

THE TRANSPARENT ACCOUNTABLE GOVERNANCE PROGRAM (TAG) An Evaluation

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ABBREVIATIONS AND ACRONYMS

ABS-CBN	-	Alto Broadcasting Network- Chronicle Broadcasting Network
ACORD	-	Alternative Center for Organizational Reforms
AGILE	-	Accelerating Growth, Investment and Liberalization with Equity
AIM	-	Asian Institute of Management
ARG	-	ARMM Regional Government
ARMM	-	Autonomous Region of Muslim Mindanao
BAC	-	Bids and Awards Committee
BIR	-	Bureau of Internal Revenue
BoC	-	Bureau of Customs
BOI	-	Board of Investment
CCTAG	-	City Coalition on Transparent Accountable Governance
CCTAN	-	City Coalition of Transparency & Accountability Network
CLG	-	Center for Local Governance
CSO	-	Civil Society Organization
DENR	-	Department of Environment and Natural Resources
DOH	-	Department of Health
DPWH	-	Department of Public Works and Highways
DVD	-	Digital Video Disk
FGD	-	Focus Group Discussion
GEM	-	Growth with Equity in Mindanao Project
GMA	-	Global Media Arts
GOLD	-	Governance and Local Democracy Project
GPRA	-	Government Procurement Reform Act
GRP	-	Government of the Republic of the Philippines
IGACoS	-	Island Garden City of Samal
IRA	-	Internal Revenue Allocation
LCP	-	League of Cities of the Philippines
LGU	-	Local Government Unit
LMP	-	League of Municipalities of the Philippines
LMT	-	Local Monitoring Team
LSIG	-	La Salle Institute of Governance
MABS	-	USAID project introducing microenterprise loans in rural banks
MBC	-	Mindanao Business Council
MBC	-	Makati Business Club
MILF	-	Moro Islamic Liberation Front
MINCODE	-	Mindanao Coalition of Development NGO Networks
MINDANEWS	-	Mindanao News and Information Cooperative Center
MKDA	-	Metro Kutawato Development Alliance
MNLF	-	Muslim National Liberation Front
MPA	-	Masters in Public Administration
MSU	-	Mindanao State University
NAMFREL	-	National Movement for Free Elections
NARA	-	National Revenue Authority Act
NDBRC	-	Note Dame Business Resource Center
NPA	-	New Peoples Army
OPAPP	-	Office of the Presidential Assistant on Peace Process
PBPB	-	Participatory Barangay Planning and Budgeting
PCIJ	-	Philippine Center for Investigative Journalism
PCPS	-	Philippine Center for Policy Studies

PNP	-	Philippine National Police
PO	-	Peoples' Organization
PRISM	-	Procurement Reform System
PSEEAP	-	Public Service Excellence, Ethics, and Accountability Program
PSEP	-	Public Service Excellence Program
PWI	-	Procurement Watch, Inc.
RTI	-	Right to Information
SECA	-	Socio-Economic Conflict Analysis
SOPREX	-	Southern Philippines Research and Extension Foundation
SWS	-	Social Weather Station
TAF	-	The Asia Foundation
TAG	-	Transparent Accountable Governance Project
TAN	-	Transparency and Accountability Network
TI	-	Transparency International
ToP	-	Technology of Participation
UNDP	-	United Nations Development Programme
USAID	-	United States Agency for International Development
VCD	-	Video Compact Disk

EXECUTIVE SUMMARY

A four-member team undertook a major evaluation of the Transparent Accountable Governance (TAG) Project during March and April 2004. In 1999 The Asia Foundation (TAF) and four partner organizations initiated TAG to shed more light on problems of corruption in the Philippines. After a number of amendments and extensions, the project currently involves dozens of Philippine partner organizations and is scheduled to end in September 2005. A Statement of Work prepared by staff of USAID/Philippines' Office of Economic Development and Governance guided the Evaluation Team, assembled by Management Systems International. The Team was given a twofold task: 1) make a retrospective assessment of the hundreds of activities undertaken by TAG partners, and 2) offer recommendations aimed at improving implementation of ongoing activities and setting out possible future directions for USAID-supported anti-corruption activities.

The primary approach to information gathering for the Evaluation was a series of more than 80 interviews and focus group discussions, with over 150 informants, representing more than 60 NGOs, business associations, local governments, and government departments. "Semi-structured" interviews were used to get roughly equivalent information from each informant, while allowing sufficient flexibility for informants to "tell their stories" and for interviewers to gain the rich insights that seldom flow from more structured interviews. Focus group discussions, in which a facilitator directed questions to four to eight informants, were undertaken in a few cases. USAID provided each Team member a comprehensive set of documents, and additional documents were accumulated during interviews. The Team divided the materials to ensure all were reviewed. In addition, Team members examined several websites established under the Project. Since more than 350 barangay plans have been developed under TAG, Team members decided to subject those documents to closer scrutiny. Two university students undertook a brief statistical study to determine if the planning exercises were effective.

National Program: The first phase of the Project, up to March 2001, emphasized a national program, including research and analysis, an information campaign, agenda setting, and a modest program for policy reform. The Social Weather Stations (SWS) undertook polling on the knowledge and attitudes of business people and ordinary citizens vis-à-vis corruption in the Philippines. The Philippine Center for Investigative Journalism (PCIJ) investigated various facets of corruption, and published their findings in newspapers and magazines. The Philippine Center for Policy Studies (PCPS) undertook a series of studies on the legal/administrative framework of corruption. The Makati Business Club (MBC) convened groups of business people to discuss the findings of polls, investigative reports, and policy studies.

TAG is now in a second phase that will last until September 2005. Partners working at the national level are generally taking more direct action against corruption. For example, the Ateneo Center for Social Policy and Public Affairs has worked with NGOs to establish a Transparency and Accountability Network (TAN) to track and encourage progress in anti-corruption reforms. Procurement Watch, Inc. (PWI) has followed up passage of the Government Procurement Reform Act (GPRA) with supportive activities aimed at effective implementation. The La Salle Institute of Governance (LSIG) has undertaken public advocacy to support a new law to dramatically reform tax collections. And the Right to Information Network (RTIN) has advocated for a Right to Information law.

The Team believes the impact of TAG activities can be enhanced substantially by giving greater attention to effective communication. For example, a TAG Strategic Information-Communication Strategy would identify opportunities for shared programming between the National and Mindanao Cities components. Thus, Makati Business Club counter-corruption discussions can be repeated in Mindanao through partnerships with the Mindanao Business Council and local Chambers. The result would be a shared understanding among opinion leaders of what the main problems are, and what solutions are feasible. Similarly, Procurement Watch, Inc. is developing a national public procurement database that has great potential for generating and sharing information, and even initiating legal remedies. However, conscious effort is

needed to integrate the database within a broader TAG communications-information strategy, to ensure it is available to researchers, prosecutors, advocacy coalitions, and others who would benefit. Generating public awareness and support for counter-corruption efforts can also be enhanced by making government officials' Statements of Assets and Liabilities readily available. PCIJ's website provides this service, but on a limited scale for only a few hundred national government officials. A TAG Strategic Information-Communication Strategy would seek ways to expand coverage.

The Evaluation Team has observed an increased level of activities at the national level focused on increasing transparency and opposing corruption, specifically within the past three to four years. A significant portion of activities observed can be directly associated with TAG, since they were accomplished by TAG partners under TAG funding. Furthermore, it is reasonable to assume TAG-sponsored activities have encouraged other media and institutions to openly discuss corruption and undertake activities to oppose corruption.

Mindanao Cities: The Mindanao Cities component is premised on the theory that reforming city governance is the most promising approach to enhancing transparency and reducing corruption. The seven cities of Dapitan, Iligan, Marawi, Cotabato, General Santos, Samal Island, and Surigao are the "target" of numerous activities and several TAG partners, including the League of Cities (LCP), Procurement Watch (PWI), the Mindanao Coalition of Development NGOs (MINCODE), and MINDANEWS. Cities have been assisted with analytical studies, including diagnoses of shortcomings in business licensing systems, and have been assisted with reform efforts through introduction of the Public Service Excellence, Ethics, and Accountability Program. PSEEAP has already enjoyed significant success in improving efficiency and lowering opportunities for corruption.

In some cities, notably General Santos and Surigao, significant reforms have already been achieved, and local government, business, and civil society leaders are jointly committed to further reforms. In the other cities the Team is confident useful reforms have been made, and that there is significant promise for greater impacts in the future. The Team is convinced significant steps have already been taken under TAG to ensure sustainability of city reform efforts. One important factor is that the Project is working with several partners that can be expected to be permanent and self-sustaining, including the League of Cities, Mindanao Business Council, local Chambers, and MINCODE. Other groups and activities—local TAN chapters, reporting procurement activities for the PWI database—are relatively low cost, and efforts to find modest private funding may well bear fruit. Also important are efforts to ensure the sustainability of PSEEAP facilitation services, since these modules have proven to be highly effective in delivering procedural reforms.

ARMM LGUs: A local government component is testing the feasibility of introducing transparent accountable governance in the Autonomous Region of Muslim Mindanao (ARMM). The implicit hypothesis is that at the lowest levels of governance, corruption can be combated through processes that get ordinary citizens involved more directly in governance. In the majority of cases, leaders of selected municipalities have opted for TAF's implementing partners to undertake activities at the barangay level. Several NGOs and academic institutions received grant funds and training from TAF to undertake "participatory barangay planning and budgeting." While the effectiveness of barangay planning workshops has varied considerably among implementing partners, it is clear that ordinary citizens who participated greatly appreciated the opportunity to participate, express their views, and learn the details of local budgets and expenditures. Other ARMM LGU activities focus largely on investment planning at the municipal level, and give considerably less emphasis to transparency and accountability.

The challenges in working in ARMM LGUs are daunting. Feudal governance traditions, inter-clan violence, and virtual impunity for corrupt leaders ensure that each reform effort faces an uphill battle. However, the Team believes significant progress has already been achieved in a few hundred barangays and a few dozen municipalities. At its best, the Participatory Barangay Planning and Budgeting (PBPB) module is an excellent tool for creating transparency. But the module will benefit from efforts to make planning

and budgeting more “inward looking” by focusing at least one session on “pursuing our goals with community resources.” It is essential that both municipal and barangay planning processes include current information on IRA resources and LGU expenditures.

Other Activities: A few other activities have been undertaken with TAG funding. The major activity is support for Local Monitoring Teams that observe and document the current truce between Moro Islamic Liberation Front and Philippine Government soldiers. Another activity, undertaken directly by TAF, is provision of books for educational institutions and LGUs in the ARMM, part of the region-wide Books for Asia program. If TAF opts to continue support for the LMTs, their role—e.g., observation-and-reporting versus mediation-and-development—needs to be clarified. LGUs may be better placed to assist and collaborate with LMTs if TAG assistance can be extended to local Peace and Order Councils, helping them to function as the “eyes and ears” of the LMTs, well as “mediators on the scene.”

TAG Management: TAF had four partners when TAG started, and the group apparently felt no particular need for a formal coordinating body. However, with many more project partners, the second phase of TAG is implemented under a Project Steering Committee chaired by the League of Cities, and including representatives of the Makati Business Club, Mindanao Business Council, TAN, MINCODE, DILG, the ARMM government, TAF, and USAID. The Steering Committee provides overall direction, ensures coordination, and reviews progress. Another committee is specifically tasked with guiding the Mindanao Cities component. Activities in the ARMM municipalities and barangays are coordinated directly by TAF, as they monitor and coordinate with their local partners in turn. Considering the broad agenda of the Project, and the diversity of activities so far undertaken, TAF has done quite a good job of managing TAG. However, if the Project is extended or expanded, closer monitoring and management will be needed. The Team believes the Mindanao Cities and ARMM LGUs components will require closer scrutiny. There is also a need to track and manage communications-information activities across the entire Project. It seems likely TAF will need more employees to achieve appropriate levels of management.

Recommendations: The Evaluation Team has offered more than 30 recommendations. The dozen items that follow are a “sampler” of that longer list:

- If adequate resources are available, TAF should continue working with TAG partners at the national level. However, their collective efforts should give greater emphasis to direct action against corruption, e.g. through a widely-agreed legislative/policy agenda, and partnerships with national government agencies willing to experiment with reforms.
- TAF should find a partner or contractor to undertake a national Rapid Appraisal on Implementation of the Procurement Law. The primary purpose will be to spot trends in implementation—e.g., Are there a significant number of LGUs and NGAs that are dragging their feet? Are there significant “good practices” being developed that need to be shared? This information can be shared widely with national government agencies, NGOs, and the local government leagues.
- The Team recommends that TAF adopt a strategic approach to communications and information dissemination across the Project. Coordinated production and dissemination of studies, publications, training materials, etc. should be encouraged to ensure more coherent, cost-effective information campaigns. The underlying principle can be “targeted saturation.”
- The Mindanao Cities component of TAG is a highly effective set of activities that should be allowed to mature at current sites for another six to twelve months, then expanded. Initially, expansion should focus on Mindanao; later these activities can be expanded “beyond Mindanao.”
- The Public Service Excellence, Ethics, and Accountability Program (PSEEAP) modules should be applied at every reasonable opportunity. The Team found these activities brought concrete re-

forms in each of the seven cities, and that this approach should be central to an expanded Cities component.

- TAF should convene appropriate partners to develop a Sustainability Plan for PSEEAP, ensuring that use of these modules becomes a standard tool for achieving transparency, accountability, and good governance in Mindanao.
- TAF and its partners should craft a special strategy for ARMM programs, balancing the need to respect cultural traditions against the need to effectively challenge ingrained patterns of feudalism, patronage, and impunity that have brought the ARMM to the highest levels of routine corruption in the country. It may be necessary to “begin at the beginning,” e.g. with very basic training and institutional support for Muslim-led NGOs and POs willing to challenge ingrained corruption.
- TAF should convene a working session to refine and standardize the module for barangay planning. Possible refinements include: introducing a brief session focused on “implementing our plan with local resources,” and a new approach to documentation, with outputs in the form of durable posters.
- TAF and the ARMM partners should explore the feasibility and probable payoffs to a “critical mass” strategy that would bring PBPB to 40 – 60 percent of the 2495 ARMM barangays.
- To maintain coherence in TAG, activities with little logical connection to transparency and accountability should be managed separately. These include the Local Monitoring Teams and livelihood activities.
- To ensure effective information sharing and creative collaboration among TAG partner organizations and LGUs, TAF should convene a series of Annual TAG Partners Conferences. An essential agenda item for the first year is conception, refinement, and approval of an inclusive TAG Action Plan.
- To achieve more effective monitoring and management, TAF will require a few more staff members. The need for a professional to coordinate communications and information dissemination was noted above. It may also be useful to engage a full-time person to ensure the coherence of legal reform-policy activities, and another to pursue expansion and sustainability of PSEEAP and PBPB modules.

