government, and the Department of Trade and Industry, have agreed to enter into a Memorandum of Agreement (MOA) to ensure that local government units pursue BPLS automation. The MOA will include software development, provision of policy guidelines and capacity building for LGUs to better plan and manage automation initiatives. In addition, three (3) knowledge products on BPLS automation and inspection, which were developed with support from USAID, will be officially turned-over to the government. The knowledge products will be useful guides for LGUs that plan to computerize their business processing.

12:30 – 12:45 pm

Messages

Hon. Gregory L. Domingo

Secretary, Department of Trade and Industry

Hon. Mario G. Montejo

Secretary, Department of Science and Technology

Hon. Jesse M. Robredo

Secretary, Department of the Interior and Local Government

- 12:45 – 1:10 pm Turn Over of BPLS and Inspection Knowledge Products
- BPLS Automation Planning and Implementation Guide: Computerizing Business Permits and Licensing System in the Philippines
 - BPLS Automation Baseline Guide: Automation Baseline Design
 - Setting-Up a Business-Friendly Inspection System

Mr. Reed Aeschliman

Deputy Mission Director, United States Agency for International Development/Philippines

- 1:10 – 1:30 pm Messages of Cooperation

Hon. Guillermo Luz

Private Sector Co-Chairman, National Competitiveness Council

Executive Director Jeremy Philippe T. Nishimori
League of Cities of the Philippines

Atty. Jocelle Batapa-Sigue

Chair, National Information and Communication Technology
Confederation of the Philippines

Mr. Edwin Glindro

Assistant Secretary-General, Philippine Chamber of Commerce and Industry

Mr. Hans Shrader

Co-Convener, Working Group on Growth & Investment Climate

PART 3: PARAMETERS FOR PLANNING AND IMPLEMENTING BPLS AUTOMATION

The Information, Communication and Technology Office (ICTO) of the Department of Science and Technology is spearheading the BPLS automation Project. Many LGUs that have computerized encountered difficulties in the process of setting up and managing their systems. The ICTO will share with LGUs tips on how to prepare, plan and manage automation systems to avoid the pitfalls experienced by other LGUs. In addition, some financial institutions will also provide information available financing schemes that can be tapped for automation.

- 1:30 – 1:45 pm Overview of the BPLS Automation Project
- Hon. Louis Napoleon C. Casambre**
Undersecretary, Department of Science and Technology

PART 4. NATIONAL GOVERNMENT AND PRIVATE SECTOR INITIATIVES IN SUPPORT OF BPLS AUTOMATION

A number of national government agencies and corporations have initiated process reforms aimed at improving front line services for the business sector, including the business permitting system. However, many local governments are still unaware of all of these initiatives and reforms, which will support their automation projects. The private sector presentations, on the other hand, are intended to enlighten local governments on solutions that private sector developers can offer, should they opt to contract external providers for their BPLS automation requirements.

9:10 – 10:30 am

National Government ICT Initiatives in support of BPLS

The Philippine Business Registry

Director Ernani Dionisio

Philippine Business Registry, Department of Trade and Industry

The Securities and Exchange Commission's iView

Assistant Director Lilia Pinzon

MIS Division, Securities and Exchange Commission

Bureau of Internal Revenue's eTIN

Deputy Commissioner Lilia Guillermo

Bureau of Internal Revenue

Next Wave Cities and BPLS Automation

Deputy Executive Director Alejandro Melchor III

Information & Technology Office, Department of Science & Technology

Integrated Government Philippines (iGovPhils) Project

Director Denis Villoriente

Officer-in-Charge, National Computer Center, Department of Science and Technology

Open Forum

10:30 – 12:30 pm

Private Sector Support for BPLS Automation of LGUs

Mr. Ferdinand Sia

Finance Expert, USAID-INVEST Project

Ms. Rem Patco

Vice President/Director – Geodata Solutions, Inc.

Ms. Ruby Lehaney

Total Information Management Corporation

cont'd

Ms. Precy Abalon
Informan, Incorporated

Mr. Alexander Caluag
iTax Consultant, German International Cooperation

Open Forum

12:30 – 01:30 pm **Lunch**

PART 5: SETTING UP BUSINESS-FRIENDLY INSPECTION SYSTEM

The Department of the Interior and Local Government recently conducted a study entitled Setting-Up a Business-Friendly Inspection System that aimed at addressing the complaints of businessmen on the tedious and often time-consuming inspections conducted as part of the business permitting process. This USAID-funded study complements an earlier report prepared by the International Finance Corporation that documented their own experience in working with four cities at the National Capital Region. The Department of Public Works and Highways (DPWH) and the Bureau of Fire Protection (BFP) have also recently undertaken initiatives to improve procedures in complying with inspection regulations. All these reforms affecting the inspection systems will lead to improved regulatory processes at the local level.

1:30– 2:00 pm How to Make Inspections Business-Friendly

Mr. Hans Shrader
Senior Program Manager, International Finance Corporation

Mr. Noel Macalalad
Consultant, USAID-INVEST Project

2:00 – 2:30 pm Making Construction Permitting More Business-Friendly
Director Emmanuel Cuntapay
Department of Public Works and Highways

2:30 – 3:00 pm Fire Safety Inspections to Facilitate Permitting to Businessmen
Engr. Mariano Joseph Jr.
Chief, Fire Safety Enforcement Division, Bureau of Fire Protection

3:00 – 4:00pm Open Forum

ANNEX 3. The Memorandum of Agreement

MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This AGREEMENT is made and entered into by and between:

The **DEPARTMENT OF TRADE AND INDUSTRY**, with office address at Trade and Industry Building, 361 Sen. Gil J. Puyat Avenue, Makati City herein represented by its **SECRETARY, HONORABLE GREGORY L. DOMINGO**, and hereinafter referred to as "DTI;"

The **DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT**, with office address at A. Francisco Gold Condominium II, EDSA cor. Mapagmahal St., Diliman, Quezon City, herein represented by its **SECRETARY, HONORABLE JESSE M. ROBredo** and hereinafter referred to as "DILG;"

and

The **DEPARTMENT OF SCIENCE AND TECHNOLOGY** through the **INFORMATION AND COMMUNICATIONS TECHNOLOGY OFFICE-NATIONAL COMPUTER CENTER**, with office address at C.P. Garcia Avenue, U.P. Diliman, Quezon City, herein represented by its **SECRETARY, HONORABLE MARIO G. MONTEJO**, hereinafter referred to as "DOST".

WITNESSETH, that:

WHEREAS, the annual Doing Business Survey of the International Finance Corporation and the World Bank has consistently identified the high cost of doing business in the Philippines as a constraint to the competitiveness of the country and the development of the local economies;

WHEREAS, Republic Act No. 9485, otherwise known as the Anti-Red Tape Act (ARTA), mandates all government instrumentalities to provide efficient delivery of services to the public by reducing bureaucratic red tape and preventing graft and corruption and relatedly setting standards for processing business permits and licenses issued by cities and municipalities to improve efficiency in the business registration system and reduce the cost of doing business in the country;

WHEREAS, Sec. 27 of Republic Act No. 8792 or the Electronic Commerce Act of 2000 requires all departments, bureaus, offices and agencies of the government, as well as all government owned and controlled corporations to:(a) accept the creation, filing or retention of documents in the form of electronic data messages or electronic documents;(b) issue permits, licenses, or approval in the form of electronic data messages or electronic documents;(c) require and/or

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RAQUEL M. CLEMENTE
Head, Records Section
Department of Trade and Industry

accept payments, and issue receipts acknowledging such payments, through systems using electronic data messages or electronic documents; or(d) transact the government business and/or perform governmental functions using electronic data messages or electronic documents, among others;

WHEREAS, President Benigno S. Aquino III has identified the nationwide streamlining of the Business Permit and Licensing System (BPLS) of cities and municipalities as a priority of his administration during his maiden State of the Nation Address in 2010;

WHEREAS, DTI and DILG, in response to the President's directive, launched the Nationwide Streamlining of Business Permits and Licensing Systems (BPLS) Program in the Philippines in August 2010 and issued Joint Memorandum Circular (JMC) No. 1, Series of 2010 on the *Guidelines in Implementing the Standards in Processing Business Permits and Licenses in all Cities and Municipalities*;

WHEREAS, a Memorandum of Agreement between DTI and DILG was signed on August 6, 2010 to delineate responsibilities between the two agencies in promoting the streamlining of business registration processes and to create the BPLS Oversight Committee that will provide the overall policy direction in the upscaling of the BPLS reforms nationwide and in coordinating the capacity building requirements for the project among its regional, local government operations officers, its bureaus and attached agencies;

WHEREAS, the Nationwide Streamlining of BPLS Program has five components: (1) advocacy for mobilizing BPLS reforms; (2) business permits process re-engineering; (3) BPLS automation; (4) improving customer relation; (5) institutionalization of BPLS reforms;

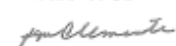
WHEREAS, the DTI and the DILG, after providing training to a number of local governments nationwide on the service standards for BPLS, agreed that automation of business registration processes should be promoted to facilitate not only compliance with the BPLS standards set in JMC No.1 but attainment of more efficient processes comparable with ASEAN countries;

WHEREAS, the DOST has developed and deployed an Electronic Business Permit and Licensing System (eBPLS), a software product and web application that enables LGUs to process business applications electronically;

WHEREAS, as an offshoot of consultations with stakeholder groups, the DOST, through the Information, Communication and Technology Office–National Computer Center (ICTO-NCC), with its experience in the systems development and in coordinating the government-wide computerization program, agrees to be a partner of the DTI and DILG in promoting BPLS automation and in assisting LGUs in setting-up their automated BPLS compliant with standards for processing business permits.

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RAQUEL M. CLEMENTE
Head, Records Section
Bureau of the Local Government Unit

NOW, THEREFORE, in consideration of the mutual covenants, conditions and agreement as hereinafter set forth, the parties agree to undertake a joint project on the automation of the Business Permits and Licensing System as follows:

ARTICLE I
TITLE OF THE PROJECT

BPLS Automation, which is the second component of the Nationwide Streamlining of the BPLS Program, is hereinafter referred to as the "Project."

ARTICLE II
SCOPE OF THE PROJECT

The Project will involve the development and implementation of a framework that will define the activities to be undertaken to promote the use of information and communications technology in ensuring efficient and effective dispensation of LGUs business permitting processes. The framework will include social marketing, conduct of an e-Readiness survey, capacity building, systems development and deployment and private sector participation in automating BPLS.