I. INTRODUCTION

I.A. Origins and Evolution of the Transparent Accountable Governance Project

In 1999 The Asia Foundation (TAF) and four partner organizations initiated the Transparent Accountable Governance (TAG) Project. The project, submitted to USAID as an unsolicited proposal, was approved initially as a modest 18-month program. This first phase focused on information gathering and analysis, including documentation of perspectives on corruption problems among business leaders and the general public; analysis of key areas of corruption and their economic costs; and informing business and ordinary citizens on the negative impacts of corruption on economic development in the Philippines. Then a series of grant amendments in 2001, 2002, and 2003 allowed TAF and their original partners to establish a broad range of new working relationships.

Additional activities included: sharing TAG-supported research through publications, websites, and public roundtables; advocacy campaigns to support improved administrative procedures and reformist legislation at the national level; a partnership among seven reform-minded Mindanao cities aimed at enhancing efficiency and reducing corruption; packaged support aimed at bringing greater transparency and accountability to selected municipalities and barangays in the Autonomous Region of Muslim Mindanao (ARMM); enhancing the capacity of NGOs and other civil society organizations (CSOs) to undertake anti-corruption advocacy; and activities focused on bringing peace to Mindanao.

National Activities: The first phase of the Project, up to March 2001, emphasized a national program, including research and analysis, a national information campaign, agenda setting, and a modest program in policy reform. For example:

- The Social Weather Stations (SWS) undertook polling on the knowledge and attitudes of business people and ordinary citizens vis-à-vis corruption in the Philippines, then placed their findings in the national press.
- The Philippine Center for Investigative Journalism (PCIJ) investigated various facets of corruption, and then published their findings in national newspapers, magazines, and a new book on Members of Congress.
- The Philippine Center for Policy Studies (PCPS) undertook a series of policy investigations on the legal/administrative framework of corruption. And
- The Makati Business Club (MBC) convened groups of prominent business people to discuss the findings of polls, investigative reporting, and policy studies. The MBC initiated and continues to operate a TAG website. (www.tag.org.ph).

The national component was continued during a six-month extension of the first phase (TAG I), and is now in a second phase that will last until September 2005. Later generations of partners are generally taking more direct action against corruption problems. For example:

- The Ateneo Center for Social Policy and Public Affairs has worked with NGOs to establish a Transparency and Accountability Network (TAN) that actually tracks and encourages progress in anti-corruption reforms of national government agencies and local government units (LGUs), and also maintains a website to help NGO partners coordinate, and share information with the general public.
- Procurement Watch, Inc. (PWI) has followed up passage of the Government Procurement Reform Act (GPRA) with public consultations on implementing rules, produced educational materials,

trained national and local government officials, as well as representatives of business and NGOs, trained NGO partners to monitor procurement practices in the seven Mindanao cities, then signed memoranda of understanding with one NGO in each city outlining future collaboration, including provision by local NGOs of detailed information on procurements in their cities to be included in a national procurement database.

- The La Salle Institute of Governance (LSIG) has undertaken analytical work and public advocacy in support of a new law (the National Revenue Authority Act--NARA) that would dramatically reform systems for collecting business and personal income taxes, and reduce opportunities for public corruption and private graft. And
- The League of Cities of the Philippines (LCP) has provided the chairman for the TAG Steering committee, built on its status as a national organization to share “good practice” information on corruption-oriented reforms among its LGU members, and expanded its website to provide fuller treatment on transparency, accountability, and anti-corruption efforts. But the main emphasis of LCP under the TAG Project has been direct work with the Mindanao cities component described briefly in Section I.B, and considered in detail in Section III.

With greater emphasis on direct action, national partners have increasingly extended their work to the regional/local level, notably in relationship to the Mindanao Cities component. While a wide variety of activities are ongoing, one particularly promising action theme has emerged from work at the national level—procurement reform. It is notable that much of the essential work on developing a procurement law was undertaken under USAID’s AGILE Project, while efforts to ensure national government agencies and LGUs conform to the law are being undertaken by NGOs and academic groups under TAG. Other ongoing policy initiatives include efforts directed at legal reform of the Bureau of Internal Revenue, and passage of a law on public access to information.

Mindanao Cities: The Mindanao Cities component was started later, but is complementary to the work of well-established Mindanao programs of USAID including GEM and MABS. This component is a focused, positive response to the assertion of noted expert Robert Klitgaard that in corruption-ridden developing countries, reforming city governance is the most promising place to start in bringing greater transparency and reducing possibilities for corruption. Cities are the main generators of wealth and economic growth, are the main context within which yes/no investment decisions are made by domestic and international business firms, are compact enough in land area, government personnel, and budget and legal authorities to develop and implement effective reforms, and are likely to have the human and social resources needed to exert a sustained demand for change. This component is ongoing in the cities of Dapitan, Iligan, Marawi, Cotabato, General Santos, Samal Island, and Surigao.

It is worthy to note that TAG’s cities component is a beneficiary of recent GEM and GOLD activities. TAG’s cities component directly benefits from GEM institution building efforts, such as establishing and strengthening the Mindanao Business Council (MBC) and local Chambers in the seven cities. It also relies extensively on partner institutions strengthened under GOLD (such as the LCP), and on partners established under GOLD, such as the Centers for Local Governance (CLGs). The Mindanao Cities component also relies heavily on specialized planning modules, such as the Public Service Excellence Program (PSEP), and on general facilitation skills such as the Technologies of Participation (ToP) that were developed and refined under GOLD. The seven cities are the “target” of numerous activities and several TAG partners, including some mentioned above—LCP, PWI—and some not yet mentioned, including the CLG of The Holy Name University-Tagbilaran, the Mindanao Coalition of Development NGOs (MINCODE), and MINDANEWS.

ARMM LGUs: This component is testing the feasibility of introducing transparent accountable governance among ARMM LGUs. The implicit hypothesis is that at the lowest levels of governance, corruption can be combated without direct recognition of the breadth and depth of the problem, but through indirect

approaches that bring ordinary citizens into processes of analysis and planning and provide information on budgets and procedures not previously available. TAF has used a “demand-driven” approach in initiating these activities, inviting municipal mayors to a meeting in Davao, exposing them to a range of possibilities and inviting them to apply for participation in the program. In all, TAG supported a total of six meetings hosted by the League of Municipalities—three consultations in June-July 2002 to initiate the program, and three follow-up sessions in 2003 and 2004 to share information on progress.

Interestingly, in the majority of cases, leaders of selected municipalities have opted for TAF’s implementing partners to undertake activities at the barangay level. At this level, slightly above the individual community, human and financial resources are very modest, but opportunities to enhance transparency and accountability through face-to-face interactions are great. Half-a-dozen NGOs and academic institutions—the Alternative Center for Organizational Reforms (ACORD), Bangsamoro Women Foundation for Peace and Development, Kahapan Foundation, Maguindano Foundation for Good Governance and Development (affiliated with MSU-Maguindanao), and Mindanao State University-Marawi, Center for Local Governance—received grant funds and training from TAF to undertake “participatory barangay planning and budgeting.”

While the effectiveness of barangay planning workshops has varied considerably among implementing partners, it is clear in most cases that ordinary citizens who participated greatly appreciated the opportunity to participate, express their views and learn the details of local budgets and expenditures. (In some cases, the validity of the resulting plans, which often identify the need for small infrastructure, has been enhanced by construction of barangay halls or other small projects under the GEM II Project.)

Other ARMM LGU activities have focused largely on investment planning at the municipal level, and appear to give considerably less emphasis to transparency, accountability and participation of ordinary citizens.

Other Initiatives: A few other activities, some more and some less closely aligned with transparency and accountability concerns, have been undertaken with TAG Project funding. The major activity in this category is support for the Local Monitoring Teams that play a mandated role in observing and documenting the current truce between MILF and Philippine government soldiers, and that take an informal role in mediating and sharing information between the forces. Related activities in strengthening Law and Order Councils and People’s Law Enforcement Boards have been proposed, but not yet undertaken. Another activity, undertaken directly by TAF, is provision of books for educational institutions and LGUs in the ARMM as part of the region-wide Books for Asia program.

I.B. Scope of Work for this Evaluation

The Scope of Work raises a series of questions, 51 in all, regarding the impact and effectiveness of 15 different components and activities carried out under the TAG Project.¹ The questions refer to major and minor facets of the Project—e.g., Setting the Agenda, Anti-corruption Initiatives at the City Level, Localizing the Transparency and Accountability Network, Educational Materials in Mindanao—and solicit the Evaluation Team’s overall assessment of the project.

Each question is important. For example, the Team is asked to consider “What are the specific activities undertaken to combat corruption [in Mindanao]?” and “Are the local government units satisfied with the performance of the Project partners in providing technical assistance?” But the Evaluation Team estimates that responding to each question in turn with our considered judgment and minimal supporting evidence, would require at least 25-30 pages of text, very close to the 35-page limit already set for the core report. Furthermore, we believe this approach would present a confusingly fragmented story that leaves

¹ Actually, since many of the listed questions have multiple parts, it would be equally accurate to state that “there are more than 90 questions.”

little space for additional questions and issues that have emerged during this evaluation, and that unduly limits discussion of possible future directions for anti-corruption programming in the Philippines. Thus, as an alternative, brief answers to the 50 questions are included in Annex A, along with cross-references to portions of the main report that present relevant evidence and information.

The head of USAID/Manila's Office of Economic Development and Governance also raised a series of classic evaluation issues: "Find those things that are most successful, and continue to support them." "What are effective organizational structures?" "This effort is not to justify TAG; it will be used as an internal assessment aimed at a new strategy." "What works and what doesn't work."

I.C. Methodology of the Study

The four-member Evaluation Team brings a wide range of skills and experience to this study. Calavan, the team leader, is an anthropologist and USAID retiree, experienced in designing, managing, and evaluating democracy and governance programs; and possesses comparative knowledge from assignments in half a dozen Asian countries. Dayao is a trained agricultural economist and also a USAID retiree, experienced in designing and managing programs to strengthen civil society and local governance, with particular insights into how NGOs and LGUs can work together to improve governance. Batario is a professional journalist, an NGO leader experienced in training other journalists in basic reporting and advanced investigative skills, and also familiar with the strengths and weaknesses of rural municipalities in the Philippines. Bacani is an attorney, a respected researcher and writer on the particular challenges of conflict and governance in ARMM and the rest of Mindanao, and a law school dean who is intimately familiar with management issues.

Semi-Structured Interviews: The primary approach to information gathering was a series of more than 80 interviews and focus group discussions, with over 150 informants, representing more than 60 business organizations, NGOs, LGUs and local and national government departments. Some interviews were deemed sufficiently important to be undertaken by the entire Team. Two-member "sub-teams" interviewed others and individuals carried out a few telephone interviews. Notes were shared among Team members as needed. The purpose of a "semi-structured" interview is to get roughly equivalent information from each informant and allow sufficient flexibility for the informant to "tell his/her story" and for interviewers to gain rich insights that seldom flow from more structured interviews. Annex C includes the Interview Guide that lists issues targeted for each interview. Interviews generally required 45-90 minutes of intense give-and-take and note taking.

Focus Group Discussion (FGD)s: Some activities, such as Participatory Barangay Planning and Budgeting, were too numerous and too geographically-dispersed to be easily captured by a limited number semi-structured interviews. Thus a facilitator undertook focus groups composed of four to eight informants with a directed a round of questions. Members of the Evaluation Team laid out desired questions in advance, observed the FGDs, took notes and asked a few clarifying questions at the end. Two FGDs were undertaken for participants in barangay planning in Maguindanao and Tawi-Tawi. Another FGD examined the experience of business people in Cotabato City with improved business licensing procedures. A final FGD examined the experience in Lanao del Sur LGUs with Investment Planning Workshops. (See Annex C.)

Documents and Websites: USAID provided each Team member with a large, comprehensive set of documents at the outset. Additional documents were accumulated during interviews with TAG partners and in the TAF office. These items—progress reports, publications, studies and analyses, training materials—provide invaluable information on the TAG Project. They were too numerous for each Team member to review the entirety, and thus the Team divided up the materials, to ensure all were reviewed. In addition, Team members examined a number of websites that have been established under the Project, or that contain information relevant to Project activities. (See Annex F.)

Statistical Analysis: More than 350 barangay plans have been developed under the TAG Project, and Team members decided it would be useful to subject these documents to closer scrutiny. Two students from the University of the Philippines, Diliman undertook a brief statistical study, to determine if the planning exercises were effective in eliciting broad participation, providing greater transparency for local governance, clarifying local citizens' development priorities and mobilizing citizen support. (See Section IV.)

I.D. Corruption in the Philippines—Probable Causes, Possible Solutions

After extensive field visits, review of dozens of documents, and interviews and focus group discussions with more than 150 Filipinos, the Team arrived at several conclusions about corruption in the Philippines. Our major insights include:

Cities are a reasonable place to start: In their book Corrupt Cities: A Practical Guide to Cure and Prevention, Robert Klitgaard and his colleagues argue energetically that cities in developing countries are a particularly promising venue for efforts to improve transparency and accountability, and thus to reduce corruption. After extensive field visits to several Mindanao cities, Team members are convinced this is the case. We have seen reform efforts already having useful impacts on business practice (such as more efficient, transparent procedures for issuing business licenses), citizen confidence (such as more efficient, transparent delivery of health services) and we can envision continuing reforms that will truly transform those cities and eventually all of Mindanao.

Reform efforts from the lowest levels of governance can also make a difference: TAG has supported exercises in Participatory Barangay Planning and Budgeting (PBPB) in more than 350 ARMM barangays. Discussions with participants clearly demonstrate they are better informed (in the past, few residents had any notion of the size or uses of the barangay budget), and they have expectations of greater transparency and better performance in the future.

Ultimately, systems matter more than morality: The successful reforms Team members observed are the product of changes in systems. Workshops that enable local government employees to describe, analyze, diagnose and improve the systems they work in every day have made the difference. While the attitudes and sense of moral responsibility of participants in the reform process may also have changed, it seems clear that it is concrete improvements in how systems work that bring sustainable reforms.

Inefficiency and corruption are closely linked: Inefficient administrative systems, particularly those that render poor, slow, unpredictable services to citizens, often breed small-scale corruption. Ordinary citizens seeking service in a chaotic waiting room will be inclined to offer small gifts, or pay for the services of a fixer. Vendors, who have waited months to be paid for goods delivered or services rendered, will be forced to send gifts or find an intermediary to follow the necessary paperwork from desk to desk. Successful reforms in some Mindanao Cities to speed up business licensing and to release checks to vendor in days instead of months, have eliminated long-established sources of corruption.

Detailed studies on prevailing corrupt practices may be useful, but are not essential: Academic studies of how corruption is actually carried out are invariably interesting, particularly to foreign observers who are often naïve and lacking in intimate knowledge of such practices. However, in cases where government employees can be motivated to describe, analyze, diagnose, and reform their own systems (the ones they work in every day), there is limited need for outside studies. Similarly, reports on the costs of bribing public officials, or of diverting and misusing public funds, are also inherently interesting. Even rough-and-ready estimates (as virtually all such figures must be) are likely to be discussed widely and repeated frequently in the media. However, for purposes of reform, it is generally sufficient to know that “the volume of bribes being paid to Office X is large,” or that “salaries paid to the ‘ghost’ employees in City Y amount to hundreds of thousands of pesos annually.” In any case, the most important costs of corruption

lie in “development opportunities foregone” when firms decide not to invest, or “credibility lost” when a city is widely known as a poor performer.

II. TAG’S NATIONAL PROGRAM

II.A. Introduction

The TAG national program pursues four major activities to realize an ambitious counter-corruption agenda in support of Philippine government efforts to encourage economic growth and address poverty. The four activities, or components, involve agenda setting, a national information campaign, policy reform, and research studies. The “first generation” of activities under the TAG Project were undertaken by the Makati Business Club (MBC), Philippine Center for Policy Studies (PCPS), Social Weather Stations (SWS), and Philippine Center for Investigative Journalism (PCIJ). A new round of activities brought new partners to TAG, including the Ateneo Center for Social Policy and Public Affairs (which has established and nurtured the Transparency and Accountability Network--TAN) Pagbabago@Pilipinas, and the La Salle Institute of Governance (LSIG), among others.

Public sector reform was supported through a number of initiatives that pushed for the National Revenue Authority (NARA) and Right to Information (RTI) bills, through the Citizen Watch on Tax Administration Reform and the Access to Information Network (ATIN) respectively. Progress in reviewing and passing both bills, however, has been frustrated by the elections, but supporters can be expected to pursue their passage vigorously in the next Congress. A recent legislative victory, passage of the Government Procurement Reform Act (GPRA), has provided ample opportunities for civil society and the private sector to effectively monitor compliance and procurement proceedings, and raise criticisms as appropriate.

Central to the TAG efforts are campaigns to increase public awareness, enunciated in specialized annual polls that probe attitudes and knowledge of the business community on transparency, accountability and corruption, focus group discussions conducted by the Makati Business Club, and media coverage and reportage of corruption-related issues. These efforts all help focus public attention on corruption as a phenomenon as a disease that is all-too capable of spreading from one part of the system to another. (For an overview of TAG national activities, see Table 1, Annex H.)

The Evaluation Team has observed an increased level of activities at the national level focused on increasing transparency and opposing corruption, particularly in Manila and Mindanao, and specifically within the past three to four years. A significant portion of activities we observed, including increased coverage in newspapers and magazines (e.g., “lifestyle checks” based on new financial disclosure requirements for public officials), and advocacy for legislation to reform the Bureau of Internal Revenue (BIR) and improve access to information, can be directly associated with TAG. TAG partners under TAG funding accomplished these activities. We believe it is reasonable to assume TAG-sponsored activities have encouraged other media and institutions to openly discuss corruption and undertake activities to oppose corruption. However, there was insufficient time to carry out interviews that would firmly establish this as fact.

The Social Weather Stations activity has provided the only time series data on business attitudes toward corruption and related issues. Annual Surveys of Enterprises on Corruption were carried out in 2000, 2001, 2002/3 and 2003/4.² The interview target for the first three rounds was 500 firms in the National Capital Region, including about 40 percent large firms, the remainder small and medium firms. In 2003/4, 100 additional firms were added in Cebu and 100 in Davao. In general, the most striking feature of survey results is their year-to-year consistency. Thus, when asked “How many companies in your line of business use bribes to acquire public sector contracts?,” the proportion of respondents answering “almost all”

² Data presented here are from a PowerPoint presentation made by SWS to Asia Foundation and USAID staff on May 27, 2004.

or “most” ranged between 55 and 57 percent. When asked if they had personal knowledge of public sector corruption in their sector of business, answers of “extensive” and “moderate” varied between 73 and 78 percent. When asked “Why is corruption wrong?” a solid majority each year (ranging from 51 to 59 percent) responded, “Because it hurts national development.” When asked about the extent of corruption in the public sector, the proportion who answered “a lot” or “some” varied between 88 and 96 percent.

Perceptions of the “sincerity” of public agencies in overcoming corruption seem to vary considerably from year to year,³ apparently reflecting media coverage of alleged corruption on one hand, and perceived reform efforts on the other. Relatively abrupt year-to-year shifts in perception are common, while generally it is difficult to detect clear upward or downward trends. However, a few agencies (e.g., the Securities and Exchange Commission [+55 to +59 percent] and Supreme Court [+35 to +65 percent]) get consistently positive ratings, while others (e.g., the Bureau of Customs [-65 to -83 percent], Bureau of Internal Revenue [-51 to -74 percent], Department of Public Works and Highways [-45 to -68 percent], and Philippine National Police [-24 to -51 percent]) get consistently negative ratings. A few agencies have experienced widely varied ratings, as leadership has changed and the publicity given to reform efforts has ebbed and flowed. Thus, the Department of Education received a rating of -9 percent in 2000 and +65 percent in 2001, when a new, reform-minded secretary began his term.

However, there are a few cases where it is plausible that positive trends are emerging, perhaps reflecting the efforts of TAG partners and others to demand and introduce reforms. For example, business representatives were asked if they had been requested to pay a bribe while paying taxes and license fees. For the National Capital Region, the proportion of respondents who answered “yes” for Local Government Permits and Licenses declined steadily from 55 percent in 2000 to 46 percent in 2003/4. Similarly, for payment of national income taxes, there was a steady decline from 52 percent in 2000 to 42 percent in 2003/4. And, in conjunction with paying national government permit and license fees, the figure declined from 42 percent in 2000 to 26 percent in 2003/4. It is also notable that solicitation of bribes during payment of taxes and license fees appears to be lower outside the National Capital Region. Only 26 percent of firms in Davao reported the requesting of bribes during payment of local permits and licenses. 23 percent were in conjunction with payment of national income taxes, and only nine percent while paying national permit and license fees. If declines continue in the National Capital Region for another year or two, and remain low in other cities, activists working in TAG coalitions will be able to argue convincingly that reform is possible, and may also be justified in taking at least partial credit for ongoing reforms.

SWS surveys provide some basis for optimism that businesses are prepared to actively oppose government corruption and, presumably, reduce their complicity in such corruption. Between 2002/3 and 2003/4, the proportion of firms with a Code of Ethics or clear written rules on punishing employee misconduct rose from 60 to 65 percent, with the figure for large firms rising from 74 to 84 percent. Furthermore, there has been a steady increase in the proportion of firms expressing a willingness to pay for a [currently hypothetical] program to “halve corruption in 10 years.” The proportion of respondents willing to spend one percent or more of their pre-tax profits on such a program rose from 58 percent in 2000 to 66 percent in 2003/4, with the mean percentage proposed by firms rising steadily from 3.8 percent to 6.1 percent. Those responding positively envision using contributed funds to “file and prosecute cases” [94 percent], “protect whistleblowers” [93 percent], and “conduct lifestyle checks” [85 percent]. TAG partners may wish to capitalize on this enthusiasm for active reform efforts by actually establishing an experimental program to solicit modest funds from business and actually undertake activities of this sort.

Two major themes are now examined: Broad Civil Society and Private Sector Engagement, and Promotion of Accountable Leadership.

³ SWS makes frequent use of net ratings in which negative/unfavorable percentage ratings are subtracted positive/favorable ratings.

II.B. Findings--Broad Civil Society and Private Sector Engagement

The Transparency and Accountability Network (TAN), formerly an informal grouping of organizations and individuals bound by a common desire to address corruption, has maximized opportunities for coalition building by actively working with different government and civil society organizations. The coalition building process has been advanced by providing support to the Ateneo Center for Social Policy and Public Affairs, which has been able to convene coalition meetings, provide communication and secretariat support, and maintain a TAN website. Significant progress has been made in at least two policy areas—initial efforts toward establishing a new national revenue authority and right-to-information legislation. Coalition activities led by the La Salle Institute of Governance (LSIG) and pagbabago@pilipinas, both TAN members, resulted in cooperative lobbying through the BIR Watch and Right to Information Legislation projects. So far, these two efforts have not resulted in approved legislation, but have resulted in research on comparable legislation in other countries, drafting of bills, introduction of those drafts in Congress, public hearings and legislative debate, and identification of some senators and members of congress who are likely to support these important pieces of legislation in the 2004-2007 session.

The National Revenue Authority (NARA) bill aims to transform the BIR into a performance-based agency, professionalizing its ranks “by giving employees enough reason to stay honest and removing dead wood,” was watered down by Congress near the end of the recent session, and then not brought to vote. A Tax Authority Reform Workshop (under TAG) enjoyed considerable success in building awareness and a constituency for the bill. This was followed up with creation of a speakers’ bureau, and development of a website to support the information campaign. In interviews with key informants, some of those who participated in advocacy work believe their efforts to carry the campaign into Congress came a bit late in the past session, when legislators were distracted by their upcoming campaigns. In any case, the advocacy campaign came head-to-head with rich, entrenched interests within the staff of BIR, and it is unlikely this legislative battle can be won within a few months. The La Salle Institute of Governance, while showing signs of dismay and fatigue at the turn of events, is planning to re-file the bill in the next Congress and “will touch base with champions in the Senate” who can support the enactment of the original version of the NARA.

The same fate befell the Right to Information (RTI) bill. However, through members of the Access to Information Network (ATIN), pagbabago@pilipinas are banking on “champions” to shepherd the bill through the different legislative committees in the next session of Congress. While TAN has taken the lead in advocating for the passage of the RTI bill, its members broadened participation through affiliated organizations of the Access to Information Network, mostly media NGOs like the Center for Media Freedom and Responsibility, Center for Community Journalism and Development, and the Philippine Center for Investigative Journalism.

Annual Enterprise Surveys conducted by the Social Weather Stations, have established benchmarks against which the business people and ordinary citizens can air their views on performance of government agencies. The survey questions were based on output from focus group discussions sponsored by the Makati Business Club “to document perspectives of the community and the business sector on corruption as it relates to doing business in the Philippines.” A series of Counter-Corruption Discussions of the MBC for 400 members of constituent organizations have amplified business concerns and in some cases persuaded participants to take action, for example by texting information on income tax receipts to assist in detecting improprieties at the Bureau of Internal Revenue. The discussions and modest follow-on actions by business people contributed to a better understanding of transparency, accountability, corruption “and building relationships as well.”

While many partners are dependent on TAF financial support to undertake TAG activities and there may be difficulties in finding local sponsors for a “controversial” website such as TAG’s, a fair number of self-sustaining initiatives arose as a result of the Project. One example is the MBC’s “Text Resibo” project, which aims to encourage business establishments to issue receipts, and has been funded by member

organizations. In a few brief campaigns, MBC has encouraged citizens who do not receive receipts to register complaints through text messages to appropriate authorities. The response during brief campaigns apparently has been quite good, but additional efforts will be required, probably by working with appropriate national and local government tax offices to ensure procedures for texting complaints are widely publicized and administrative procedures for responding in a timely fashion are in place. If this process is expanded across the country, retail businesses will find it far more difficult to keep transactions “off the books,” and tax receipts should increase substantially.

While Enterprise Survey results have been released to the press, they are generally given rather limited coverage in either the print or mass media. However, investigative pieces published by PCIJ and Newsbreak sometimes incorporate poll results, and those results have sometimes been used by reporters as a guide to probing more deeply into corruption issues. The PCIJ also helped out in developing questions used by SWS in assessing business perceptions about corruption and “to get them enthused about anti-corruption.” PCIJ regularly publishes in the Daily Inquirer and other national dailies that reach large, educated, middle- and upper-class audiences. Newsbreak reaches a smaller, but similar audience. The audience might usefully be expanded by reworking some of the PCIJ and Newsbreak articles as case studies for community-level NGO training programs and for incorporation into high school and college curriculum materials. However, the Team did not observe any efforts to expand use of these materials in this way.

A TAG partner, the Philippine Center for Policy Studies, undertook a research and publishing activity called *The Political Economy of Corruption: Studies in Transparent and Accountable Governance*. Three studies were conducted to examine the costs corruption brings to economic growth in general and on business in particular. The studies can be accessed through the TAN and TAG websites, and have also been published in the *Public Policy* journal of the University of the Philippines. These studies have also been used at the Asian Institute of Management (AIM) as governance cases. But PCPS staffers note that additional, broader macro-economic studies on corruption need to be undertaken if large-scale political corruption is to be understood more thoroughly. This merits serious consideration, since the one-of-a-kind deals, characterizing big-time corruption are generally less noticeable, compared to the widespread bureaucratic corruption that TAG partners largely focus on. Studies that allow readers to clearly link large-scale corruption to the Philippines’ relatively slow economic growth are another way of increasing awareness about the insidious and deleterious effects of corruption. PCIJ has documented some one-of-a-kind corrupt deals, going back to Pork and Other Perks, published with USAID financial support in 1998. However, additional analysis aimed at documentation of costs of corruption may also be useful, if the results are made public while memories of the deal are fresh.