ARTICLE III
OBLIGATIONS BY THE PARTIES

Each party involved in the MOA will have the following roles and responsibilities:

1. DOST shall:

- a. Chair the Technical Working Group on e-BPLS and provide secretariat support and promote its activities;
- b. Jointly endorse together with DTI and DILG the BPLS Automation Planning and Implementation Guide and the BPLS Baseline Design which were developed by the DOST through the ICTO-NCC;
- c. Assist in the design and analysis of the e-Readiness survey that will determine the assistance to be given to LGUs on BPLS automation;
- d. Organize a core project team and assign a project manager who will be responsible for the management of the systems development of the enhanced e-BPLS;

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RAQUEL M. CLEMENTE
Head, Records Section

- e. Assist in mobilizing resources for the project, including providing funding support from the Department's budget for the activities to be implemented for the project by its regional counterparts;
 - f. Coordinate with the various attached agencies of the DTI that will contribute to the implementation of the project;
 - g. Take charge of providing capacity building on BPLS automation to LGUs, in coordination with the DILG and DTI; and
 - h. Participate in the monitoring and evaluation system for the project.
2. DTI obligates itself to:
- a. Jointly endorse with DILG and ICTO-NCC the BPLS Automation Planning and Implementation Guide and the BPLS Baseline Design which were developed by the DOST through the ICTO-NCC;
 - b. Harness and mobilize the support of the private sector and other stakeholder groups in the activities of the project following the principles of public-private partnership (PPP);
 - c. Coordinate with the various regional offices and attached agencies of the DTI that will contribute to the implementation of the project;
 - d. Take charge of investment promotion, marketing and consumer-related issues in the project; and
 - e. Participate in the monitoring and evaluation system for the project;
 - f. Assist in mobilizing resources for the project, including providing funding support from the Department's budget for the activities to be implemented for the project by its regional counterparts; and
 - g. Actively participate in the Technical Working Group on e-BPLS and promote its activities.
3. DILG shall:
- a. Jointly endorse together with DTI and DOST the BPLS Automation Planning and Implementation Guide and the BPLS Baseline Design which were developed by the DOST through the ICTO-NCC;

- b. Assist in the distribution and retrieval of the e-Readiness survey that will determine the assistance to be given to LGUs on BPLS automation;
- c. Assist the DOST in designing and administering training activities for the project;
- d. Assist in mobilizing resources for the project, including providing funding support from the Department's budget for the activities to be implemented for the project by its regional counterparts;
- e. Formulate a monitoring and evaluation system for the project including the submission of regular monitoring reports;
- h. Coordinate with the various regional offices and attached agencies of the DILG that will contribute to the implementation of the project; and
- i. Actively participate in the Technical Working Group on e-BPLS, as Co-Chair and promote its activities.

ARTICLE IV PROJECT DELIVERABLES

The following shall constitute the project deliverables:

- 1. A framework for the promotion of BPLS automation that details the activities under the second component of the Nationwide Streamlining of BPLS Program of the government;
- 2. A work plan for the promotion of BPLS automation of the framework;
- 3. An enhanced e-BPLS that can be distributed to LGUs including a capacity building and advocacy plan for its implementation;
- 4. An e-Readiness Survey Report on the LGUs;
- 5. Proposals for strengthening public-private partnership in promoting BPLS automation, including the setting up of a system of accreditation or compliance audit managed by the private sector;
- 6. A Communications Plan consistent with the BPLS Automation Framework that will include the development and distribution of advocacy and promotional materials; and
- 7. Monitoring status of the various activities of the project and preparing status report.

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ARTICLE V
CREATION OF A TECHNICAL WORKING GROUP

To develop and implement the project as well as to operationalize and implement the agreements set forth in this Memorandum, the parties agree to create a Technical Working Group (TWG) on eBPLS.

1. Composition. The TWG shall be composed of the following:

Chairperson	:	DOST - Information and Communications Technology Office - National Computer Center
Co-Chair	:	DILG - Local Government Academy
Members	:	DTI - Philippine Business Registry Office DTI - Office of Policy Research/E-Commerce Office DTI - Regional Operations and Development Group DILG - Bureau of Local Government Development

Other members may be designated or requested by the parties, with concurrence of the other parties.

The TWG shall be supported by a Secretariat which will be based at the DOST (ICTO-NCC).

The TWG shall be a committee under the BPLS Oversight Committee which is co-chaired by the Lead Conveners of the Philippine Development Forum (PDF) Working Groups on Decentralization and Local Government (WG-DLG) and Growth and Investment Climate (WG-GIC).

2. Functions of the TWG. The TWG shall have the following functions:

- a. Convene meetings and workshops to discuss, plan, formulate and prepare all documents required for the implementation of the BPLS automation or Component 2 of the BPLS Streamlining Program;
- b. Formulate the framework, scope of work and work plan to implement the BPLS automation or Component 2 of the BPLS Streamlining Program and present these to the TWG for approval;
- c. Draw up/recommend in the work plan the criteria for selecting/targeting LGUs and present to the BPLS Oversight Committee for approval.

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RAQUEL M. CLEMENTE
Head, Records Section

- d. Formulate the eBPLS Readiness Survey to be administered to LGUs;
- e. Prepare the BPLS automation project plan and recommend/present to the BPLS Oversight Committee for approval;
- f. Prepare the approved project plan for the enhanced eBPLS for the approval of the BPLS Oversight Committee and which will be the basis for seeking financial support for the activity, including that coming from the e-Government Fund;
- g. Perform other tasks as may be assigned by the BPLS Oversight Committee until the eventual turnover of the project to concerned operating units of the three agencies for implementation.

ARTICLE VI TERMS OF AGREEMENT

This Agreement shall take effect upon its execution when it is accepted/signed by the parties and shall continue to be in force until terminated or cancelled by all the parties upon ten (10) days prior written notice or acceptance of a terminal report.

ARTICLE VII SUPPLEMENTARY PROVISIONS


Issues not covered in this MOA may be agreed by the Parties in supplementary provisions. The supplementary provisions and the annexes of this MOA constitute an integral part of this MOA.

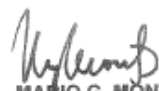
DTI, DILG, and DOST are expected to perform their obligations in good faith.

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IN WITNESS WHEREOF, the parties hereto have hereunto set their hands on this 24th day
of July in the year 2012.


GREGORY L. DOMINGO
Secretary
Department of Trade and Industry



JESSE M. ROBREDO
Secretary
Department of the Interior and Local Government


MARIO G. MONTEJO
Secretary
Department of Science and Technology

WITNESSES


ZENAIDA C. MAGLAYA
Undersecretary
Department of Trade and Industry


AUSTERE A. PANADERO
Undersecretary
Department of the Interior and Local Government


LOUIS NAPOLEON C. CASAMBRE
Undersecretary
Department of Science and Technology

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RAQUEL M. CLEMENTE
Head, Records Section
Department of the Interior and Local Government

ANNEX 4. Forum Documentation

DAY 1: 24 JULY 2012 (TUESDAY)

WELCOME REMARKS

Hon. Austere A. Panadero

Undersecretary, Department of the Interior and Local Government

Currently, the Philippines has over-600 local government units that have streamlined their BPLS. The government has been undertaking re-engineering initiatives on LGU's business permitting and licensing systems to attract more investors. Despite these reforms on BPLS, the Philippines still ranks at the bottom, based on competitiveness surveys conducted by international organizations. Though, this does not imply that the Philippine government is not doing anything to make the standing more acceptable.

One of the reasons behind this standing is that other countries are doing a lot of reforms to attract more investors than the Philippines. The need for automation and computerization of the process in setting up a new business would not only simplify BPLS processes, but also propel the country's rankings in competitiveness surveys. With this, local and foreign entrepreneurs may be encouraged to invest in the country.

The world is starting to become technology-oriented. Thus, maximizing the use of the internet will make business transactions a lot easier. Oftentimes, a reason behind delays in business transactions is partly due to long inspection processes. To make BPLS more business-friendly, it would be better if reforms in inspections will also be conducted.

Having the Department of Science and Technology (DOST) on board as a new member of the BPLS Project implies that strong partnerships between the conveners will create a more convenient business environment for all. This also shows how serious is the present administration in getting more investors to achieve inclusive economic growth.

Everyone knows that it's more fun in the Philippines, but hopefully in the next few years it would also be more profitable and efficient to invest in the country.

MESSAGES

1. Mr. Thomas Rojas

Economist

United States Agency for International Development/ Philippines (USAID)

The Philippines have been striving hard to become the darling place for investors. A lot of initiatives have been made to achieve the goal of the present administration-to achieve inclusive economic growth. A critical step to make this goal realistic is to improve the business standard in business processing in the Philippines.

Improving the standard does not mean that there is a need to start all over again rather, it is only a way to attract more investors through the simplification of processes in setting up new businesses –or making the process shorter and convenient. USAID is now helping three cities in the Philippines - Iloilo, Batangas and Cagayan De Oro - to improve their facilities, systems and procedures to make them a darling for investors and make investments flow to their cities.

The INVEST Project aims to develop the cities' local economy by providing them options to increase their revenues through investments. More investments would generate more employment for the people; which would then result in additional income for the respective local government.

Considering the issues in local and national relations with respect to BPLS, the project would thus require an interagency approach. The goal of inclusive economic growth could not be achieved without the help of the different line agencies.

2. Mr. Luke Myers

Country Program Manager

Canadian International Development Agency (CIDA)

The Philippines have been creating an ambitious but attainable plan to become part of the globally competitive investment centers. The current administration has been doing its best to improve the economy of the country. In support of this objective, the Canadian International Development Agency (CIDA) has conducted initiatives to attain sustainable and inclusive economic growth and will continue to support BPLS reforms.

With the support of CIDA, seven municipalities have successfully implemented the eBPLS through the Electronic Governance for Municipal Development (eGov4MD) Project.

Mobilizing national government agencies and local government units to develop policies and programs for priority sectors identified in the Philippine Development Plan is important to make the goal achievable. There is also a perceived need to improve the country's infrastructure to convince investors in putting up their businesses in the country.

Further, BPLS automation is deemed important to simplify and improve the process in setting up a new business. To ensure its success, concerned agencies project should be active and cooperative in the planning and most especially in the implementation phase. The BPLS help desk has also been established to assist people in understanding the business permitting process.

In the implementation of this project, Monitoring and Evaluation is also critical. This would determine the success of the project whether it should be continued or not.

The goal is to make the Philippines a prime investment place in the world. Noting the primary role of the LGUs especially in implementation, there is a need to capacitate them to make the aforementioned goal achievable and create a (very) business-friendly environment probably in the next two years.

PART 1: OVERVIEW OF BPLS AUTOMATION IN LOCAL GOVERNMENTS

Updates on the Nationwide BPLS Streamlining Program

Hon. Zenaida C. Maglaya

Undersecretary, Department of Trade and Industry

The objective of the Nationwide BPLS Streamlining Program is to create a business friendly environment through the streamlining of business registration processes. This objective can only be achieved by supporting the Anti-Red Tape Act. More than 600 LGUs were enrolled in BPLS. The bad news is that no matter how much effort the government exerts, the Philippines' rank in terms of competitiveness continues to deteriorate.

We need to streamline BPLS in as many LGUs as possible. If the implementation of BPLS was successful in Zambales, Alaminos and Angeles City, then all municipalities and cities in the country can also do the same thing. More specifically, we need to lower the service standards for new business applications and renewals for LGUs.

To make this plan happen, there is a need to develop and implement capacity building programs for BPLS streamlining, strengthen the coordination among national government agencies, local government units, and the private sector in implementing BPLS reforms, and harmonize different reform initiatives by development partners in the area.

The department has conducted seven training for trainers nationwide. It also prepared knowledge products like program for the roll-out of BPLS Streamlining to LGUs, the Manual on BPLS Standards, and the BPLS Business Model and Reform toolkit for Project teams.

As of June 30, 2012, 748 local government units have already undergone the process of BPLS re-engineering. This total consists of 421 LGUs of the 480 target LGUs, and 327 others that are on the target list. Two hundred and three LGUs are currently undergoing reforms, of which 44 are from the target list and 159 from the non-target list). The BPLS Fast Track roll out effort aims to cover all cities and municipalities by 2016, as instructed by the President.

The implementation of this initiative would use a results-based monitoring and evaluation system; which aims to establish the BPLS certification system and identify business-friendly LGUs. An Incentive System would also be set up for investors. It will also forge an agreement through a MOA with the DILG and DOST on BPLS automation.