There has been considerable effort at the national level to broaden civil society and private sector engagement in practical campaigns to bring greater transparency to routine but often corrupt administrative processes. An example is the collaborative work, organized by the Ateneo Center for Social Policy and Public Affairs, and involving the Department of Education, NAMFREL, TAF, and Government Watch, to implement the Textbook Count project. Under this effort “we were able to monitor the delivery of some 30 million books around the country.” By involving local school boards both in textbook monitoring and other anti-corruption activities focusing on the Department of Education, TAG could further strengthen advocacy across a wide spectrum of citizens’ groups, such as Parent-Teachers Associations.

Institutionalization of the Transparency and Accountability Network reflects the strategic direction that the project has moved into, supported by concrete activities such as publication of the First Guide to Government Processes and Transactions: Filing Charges and Complaints before the Office of the Ombudsman, providing citizens, watchdog groups, and counter-corruption advocates some useful guideposts. Part of a partnership project with the Office of the Ombudsman, it is also useful in providing step-by-step tips on how to conduct lifestyle checks. While resonating with TAN’s “3 Ps” anti-corruption framework-- prosecution, prevention, and promotion, and potentially useful for network members, wider public dissemination of the guide has not yet been undertaken. Efforts to make it available through more extensive

networks, such as CODE-NGOs 3000 members, might also be a useful effort under an expanded TAG information program.

Procurement Watch, Inc. likewise provided venues for public discussion and conducted training workshops on the Procurement Act. In one training activity, mock bidding sessions were held to familiarize participants with the process and to test their absorptive capacities. Generally, close collaborative efforts between TAN and counter-corruption organizations have been observed, illustrated by the procurement training sessions conducted by PWI in partnership with TAN and the Office of the Ombudsman. Sixteen two-day regional training sessions were held for accredited civil society organizations interested in becoming Bids and Awards Committee member-observers.

The TAG website and the complementary TAN site can play a critical role in supporting counter-corruption advocacy and generating support and feedback from the general public, but it may be necessary to review and improve their “user-friendliness,” so that a bigger public groundswell can be generated. For example, it might be useful to promote use of the websites to high school and college teachers, who can in turn introduce them to their students for group projects and research papers.

II.C. Conclusions--Broad Civil Society and Private Sector Engagement

Broad and expanding civil society and private sector engagement characterizes TAG’s advocacy work at the national level. This is clearly demonstrated by numerous efforts in information sharing and dissemination, and advocacy initiatives among the different networks, organizations, and groups doing counter-corruption work. While significant inroads have been made under TAG in identifying civil society and private sector priority reforms, the broad range of initiatives of the various partners present a bigger challenge for TAF, which is to define a cohesive, strategic framework, with the long-term objective of institutionalizing Project approaches and goals.

There are potential elements of a national agenda already present, such as efforts to ensure implementation of the Procurement Act is successful, and continuing advocacy for passage of the Right to Information and National Revenue Authority (NARA) bills. This cluster demonstrates a reasonable balance of activities—with the Right to Information Bill addressing the traditional problem of government opacity, the NARA Bill stressing greater transparency and accountability in generating revenues; and the Procurement Law ensuring greater probity in expending government funds. In each of these areas, TAG partners are already addressing the “big issues,” and these items strike the Team as appropriate at this time.

However, if there is a felt need for additional advocacy challenges, work on improving the party structure and campaign financing might be appropriate. A constitutional amendment that limits senatorial campaigns to the three island groupings (Mindanao, Visayas, and Luzon) or the regions, would eliminate the need for national campaigns that are ridiculously costly, and make Senators more accountable to constituents. A Political Party Bill would make it more difficult for organizations lacking a constituent base and observable policies to contest elections. A Campaign Finance Bill would place strict limitations on individual, business, and organizational campaign contributions, and include strict transparency and enforcement provisions. Some informants also observed that the government’s main anti-corruption agencies, notably the Office of the Ombudsman, are under funded. A modest advocacy program to ensure this office is adequately funded and staffed might be appropriate.

The Project has contributed significantly to effective implementation of the Procurement Law through well-paced training workshops, focus group discussions, and various forums conducted by TAG project partners. The engagement of the business sector in a sustained manner, and having the Makati Business Club, for example, taking “ownership” of the regular public briefings for SWS surveys, bode well for the project.

TAG has widened the reach of advocacy activities through support for establishing the TAN, which is focusing on producing citizens' guidebooks on filing charges with the Office of the Ombudsman and conducting "lifestyle checks." Transparency International, on the other hand, has pursued the idea of developing a nationwide directory of civil society organizations engaged in counter-corruption work.

The TAG and TAN websites can become more potent and interactive venues for other organizations and the general public to file citizen complaints directly to concerned government agencies or business Chambers.

II.D. Findings--Promotion of Accountable Leadership

By bringing together the Makati Business Club, Philippine Center for Investigative Journalism, Procurement Watch, Inc., and the Society of Jesus (through its Ehem! Project), TAG has harnessed meaningful collaboration among business, civil society, religious, and the media leaders.

The Ehem! program adopts a fresh, intellectually challenging approach to altering attitudes and behavior. The Team finds it to be a sound alternative to the values-based approaches, including Integrity Circles, which have been espoused by the Philippines chapter of Transparency International. Those approaches seem to "let participants off the hook," by allowing discussions toward "being better parents and spouses," and by vague approaches to setting action agendas. A TAG-funded assessment of the Integrity Circles notes that the strengths of the workshops "begin with the personality and capability of Roldan (the facilitator) himself." Despite the apparent success of start-up workshops in inspiring a sense of guilt and moral fervor in participants, the report quotes numerous former participants regarding lack of follow-on actions by participants, and lack of follow-through support from TI and the facilitator. There is little evidence that Integrity Circles have had any concrete impact on corruption in government offices, and thus TAF has decided to provide no support to programs of this type.

However, the Team assesses Ehem! seminars as a distinct, more useful approach. They demand greater intellectual rigor from participants, and apply more careful facilitation strategies. Participants are led through a thorough examination of the underlying social, cultural and political factors that are at play, for example in the workplace or within the kin group. Ehem! facilitators take greater pains to help participants question, analyze and re-evaluate their personal values, and also put them in touch with the wider network of anti-corruption organizations. The ongoing Walang Hihingi counter-corruption campaign (which addresses issues of appropriate behavior by voters and religious institutions during election campaigns) is focused on academic institutions and churches across the country. This seems to be an appropriate approach to following up and broadening the work of organizing and delivering Ehem! workshops. The Team was informed that the current round of Ehem! workshops are focused on the Catholic clergy and active Catholics and on groups of young people. However, since the Ateneo de Davao is also training all graduates of their MPA program in facilitating the workshops, we can anticipate this approach will reach a wide range of audiences.

Procurement Watch, Inc., (PWI) has pursued a public information campaign on the Procurement Reform Act through quarterly issues of the PRISM Update newsletter and a comic book-type citizens' guide to monitoring government procurement processes. However, only 10,000 copies of the comic books have been printed, raising the question of how effectively targeted and saturated the target audience will be. PWI's rapidly expanding national database on public procurement has great potential for sharing information and initiating corrective actions when procurement processes go awry, but it is not clear to the Evaluation Team that a comprehensive dissemination and utilization strategy is in place. An integrated information strategy for TAG may be needed to address this issue of "target audiences" for a wide range of information sources.

Efforts to promote investigative reporting at the national level are highly developed, with PCIJ conducting training for journalists, producing in-depth stories on corruption issues, and publishing the book The

Rule Makers, which examines how the wealthy and well born continue to dominate Congress. Some PCIJ reports have been aired on television networks such as GMA-7 and ABS-CBN.

A traveling play called *Anatomiya ng Korupsyon*, is currently being staged in different parts of the country through TAN partners such as pagbabago@pilipinas. The play, staged in schools and colleges, attracts academicians, students and professionals, and is generating greater public awareness and helping opinion leaders, youth, and ordinary citizens examine the qualities they would like to see in their leaders. After each staging, the audience reacts by offering suggestions on how to address corruption. The project is also being supported in part by the Cultural Center of the Philippines, and is being supported in different areas where there is interest in staging the play. Members of the cast for Manila productions told an interesting anecdote about a Metro Manila mayor who changed his mind about hosting the play for city employees when he saw the marketing video. "I might lose in the coming elections," he was quoted as saying, an indirect testimony to the power of drama in helping ordinary people to think about and oppose corruption.

The Ombudsman search process received full support of the Philippine Governance Forum, with TAG financing. This effort opened to civil society the profiles and credentials of applicants for the Ombudsman post. The selection process was made public "and we gained access to the public interviews." In December 2002, three candidates were selected from a field of 44, including the widely respected Simeon Marcelo, who was eventually selected. Business and civil society groups view Marcelo as hardworking and key to the successful pursuit of reforms at the Office of Ombudsman. Future work with the Office of the Ombudsman might usefully focus on external factors that may affect reform efforts, e.g., the relatively small budget allocation and low salaries for staff lawyers. This might become part of the national agenda of any future TAG program.

The Ombudsman Survey, conducted by SWS, measured public perceptions of the Office of the Ombudsman and also provided inputs in to the search process described above. *Libertas*, a group of reform-minded lawyers, also received TAG funding, and after meetings with the Ombudsman and the Transparency Group of the Office of the President, are providing volunteers to assist Ombudsman Office lawyers with preparing documentation to discuss the parameters of preparing and pursuing corruption cases. Follow through activities, such as the status of cases filed were not apparent, however.

With TAG support, the Governance Advisory Council developed a template for national governance scorecards. Based on a system developed as a corporate self-assessment, the scorecard is built around a set of nine good governance principles. The project is a tripartite effort involving government, business and civil society. The challenge though, as expressed by one key informant, is "how to move beyond mere assessment." There is also a question with regard the usefulness of the scorecards, since access to information on explicit city-to-city comparisons is limited to the city mayors. (See Section III for a brief discussion of scorecards for Mindanao cities.)

Despite many creative, vigorous efforts to develop and share information, the Evaluation Team has not observed any cohesive, systematic strategy for an anti-corruption information campaign. We believe greater efficiencies and synergies are possible in this area.

II.E. Conclusions--Promotion of Accountable Leadership

Overall, the project has been quite successful in fostering efforts of private sector and civil society partners to undertake information campaigns. However, the Evaluation Team has noted a lack of integration in efforts to disseminate information. One major trend the Team noted is that media, business, and civil society have begun broadening their reform efforts through reaching out to a variety of partners and networks. For example, focus groups sponsored by the Makati Business Club build their discussions around SWS surveys and PCIJ studies. TAG offers significant opportunities to further enhance collaboration by ensuring regular communication and shared programming between the National and Mindanao Cities components. For example, Makati Business counter-corruption discussions can be repeated in Mindanao

through partnership with the Mindanao Business Council, local Chambers, and CCTAG/CCTAN coalitions. The result can be a shared understanding among opinion leaders in Manila and Mindanao of what the main problems are and what solutions are feasible. However, as noted above, this has not yet a single coherent strategy for action.

Many of the focus group discussions, roundtable dialogues and public forums conducted so far under the Project have focused on reforms needed in the Bureau of Internal Revenue and Bureau of Customs, and on implementation of the Government Procurement Reform Act. Efforts of Procurement Watch, Inc. to develop a national database on public procurement, including processes and steps, have great potential for generating and sharing information, and even initiating legal remedies. However, conscious effort should be made to integrate this database within TAG's communications-information strategy and link it with other websites and databases. The availability of the database should be publicized to the media and researchers who can use it as a research tool, and to NGOs who may wish to use it as a resource.

Setbacks so far experienced in lobbying for bills on the Right to Information and NARA should not discourage continuing advocacy, and should serve instead as signals to re-examine communications-information strategies and re-energize partners who have been leading these campaigns.

The media campaign against graft has been consistently conducted by the PCIJ and Newsbreak, while the mainstream media, especially television, have yet to make significant use of information already produced. Efforts to provide regular "feeds" or dispatches on corruption issues that can be developed as in-depth stories by print and mass media, can also be part of a broader TAG communications-information strategy.

Generating public awareness and support for counter-corruption efforts can also be enhanced by making government officials' Statements of Assets and Liabilities widely and readily available. The PCIJ's online I-Site provides this service, but on a limited scale for only a few hundred national government officials. While national coverage of NGA and LGU officials is not feasible at this time, it might be feasible to make relevant information available on websites associated with particular agencies or localities.

The Team found that creative approaches to increasing public awareness and generating support for anti-corruption efforts are best exemplified by the *Anatomy ng Korupsyon* moveable play being staged by TAN around the country, and the *Ehem!* project that uses cultural norms and practices, couched in pop images, to bring home the message that corruption should not be part of normal human behavior.

III. TAG'S MINDANAO CITIES COMPONENT

III.A. Introduction

The seven cities involved in the Mindanao Cities component were selected on the basis of "demand-driven, assisted self-reliance" principles. TAF worked with League of Cities staff to identify promising mayors and assess their level of "political commitment." The Evaluation Team understands that commitment was assessed in several ways, including: willingness to submit significant city government human and financial resources to TAG-assisted activities; ongoing, locally-initiated reforms; a potential for "tripartite" (LGU/business/civil society) support to reforms; the mayor's willingness to serve as "cheer leader" and "task master" during reform efforts; and a commitment to share resources and information with other cities. Ultimately, Dapitan, Iligan, Marawi, Cotabato, General Santos, Samal Island, and Surigao Cities were invited to join the activity.

A range of activities—international and in-country training, production of manuals and publications, formation of reform coalitions, research to diagnose and treat systemic problems, information sharing sessions, and

facilitation of self-administered reform activities—have supported significant reform efforts within the brief period of two years. Table 2 in Annex H summarizes the range of services offered and organizations providing them.

The Team’s field visits in Mindanao reinforced the common belief that corruption is widespread in Philippine local governments, and enlightened us on some of the “whys” and “hows” of routine, small-scale corruption. One commonplace explanation for corruption is that cities have too many under-worked, under-performing employees, who can be disciplined or dismissed only with great difficulty, even for serious misdeeds or genuinely inadequate performance. When the Island Garden City of Samal (IGaCoS) was formed from three rural municipalities, the new city government was required to absorb all of their full-time staff. The resulting staff of almost 700 people includes many individuals who are under worked, and many who are disgruntled because they no longer head departments or hold senior positions. It appears that underworked, disgruntled employees are all too likely to fill their time with efforts to earn “supplementary” income. In a striking case where the Samal mayor discovered that a senior city employee had solicited a large (25,000 peso) “campaign contribution” in the mayor’s name, and not reported this or turned the money over, the mayor felt that the strongest recourse he could take was to transfer the culprit to a less attractive position.⁴

Routine procedures, including those involving face-to-face interactions with citizen/customers, tend to be inefficient, time consuming, and murky. Inefficiencies and unclear procedures encourage impatient citizens to seek special favors or offer unofficial inducements, and create a role for “fixers” to act as go-betweens and “grease the wheels.” In Cotabato City, where the annual process of business license renewal was known to be slow and unpredictable, bookkeepers became intermediaries for most firms seeking renewals. In effect, they became “fixers,” and it is reasonable to assume that a significant portion of service fees is devoted to “gifts” or “tips.”