OPTIONS FOR BPLS AUTOMATION

1. Ms. Madeleine Arevalo

Field Operations Office

National Computer Center

Information and Communications Technology Office, DOST

The department is now using an Open Source Technology-based and Web-enabled system for fast transactions. The system is also SMS-capable. The "Jumpstarting Electronic Governance for Local Government Units (eLGU) Project" was also launched to make the connectivity of each LGU a lot easier. The benefits of the project are as follows:

- Report flexibility. The system generates collective performance, collection abstract, and delinquency lists; master lists of businesses; and several other reports.
- Access friendly. A taxpayer has the option to access the system via an LGU's web portal on the Internet or via the LGU's kiosk.
- Deployment versatility. The system can run on stand-alone or in a local area network (LAN) environment.
- Multi-module system. The system opens up and expands LGU capability in the administration of business licensing in five (5) key areas: application, assessment, approval, payment, and releasing.

The target beneficiaries are 375 pilot LGUs. The total deployments are 120 for eLGU and 76 for CESO. For the full implementation of the project, the target is 20 LGUs for eLGU and 49 LGUs for CESO.

2. Mr. Angelo Timoteo M. Diaz De Vera

Former Commissioner

Commission on Information and Communications Technology

The BPLS streamlining program should include cloud options. Nowadays, the world is becoming more and more technology-oriented. Almost everyone is using the internet or has a cell phone. There is a need to maximize the use of this technology to make business transactions more convenient. Some businessmen are using the internet to promote their products.

The challenge here is to make the system mobile-enhanced. Cell phone is now considered a necessity. A man cannot go outside his house without his cell phone. If the business system is mobile-enhanced, then the target consumers would be doubled. Use Facebook as a marketing strategy since 9 out of 10 Filipinos are now using Facebook. Use the advantage of the Philippines as the biggest and largest user of internet in the Far East.

3. Mr. Juergen Seelman

iTax Consultant

German International Cooperation (GIZ)

Based on ten pilot cities, iTax system has been successful. The project concentrates on the provinces. The Philippines has a lot of real properties but not so many business establishments. The objective of GIZ is to set up a sustainable structure that will assist local government units in the computerization and automation of business taxes.

The mission of GIZ is to support all provinces to adopt, and be capable enough in using, all the features of iTax system. Creating one system for all will make the process a lot easier in collecting taxes like real property taxes. The integrated revenue reporting of the iTax system supports the automation of data. Having a data dictionary is also important to avoid confusion on the part of the implementers.

Data should be owned by the local government and not by a private company. Private company can get data from the local government but not own it. The data generated from the iTax system is strictly confidential.

The concepts to remember about the iTAX System are:

- ✓ Risk based inspections can be supported by the iTAX system through the selection and identification of the businesses in the field with the Android application - This enables an LGU to support field inspections.
- ✓ Data generated from the iTAX system should be owned by LGUs. Concerned agencies can access the data through a MOA.
- ✓ The data dictionary issued by NCC on BPLS enables an LGU to abandon overprized systems.
- ✓ Use formulas for computations instead of tables in ordinances.
- ✓ Follow international classifications in defining businesses.

LEARNINGS FROM THE AUTOMATION EXPERIENCES OF SELECTED LGUs

1. Hon. Hernani Braganza

Mayor
Alaminos City (Pangasinan)

Alaminos City envisions a peaceful city, with well educated, healthy and God-centered citizens sharing fully in a development propelled by a competitive local economy anchored on ecotourism, agriculture, commerce and light industry, serving as the vibrant hub of Western Pangasinan and as a living showcase of a family-oriented, environmentally-sensitive growth with equity.

The key features of the *Wireless Internet-Based Governance System (WINGS)* are as follows: One System, One Government Program; a high speed City-owned wireless infrastructure facility; interconnected the entire city based on public schools; critical support to the implementation of various programs of the City especially in areas of public education, tourism, public order and safety, human resource development, and good governance; locally-developed software; information at your fingertips; empowers public officials in planning, budgeting and administrative functions; transparency in governance; customized to the needs and requirements of the local government; cost-efficient; and the capability to undertake Ortho-photo Mapping.

The objectives of the system are as follows:

1. Improve the quality of public education,
2. Improve the delivery of services to the public, and
3. Enhance the level of governance in the City of Alaminos.

Why there is a need for automation?

Automation is needed to lessen the burden of LGUs in processing business transactions. It will also increase accuracy of reports for new, renewed and unrenewed business permits. For land taxes, automation will make computations of tax dues easier and it will also save time for LGUs in identifying delinquent tax payers. Automation can also be used in preparing notices of delinquency, clearances, and other reports.

For the Assessor's Office, automation will prevent duplication in tax declarations; allow the transfer of properties to the tax dues of the city government, and determine discrepancies in the records of the Land Tax Office. Automation can also be useful in the Municipal Budget Office because budget data would be automatically updated, provided that budgets are prepared based on the previous budget.

The difficulties and costs of BPLS automation are:

1. Review of current policies and systems
2. *Lakbay Aral* (cross-visit) to LGUs with advanced system
3. Proposals from external entities to automate system
4. Inventory of in-house skills and resources
5. Innovation of processes and revision of requirements
6. Software development and hardware procurement
7. Installation, demo and pilot testing
8. Actual run in 2007 onwards

Cost:	Hardware	= <u>P1.09M (server)</u>
	Salaries	= <u>P1.75M (personnel services)</u>
	TOTAL	= <u>P2.84M</u>

To answer these problems, the City of Alaminos developed 21 systems:

1. Integrated Business Permit and Licensing System
2. Personal Information System
3. BFP Information and Clearance System
4. Building Clearance System
5. Zoning Clearance System
6. Integrated Cashiering System
7. Real Property Tax Administration System
8. Occupation Permit System
9. Community Tax Certificate Issuance System
10. Health, Sanitation Permit and Clearance System
11. Police Clearance System
12. Bank Check Issuance System
13. Real Property Tax Archiving System
14. Technical Description-GIS Conversion
15. Project Monitoring and Tracking System
16. Biometric Daily Time Recording System
17. Birth Registry System
18. Household Profile System
19. Nutritional Status Tracking System
20. Enrollment Tracking System
21. On-line Indicator Management System

What are the benefits of a Business Permit and Licensing System?

1. One-stop shop
2. 30-minute processing of business permits and license renewal if requirements are complete

3. 1-day processing of new application for business permit, if all requirements are complied with before the release of permit
4. Rationalized permit regulatory requirements for shortened processing time
5. Generation of reports with accurate details
6. Generation of additional revenues
7. Efficient and timely collection of business taxes
8. Automated generation of various reports for properly monitoring of local businesses
9. System-generation of reports and notices of delinquencies and business establishments with expired licenses
10. Computerized calculation of business taxes
11. Cleansing of records, which resulted in the increase of business tax collection from **P10.2M in 2005 to P18.9M in 2011**

The table below (Table 1) shows the steps in processing business permits (new and renewal):

Table 1: Steps in Processing business Permits

New	Renewal
Interview and Encoding of data	Verification of pre-requirements
Payment and securing clearances	Payment and securing clearances
Payment of fess	Assessment and payment of business tax and other fees
Approval of Mayor's Permit	Releasing of Mayor's Permit
Releasing of Mayor's Permit	

BPLS planning tools consisted of enhanced program planning, integration, and execution. The system has integrated data-gathering and data-sharing among LGU offices. It enhances the reporting capabilities of various offices and improves proper resource allocation and utilization.

Good governance must be the centerpiece of any administration. The business sector must be involved in the development process. Adequate funds should be allocated to the program. An institutionalized funding mechanism will ensure program sustainability. The City of Alaminos saved 40 to 50 million pesos by developing its own systems. Continuous improvement of the system is crucial.

2. Hon. Carolyn Farinas

Mayor
San Felipe (Zambales)

The municipality envisions San Felipe as the premier center of Zambales for specialized skills education, agriculture, and tourism populated with healthy, well-informed, caring, disciplined, hospitable, prosperous and proud citizenry. The municipality developed the Information Systems Strategic Plan (ISSP) for 2010 to 2013 to serve as a guide in the use of information technology.

The LGU staff underwent a series of trainings and received technical assistance from eGov4MD and CESO to establish the municipality's eBPLS. The municipality received CESO assistance in the formulation of its ISSP 2010-2013.

eBPLS automates the assessment and computation of business taxes, penalties, dues and other charges. It also makes the management of business records easier. eBPLS is a compilation of computerized business files. Through this system, the municipality was able to monitor delinquent taxpayers.

The table below (Table 2) shows the process in securing a business/Mayor's permit in San Felipe:

Table 2: Process in securing a business/Mayor's Permit

Step 1	<ol style="list-style-type: none"> 1. Secure the following documents <ol style="list-style-type: none"> a. Barangay Tax Clearance b. Community Tax Certificate c. Sanitary Permit d. DTI Permit (for new Businesses) e. Application Form 2. Submit the above documents for verification and assessment of fees at counter 1. 3. Pay the assessed fees at counter 2, demand Official Receipt and secure the printed business permit at counter 3. 4. Secure Fire Clearance from the BFP Desk/BFP Bldg. 5. Secure BIR Clearance from the BIR San Felipe Office.
Step 2	<ol style="list-style-type: none"> 1. Submit the documents, clearances, official receipt and business permit to the Office of the Mayor for final approval and signature of Municipal Mayor. 2. Secure the business plate from the Licensing Clerk of the Office of the Mayor

What is the situation of the municipality before the adaptation of eGovernance?

- 1) Steady collection from business permits and licenses at an average of P2.4 million a year in the 3 yr period (2007-2009)
- 2) No Business One-Stop-Shop
- 3) Long turn-around time of 1 to 2 days
 - a. Forms for business permit – 2
 - b. Steps – 6 for renewal and 7 for new
 - c. 5 signatories
- 4) Manual Transaction – no computers
- 5) No ICT Committee/officer/staff nor specific line budget to purchase IT equipment
- 6) No IT Plan

After eGovernance the municipality had an increase in LGU revenue of 16.22% or an average of P3 million. This also resulted in the improvement of some municipal facilities and services, thus serving to increase the satisfaction and confidence of taxpayers. Through eGovernance, the municipality was able to establish a Business One Stop Shop. Another benefit of eGovernance is it lessens business processing time from days to 3-5 minutes. From 5 signatories, the requirement was trimmed down to 2. Coordination among the Office of the Treasurer, BPLO, and Office of the Mayor was also enhanced with the aid of computers. The municipality was likewise able to access the records and applicant profiles faster.

Moreover, eGovernance made LGU reports more accurate and made the process easier. The municipality conducted several trainings for its IT staff on the Open Source Software and to familiarize them with BPLO Operations.

The next plans of the municipality include the continued implementation of its ISSP, the allocation of additional funds for the computerization program, the adoption of other eGov4md projects, and the enhancement of municipal programs.

3. Atty. Renchie Padayao

Chief, Business Permit and Licensing Division
Valenzuela City

The City of Valenzuela suffers from a large number of unregistered businesses operating in the city. Making the process easier would encourage unregistered businesses to become legitimate. After the adaptation of BPLS, unregistered business owners have seen how easy it is to have applications for business permits and licenses processed in the city. From five days, processing time has been reduced to 30 minutes. The City of Valenzuela uses a modified form to make the processing of business permits and licensing easier.

BPLS Automation in the city uses Information Technology that provides security measures to the City's data and network infrastructure. Also, the Server Room is equipped with biometrics machine to ensure that only authorized personnel are allowed to enter. Some of the capabilities of the software are as follows:

1. Protecting the City's network infrastructure from outside attack;
2. Providing Intrusion Protection and Antivirus capability;
3. Improving employee's office productivity by *blocking* unproductive sites from access;
4. Granting access to authorized users only; and
5. Blocking of unnecessary Internet ports/applications and controls Internet user's bandwidth.