Under the right circumstances, city employees are surprisingly willing to talk about the resulting small-scale corruption. For example, during Public Service Excellence Program (PSEP) workshops in Samal Island and Surigao, participants admitted to personal involvement in: 1) personal use of official vehicles, 2) use of public funds for snacks, 3) receiving “gifts,” 4) “selling tickets,” and 5) “arranging” bidding. Without directly admitting their involvement, they also described receiving “tips,” the existence of salary padding and ghost workers, routine hiring of under-qualified employees, and the “15/30 workers” who report to city hall only twice a month to receive salary payments. They noted that police and fire department workers routinely “ask for money.” (Fire department workers informally sell fire extinguishers, generally supplying a product that is more expensive than other brands, and often only partially filled with required chemicals.) Facilitators of workshops in which these admissions were made noted that there are no apparent gender differences in the behaviors described. Nor do there seem to be significant differences between those who present themselves as devout and those who don’t.

These practices, most of them relatively petty, have costly consequences. Citizens mistrust their governments, become cynical, and resist paying taxes. Potential investors take note and make investment decisions accordingly. The female head of the Muslim Chamber of Commerce in Cotabato City agreed that some progress had been made in improving procedures, but noted: “If we benchmark against the past, there has been some progress. If we benchmark against other places, there is not yet full achievement.” The Team had no opportunities to document large-scale corruption. In part this is because illicit transactions involving millions of pesos are necessarily less common than petty transactions. In part it is because

⁴ These facts argue civil service reform is badly needed in the Philippines. However, the Team does not recommend that TAG resources be diverted in this direction. First, the overall challenge is too great. Perhaps more important, TAG experience suggests these problems can be overcome with sustained commitment to reform by the Mayor, and if appropriate facilitation techniques are applied to support employees in analyzing administrative problems, identifying solutions, and implementing them. Eventually, the Philippines’ flawed civil service system will need to be overhauled, but the resources required can easily run to tens of millions of dollars.

discussion of such cases may be inherently dangerous. And in part it is because TAG's main government partners, cities and municipalities, generally make small-to-modest procurements, not large ones.

III.B. Findings

Three brief case studies will help to put activities undertaken in the seven Mindanao cities in perspective. *Surigao* (along with General Santos) is clearly a leader among the seven in undertaking authentic reforms. *Samal Island* has also made significant progress, but observable shortfalls between what is intended and what is achieved in some activities places IGaCoS (the Island Garden City of Samal) in a middle category, roughly equal with Dapitan and Iligan, and somewhat ahead of Cotabato. Marawi is trailing the other cities, but has nevertheless made observable progress.

Surigao City: A Leader of Reform: Under its current Mayor, Surigao has already become a progressive city. Officials were engaged independently on sensible reforms on several fronts when the Mindanao Cities component began. Thus, TAG-initiated activities must be understood and assessed against a rich background of innovations and accomplishments. Examples of pre-TAG and non-TAG innovations include: 1) A radio program each Saturday morning that: allows the Mayor and city office heads to report on activities and accomplishments; provides an opportunity for public service announcements (e.g., a notice that garbage pickups will be delayed); and enables the Mayor to respond to questions and complaints received during the week. 2) The Mayor's meeting with senior staff every week, something which apparently, his predecessor did not do. By scheduling the meetings early on Monday, he ensures reliable attendance at the end of the weekend, and sets the stage for needed administrative actions during the week. 3) City hall also has time clocks, to ensure that employees attend regularly and earn their pay. 4) A full accounting of daily vendor payments in the city market reaches the Mayor's desk each afternoon, ensuring that unexpected revenue shortfalls will be quickly spotted and scrutinized, 5) Real Property Tax payments have increased steadily, as the Mayor has prodded Treasurer's Office employees to pursue recalcitrant taxpayers, and incentives (in the form of reductions) have been offered to citizens who pay early. As a result of significant increases in market receipts, Real Property Tax payments, and business license fees, Surigao has significantly reduced its dependence on the IRA, with 35% of the 2004 budget coming from local sources.

However, Surigao's most impressive reforms have been the result of TAG assistance. The cities component has offered a series of activities to improve ***business licensing***. First, an outside institution (in the case of Surigao, the CLG at the Ateneo de Davao) undertook a diagnostic study of the existing system, described it in flowchart format, and indicated bottlenecks that have slowed down approvals. Then, a series of workshops under the Public Service Excellence, Ethics, and Accountability Program (PSEEAP) enabled city officials in appropriate offices to plan detailed reforms. A series of two-day workshops, covering: "vision and values;" system description and diagnosis; distribution of questionnaires to "customers;" identification of "moments of truth" (when customers will be pleased or disappointed by services rendered); development of a service plan; and commitment (in front of the Mayor) to reforms; has brought dramatic improvements in annual business licensing.

The number of clearance signatures has been reduced; a "one stop shop" was set up for the first three weeks in January; and a well-organized administrative process has been put in place. As a result of several innovations--brochures to instruct applicants on documents needed, oral instructions upon entry, informative signs and a logical table-to-table flow—applicants now pass through the annual renewal process in two-and-a-half hours. There have even been efforts to make the process more pleasant by offering comfortable seating areas, and service has been further enhanced by inviting national government agencies and barangay officials to man their own tables. As a result, applicants can pay national taxes, arrange for employee insurance, and pay "barangay clearances" at the same time.

Not only is the process convenient, it is, literally, more transparent. Approving office representatives sit in plain view of applicants and each other, severely limiting opportunities for gifts and informal payments.

And there is no longer a need for “fixers” to speed an inefficient process along. The Team learned from local business people that there is great enthusiasm for these changes, and for the current city administration.

When the Mayor and a senior staffer attended a TAG-sponsored anti-corruption seminar at the Rand Foundation in California, they identified procurement as the city system most in need of reform. Since their return, the city has proceeded step-by-step to meet its responsibilities under the new Government Procurement Reform Act. The Mayor has appointed a well-qualified Bids and Awards Committee and Technical Working Group, and their work is supported by a BAC Secretariat attached to the City Attorney’s Office. During the Team’s visit, the city advertised a procurement (of five computers) on the Web for the first time, using the website of the national Department of Budget Management. They also plan to place announcements on the city’s website; however this is still under development.

Procurement officials are now coming to terms with the reality that new procedures will be in many ways “more complex.” City offices will need to standardize orders for office supplies and computers, and with small, last minute purchases no longer feasible, far more rigor will be needed in annual procurement planning. However, there is also an understanding that favoritism and graft will no longer be acceptable. Mere “substantial compliance” with regulations by bidders will no longer be allowed, and officials will have little or no leeway in making decisions. There is also fairly widespread acceptance that new procedures are modern and necessary, and will save the city (and its citizens) money.

At the other end of the procurement process is the necessity of paying vendors for the goods, services, or infrastructure delivered. In the recent past, the Surigao city government was notoriously slow in paying suppliers, sometimes delaying payments for six months or even a year. Businessmen routinely used family influence, distributed gifts, or engaged fixers to get their payments released. Because of these complexities, some business people have refused to do business with the city. Recently, however, with the assistance of a TAG-provided consultant, the city has solved this problem. The major innovation is a better organized clearance process, under which officials with signing authority who are out of the office must designate alternate signatories. In addition, those who sign must do so quickly, and record the time of signing to the nearest minute. In one case observed by the Team, payment was authorized within three working days.

The most successful TAG-inspired innovation in Surigao has been the introduction of the Public Service Excellence, Ethics, and Accountability Program (PSEEAP). The program combines the Public Service Excellence Program developed under USAID’s GOLD program, with a module on ethics and accountability originally developed for the United National Development Program. The Mayor offered high praise for these modules, noting the following changes among his staff: 1) More positive attitudes toward service, 2) Clear acceptance that the city government is serious about changes, 3) A sense of accountability, and 4) “A fear to do something bad.”

As a result of the PSEEAP workshops, impressive reforms have been made in services offered by several city offices:

- 1) In the Treasurer’s Office employees used “moments of truth” analysis of service delivery to define several needed improvements in payment systems: New applicants for business permits receive oral instructions, a “tickler” (small paper), and additional information through newspapers and radio.
- 2) The General Services Office took on the challenge of garbage pickup. The office now announces in advance when regular pickups will not be made—e.g. around holidays. Supervisors also instruct collectors to return receptacles to the proper place. The office is even experimenting with recycling in one neighborhood.

3) But the outstanding success of PSEEAP has been in the Surigao Health Department. Immediately after the completion of the first set of PSEEAP workshops, the five-person health team devised a generic plan to improve services for “a patient seeking consultation.” This included: posting informative signs, providing posters on symptoms and treatment for various diseases, and reorganizing the cashier operation to deal with patients “by the numbers.” These small reforms were made in response to 100 questionnaires distributed to customers, and after a month of the new approach, 100 more forms were distributed to test customer response to improvements.

4) Even more important, Health Department staff decided to undertake “echo” training in PSEEAP to the rest of the staff. Three department staffers and two volunteers from the Treasurer’s Office and Human Resources, facilitated an entire PSEEAP program in two batches, each with 28 Health Department professionals. The facilitators had not received formal training, but felt the need to move forward while enthusiasm for reform was high. The result of work with the two new batches was reform in no less than 10 facets of Health Department services and operations, including: dental care, hypertension treatment, prenatal care, issue of sanitary permits to businesses, Filariasis case findings, family planning, toilet construction, immunization programs, TB treatment and documentation of Health Department accomplishments. Each group distributed before and after questionnaires to customers, generally about 75 per batch.

To improve immunization programs, the action group decided to provide paracetamol routinely, since many children have fever, to check and ensure schedules are posted at all barangay health centers, and made plans to upgrade waiting areas with fans and comfortable chairs. The family planning group arranged for each barangay health center to set up a “family planning room” where there is a reasonable degree of privacy for exams and consultations, and also arranged training for family planning workers in basic customer service skills. Similar improvements were made in seven other facets of the Office’s work program. Another striking feature of the “echo” program was that participants paid for their own snacks at P10 per day. The Department plan to re-run this type of exercise each quarter, as part of a continuous improvement process. To ensure that sessions are facilitated well, the Department has contracted with the Center for Local Governance and the Ateneo de Davao for ToP training at P1800 per person.

Samal Island (IGaCoS): Performing Fairly Well: Samal has mounted an extensive set of legal and planning initiatives: a Comprehensive Development Plan, a Land Use Plan, and Coastal Resource and Marine Water Plan, and Investment Plan and Code, a Shelter Plan, and a Local Tax Code. The PSEEAP activity, carried out with seven city offices, has brought new policies for document tracking, clear standards for proposals and designs, an “alternate signatory” policy, and a “diskette” system for organizing procurements. They also organized city feedback mechanisms through the City Coalition for Transparent Accountable Governance (CCTAG).

Furthermore, the city has embraced the “information age” by arranging for use of a V satellite for computer hookups, has set up a LAN, and has plans for a WAN, to include outlying offices, has computerized the Real Property Tax system, has arranged for electronic signing and maintains an impressive, interactive website.

At the same time, there are numerous efforts to improve the face-to-face aspects of governance. Many city hall employees have been trained in “basic customer service skills” under PSEEAP, and an award system has been put in place to reward good service and innovations. The mayor makes an annual State of the City Address, and requires his department heads to make a regular round of visits to barangays throughout the Island, sometimes for Open Forums, sometimes for delivery of services such as dental care, health clinics, and land registration. There are frequent public hearings, usually in the barangays, and the Planning Office has an “adopt-a-barangay” program, in which each professional regularly tracks events in two barangays.

However, when it comes to effective implementation of key TAG-related activities, Samal does not quite reach Surigao’s high standards. There have been significant improvements in administration of land con-

version decisions. The city has approved a new Shelter Code, and reduced the number of required signatures from 25 to 14 in the process. However, there have been shortcomings in effective “follow through.” Three proposed conversion actions were pending when the new Code was approved. The developers who made the proposals are arguing that they should be excused from key provisions (including the requirement that 20% of the land area must be set aside for low-cost housing). The Mayor has been slow in making a decision on this matter, and some observers are suggesting that he is hesitant to offend the developers, some of whom are friends. This is a case in which a firm yes or no decision is called for, so that the city can proceed to fully implement the new Code, either in the pending cases, or with new ones.

Similarly, the Mayor has been insufficiently decisive in his oversight of plans to put a “one-stop-shop” similar to Surigao’s in place for renewal of business licenses. The plan for this year was that one-stop-shops would be established for four days each at Samal’s outlying district buildings. However, when, at the last minute, Treasurer’s Office employees and the City Attorney declined to attend, the Mayor took no effective action. Instead of ordering key officials to attend, he publicly criticized the officer he had placed in charge of the operation because she had been “unable to elicit sufficient cooperation,” and retreated from the problem. The result was a de facto “five-stop shop,” with too many transactions taking place out of the public eye. The Mayor had lost a skirmish in the war against corruption.

Marawi City: Lagging, but Still Committed: The people in Marawi City perceive their new Mayor to be reform-oriented, and point to less chaotic traffic in the market area, significant gains in cleaning the city of garbage, the cementing of city streets, and a new drainage system, as measures of his competence and commitment. Reports from TAF also note that city employees are more polite and helpful as a result of training in basic customer service skills provided under PSEEAP.

On the other hand, despite completion of a business permit study and follow-on tracking conducted by Hope for Change, efforts to improve business licensing appear to have achieved relatively little. The city established a one-stop shop for issuance of Business Permits last January, much like the other cities. However, records show that only 60 businesses registered, leaving the vast majority unregistered. Furthermore, there are few indications that those registering were actually required to meet registration standards for health, safety, and sanitation. This issue of non-compliance with health and safety standards is of particular concern because some aspects of the national building code have not been followed in Marawi, and annual licensing offers a reasonable opportunity to require building owners or lessees to make needed improvements. The Team also observed that the city still has far to go in providing its citizens with adequate transparency in such basic areas as providing information on annual budgets.