The software has a storage and backup system wherein individual servers are configured using RAID technology with each server having two hard disk drives in use and are in mirrored configuration. With that, failure in one drive will not stop the operation of the computer, which can still use the other mirror drive. The Backup Storage uses HP StorageWorks DAT 160 USB Tape, Drive (Installed at the Server Room), Dlink DNS-343 Network Attached and Storage Devices (Offsite).

The table below (Table 3) shows the on-going and pending projects of the City government of Valenzuela.

Table 3: On-going and pending projects of the City of Valenzuela:

On-going:	Pending:
1. City Ordinances and Resolutions Digital Archiving	1. GIS expansion project - BPLO
2. Installation of CCTV at BahayKalinga	2. Command Center/City Wide CCTV installation
3. Installation of WiFi - New City Government Complex	
4. Winlab Expansion Project	
5. GIS expansion project – Zoning, CENRO, CPDO, Building Permit6	
6. New Emergency Hospital Voice and Data Setup.	
7. PBR Connectivity with DTI	

4. Ms. Chrysalene Cunanan

Head, Quality Management Systems
Angeles City (Pampanga)

Automation is not only applicable for business processing but can also be used to process other data. Angeles City realized that automation was needed because the city does not have any defined system for business processing. The city cannot control all the documents due to weak monitoring of existing business establishments. The City then looked at automation to enable it to improve tax and fee collection and to eliminate unnecessary delays in processing.

The City Government of Angeles thus created the “Business Permit and Licensing System on Business-One-Stop-Shop (BPLS on BOSS) Project. The project started with the issuance of EO No. 15, S-2000 or “Organizing the Core and Technical Working Group for the establishment of a Quality System in the Angeles City Government.” It was later amended through EO No. 34, S-2002. In the meantime, EO No. 01, S-2002 (Government Operations Information Technology Plan (GO-ITP) also known as the Angeles City Computerization Program was approved on January 7, 2002. GO-ITP was adopted as a framework to guide the computerization of operations and services of the City Government to enhance overall governance and improve the efficiency and effectiveness of the bureaucracy.

By August 2002, the streamlining of the BPLS in the City has been fully implemented. Then, in the following year, January 2003, the BPLS was further improved with the streamlining of the renewal process through the implementation of B.O.S.S. (Jan.6-Feb. 28, 2003). In June 2, 2003, BPLS on B.O.S.S officially started.

And then in August 28, 2003, Certification International Philippines (CIP) conducted the first of a series of audits (Pre-Audit Assessment). It awarded the Certificate of Registration of an Organization Assessed Capability to Angeles City for Business Permits Processing and Issuance in 2003. This endeavor has been adopted and continuously implemented by the current administration.

The LGU should consider the cost of computerization when it adopts automation as a program. Way back in 2000, the Angeles City Government allotted around P3 million for computers, printers, servers and other basic requirements for computerization. Other preparations made were: updating the database; documentation of the system and information dissemination on the new process/system. *Table 4* shows the features and benefits of BPLS on BOSS.

Table 4: Features and Benefits of BPLS on BOSS

What are the features of BPLS on BOSS?	Benefits of the BPLS on BOSS:
<ol style="list-style-type: none"> 1. Year-round B.O.S.S. 2. Verification of Delinquencies 3. Regulatory Offices are integrated in the System (Zoning, BFP, and CHO). Certificates from these offices are secured in stages. 4. Support Offices (GSO, ICTD, CHRMO) were identified 5. Processing time for applications of businesses not needing inspection is one (1) hour and five days for businesses needing inspection 6. It has a Process Control Record for traceability of documents/applications 7. Policies and Procedures and Quality Manuals are available 8. It has two main signatories in the business permit 9. System was developed by in-house programmers 	<ol style="list-style-type: none"> 1. Increase in business tax collection 2. More business owners secure their permits 3. Fast Processing Time 4. High employees' morale 5. Settlement of delinquent accounts 6. Established regulation and system

The steps in securing a business permit in Angeles City are:

- Step 1. Receiving and evaluation of application
 - a. BPLD ocular inspection
 - b. initial assessment of gross receipt/ capital
 - c. verification of BPLD chief
 - d. encoding of application
- Step 2. Final approval of gross receipts/capital
- Step 3. Verification of delinquencies and assessment and payment of fees
- Step 4. FSIC payment
 - a. issuance of certificate of zoning compliance
 - b. issuance of fire safety inspection certificate
 - c. issuance of sanitary permit
 - d. checking of requirements and printing of certificate
- Step 5. Validation of certificate

Issuance of Fire Safety Inspection Certificate for Business Permit (BOSS)

1. Assessment and Payment of Fire Safety Inspection Fee
2. Endorse to CPDO-ZAD
3. Receiving, verification and encoding of application endorsed back by CPDO-ZAD
4. If inspection is not needed, FSIC will be issued.
5. If inspection is needed, FSIS will be issued to applicant and Inspection Order will be prepared.
6. Inspection Order will be forwarded to Document Controller for recording and distribution
7. Fire Safety Inspector will then conduct ocular inspection and prepare After Inspection Report (AIR)
8. After Inspection Report (AIR) will be submitted to Document Controller for filing and monitoring of compliance
9. If there are violations, there will be administrative course of action after which Notice to Comply will be issued. Once applicant has complied and paid the corresponding Administrative Fine, FSIC will be issued.
10. If applicant did not comply, a Notice to Correct Violation will be issued. Once applicant has complied and paid the corresponding Administrative Fine, FSIC will be issued. Or if there is still no compliance, recommendation of stoppage of operation and closure order will be issued

Issuance of Sanitary Permit:

1. Receiving and verification of Business Permit Application Form
2. Endorsement for Ocular Inspection
3. If inspection is needed, Sanitary Inspector will conduct Ocular Inspection for Basic Sanitary requirements
4. Inspection Report will be forwarded to CHO-EHS Officers for Final Approval
5. Sanitary Permit will then be issued and applicant will be advised to secure required number of Health Certificates.
6. If inspection is not needed, application will be forwarded to CHO-EHS Officers for Final Approval
7. Sanitary Permit will then be issued and applicant will be advised to secure required number of Health Certificates.

The City of Angeles maintained its BPLS on BOSS by constructing taxpayer's lounge, continuous ISO 9001:2008 Lounges, maintenance of QMS and both Internal and External audits, full support of top management in terms of budget and conducted capacity building trainings for BPLS on BOSS personnel.

The City of Angeles won *1st Place Highly Urbanized City Category* for the excellent implementation of its documented streamlined procedure for the issuance of Mayor's Permit in 2011. In April 27, 2011, the city received *Plaque of Recognition for satisfactorily sustaining its achievement as Outstanding Implementer of the Documented Streamlined Procedure on the Issuance of Business Permit* even after its conferment of the Hall of Fame Award in 2009.

Other awards received by the city were:

- a. Excellence in Service –PASADA 2010(June 28, 2010 (Holiday Inn Hotel, CSEZ)

- b. Plaque of Recognition for having Satisfactorily sustained its achievement as Outstanding implementer of the Documented Streamlined Procedure on the Issuance of Mayor's Permit even after its conferment of the Hall of Fame Award in 2009
- Best Business-One-Stop-Shop in Central Luzon for the year 2009
 - Certificate of Recognition as Pilot City LGU in Pampanga for the National Business Permits and Licensing System (BPLS) Streamlining Program with the commitment to implement reforms in the Issuance of Mayor's Permit-Renewal by maintaining 4 steps, turnaround time of not more than 60 minutes and the use of single form

In 2009 the city was recognized by the Government Quality Management Committee for the successful installation of a *Quality Management System in Compliance* with Executive Order 605 Series of 2007 Certified to ISO Standards. And in July 8, 2009, one of the recipients of 2009 Presidential Citation for Best Practices in Creating a Business and Investment Enabling Environment for setting up and operating the Business Permit and Licensing System in B.O.S.S. of Angeles City.

In March 26, 2009- Hall of Fame Award for consistently winning first place for three consecutive years (2006, 2007, 2008) in the excellent implementation of Documented Streamlined Procedures on the Issuance of Mayor's Permit (Highly Urbanized City Category).

OPEN FORUM

Issues and Concerns	Response
<p><u>Representative from General Santos City:</u></p> <p>If automation will lessen the steps and requirements in setting up a new business, how about SSS and Philhealth which are mandated by law?</p>	<p>a. From Valenzuela City – Register the business first and will give the investors a year to complete their requirements.</p> <p>b. From Angeles City – Requirement coming from NGAs are just additional requirements. They are not mandatory requirements.</p> <p>c. From Zambales – They are all mandated requirements. The basic is you should know your clients and investors. We encourage them to have SSS and PhilHealth.</p>
<p><u>Representative from South Cotabato:</u></p> <p>Is it possible to make the automation free of charge for LGUs who cannot avail the system?</p>	<p>Ms. Grace assured the participants that they would make strategies that would let other LGUs avail the system if not for free at least at a lesser cost</p>
<p><u>Representative from Zamboanga City</u></p> <p>Problem with getting a fire permit in processing a business permit</p>	<p>Ms. Templo – there would be a representative from Fire Protection tomorrow.</p>

PART 2: INSTITUTIONAL SUPPORT FOR BPLS REFORMS



Signing of the Memorandum of Agreement on the BPLS Automation Project

Messages:

1. **Hon. Zenaida C. Maglaya**
Undersecretary
Department of Trade and Industry

Undersecretary Maglaya thanked the development partners of DTI, the mayors and other government officials for participating in the Forum and for supporting the project. Noting that the goal of the reform process is to improve BPLS automation in the country, she expressed the hope that the work of each city, agency and organization inspires each and everyone to do the same thing to improve business processing in their locality.

2. **Hon. Mario G. Montejo**
Secretary
Department of Science and Technology

Efficiency is important in the delivery of government services to the public. It is also important in increasing the competitiveness of the country in the global market. Innovation in Information, Communication and Technology is also important in achieving a sustainable and inclusive growth. I believe that through the help of our development partners, we will achieve this goal. The government will not be tired of creating more plans just to ensure the security of the people.

3. Hon. Jesse M. Robredo

Secretary

Department of the Interior and Local Government

The government has been showing the world that the Philippines is open for business under new management and administration. BPLS streamlining is just the first step in competing with our neighboring countries. Through the automation of BPLS, we would be showing potential investors that we are competitive enough to give them more profits and a friendlier business environment. More businessmen will invest in our country.

Through the creation of the award system in implementing and developing BPLS, local government units will be motivated to implement the program well. Automation as a governance tool initiates governance reforms. Through this, local government units will become more functional.

DILG commits to participate actively and provide capacity building assistance to LGUs to ensure the success of the computerization of Local Services.

Turn-over of BPLS and Inspection Knowledge Products

1. Mr. Reed Aeschliman

Deputy Mission Director

United States Agency for International Development/Philippines (USAID)

The project aims to make the Philippines as one of the major investment locations in the world. Streamlining business processing is a good start for a country to increase its revenue through investments.

USAID will turn over three knowledge products in promoting business investment and competitiveness in partnership with the NCC, DTI and DILG. The topics covered had been requested by the host country. This is important in issues related to business processing like inspection and automation. We hope that the studies will be useful and help promote new ways in reforming business processing. USAID will continue to assist the Philippines in promoting investment. We hope to add more in the future under the City Development Initiative.

We are proud to be one of the development partners of the Philippines in such an important reform effort as streamlining business registration.