These cities are broadly representative of the seven members of the TAG coalition. While starting points—e.g., in terms of IRA levels and local revenue opportunities, skills of city employees, sophistication in the business sector and civil society, and connections with the outside world—varied greatly, participating cities received similar packages of support. These are briefly summarized below:

International Training: Training at the Rand Foundation for mayors and their “reform coordinators” was clearly important to the success of the cities component. One mayor (Mayor Sema from Cotabato) did not attend, and his relative lack of understanding and commitment may be in part the result of that non-attendance. Those who did travel to California came away with a clear understanding of the reform challenge “a la Klitgaard.” Several participants echoed the $C = M + D - A$ formula from Corrupt Cities by Klitgaard, MacLean-Abaroa, and Parris, and showed familiarity with a range of case studies offered during training. While in California, representatives of Cotabato City decided to focus follow-on efforts on reforming the city’s main wet market and slaughterhouse. Participants from Samal Island planned to review and reform procedures for land use conversion. Participants from the five remaining cities committed to reform procedures for procurement of goods, services, and infrastructure.

After their return to their Mindanao cities, the commitments that had been made to procedural reforms were buttressed with other TAG-sponsored activities, including training on the new procurement law, formation of

reform coalitions, diagnostic research, information sharing, manuals and publications, and facilitation of self-administered reform workshops. In this manner, a training program was successfully transformed into a series of city reform programs

Diagnostic Research: Studies of business licensing have clearly been valuable in some cities. They clarify the shortcomings of the current systems, and identify reasonable interventions to deal with them. However, studies by outsiders are only one facet, and perhaps not the most important facet, of processes to reform business licensing. Other essential elements include follow-on, facilitated processes like PSEEAP that build local commitment to change, and firm support from an attentive mayor.

Civil Society and Business Support for Reforms: CCTANs and CCTAGs, representing respectively the CSOs and business community, have played a valuable role in reforms in the Mindanao Cities component. The team found representatives of both “sides”—business and CSOs—to be knowledgeable and engaged with reform processes. There is evidence that in the best situations—e.g., General Santos and Surigao—this really has led to frequent, effective communication among local government, business, and civil society. For example, in Surigao, there are quarterly meetings between NGOs and city department heads.

Scorecards: The Team heard no positive references to the scorecard activity. That is, no city official ever stated “We undertook this particular reform because scorecard results suggest citizens are unhappy with our performance in this area. Nor did we hear civil society business leaders suggest “we are lobbying for this new service because citizens indicated they want it in their scorecard responses.” Ordinarily, we would expect some concrete responses to the exercise within a few months of scorecard completion, but none arose during interviews in six cities. This suggests that this complex, time consuming, somewhat controversial activity may actually have little concrete influence in motivating or guiding city leaders and officials to improve services and systems.

PSEEAP: The Public Sector Excellence, Ethics, and Accountability Program has been a clear success under TAG. It is built from two elements. The Public Service Excellence Program (PSEP) was designed, field tested, and perfected during the final phases of USAID’s GOLD Project. The Public Service Ethics and Accountability Program (PSEA) was built on the base of an ongoing UNDP program, but was carefully shaped to complement PSEP (by the staff of the CLG of Holy Name University-Tagbilaran). It gives more emphasis to professional ethics in undertaking reforms. Training PSEEAP facilitators and sending them to the seven cities has brought most impressive results, as the Surigao case study above demonstrates. The next challenge is to make this approach to reform available in Mindanao and across the Philippines.

Undertaking PSEEAP workshops is an intense, time consuming, but generally rewarding process for participants. In total, there are half-a-dozen modules, each occupying two days. Employees of selected offices, often those with the most frequent interactions with local citizens, are invited or required to attend. Generally there are five participants per office, and up to seven offices proceed through the process simultaneously. Successive sessions gradually move participating offices through diagnosis of procedural problems, definition of feasible solutions, commitment to change, action planning, initial testing of solutions, surveys of “customers” for new procedures, full-blown implementation, evaluation, and commitment to future reforms. The process is difficult to fathom without actual opportunities to observe it. However, readers should know that it has been designed with great care; it arouses strong commitment from most participants, and has yielded many useful results (e.g., as reported above for Surigao City). One striking feature of the method is that, while processes have been standardized, resulting reforms vary greatly with sector and location. Thus, the process brought useful reforms in both the Treasurer’s Office and the Health Office in Surigao City, but specific improvements undertaken (of course) varied greatly.

Other Activities: Other TAG-supported activities—a special issue of Newsbreak magazine on Mindanao governance, collection of cases of “good practices” by MINDANEWS, have an important role to play. In a setting where most media attention is directed to negative cases of corruption and waste, it is salutary to present leaders and citizens with positive cases of effective reform.

III.C. Conclusions

Solid Overall Progress: The varied, complementary activities described here have had substantial impacts. In some cities, notably General Santos and Surigao, significant reforms have already been achieved, and local government, business, and civil society leaders are jointly committed to further reforms. (The Team was unable to visit Dapitan, but some informants suggest similar success has been achieved there.) Even in the city where Team members believe the least has been achieved, Marawi, there has been observable progress. In the other cities--Samal Island, Iligan, and Cotabato--the Team is confident useful progress has been made, and that there is significant promise for greater impacts in the future.

Sustainability: Several informants balanced their praise for reforms achieved so far against concerns about their sustainability. (The head of CCTAG in Surigao noted that efforts to improve the efficiency of business licensing undertaken in the past died out in the next city administration.) However, the Team is convinced significant steps have already been taken under TAG to ensure sustainability. One important factor is that the Project is working with several partners that can be expected to be permanent and [more-or-less] self-sustaining. These include the League of Cities, Mindanao Business Council, local Chambers, and MINCODE. It is reasonable to expect these groups to continue working effectively with reform-oriented cities. Other groups and activities—local TAN chapters, reporting procurement activities for the PWI database—are relatively low cost, and efforts to find modest private funding may well bear fruit. Also important are efforts to ensure the sustainability of PSEP and PSEA facilitation services, since these modules have proven to be highly effective in delivering procedural reforms.

The MBC is a notable force for sustainability. The group's leaders would like to extend the CCTAG concept to other Mindanao Cities, and note that concerns for transparency and accountability are “not a mere moral call.” Without them, “there will never be a chance of being global.” The LCP is also an important long-term resource, since senior employees of the league are committed to institutionalizing approaches developed under TAG and spreading them to other cities.

The Importance of Executive Leadership: The cases above underline an important point. City reform efforts must begin, and continue, with concerted support from the mayor's office. TAG has done well to build the program around committed mayors, and has used a variety of interventions, such as sharing programs, and the training at the Rand Foundation, to buttress that commitment. If there are efforts to expand this component to other cities, it will be essential to continue approaches that seek and strengthen mayoral support.

“Good Governance is Good Politics”—Sometimes: Whenever possible, Team members asked mayors about how ongoing reform efforts were being “played” in the current political campaign. In Surigao, the Mayor has made recent reforms a major theme. He estimated that he devotes about 20% of each campaign speech to reviewing (and taking credit for) ongoing reforms and, by implication, promising additional reforms in the city. The obvious, strong support he receives from observers in business, the media, and civil society suggest that this approach to campaigning will be successful. The Mayor of Samal also campaigns as a reformer, but in much more general terms.

PSEEAP—A Major Success: It is clear to the team that this is one of the major successes of the TAG Project.

Not-So-Useful Scorecards: Based on “negative evidence,” the team must question whether the substantial human effort and financial costs associated with administering city scorecards have been worthwhile. We cannot assert that this is the case, but reflecting back on our many interviews in Mindanao cities, we noted that we never heard spontaneous, positive references to “scorecarding.” Specifically, no informant ever reported on scores, or suggested that system reforms or other actions had been taken in response to scorecard findings. The only volunteered reference to the process, in Marawi, was negative, an objection

to the process itself. The varied, sector specific efforts to survey customers under PSEEAP are probably much more to the point.

IV. TAG'S ARMM LGU COMPONENT

IV.A. Introduction

Working in the ARMM is a major challenge. Years of armed conflict have resulted in very poor socio-economic indicators. "Five provinces in the region belong to the six poorest provinces, 68% of its people are considered poor, more infants and mothers die in the ARMM than in any other regions, and life expectancy is 54 compared to the national average of 64."⁵ Yet ARMM, on a per capita allocation basis, receives the second highest budget share among the country's 15 regions, at P2,876 annually.⁶ Unfortunately, a higher overall allocation does not lead to higher spending on "human development" services such as health and education. A recent World Bank report shows that ARMM expenditures in these sectors are about six per cent lower than the national average.

Performance in terms of transparency, accountability and governance is unsatisfactory. In the ARMM Regional Government (ARG), about 82 per cent of the total budgetary allocation is spent on employee salaries and benefits, making it the largest employment agency in the area. (Some studies put the number of ARG personnel at 27,000). Many barangays lack a barangay hall. With the exception of Provincial Capitols and the Marawi City Hall, absentee employees and even mayors seem to be the norm. The homes of municipal mayors and barangay chairs are often the de facto centers of local governance.

In many barangays, and even in municipalities, public accounting of government funds is lacking. Local tax collection is nil, and information on the Internal Revenue Allocation (IRA) share of LGUs is severely limited. (In many barangays, only the chairman and treasurer have knowledge of the IRA, and funds that, by law, are reserved for development activities, are in fact used in any manner the chairman decides. The picture is sometimes similarly murky at the municipal level. In one municipality visited by the Evaluation Team, the Municipal Planning and Development Coordinator, by law a member of the Finance Committee, could not offer even a ball-park estimate of the current year's IRA. Some barangays find it necessary to offer "gifts" to municipal financial officers, in order to get information about their IRA, and further gifts to ensure funds are released.

Fourteen years after its creation, the ARMM government lacks the basic structural characteristics of competent modern government organizations, and the behavior of many local officials is influenced by values that stress commitment to kinsmen and ethnic group at the expense of abstract standards of professionalism and public service and that stress patron-client ties at the expense of open politics and sound policies. Feudal values are very much in existence. One LGU official proudly told Team members, "the Sultanate is still very much in place and at work in the ARMM." Public funds are dispensed as private funds; appointments to key positions are based mainly on kinship; and citizens expect local executives to provide free services.

Despite these shortcomings, ARMM could have a promising future. It is the Philippines' only autonomous regional government, and has legislative authorities that allow for potentially exciting experiments in democratic governance. The Government and the Moro Islamic Liberation Front (GRP-MILF) peace talks have resumed, and are being brokered by the Malaysian Government. Basilan opted to join ARMM in the August 2001 plebiscite, thereby increasing the number of provinces to five. Civil society movements are growing. Progressive municipal mayors in Datu Paglas, Upi, and Wao are undertaking impressive development efforts, and are bringing their localities to the notice of national and international observers.

⁵ Newsbreak, January-June 2003 Issue, Special Edition, Hussein's Revolution, p.30

⁶ Philippine Governance Report, Studies on Management of Power, Governance and Development in Mindanao, Ramiro, Felipe, page332

TAF partners for ARMM activities include 12 locally based CSOs, two Davao-based groups, one Zamboanga City-based CSO, and two national-level organizations. The range of supported activities covers: training in the Technologies of Participation (ToP), a module for Participatory Barangay Planning and Budgeting (PBPB), Investment Promotion and Enterprise Development workshops, assistance in improving Real Property Tax administration, and a few others. TAG's total grant to these organizations to this point amounts to P40.0 million. Table 3, Annex H summarizes activities covering four of ARMM's five provinces (Sulu is not included), 48 municipalities, and more than 300 barangays.

IV.B. Findings

Participatory Barangay Planning and Budgeting (including variants introduced by TAG partners) and the ***Technologies of Participation*** are bringing new levels of participation and citizen knowledge of community governance to ARMM barangays. Civil society partners and municipal employees who receive training in ToP speak highly of this set of facilitation skills. PBPB enables many barangays to produce a written Development Plan for the first time in their history. In Lanao del Sur, it is estimated that 50% of barangays do not have a development plan or budget, and those plans that exist are often the product of rote efforts by moonlighting municipal employees. The use of ToP, and fairly wide citizen participation in planning workshops are new processes, and rural residents clearly appreciate the chance to attend, participate and learn.

Barangay chairmen who attended focus group discussions organized as part of this evaluation readily admitted that, without assistance from TAF and their partners, they would not have been able to undertake participatory planning. However, while many barangays have produced plans for the first time, and significant participation and information sharing has been fostered, overall success in enhancing transparency, accountability and good governance has sometimes been limited. In some cases, even implementing partners seem to have missed the point of the exercise that it is an exercise in transparency, accountability and good governance, ignoring the need for broad participation, and failing to provide essential data on barangay budgets. In those cases, the result has been a formal, stilted process that has produced little more than a small infrastructure “wish list.”

Traditions of secrecy and hoarding information are overcome only with difficulty. Even in areas where there are barangay halls, information on local budgets, expenditures, and ongoing projects is seldom posted. When the president of a municipal barangay chairmen's association was asked why he and his colleagues do not inform constituents about project expenditures, he replied “I will inform them when the project is completed.” Where formal development planning processes have been undertaken, the emphasis is generally on project identification, with no attention given to locally-available resources (e.g. the IRA and the “20% development fund”) as significant resources for undertaking them. The result is a “wish list” of infrastructure projects that need to be funded from elsewhere. TAG-sponsored barangay planning exercises must overcome long-established patterns of citizen apathy and dependence, as well as habits of secrecy and indifference among elected leaders. Even TAF's partners sometimes fall into these patterns. Employees of one partner organization that is training LGUs on enhancing Real Property Tax collection were queried about the results of their work i.e., “Have collections increased?” They could not supply this information, and argued that their responsibility ends with completion of workshops.