Messages of Cooperation

1. Hon. Guillermo Luz

Private Sector Co-Chairman
National Competitiveness Council (NCC)

BPLS has been a large program of the national government in promoting business-friendly environment for new investors. We are very supportive of this particular endeavour because we can see how effective this project is. BPLS streamlining has been picking up steam and is now being undertaken throughout the country. In streamlining BPLS at the local level, the great challenge would be automation, which has become the most popular reform intervention in BPLS streamlining and in engendering good governance. A constant push to automate BPLS will allow us to reach the next big step which is online registration. This phase will promote a much faster and smoother registration system and better attract more business which, in turn, will generate more employment and add more income, particularly in your area.

2. Mr. Jeremy Philippe T. Nishimori

Executive Director
League of Cities of the Philippines

We extend our message of support to all our development partners. The main objective of this partnership is to enhance the competitiveness of all local governments by making business registration processing more convenient and easier. BPLS automation has lead to many reforms like onetime assessment, onetime payment, and one stop shops.

The objective of this project is to simplify business processes without sacrificing the regulatory role of the local government. This project also aims to enhance basic government services. If BPLS streamlining becomes successful in some cities like Alaminos, Valenzuela, Angeles and San Felipe, then it is also possible for other cities and municipalities to do the same thing. The partnership with CESO is for technical capacity development assistance to promote investment growth.

3. Atty. Jocelle Batapa-Sigue

Chair
National Information and Communication
Technology Confederation of the Philippines

The signing of the Memorandum of Agreement among DTI, DOST, DILG and private institutions shows that they are united in achieving one goal—to attain sustainable and inclusive growth for the country. The strategy adopted should create in the Philippines a customer-oriented environment that will attract more investments into the country and lead to better economic development for everyone.

IT today makes the world smaller and flatter, thus the need for systematizing an efficient business system. Automation should lead to this goal being achieved. Thus, the department, together with the DILG, encourages the effective use of information technology in improving the local business ecosystem which also promotes transparency in governance.

4. Mr. Edwin Glindro

Assistant Secretary-General
Philippine Chamber of Commerce and Industry

The Philippine Chamber of Commerce supports efforts by both local and national governments to streamline BPLS by giving the “Most Outstanding BPLS” award. It will accept 25 more nominees from among the mayors present in the forum.

5. Mr. Hans Shrader

Co-Convener

PDF-Working Group on Growth & Investment Climate

We should strive to be the best in attaining our common goal of sustainable and inclusive growth. The efforts expended by the national and local governments in improving business climate in the country, especially in streamlining and automating business registration processes, shows how serious we are in becoming the darling place for investors. Investments, properly channeled and used, can be a potent tool to reach this goal of sustainable and inclusive growth.

PART 3: PARAMETERS FOR PLANNING AND IMPLEMENTING BPLS AUTOMATION

Overview of the BPLS Automation Project

Hon. Louis Napoleon C. Casambre
Undersecretary
Information and Communications Technology, DOST

Why do we need to have BPLS Automation?

The country's rank in the annual worldwide competitiveness survey had gone down yearly from 2008 to 2011. There was an improvement in 2012 but the rank nevertheless remained low because of corruption. A substantial part of this dismal situation is the highly complex and inefficient business registration processes currently in effect in the country at both national and local levels.

High cost of doing business in the country results in low investments or less investors. Therefore, LGUs must respond to the call of DTI in launching the streamlining of BPLS. Making the process shorter, less costly, and less complicated can attract investors.

Automation will shorten the process and, at the same time, make work easier for the local government. The program eLGU targets all municipalities and cities in the country. The objective of eBPLS is to enhance tax collection and business registering in a locality.

iBPLS is an integration of two applications which further help LGUs to increase their local revenues. Online transaction and payment through Bancnet and g-cash for paying business requirements was also developed. This project aims to empower LGUs in business processing.

LGU Readiness for Automation

Ms. Grace Martha T. Amberong
Consulting and Service Office
Information and Communications Technology, DOST

After the Local Chief Executive (LCE) commits to BPLS reform, the next step is to organize a technical working group (TWG) or BPLS streamlining team through an Executive Order. TWGs are usually composed of: BPLO or the Treasurer as chairman and the heads of LGU regulatory agencies involved in the BPLS process as members, namely:

- BPLO, the City/Municipal Treasurer's Office, City/Municipal Planning Office,
- Local Council Chairman of the Committee on Ways and Means,
- Office of the Building Official,
- Bureau of Fire Protection, and
- City/Municipal Health Office.

The TWG's main task is to steer the BPLS reform process by analyzing areas for reform, preparing the BPLS action plan, guiding members on reform implementation, and assisting in formulating ordinances to support and institutionalize the reforms.

The first step in computerizing BPLS is to determine which functions will be computerized. The assessment of business processes is intended to help the LGU establish a baseline of current processes, and level of effort required to bring these into compliance with the JMC standards.

There are many approaches in analyzing LGU's business registration system: (1) preparing the current BPLS process table; (2) conducting the BPLS process assessment; and (3) formulating an action plan for BPLS reform.

In documented best practices, BPLS reform strategies usually consist of taking steps to meet standards. These may include properly sequencing steps in processes; setting up a business one stop-shop as a common venue for BPLS transactions; making joint inspection teams effective; running information, education and communication campaigns; modernizing BPLS technology; training staff; and establishing a legal framework for institutionalizing BPLS. Any gaps or areas for reform are brought forward to the next stage of analysis.

The business process assessment activity is complete when the LGU is able to provide detailed information on the following: number of steps required to process an application for a new business permit and the number of process steps that need to be cut to comply with the JMC; number of steps required to process a permit renewal application and the number of process steps that need to be cut to comply with the JMC; and average number of days it takes to process applications and issue a business permit. The whole system need to comply with the 10-day limit prescribed by the JMC for new business applications and business renewals, respectively.

To reduce the number of process steps, the LGU needs to review the following areas related to business registration:

1. Number of forms containing redundant data or data that is repeatedly entered (such as personal information) in every form;
2. Amount of unrelated data reflected on the registration form that will require additional processing (recording, routing, or filing);
3. Means and efficiency of communication between the BPLO and other agencies and departments along with the effectiveness of Inspection Teams; and
4. Ordinances that hamper processing of business registration and affecting the number of signatures (and signatories) needed before the LCE to approves an application.

Planning for BPLS Automation

Mr. Frederick DC. Amores
Head, Visayan Coordination Office
National Computer Center (ICT-DOST)

LGUs should first assess the needs of the locality to know what to do and what should be prioritized. Having an ISSP or Information Systems Strategic Plan will determine if the plan formulated targets the result of the assessment. The plan consists of a staffing plan, data conversion and migration plan, software and data integration plan, capability building plan, and financial plan. After deployment, the LGU would need the following personnel;

- *Functional Systems Administrator* who is usually from the BPLO but is not necessarily a technical specialist;

- ▶ *Technical System Administrator* who must be technically adept in networking, hardware, operating system, database management systems applications flow to identify & isolate technical issues for resolution; and
- ▶ *Help Desk Support* who must be a good communicator who can clarify issues for end-users & technical support while monitoring & resolving issues.

The function specifications document will provide details on: operational processes (BPLS), organizational structure & staffing, the ICT environment, integration requirements, training, and budgetary requirements. The data conversion and migration plan provides for the conversion of records from their original state to an electronically accessible format. Data must be cleaned before it's converted or migrated. Data scrubbing (cleansing) includes correcting, replacing or deleting (data).

There are different types of data:

- ▶ Manual physical records (loose-leaf),
- ▶ Manual physical records (organized and filled),
- ▶ Manual updated electronic files or spreadsheets,
- ▶ Application-specific data, and
- ▶ Centrally managed data repository.

Data conversion must cover the transformation of the following LGU records from the current state to the target electronic/digital format as would be required by eBPLS:

- ▶ Business owner/registrant personal information,
- ▶ Business entity information,
- ▶ Business payment details and history,
- ▶ City/municipal street reference and Barangay names, and
- ▶ Property Index Numbers.

There are two types of data conversion:

- ▶ Digitizing, which entails converting manual data to digital, and
- ▶ Normalizing, which is converting data already in electronic form into the format required by the eBPLS software.

Software & data integration requirements will differ depending on the product, implementation path & service provider chosen by the LGU. What are the steps in software integration plan?

1. Analyze all required software application that will be integrated into the BPLS software and assess the functional, operational and approval flows that will be affected as a result of the integration;
2. Identify the important points of integration and minimize the number of points;
3. Document the software integration requirements; and
4. Have the department heads agree on policies and procedures,

For data integration:

1. Conduct a full data compatibility analysis;
2. Assess the functional, operational and approval flows;
3. Define the data elements;

4. Document data integration requirements; and
5. Have the department heads agree on policies and procedures.

eBPLS needs relatively little space so it is unlikely that deployment will require building a data center. If not, other options include:

1. Co-locating IT infrastructure facilities in external data center run by another government agency or a private firm, and paying co-location fees for the use of other IT facilities;
2. Renting the total IT infrastructure of the data center, including servers and networks; and
3. Purchasing BPLS services on a subscription plan.

The Training Plan should be based on a training needs analysis (TNA) of end-users and technical personnel. Materials should be organized into modules for key staff functions (e.g., customer service, assessors, BPL Officers, managers, and IT systems administrators). The personnel who will eventually operate and administer the eBPLS should also be trained to identify, document, report, escalate and monitor the resolution of system problems, issues or bugs.

Managing BPLS Automation Implementation

Ms. Cheryl C. Ortega
Officer-in-Charge, Field Operations Office
National Computer Center (ICT-DOST)

An LGU wishing to adopt an automated business licensing processing system can opt to have either a pre-packaged eBPLS or a customized eBPLS.

If the LGU selects a packaged solution, implementation will focus on setting up parameters, training users, creating a conference room pilot of eBPLS, and mapping data into predefined tables. Packaged solutions consist of fixed price bundles, each of which includes some combination of packaged software and related, pre-defined professional services. In addition, bundles contain pre-built content to help with training, integration, rapid configuration, and so on. The disadvantage of a packaged solution is that you have to be flexible to fit the requirements of the package rather than having it the other way around. Also, finding the best package software for your needs can be difficult.

On the other hand, if an LGU opts to customize an eBPLS solutions based on the needs documented from the ground up, implementation should follow the traditional systems development life cycle (SDLC): . (1) definition of activities; (2) technical design; (3) development; (4) testing; and (5) deployment and training.

A project management office (PMO) should be established and be led by an Executive Project Manager (PM) appointed by the LCE. The partner's project manager will be a member of the PMO and will report to the PM. The PMO will be responsible for managing the entire project as well as maintaining relationships with the people/organizations involved in the eBPLS implementation.

The roles of the PMO are as follows:

- Review/Update the work plan for the entire project implementation;
- Create a master schedule for meetings and submissions;
- Create standard templates for reporting; and

- Document all communication between project members.

Interaction and management of interested vendors from the pre-bid to contract award must comply with the provisions of RA 9184 (Government Procurement Reform Act). The BPLO should designate a single point to be the official communication channel and distribution point for all documents (e.g., systems requirement specifications, terms of reference, and bid documents). The BPLO point of contact should keep a detailed record of all communication with all interested suppliers during the initial stages of the process. Regular meetings should be organized to update LGU stakeholders on project status and issues that may arise during each step leading to contract award.

EULA is different for the proprietary and open source eBPLS. A proprietary BPLS application disallows its licensees from tampering with any aspect of their compiled system. However, proprietary systems do provide the capacity for its users to customize specific high-level functions or even attach customized functions to its core engine but only through the use of defined software adapters or middleware. Only the customized features of the software are owned by the LGU and only if the contract with the system integrator clearly specifies that all development work is “work made for hire” (i.e., the LGU paid to have these modules, features, and functions developed specifically for its own use).

For proprietary BPLS applications, it will be prudent for the LGU to require that a copy of the source code of the production version of the software be held in escrow in a safety deposit box of a trusted organization like a bank. Should the developer cease to exist, the LGU will have the rights to read, examine, modify, and upgrade the software source code of the BPLS. If the LGU engages a contractor to develop an eBPLS solution from the ground up, the LGU owns every output of the contractor, from design to final working system, provided that this is clearly stipulated in the service contract.

Pre-implementation, implementation, production, and post-production support are four areas of support that the LGU should require from software vendors and implementation partners. Support conditions should be specified in the Master Services Agreement, Engagement Contract, and itemized in the Support and Maintenance Agreement (SAM) issued by the software vendor or the certified implementation partner before the implementation stage. It is imperative that the LGU raise questions about or ask for changes in the SAM before implementation.

The LGU needs to ensure that all aspects of the system are covered by a SAM (e.g., software, customizations, and hardware). Although it is unlikely that users will need to customize hardware, it is nevertheless important to ensure vendor support for each unit used in production. Software vendor support agreements only cover the non-modified or non-customized version of their software product deployed in the LGUs’ production environment. Software vendor support will not normally cover any customized functions. The LGU must require the developer or systems integrator who performed the customization to support the customized features as customization is beyond the scope of any vendor’s support agreement.

The pre-implementation stage educates LGUs about the products and suppliers. Potential partners need to provide the LGU with support in the following critical areas:

- Proof of Concept (POC) Environment. To give the LGU a chance to “test drive” the solution, the POC environment consists of all functional software, hardware, and system consultants. The LGU should ask vendors to make system consultants available

throughout the POC period to support LGU staff in the rollout of eBPLS. In a POC setting, the burden of bringing all components of the system together is the vendor's exclusively. The LGU will provide secure facilities where the POC environment can be set up and the staff or team designated to test-drive the system.

- Production Visitation. It is recommended that the LGU request that the vendor schedule visits to the sites where eBPLS is used in a production environment. The visits will allow LGU representatives to interview users from each site.
- Pre-implementation Immersion Workshops. Software systems are smoothly implemented when stakeholders share a common understanding of the system and are immersed in its features and capabilities. LGUs should request that the software vendor conduct immersion workshops before the start of the implementation stage to help stakeholders understand the software and what it takes to implement the system in the LGU.

If the running eBPLS application is a customized version, only the unchanged portion or functionality of the system will be covered in the support agreement. The LGU should require the developer of the customized portion of the system to support the customized features.

The production support parameters are:

- Total hours of onsite support covered under the annual support agreement.
 - Technical support (applications, database, integration, connectivity).
 - Functional support (application configuration, workflow routing, etc.).
 - Training and immersion support.
- Total hours of telephone-assisted support covered under the annual support agreement.
- Total number of support issues submitted via electronic mail covered under the annual support agreement.
- The billing rate per consultant level

Managing change in the LGU as a result of the eBPLS project begins at the earliest stages of process streamlining and computerization. Failure to manage the change process will lead to resistance, which if left unresolved, will pave the way to process circumvention.

A way must be provided for end-users or customers to provide feedback anonymously to the LCE on matters concerning the process, and personal experience in dealing with LGU staff. This may be done by setting up a suggestion box, Post Office box, email address or a mobile number where reactions, comments, complaints, suggestions, or commendations may be sent.

Furthermore, user groups of end-users, systems administrators, trainers, and members of the business community must be established to promote continual, well-rounded process and system improvement. There is also the need to progressively orient end-users and customers to the Help Desk to log their inquiries, requests, issues, and problems. The LGU must ensure that the help desk has the capability to provide services by means convenient for the customer (e.g., phone, fax, SMS, email, social networks). The help desk centralizes the flow and management of problem tickets using a "single point of contact."

OPEN FORUM

Issues and Concerns	Response
<u>Representative from Davao City</u> Is there an accredited body that can guide LGUs to choose where to buy the software and what software to purchase?	<ul style="list-style-type: none">• Ms. Cheryl C. Ortega: DOST is not involved in the regulation of software and vendors. It focuses more on promotion and advisories.• Ms. Grace Martha T. Amberong: The knowledge product is a base line design which can help LGUs look for what particular software is suitable. LGUs could seek help through National Computers Center (NCC) regarding this matter. But there is no regulatory measure on the software of vendors.• Ms. Ofie Templo: There are LGUs which had been victimized by fake software. There is a compliance unit at the NCC but it still has to be operationalized.
<u>Representative from CDO</u> Some LGUs cannot support and afford to buy the software. Is it possible to give the software to LGUs for free?	<ul style="list-style-type: none">• Ms. Grace Martha T. Amberong: eBPLS is distributed for free but there is a little fund requirement for training. There are plans to give iBPLS to LGUs for free. Furthermore, DOST and other NGAs are looking for the development donors to support software acquisition by LGUs.

Financing Options for LGU BPLS Automation

1. Ms. Mae Mendoza

Municipal Development Fund Office
Department of Finance

PD 1914 was issued on March 1984 to establish the Municipal Development Fund as a revolving fund which shall be made available to local government units. Initially, MDFO was capitalized and funded by proceeds of foreign loans, assistance or grants. Thereafter, the amortizations of LGUs (the second generation funds) shall accrue to MDF and shall be made available exclusively for re-lending for LGU projects. Other legal bases on the creation of the office are:

- EO 41 dated 20 November 1998 formally created the Municipal Development Fund Office (MDFO) to administer the Special Revolving Fund for LGUs established under PD 1914.
- EO 742 dated 21 July 2008 expanded the role and responsibilities of the MDFO

MDFO serves as a mobilizer of funds for local government and provides technical assistance services for LGUs. It also promotes responsible financial management among LGUs. It also formulates policies and support decentralization in the country.

Second Generation Fund (SGF)

1. Millennium Development Goals Fund (MDG-Fund)
2. Municipal Development Fund Project (MDFP)
3. Mindanao Basic Urban Services Sector Project (MBUSSP)
4. Philippine Water Revolving Fund-Standby Credit Facility (PWRF-SCF)
5. Program Lending (PROLEND)
6. Project Technical Assistance and Contingency Fund (PTACF)
7. Disaster Management Assistance Fund (DMAF)
8. Refinancing Facility
9. PPP Fund

Official Development Assistance (ODA) Project implemented by MDFO

1. Health Sector Reform Agenda Support Programme (HSRASAP), whose objective is to provide concessional financing assistance to all LGUs for basic urban infrastructures and policy reform related initiatives to improve the delivery of basic services. The eligible borrowers are provinces, cities, municipalities and highly urbanized cities. The project has two clusters: Cluster A which involves public economic enterprises and revenue generating projects, and Cluster B which funds social and environmental projects.

The MDFO proposed a financing program that has a term of 10 years and a maximum amount of Php 200,000 for BPLS automation funding.

2. Ms. Claire Alba

Head Cash Management Service System
Philippine Veterans Bank

Philippine Veterans Bank (PVB) extends tax-free government loans to LGUs to finance BPLS automation. Government will utilize PVB by making it its Depository Bank. PVB proposed its own Business Tax and Real Property Tax System in the collection of both RPT and BT. This computerization will speed up the LGUs' collection process while improving its transparency/integrity.

3. Mr. Leopoldo Resmundo

Head, Social Development Unit
Development Bank of the Philippines

The Development Bank of the Philippines (DBP) advocates the streamlining and automation of the Business Permit and Licensing System (BPLS). The automation of the BPLS will increase investments that would create more jobs and generate more resources for the local government.

DAY 2: 25 JULY 2012 (WEDNESDAY)

PART 4: NATIONAL GOVERNMENT AND PRIVATE SECTOR INITIATIVES IN SUPPORT OF BPLS AUTOMATION

National Government ICT Initiatives in Support of BPLS

1. The Philippine Business Registry

Mr. Ernani Dionisio

Director, Philippine Business Registry

Streamlining BPLS is one of the strategies adopted by the national government to attain sustainable development. BPLS helps to integrate business registration for new investors and eliminate duplication of business requirements.

Despite the efforts, the country's competitiveness ranking has suffered in comparison with other ASEAN countries, especially in the area of business registration. The number one reason for the deteriorating standing of the country is the complicated system in place for processing applications for business permits. This is why the government is trying to make the procedures more efficient through the creation of the Philippine Business Registry (PBR). The PBR was established on January 27, 2012 under the Department of Trade and Industry based on EO No. 48 *Directing Department, Bureaus, Offices And Other Agencies In The Executive Branch, Including Government – Owned And Controlled Corporations To Simplify Rules And Regulations And Reduce Reportorial Requirements To Facilitate Doing Business And Encourage More Investments In The Country*, RA 8782 of the *Electronic Commerce Act*).

PBR is a web based system that simplifies the process of setting up a new business. It seeks more partnership with LGUs and serves as the One-Stop Shop of government agencies involved in business registration (BIR, SEC, DTI, and Philhealth). It enhances the connectivity and linkage among its partner agencies. At the same time, the data requirements of PBR conform with eBPLS. Moreover, its main role is to offer new investors a faster business registration through the use of technology.

2. The Securities and Exchange Commission's iView

Assistant Director Lilia Pinzon, MIS Division, SEC

The Security and Exchange Commission operates iVIEW, which is a software that helps registrants view SEC files online. The software is one of the nine subsystems of the compliance and monitoring system which provides copies of documents through the SEC website. The viewer must be a registered user first before he or she can access company profiles. The software is also a pay-per-view system, charging 20 centavos per-view and 5 pesos per print. The Securities and Exchange Commission is planning to install a facility for a pre-paid mode of payment or mobile payment, among viewers.

3. Bureau of Internal Revenue's eTIN

Deputy Commissioner Lilia Guillermo, BIR

The Bureau of Internal Revenue features the online issuance of tax identification numbers through the eTin facility. Applicants can register online (through BIR website) and pay registration fee through the G-Cash payment facility.

BIR also intends to launch an automated system that would allow exchange of information between their regional offices and LGUs, thus allowing both parties to compare data of business registrants. This would allow both parties to cross check business information and identify misdeclarations and fictitious identities. This would only require LGUs and business owners to go through the eReg or register in BIR's website.

On other issues, BIR proposes to provide TINs with barcode as a substitute to the Senior Citizen card, as a move to counter the abuse of the senior citizen discount for basic services, provided under RA 9257.

4. Next Wave Cities and BPLS Automation

Deputy Executive Director Alejandro Melchor III, ICT-DOST

Utilizing technology as part of the development strategy for the Philippines has been widely supported by the NGAs and CSOs. In this light, DOST has launched its New Wave Cities Program, which aims to transform LGUs as development and ICT hubs, noting the increasing adoption of information technology as a strategy in improving governance internationally.

The New Wave Cities Program, also known as the SMARTER Cities Program, identifies top cities that can be considered ripe for accommodating ICT and BPO industries. These LGUs may receive grants and technical assistance in improving its business registration process and attracting local and foreign investors.

Further, the cities may opt to adopt the iBPLS as a tool to automate the BPLS process thereby improving service delivery and attracting more investments.

5. Integrated Government Philippines (iGovPhils) Project

Director Denis F. Villorente, Officer-in-Charge, NCC

iGov Philippines is about moving towards eGovernance by integrating social and developmental goals through information and communications technology (ICT). Its aim is to provide ICT infrastructures and software solution and enforce IT readiness of the end users. Further, it will also raise LGUs awareness on present technology by providing facilities for information exchange via Internet.

iGov would also initiate the use of Public Key Infrastructures (PKI) or unified digital signatures for online transactions. PKI may also be used as a substitute for signatures required in public documents thus promoting a more efficient and paper less government.