However, several partners have performed quite satisfactorily in facilitating barangay planning, and one, the Alternative Center for Organizational Reforms and Development Foundation—ACORD, appears to have done an outstanding job in organizing PBPB exercises.⁷ Facilitators representing the Bangsamoro Women's Foundation have generally led barangay workshops involving 15-20 local residents, enough to ensure some representation of women and ordinary citizens. The workshops are also relatively successful in narrowing down prioritized items to a handful. However, little attention has been paid as to how barangays can pursue

⁷ Unfortunately, ACORD has been less effective in another aspect of the process, namely timely documentation of each PBPB session. As a result, the Team was unable to arrange for review and analysis of barangay plans from Tawi-Tawi.

their goals with local resources, including the Internal Revenue Allocation (IRA), volunteer labor, in-kind and cash contributions. Workshops facilitated by faculty of the Mindanao State University—Maguindanao seem to have had similarly satisfactory results. Participation levels were adequate, but could have been higher. Plans developed provide a reasonable starting point for pursuing local development, but could have been more explicit and effective in mobilizing local resources. However, it is important to underline that these “satisfactory” exercises by the Bang Samoro Women and MSU—Maguindanao have already significantly transformed governance in 130 Maguindanao barangays. As a direct result, clearer development priorities have been established, thousands of citizens have participated in substantive discussions, and citizens have gained significant new knowledge about barangay budgets and procedures.

ACORD has taken PBPB to a higher level. Field staff take time to inform barangay residents about upcoming workshops, and often 50-100 residents attend. In contrast, some other partners rely on barangay chairmen to invite participants, and not surprisingly, attendance is often low, limited essentially to the chairman, kagawads, and barangay secretary and treasurer. In one particularly unsatisfactory case, the partner institution undertook “participatory planning” by working with several barangays at a time on a university campus. With most barangays represented by only a handful of barangay officials, and some only by the chairman, there could be no possibility of participatory planning and budgeting.⁸

The creative innovations developed by ACORD, and applied in Tawi-Tawi, present a stark contrast to the unimaginative, insensitive approach described above. Not only did ACORD facilitators invite barangay chairmen to present detailed budget information (a significant innovation in itself), they also persuaded the chairmen and councilors to submit themselves to a performance evaluation by local citizens. There was some confusion about details of the rating process, and some additional performance factors might usefully be included in the evaluation. However, when questioned during a focus group discussion in Bongao, even barangay officials were in agreement that this was a valid exercise, and that citizen ratings provide important information about how people feel, and also can be used in predicting officials’ probable success in upcoming barangay elections.

Overall, the Team estimates about 80 per cent of these participatory planning exercises (say 280 cases) were worthwhile. Citizens learned, often for the first time, about actual levels of funding available for barangay operations and programs, took part in lively discussions about future directions, and now have some standards against which barangay leaders can be judged. In about 20 per cent of the cases (about 70), these essential elements were not in place. While PBPB is well regarded where it has been undertaken with reasonable professionalism, it is only where ACORD has worked in Tawi-Tawi that there seems to be broad commitment to repeating the exercise with local funds. Elsewhere, municipalities and some of their constituent barangays want to see the program expanded, but are generally waiting for TAG funds and outside facilitators to make it happen. However, seven barangays in Maguindanao and Lanao del Sur have undertaken PBPB with local funds, a useful break from a tradition of passivity. At this point, it is unclear whether or not the PBPB activity can become sustainable without financial assistance from donors.

In any case, there are some interesting breakthroughs. Some municipal planning officials report that they expect to “roll up” barangay plans by basing municipal plans largely on them. In a few cases, there is discussion about using analogous participatory processes in developing future municipal plans. The Evaluation Team found that barangay residents (officials and ordinary citizens) place a high premium on timely production of final reports by partner organizations. In one case, barangays were waiting for their final documents to be delivered two months after completion of the PBPB workshop. The Team also noted other problems about the reports, notably that they are produced in too few copies, and that they are in English, and thus seldom accessible to all participants.

⁸ One representative exercise brought 17 representatives of seven barangays (an average of 2.4 people per barangay) to the municipal hall for “participatory” planning.

Investment Promotion and Enterprise Development activities under TAG may ultimately prove to be worthwhile. For example, if they result over time in decisions to build needed infrastructure, they will be a legitimate contribution to governance in the ARMM. We are concerned, however, that current approaches are over-dependent on a few consultants and municipal employees who are called upon to undertake feasibility studies and make, generally unsuccessful, efforts to “sell” proposed activities to donors.

The Team has noted at least three shortcomings. First, there seems to be little connection to the transparency and accountability themes of the Project. There may be brief workshops for the “citizens” to diagnose problems and identify solutions, generally around infrastructure projects. However, these “citizens” are few in numbers and their participation is short lived. Team members can envision a revised process that would bring a larger number of citizens—small business people, farmer groups, NGO leaders—into the dialogue from the beginning. We can also imagine a process that keeps these participants engaged in promoting local investment and economic planning over an extended period. This approach has more promise of achieving effective planning and implementation, and would also bring greater transparency and accountability to local governance.

A second problem is that there appears to be relatively little attention to local skills development in these activities. In most cases, employees of partner institutions undertake needed analyses for preparing feasibility studies, while municipal officials—e.g., those in planning or engineering offices—are relegated to data gathering roles.

Third, these exercises seem to have generated “wish lists” that have found few interested respondents. Unfortunately, in one case far fewer donors actually attended a donor’s forum than had been promised, and there was relatively little interest in proposals prepared by participating LGUs. The result was wide disappointment among participating municipal officers. While the investment planning process usefully highlights the need for thorough analysis of proposed LGU investments, TAG implementing partners have failed to connect the process with transparency, accountability and good governance. A partner in Cotabato City, the Metro Kutawato Development Alliance, spoke with pride of their ability to source funds from the Department of Agriculture for agri-based projects, but the Team was unclear about how this approach builds transparent accountable governance in ARMM LGUs.

From numerous interviews, it is evident that there is very limited use of available local resources for development activities in ARMM, and heavy dependence on outside funding. From the ARMM Government on down, most funds are used for salaries and benefits of an oversized bureaucracy, and the so called “20% development fund” is frequently diverted to non-development purposes—e.g., payments for blood money (*rido*) to maintain community harmony, support for sick residents, even payment of dowry for couples who elope. There is also indifference to voluntary contribution for local projects, and virtually all leaders and residents expect projects to be funded by donors or the national government. Citizens expect free medical services, and the local chief executive is perceived as chief provider. The sultanate system still operates, and loyalty is personal and patriarchal.

The ***ARMM Department of Interior and Local Government*** (DILG) has a structure and functions similar to those of the national DILG, and like the latter seems to face persistent bureaucratic barriers to finding an effective approach to serving LGU. Senior ARMM/DILG officials interviewed by the Team were unable to provide detailed information on any ongoing program to strengthen barangays, nor give specifics of assistance received from TAF. They appear to be largely inactive and complain about a lack of operating funds. One Provincial Director is initiating a small experimental program to use Koranic verses to promote “righteous leadership” at the barangay level. This effort will be supported by the UNDP.

The Team did not directly observe or hear any evidence of operational coordination between GEM and TAG while in Mindanao. However, we did see some multi-purpose barangay structures built by GEM in the ARMM, a useful approach to making barangay governance less beholden to traditional elites, who often prefer to arrange meetings and other public events in their homes or house compounds. The Team can envision

useful collaboration between the two projects. For example, we learned from reports that TAG employees in the ARMM encourage barangay councils to pass resolutions requesting GEM financial support for priority projects identified during PBPB sessions.

Other TAG partners have made useful contributions. Ongoing efforts of *MINDANEWS* to document good government practices, across Mindanao, but particularly in ARMM LGUs, will confer prestige on reform-minded local executives, and also call attention to good practices that have greater relevance because they have been applied successfully within the ARMM. The work of the *League of Municipalities* in organizing sharing sessions to highlight good practices in municipalities across Mindanao is also appreciated.

IV.C. Conclusions

As noted above, the challenges in working in ARMM LGUs are numerous and daunting. Feudal governance traditions, inter-clan violence, and virtual impunity for corrupt leaders ensure that each reform effort faces an uphill battle. However, the Evaluation Team is not proposing that TAG surrenders in the face of these difficulties. We believe significant progress has already been achieved in a few hundred barangays and a few dozen municipalities. This momentum should not be lost.

One cause for optimism is the presence of civil society groups dedicated to changing the system by introducing new models to promote good governance. At its best, the PBPB is an excellent tool for creating transparency. Where conflict is occurring, the “add-ons” developed by the Pakigdait Foundation (See Section VI.B.) to ensure that citizens consider conflict alleviation options in conjunction with more routine development goals, may be worthy of consideration. Techniques developed by ACORD to ensure broad citizen participation may also be a useful innovation. Investment promotion activities, not very inclusive at this point, might usefully be infused with participatory approaches, perhaps by deliberately incorporating ToP approaches into workshops.

PBPB will also benefit from efforts to make planning and budgeting more “inward looking” by focusing at least one session on “pursuing our goals with community resources,” and ensuring that the discussion covers both IRA and local resources, such as volunteer labor and in-kind and cash contributions. This may also be an appropriate point at which to introduce concepts for enhancing local official revenues, such as campaigns to increase local payments of the real property tax. It is essential that both municipal and barangay planning processes include current information on IRA resources, and recent data on LGU expenditures. The Team is concerned that too much effort is being expended on producing booklets, in English, that summarize agreed plans. It will be more efficient, and probably more useful, to summarize key decisions neatly on manila paper or cartolina, for posting in barangays halls and other public places.

V. TAG’S OTHER INITIATIVES

V.A. Introduction—Peace Building and Other Activities

In addition to activities directly related to counter-corruption, the Project funds other initiatives linked to good governance. These include: 1) Peace Building; 2) Books for Mindanao, 3) Gender budgeting and related activities.

There is no doubt that peace and order are necessary elements of good governance. Many observers contend that “frustration brings discontent which leads to conflict” and have concluded that “effective governance and development cannot occur in conflict areas.” The equation seems simplistic, but the reality is that conflict shifts allocations of resources and time away from development efforts. Conflicts also distort people’s perception of good governance.

Amid continuing conflict in the Philippines, including the protracted NPA insurgency, the Muslim Mindanao conflict (of both the MNLF and MILF) and the aftermath of 9/11, the TAG Project seized opportunities to enhance the peace process by: 1) funding a well-known peace advocacy group, the Gaston Ortigas Peace Institute, to gather international peace advocates from within the Philippines and critical regions of conflict across Asia together to focus on “people’s participation aimed at building peace;” 2) funding Mindanao-based CSOs, including a group of journalists, to discuss and present factual documentation on the lives of people in Mindanao’s conflict-affected areas, as well as documentation of good governance practices of Mindanao LGUs; 3) supporting the Local Monitoring Teams, as provided under the August 2001 GRP-MILF Tripoli Agreement, to ensure effective implementation of the ceasefire; and 4) helping the Pakigdait Foundation, a local NGO, to undertake peace-focused barangay planning.

V.B. Findings—Peace Building and Other Activities

In December 2002 the Gaston Z. Ortigas Peace Institute brought together peace advocates from the Philippines and the region to discuss facilitating peace and consolidating people’s participation in peace building. The conference proceedings are well documented in the book Waging Peace in the Philippines: Looking Back, Moving Forward. Many recommendations emerged from the conference, including: 1) resume talks with the National Democratic Front (NDF); 2) fast track the resumption of formal peace talks between the Government and Moro Islamic Liberation Front (MILF); 3) address concerns regarding Indigenous Peoples’ (IP) rights; 4) give serious attention to human rights in general; 5) recognize the legitimacy of the role of “third party facilitation;” and 6) recognize the need for people’s participation.

TAF also supports a one-day forum through Kusog Mindanao to discuss creative ways to respond to current Mindanao crises. A special issue on Mindanao focusing on city mayors, governors, municipal mayors, and ordinary citizens as they respond to challenges of life in conflict-affected areas like was published in **News-break**. MINDANEWS (the Mindanao News and Information Cooperative Center) was supported in documenting good governance practices in Mindanao. This will result in publication of a book, video documentation, and granting of awards for good governance.

Recognizing the importance of maintaining the cessation of hostilities between the Military and the MILF, TAF has supported the work of the Advocacy Mindanow Foundation as it finances, trains, and otherwise supports the Local Monitoring Teams tasked to ensure peace and prevent conflict by acting as conflict reporters and mediators. Upon receiving information on possible violation of ceasefire agreements, the groups conduct field visits and initiate dialogues with ground level representatives of the MILF and the AFP. The LMTs report directly to the CCCH. Advocacy Mindanow operates under the Office of the Presidential Assistant on Peace Processes. It was created to enable faster responses to the needs of LMTs and to avoid bureaucratic requirements imposed by government audits, particularly those affecting how assistance is provided to non-government employees. LMTs have formed in 13 provinces. Advocacy Mindanao has provided capacity building workshops and continues to provide small monthly grants for costs of transport, communications, supplies and conducting meetings.

LMTs are generally satisfied with support they receive from Advocacy Mindanow. However, members of the Maguindanao LMT were surprised (and perhaps somewhat dismayed) to learn that this activity is funded by TAF with USAID funds. The LMTs’ common complaints are that only limited funds are available, and that some LGU leaders are not supportive of the peace process. Members of the Maguindanao LMT also lamented that they have received no training on conflict management and team building, and noted that the absence of municipal-based LMT definitely slows responses to rapidly evolving emergencies.

While the involvement of LMTs in local peace building is laudable, the Evaluation Team detected a tendency for the groups to consider themselves “mini-development bodies.” Some members indicated they look forward to getting involved in development projects in their areas. This is potentially dangerous. By getting involved in LGU development activities, LMTs may lose their neutrality, and undercut their fundamental role

in monitoring and fact-finding. Thus, there may be a need to reassess the activities of these groups, to ensure they are not distracted from fulfilling their primary mandate.

Also contributing to the peace building process, by working in four Lanao del Norte barangays, is an NGO called Pakigdait. The group has combined three approaches to the barangay planning process--socio-economic conflict analysis (SECA), a barangay participatory rapid appraisal, and the GOLD-developed Participatory Barangay Planning and Budgeting module. First Pakigdait undertakes a Barangay Consultation to identify important sectors in the community and allow each sector to identify two representatives, preferably a Muslim and a Christian. This is followed by a two-day SECA conflict analysis, and a one-day PRA, with both exercises aimed at helping communities to identify causes of conflicts and potential solutions. In the third step, an address of the Barangay Chairman on the State of Barangay is followed by the two-day PBPB module, which includes specific information on barangay financial resources. The group also invites religious leaders (Muslim and Christian) to discuss peace, harmony and unity during opening ceremonies. Although this approach is too labor- and time-intensive to be used widely, it may be a very appropriate package in barangays most seriously affected by conflict.