Another key feature of the iGov Project is the eBayad which provides an online payment facility to facilitate government transactions. With eBayad, applicants or government's clientele can make payments with the use of a debit card. The eBayad has already secured the approval of the Commission on Audit and will be launched soon after some needed software alterations have been made.

Lastly, iGov also intends to link LGU's Business Registration to the Philippine Business Registry.

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Issues	Responses
San Fernando - San Fernando is already linked with the PBR. However, there seems to be a problem with the connectivity.	<p>Director Ernani Dionisio: Maybe the confirmation letter sent to PBR for the connectivity has not reach the office of Dir. Dionisio</p> <p>San Fernando (in response to Dir. Dionisio): A few months ago, the LGU sent a letter to RDO. But the RDO told it that there is no legal basis.</p> <p>Deputy Commissioner Guillermo (in response with LGU San Fernando): The BIR has a command center in Manila. BIR could call the attention of that particular RDO.</p>
Bruce of Cebu: Cebu is usually connected with globe and PLDT. However, the problem on the infrastructure for connection is not yet addressed.	
LGU Tayabas: RDOs who would not want to shares data with LGUs	Deputy Commissioner Guillermo: It is suggested to call the attention of that RDO who would not want to share data with the LGU through sending an email. However, it is suggested that there must be a two way exchange of data from LGU to BIR to LGU to BIR.
Question: Presence of COA in the forum	
Question: BIR increases the compromise penalty on taxpayers	Deputy Commissioner Guillermo: Automation is the answer to corruption. However, there is still resistance to this shift. It is suggested that the names of those involved in the increase of the compromise penalty be given to BIR. There is usually connivance between the accountant (of BIR) and the businessmen. LGUs must report these issues to BIR. It is more challenging if no one would dare to speak on the matter.

Private Sector Support for BPLS Automation of LGUs

1. Mr. Ferdinand Sia

Finance Expert
USAID-INVEST Project

Offering alternative payment schemes to cash and check payments is a major factor in achieving streamlined government transactions. Among the currently available options are electronic transfer, the use of cash and credit cards, and the transfer of money through mobile phones. These alternative payment schemes make it easier and more convenient for those transacting business with government to pay for government services in the form fees, charges, fines, surcharges, and the like. On the part of government, such schemes increase transactions and collections, improve government image as being efficient and responsive to the needs of its constituencies, improve productivity by freeing up personnel from manual collections and ancillary responsibilities to more productive jobs, and improve cash flow since electronic payments clear much faster than checks.

2. Ms. Rem Patco

VP/Director
Geodata Solutions, Inc.

Geodata Solution Inc. provides an integrated IT system that allows a common database to be shared across sub-systems. Its BPLS is a GIS-based application that provides record maintenance, fee assessments and payment facilities to automate the different transactions and processes involved in business permit application, renewal, and retirement. It also stores historical data of business records, as well as assessment and payment records. The system links the Business Permits and Licensing Office of the City/Municipal Mayor's Office, the Business Tax Division and the Cash Receipts Division of the City/Municipal Treasurer's Office. It also has PBR connectivity.

3. Mr. Alex De Leon

Total Information Management Corporation

The software of Information Management Corporation:

- ⤴ Is GIS ready,
- ⤴ Automatically post payments to each tax payers subsidiary ledger file,
- ⤴ Can print community tax,
- ⤴ Tax table schedule,
- ⤴ Detects tax delinquency.
- ⤴ Records tax credit for those taxpayers who overpays,
- ⤴ Identifies the rich delinquent tax payers, and
- ⤴ Informs tax payers who fails to submit any of the requirements.

4. Mr. Raymund P. Cabrera

Managers Incorporated

The software being offered by Managers Incorporated is a web based cloud (internet ready) facility. It provides easy computation and easy assessment of business permits. Aside from that, the cloud-based system can be both public and private.

5. Mr. Alexander Caluag

iTax Consultant

German International Cooperation

iTax was developed with support from the German International Cooperation. It is a tool to enhance revenue generation among LGUs. Its main purpose is to enhance good governance by improving the transparency and accessibility of government files. The implementation of iTax is at the provincial level, although it is already being used by some municipalities in the country.

The software is free. However, the sustainability of the system is still a challenge.

6. Mr. Jimmy Jimenez

Mobile Website

Mobile Website is a facade to the world. It is subscription based. Its software makes possible information dissemination in real time and is very user friendly.

PART 5: SETTING UP BUSINESS-FRIENDLY INSPECTION SYSTEMS

How to Make Inspections Business-Friendly

1. Mr. Hans Shrader

Senior Program Manager

International Finance Corporation (IFC)

Business inspection and enforcement are the frontline of regulatory services delivery, where the business sector interacts with government. It is thus vital that inspection regimes be business-friendly if investments are to be encouraged. “Unfriendly” or challenged inspection regimes are characterized by: (1) excessive number of inspections, (2) total lack of risk-focus, (3) considerable discretion given to inspectors, (4) the goal of finding and punishing as many violators as possible, and (5) inability to export food because the system lacks credibility. To set up a business friendlier inspection regime, it is suggested that focus be on (1) the use of checklists, (2) risk management, (3) making the inspection offices more efficient and effective, and (4) increasing compliance.

2. Mr. Noel Macalalad

Consultant

USAID-INVEST Project

USAID’s LINC-EG Project commissioned a study to determine ways of developing investor-friendly inspection systems. The study recommended reforms in five areas, namely (1) streamlining of current inspection procedures, (2) making the inspection process more business-friendly, (3) rationalization of inspection fees, (4) automating the inspection system, and (5) dissemination of relevant information on inspections.

Streamlining the current inspection procedures require (1) the elimination of particular inspections, (2) the establishment of a risk-based inspection system, (3) the conduct of selective inspection based on the size of the enterprise, and (4) conducting technical inspections during the building construction phase and not after. Meanwhile, some of the measures recommended by the study to make the inspection system more investor-friendly are: (1) the provision of

sufficient notification to the applicant of the conduct and results of the inspection; (2) the use of a checklist during inspection that contains, among other details, the assessment criteria or standards that would be used in the inspection; and (4) the establishment of a dispute resolution mechanism to give applicants the opportunity to protest and seek redress against findings of violation. Meanwhile, the study also proposed the adoption of primary risk-based inspection fees, while considering other bases for such fees.

Making Construction Permitting More Business-Friendly

Dir. Emmanuel Cuntapay

Director, Department of Public Works and Highways

The discussion circles on who is responsible for ensuring the sustainability of a business establishment. Arguably, such should not be the responsibility of the local building officer. The LGU building official should only issue building permits and not attest to the physical soundness of a building; as certifying the structural design of a building would transfer the liability of licensed professionals, i.e. engineers and architects to the LGU. Further, the structural soundness of the building should last for 15 years under the new Implementing Rules and regulations of the National Building Code.

The local building officials are the one in charge of the inspections to be done in the buildings prior and after construction. As such, local building officials should craft inspection checklists specifying the requirements for securing building and occupancy permits, including the specifications that they will look at when they conduct site inspections. Entrepreneurs, on the other hand, should be compliant with the “checklist” provided by the local building official. Doing so would justify the regulatory fees asked from a business owner.

As a recommendation, a computerized inventory of all the buildings in the municipality will help the local building official monitor the number of years a building has been established and its sustainability. Thus, lessening the need to conduct site inspections which in turn will help in making the local business environment friendlier to investors.

Fire Safety Inspections to Facilitate Permitting to Businessmen

Engr. Mariano Joseph Jr.

Chief, Fire Safety Enforcement Division

Bureau of Fire Protection

City/Municipality Fire Marshalls must personally inspect the building plans and fire safety evaluation report before issuing the Fire Safety Inspection Clearance (FSIC). No permit to operate can be issued without an FSIC. Moreover, the inspection for the issuance of the Fire Safety Evaluation Certificate (FSEC) will be undertaken before the construction is completed.

Among the issues that had been brought up during consultations are the existence of a padrino system under which some local businessmen get a much faster inspections because of some relationship with the Fire Marshal, FSICs being released without inspections being conducted, and inspections being conducted by different inspectors, contrary to practice and law.

OPEN FORUM

Issues and Concerns	Response
Representative from Camiguin: issuance of the municipal engineer in utilizing the 10% of the 20% allotted fund in building permit processing	Director Cuntapay suggested that having a joint memorandum circular will allow the LGU to remit 15% of the 20% allotted fund in building permit processing. The LGU should conduct regular inventory of their buildings to minimize the use of the allotted fund.
Representative from General Santos City: The absence of the C/MFM during FSIC and FSEC inspections due to some unconvincing reasons.	Engr. Mariano gave the participants his contact information and urged them to inform him of the identity of the officer, and other officers with the same behavior.
Representative from Davao City: Accreditation of fire extinguishers	Engr. Mariano said that the BFP is more concerned with the certificate of competency of the personnel. Ms. Ofelia Templo suggested that a checklist should be provided to the local businessman for vendors to comply.

ANNEX 5. Frequently Asked Questions on BPLS Automation and Inspections

On Automation

1. How can automation lessen steps and requirements in setting up a business, considering law mandates some of these, like SSS and PhilHealth clearances?

Valenzuela City mainly asks businesses to secure business permits first and gives owners a leeway of one (1) year after business registration to comply with and complete their requirements. Angeles City, on the other hand, considers such as additional requirements and not mandatory. Such requirements should be the responsibility of NGAs and this responsibility should not be delegated to the LGU. Zambales City encourages business owners to secure SSS and PhilHealth requirements prior to business registration; so that the process of securing requirements set by NGAs are not embedded in the LGU's business registration process.

2. Is it possible for LGUs to acquire BPLS Automation software free of charge to LGUs?

National Computer Center assured the participants that they would strategize to make BPLS automation readily available to LGUs, if not for free, at least at a lesser cost.

The eBPLS software of NCC is distributed for free, but there is a training requirement, which would require a little funding; the iGov Project of the Philippine Government is trying to look at offering the aforementioned software free of charge.

LGUs may also seek financial assistance from development partners for their BPLS automation.

3. Is there an accredited body or company that can guide LGUs in choosing a software solution to automate their BPLS?

The Information and Communications Technology Office of the DOST is not mandated to regulate vendors, it mainly focuses on promotion and advisories with regard to ICT; though such may be considered with the rationalization and restructuring that is currently being done with the office.

Meanwhile, among the knowledge products drafted by the LINC-EG project of USAID is a baseline design for BPLS Automation which can guide LGUs in looking for suitable software solutions that is compliant with the JMC standards. LGUs may also seek advices from ICT experts in the NCC.

On Information Sharing between LGU and NGAs

4. Some LGUs experience connectivity problems with the Philippine Business Registry even if they are supposedly linked to the system. How do we resolve such connectivity issues?

Maybe the confirmation letter for the connectivity has yet to reach the office of Director Ernani Dionisio. Further, the Bureau of Internal Revenue (BIR) can help LGUs in calling the attention of regional directors to act on the matter, according to Deputy Commissioner Guillermo.

cont'd

5. How do we resolve issues regarding data sharing of BIR regional offices with local governments?

LGUs need to call the attention of their respective BIR regional director through electronic or official mail. It is really advised by BIR to have information exchanges with LGUs.

6. How do we address BIR offices who increase compromise penalty on taxpayers?

Automation may provide answers to corruption, however, resistance towards this shift would be expected. It is suggested that LGUs inform the BIR command center in Manila regarding these practices. It would be more challenging if no one would dare speak on the matter.

On Building Permits

7. Is there a specific paper size requirement for the building permit?

None. DPWH cited that this usually happens if LGU officials and employees are not informed about the requirements set by the new implementing rules and regulation of the national building code.

8. How do LGUs utilize the 10% of the 20% allotted fund for building permit processing?

This points out the need to come up with a joint memorandum circular at the national level to allow the LGUs to remit 15%, not 10%, of the 20% allotted fund in building permit processing. LGUs are also advised to conduct regular inventory of their buildings to minimize the use of the allotted fund.

On Fire Inspections

9. What if the Bureau of Fire Protection Offices in the regions do not want to cooperate with the LGUs especially in the conduct of joint inspections?

The names of the responsible fire officer/inspector should be reported to Bureau of Fire Protection for them to perform the necessary actions.

10. The purchase and/or refill of fire extinguishers required by the BFP are among the complaints of businessmen. Is this really a required procedure in business registration?

Yes it is a requirement. But BFP is concerned more on the certificate of competency of business establishments, which asserts that their respective personnel are knowledgeable not only in using extinguishers but also in handling dire situations. It is suggested that the LGU requests a checklist from their BFP to inform local business investors of the requirements set and is being inspected by the fire inspectors.

ANNEX 6. Forum Evaluation

**MOVING FORWARD FROM BPLS STREAMLINING TO AUTOMATION:
SUSTAINING PARTNERSHIPS FOR REFORMS**
Crowne Plaza Hotel, Pasig City*
July 24-25, 2012

EVALUATION REPORT

- I. Background**
 - II. Feedback**
 - i. On the Attainment of Forum Objectives
 - ii. On the Forum Design and Management
 - III. Comments /Suggestions**
 - a. Feedback Form
-

I. Background

This forum on Moving Forward from BPLS Streamlining to Automation: Sustaining Partnerships for Reforms was held at the Crowne Plaza Hotel, Pasig City in July 24-25, 2012. Three hundred and fifty (350) different functionaries from cities and municipalities identified by the DTI and DILG as having streamlined their respective BPLS attended the two-day activity. Forty-seven key DILG and the DTI officials and staff members, both at the national and regional levels who have been at the forefront of business registration reform also attended the forum.

GENDER SEGREGATION:

PARTICIPANTS			
LGU/OFFICE	MALE	FEMALE	TOTAL
LGUs	174	176	350
DILG	7	19	26
DTI	2	19	21
Grand Total	183	214	397

This Forum sought to promote BPLS automation and a more streamlined inspection system. It served as the venue for discussions on the advantages of automation, its requirements, software solutions in implementing it, and the financing options open to LGUs opting to implement it. The participants were likewise oriented on how to set up a business-friendly inspection system.

After the activity, feedback forms were disseminated to elicit the participant's opinion on whether or not the activity's objectives were attained and on how the program was designed and managed. In addition, there were open ended questions primarily designed to gather from the participants additional information and elaborations on their answers.

* Evaluation Report prepared by the Local Government Academy

A total of three hundred eighty one (381) feedback forms were recovered from the participants (89.6% of total). These became the basis of this evaluation summary.

Below is a summary of the evaluation results:

II. Post Activity Evaluation

1. Attainment of Forum Objectives

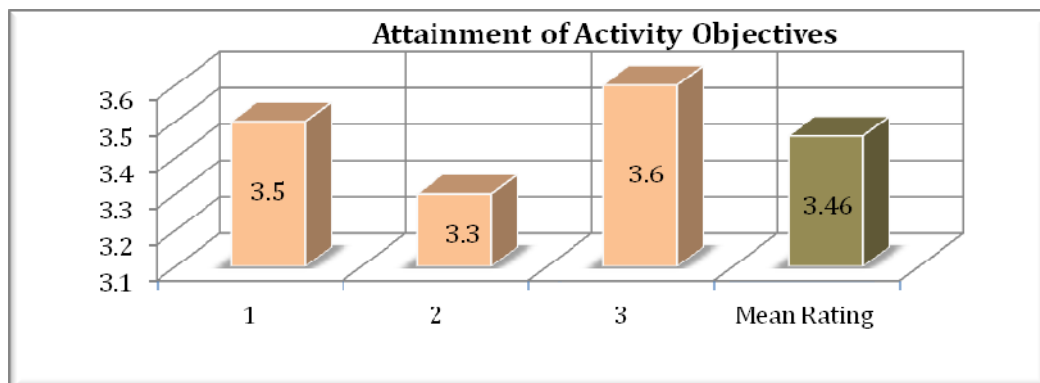
The participants gave the Forum a mean rating of **3.46** [Table 1, Figure 1], equivalent to **high** on the rating scale, for attaining its objectives. They gave it the rating of **3.6**, the highest given in the evaluation, for the relevance of its contents to the work that they do. Meanwhile, they gave a rating of **3.5** on the Forum's objectives being clearly set and **3.3** on the Forum having fully achieved its objectives.

Table 1. Feedback Result Summary, Attainment of Forum Objectives

Areas for Evaluation				Ratings
1 – Very Low	2 – Low	3 – High	4 – Very High	
1. The objectives of this Forum were clearly set out.				3.5
2. The Forum fully achieved its objectives.				3.3
3. The content of the Forum is relevant for the work that I do.				3.6
Mean Rating				3.46

Source: BPLS Forum Feedback Form Results

Figure 1.1. Attainment of Activity Objectives



Source: BPLS Forum Feedback Form Results

2. Assessment of Program Design and Management

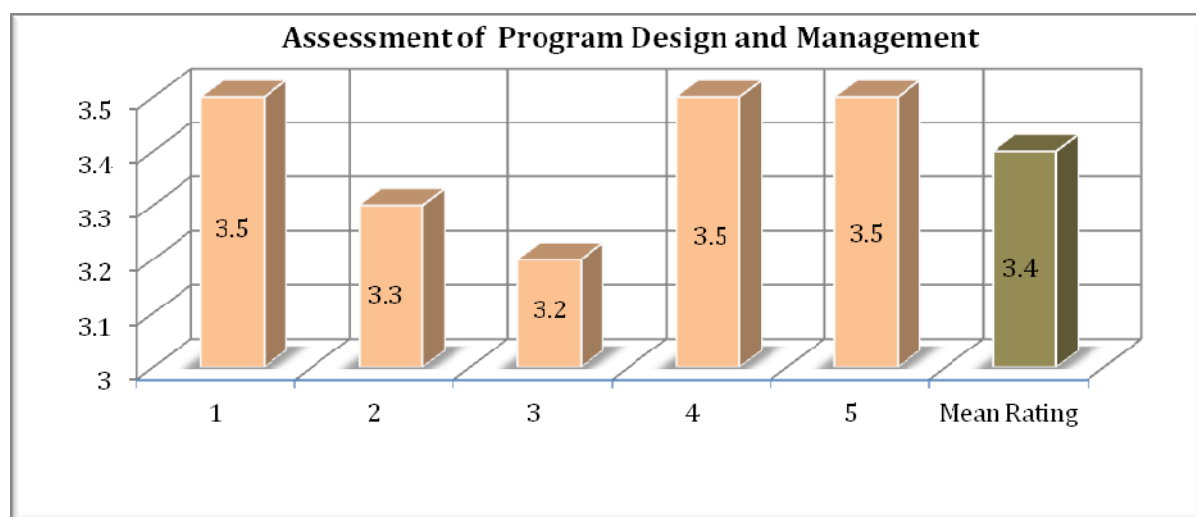
The participants gave the forum a mean rating of **3.40** [Table 2, Figure 2] for its design and overall management, showing that they were **highly satisfied**. They gave the rating of **3.5** each for the Forum's having informative and interesting sessions, having presenters who were organized and well-prepared, and having effective facilitators. They gave the lowest rating of **3.2** to the Forum's manner of allocating time across all its activities.

Table 2. Feedback Result Summary, Assessment of Program Design and Management

Areas for Evaluation				Ratings
1 – Very Low	2 – Low	3 – High	4 – Very High	
4. The sessions were informative and interesting.				3.5
5. The overall quality of the sessions and presentations were good.				3.3
6. Time allotted for the activity was adequate.				3.2
7. Presenters were organized and well prepared for the session.				3.5
8. Moderators facilitated the discussions effectively.				3.5
Mean Rating				3.40

Source: BPLS Forum Feedback Form Results

Figure 2.2. Assessment of Program Design and Management



Source: BPLS Forum Feedback Form Results

III. Comments/Suggestions

1. *On Technical Management*

The participants agreed that the Forum was very informative but noted that for all the information it disseminated to be absorbed fully, it should have been scheduled for at least three (3) days. Doing so, according to them, would not have forced the organizers to allot very limited time periods for the discussion of complex topics and thus limiting the ability of participants to retain and analyze all the information given on those topics. Making matters worse, according to them, was the inability of the resource persons to keep to their respective time allocations, having failed to present concise and brief enough presentations and to limit discussions to the most important points. They also pointed out that the moderators should have shortened their introductions of the resource persons.

The participants also suggested that the PowerPoint presentations should likewise be checked to assess if their length would be appropriate for the time allocated for their

presentation. There was also a need, according to the participants, to improve the font size and color combination of the majority of the presentations for them to be readable. The participants also requested that they be provided with soft or hard copies of every presentation.

The participants further suggested that there be some ice-breakers and exercises in between sessions to break the monotony.

Moreover, the participants pointed out that it would have been better if there were breakout sessions or focus group discussions by clustering LGUs into small groups for closer interaction. The number of speakers should also have been limited and more time should have been allotted to open forum to accommodate deeper discussion, according to them.

2. *On Administrative Management*

The participants also suggested that the organizers should have determined the suitability of the venue in accommodating the expected number of participants. They also complained about the difficulty of securing accommodations, partly because of the number of people who attended the Forum from areas outside Metro Manila. They requested that they be given free accommodations or, if the request was not possible, that the cost of hotel accommodations be made part of the registration fee. Other participants asked that they be provided with a ready list of reasonably priced hotel that were accessible to them and were near the venue of the forum.

The participants also requested that the invitations be sent at least 3 weeks prior to the activity and not on the day of the deadline for the submission of confirmations of attendance. That, they pointed out, would have allowed them more time to prepare. They also suggested that the invitation should contain details of the program.

Some of the participants suggested that the food service in the venue needed to be improved. More specifically, they recommended that more buffet tables should have been placed to prevent long lines, and that enough food should have been served. Others asked that Internet connection be made available during the forum for them to verify the presenter's presentation.

3. *On Participation*

Considering that the Forum was highly technical, the participants suggested that ICT staff should have been included as participants to enable LGUs to appreciate and understand the discussions better. They would also would have liked to have representatives of the different national government agencies involved in BPLS reform (e.g., SSS, BIR, Pag-ibig, and PhilHealth) to have been invited to enrich discussions during the open forums. There was likewise a suggestion to have another set of forums where the intended participants are members of the JIT to improve the conduct of inspection.

4. *Other suggestions/comments for consideration*

- a. Koronadal implemented eBPLS through the PPP scheme. Its delegates offered to share their experience with other LGUs.

- b. Some activity should be done per island cluster (Luzon, Visayas and Mindanao) to accommodate more LGU as they are the primary actors in implementing BPLS automation.
- c. All software developers should have been given a level playing field and asked to make presentations also.
- d. The forum should be held in every region to make it more manageable. It would also have been easier for far flung LGUs to attend the event.
- e. The resource persons should be made available to assist LGUs in automating their respective BPLS.
- f. The software should be standardized and made affordable to all LGUs.
- g. It would be best if the system developers that are compliant with the standards be identified for the LGUs.
- h. There should be sustainability. Technical and other development training should be conducted.
- i. The technology introduced should be given free to all 4th-6th class municipalities.
- j. There should be sustainability. Technical and other development training should be introduced
- k. The program should be continuously monitored until it is fully implemented in all LGUs.