The Books for Mindanao activity under TAG consists mainly of funding for transporting textbooks to preschools, elementary and secondary schools, and municipal libraries in Mindanao. Books are obtained free by TAF in the U.S. and shipped to Asia. From interviews conducted, textbooks have actually been delivered to various schools and libraries in Mindanao. This activity does not have a direct relationship to the transparency and accountability objectives of the Project, but is politically acceptable, and may be assumed to have modest, long-term impact on good governance in Mindanao.

Gender sensitivity has long been integral to USAID's development activities and its importance in building transparent, effective local governance is widely recognized. The Dawn Foundation espouses the need to enhance the role of women in Philippine society, seeks to remove gender biases in legislation, and promote Gender Planning in government. The Foundation, located in Bacolod City, contracted STRIDES, Inc. a private organization based in Quezon City, to assess the receptivity and preparedness of selected ARMM LGUs for gender mainstreaming and gender budgeting. The assessment, carried out in four ARMM municipalities, identified one municipality that had budgeted P100,000 for gender-related activities, not a very impressive result, but to be expected in a setting where government accountability to citizens is a relatively novel concept.

V.C. Conclusions—Peace Building Initiatives

Workshops that bring together peace advocates from several countries to enrich understanding of problems and possible solutions in the Philippines undoubtedly have a place in the broader peace process. However, workshops, seminars, and conferences cannot bring peace unless involved parties actually come to the table and begin the arduous process of negotiation.

The role of “third party” in brokering peace is recognized worldwide, and the Malaysian government is now assuming that role. The nature of future support to the LMTs must be reassessed in view of the future entry of the international monitoring team led by Malaysia.

If TAF opts to continue support for the LMTs, their role—e.g., observation-and-reporting versus mediation-and-development—needs to be clarified. It is also worth taking into account the criticism from some quarters that channeling support for LMTs through an NGO closely associated with OPAPP undercuts the credibility of the teams. LGUs may be better placed to assist and collaborate with LMTs if TAG assistance can be extended to local Peace and Order Councils, helping them to function as the “eyes and ears” of the LMTs, as well as “mediators on the scene.”

The work of Pakigdait, Inc. is helping the peace effort, and assistance to enable that group to extend their work to other conflict-affected areas may be a useful contribution to larger-scale peace activities.

VI. THE ASIA FOUNDATION'S MANAGEMENT OF THE TAG PROJECT

VI.A. Introduction

By and large, TAF has managed the Project with and through implementing partners, both at the national and local levels. The number of partners has considerably increased since the Project began in 1999. Considering this expansion, organizational structures to coordinate and implement all of the many, varied programs have likewise grown and become more complex.

TAF had four partners when the project started. According to Bill Luz of the MBC, the five organizations decided to join together to undertake TAG because each organization brought complementary expertise to an “agenda setting” anti-corruption campaign. However, after initial meetings to design the proposal for USAID, the organizations have largely pursued their own activities under the Project. The organizations were not formally constituted as a coordinating body for TAG.

The second phase of TAG that has expanded anti-corruption activities to Mindanao cities and ARMM LGUs is implemented under the guidance of a Project Steering Committee chaired by the League of Cities. Other members of the Committee represent the Makati Business Club, Mindanao Business Council, TAN (represented by the Philippine Governance Forum as Secretariat of the TAN), MINCODE, DILG, the ARMM government, TAF and USAID. A TAF document notes that the steering committee provides overall direction, serves as a venue to ensure coordination, addresses project related issues and opportunities and reviews Project progress.

The Steering Committee focused largely on the Mindanao Cities component. This is not surprising, since several Committee members—LCP, the Mindanao Business Council, TAN, and MINCODE—are themselves heavily involved in work with the cities. In addition, there is another committee specifically tasked with guiding the Mindanao Cities component. The Mindanao Coalition for Transparent and Accountable Governance (MCTAG) coordinates establishment of CCTAGs in Mindanao, particularly in the seven core cities. The Mindanao Business Council, MINCODE, and mayors of the seven cities form this coordinating body. Activities in the ARMM municipalities and barangays are coordinated directly by TAF, as they monitor and coordinate with their local partners in turn.

VI.B. Findings

The evolving programs of TAG have largely dictated the evolving modes and levels of intervention of TAF in Project activities. While TAF manages the Project collaboratively with its national and local partners, the Evaluation Team believes there may be a need for additional mechanisms to orchestrate, coordinate, and monitor the numerous activities implemented by partners at different government levels under various structures. At the national level, the primary need may be for an integrated communication-information strategy as suggested in Section II. For Mindanao activities, somewhat different approaches may be needed to ensure effective collaboration and sustainability.

The existence of MCTAG to steer and coordinate the Mindanao Cities component is a step in the right direction. However, the Team has learned about potential areas of discord in operation of the CCTAGs and TANs in the Mindanao cities. MINCODE's recent progress report identified as a critical issue, the absence of an effective, practical mechanism for coordination of CCTAGs and TANs. One complaint of NGOs is that the Mindanao Business Council has included representation of civil society in the CCTAGs without consulting civil society groups that are already part of TAN, and working to draft and implement a reform agenda. The Team's interviews with MINCODE and MBC revealed gaps in the way the two organizations approach formation of TANs and CCTAGs. Ideological differences between civil society and business may be one cause

of the discord. MBC wants to employ “pragmatic” approaches to reform, while civil society groups push for the broader reform agenda. MINCODE has proposed that TAF convene private sector and civil society groups to “level off” and work out issues on coordination. The group also called for establishment of a TAG Project Coordinating Office at TAF.

The challenge for TAF is to orchestrate and coordinate numerous activities, so all partners have a clear “roadmap” showing how activities should mesh and complement each other to fully achieve Project objectives. In some instances, TAF needs to be a neutral mediator, in others, an assertive manager. In playing these roles, TAF may benefit from scrutinizing the General Santos City “model” for effective CCTAG-TAN coordination. While TAN-General Santos City has incorporated as a separate organization, it represents all CSOs in CCTAG-GenSan. Within the CCTAG, business and civil society groups have found common ground for cooperation, such as conducting the citizens’ feedback survey for city government services. At the same time, the local TAN continues to implement its own broader anti-corruption agenda outside the CCTAN.

To ensure that “political commitment to reform” (the main criterion for choosing mayors and cities in the first place) still exists, TAF needs to carefully assess Project achievements to this point, and ensure that mayors have followed up their initial commitments with significant, concrete actions. The Team is convinced that all six mayors we interviewed have a broad commitment to transparency and accountability. However, we have also observed that they differ significantly in their commitment to concrete reforms. At crucial points, some mayors have been willing to play the role of “cheer leader” (e.g., by showing up to open and close PSEEAP workshops), or to be the “task master” (e.g., by ordering recalcitrant department heads to clear their inboxes regularly.) Other mayors have shown considerably less commitment “where the rubber meets the road.” The latter generally excuse their inaction by expressing their fear of political repercussions, noting the resistance of senior personnel, or simply admitting their inability to personally attend to real reforms. While hired experts are playing a useful role in facilitating city reforms, ultimately it will be TAF professionals who decide if the current set of mayors are appropriate partners, and will choose to take, or not take, concrete steps to elicit more aggressive actions from some of them.

Closer TAF management is most needed for the ARMM LGU activities. Municipal and barangay level training and workshops need special attention to ensure partner organizations observe reasonable standards in implementing activities. The Team has learned of some particularly glaring cases in Lanao del Sur where “participatory barangay planning” involved only one, two, or three participants. This makes a mockery of assumptions that the PBPB module will facilitate broad participation and wide sharing of critical budget information. The professionalism of organizations that facilitate such “workshops” must be questioned, and TAF needs to identify such inadequate partners early and terminate their grants in a timely way.

The Team has also surmised that no standard costs have been established for PBPB activities, either on a per capita or per workshop basis. At this point, costing seems to be left to implementing partners. However, if there is serious commitment to a “critical mass” strategy for future PBPB activities in the AARMM, establishing standard costs will be essential to ensure maximum coverage. While a TAF employee in Cotabato City and three consultants currently monitor ARMM-LGU activities, the Team believes a revised approach is needed. It is not clear if more people are needed for this task, or if different skills or work objectives are required to ensure adequate monitoring and management.

VI.C. Conclusions

Considering the broad agenda of the Project, and the diversity of activities so far undertaken, TAF has done quite a good job of managing TAG. However, if the Project is to be extended or expanded, closer monitoring and management will be needed. TAF managers may wish to begin with an analytical exercise to classify and cluster current and planned activities according to the level of monitoring and management each requires. In general, the Evaluation Team believes the Mindanao Cities and ARMM LGUs components will require closer scrutiny than they are currently receiving. There is also a need to track and manage communications-

information activities across the entire Project. It seems likely TAF will need more employees to achieve appropriate levels of management.

VII. EVALUATION TEAM RECOMMENDATIONS

The Evaluation Team is convinced that the TAG Project has made numerous useful contributions to enhancing transparency and accountability and opposing corruption in the Philippines. We have observed that concerns about corruption have found a place on the national agenda, that significant reforms are being undertaken in Mindanao cities, and that useful approaches to enhancing transparency and improving governance have been successfully pioneered in the ARMM. We also believe there are significant opportunities to build on and improve the impacts of ongoing and planned activities. Thus, in the spirit of “making the good better,” we offer this extensive list of recommendations:

National Activities:

- ❖ If adequate resources are available, TAF should continue working with TAG partners at the national level. However, their collective efforts should give greater emphasis to direct action against corruption, e.g. through a widely-agreed legislative/policy agenda, and partnerships with national government agencies willing to experiment with reforms. The PSEEAP modules (discussed in greater detail below) can be invaluable tools for NGA reform.
- ❖ TAF needs to support partners in reinvigorating stalled lobbying programs aimed at passing crucial anti-corruption legislation early in the next Congress. Specifically, this includes bills to create the National Revenue Authority and establish the Right to Information.
- ❖ TAF should find a partner or contractor to undertake a national Rapid Appraisal on Implementation of the Procurement Law. The primary purpose will be to spot trends in implementation—e.g., Are there a significant number of LGUs and NGAs that are dragging their feet? Are there significant “good practices” being developed that need to be shared? Are some potential vendors losing out? Is there evidence that wider competition is bringing lower prices? This information can be shared widely with national agencies responsible for implementing the law, with NGOs that are monitoring NGA and LGU performance in implementing the law, and the local government leagues, who can disseminate good practice information.
- ❖ In addition to activities aimed at the BIR, TAF should explore opportunities to work for reforms within at least one more of the Philippines’ “least trusted agencies,”—e.g. the Bureau of Customs, Bureau of Immigration, Department of Public Works and Highways—or with USAID’s sectoral partners—e.g. the Department of Health, Department of Environment and Natural Resources, or Department of Education.
- ❖ TAF should explore with their partners the potential value of advocacy work aimed at reforming political parties and electoral processes. Specific elements might include a Party Law, a constitutional reform aimed at “localizing” senatorial elections, and a Campaign Finance Law
- ❖ TAF and their partners should explore if more can be done to support efforts to strengthen and reform crucial enforcement agencies—notably the Ombudsman. Exploratory efforts might begin with workshops attended by agency representatives and potential academic and NGO partners, to diagnose problems and identify possible interventions and partners.
- ❖ The Team recommends that TAF adopt a strategic approach to communications and information dissemination across the Project. Coordinated production and dissemination of studies, publications,

training materials, etc. should be encouraged to ensure more coherent, cost-effective information campaigns. The underlying principle can be “targeted saturation.” Target audiences should be carefully defined, then the cheapest, most efficient way to achieve “saturation” with that audience should be sought. Creative approaches may include websites, news syndicates, DVDs and video CDs, etc.

- ❖ The Team believes TAF will need to hire an additional professional to ensure that an effective communication and information strategy is pursued across the Project.
- ❖ A number of anti-corruption websites are in place as a result of the Project. TAF should explore with partners appropriate approaches to installing user-friendly links to national and local government websites that allow users to directly submit complaints or raise corruption issues.
- ❖ TAF should explore ways to help LGUs move toward authentic e-Governance, but should avoid working with cities and municipalities that are unwilling to invest their own human and financial resources for such efforts.
- ❖ TAF should explore ways to make databases on corruption issues lodged in the Philippine Center for Investigative Journalism, Social Weather Station, Procurement Watch, and other partners more accessible—e.g. through websites and libraries open to the public.
- ❖ TAF and SWS should explore approaches to make the findings of annual SWS Business Surveys more understandable and accessible to ordinary citizens (e.g., simple, colorful graphics like those used in USA Today).
- ❖ TAG should support such approaches as EHEM! and PSEA as “intellectually rigorous, action oriented” alternatives to the “moral recovery” and “integrity circles” approaches that have absorbed large amounts of human and financial resources with few observable impacts on corruption.

Mindanao Cities:

- ❖ The Mindanao Cities component of TAG is a highly effective set of activities that should be allowed to mature at current sites for another six to twelve months, then expand. Initially, expansion should focus on Mindanao, first to other promising cities, then to promising first and second class municipalities. Later, it can be expanded “beyond Mindanao,” with Luzon and Visayan partners expected to cover virtually all costs of participation.
- ❖ TAF and appropriate partners should carefully re-examine the Scorecard process, continuing the activity only if there is clear evidence of useful impacts--e.g. specific reforms, no matter how modest—as a result of this complex, time consuming effort.
- ❖ On the other hand, the Public Service Excellence Program (PSEP) and Public Service Ethics and Accountability (PSEA) modules should be applied at every reasonable opportunity. The Team found that these activities brought concrete reforms in each of the seven cities, and this approach should be central to an expanded Cities component.
- ❖ TAF should convene appropriate partners to develop a Sustainability Plan for PSEEAP, ensuring that use of these modules becomes a standard tool for achieving transparency, accountability, and good governance in Mindanao LGUs. Major issues include: building a sufficient, accessible cadre of skilled PSEEAP facilitators, and ensuring their services are available over the long term at an affordable cost. (Available human resources include; CLG staff in Mindanao and elsewhere, graduates of the Ateneo de Davao’s MPA program, who are trained in PSEA and PSEP facilitation, private firms, and experienced individuals.)

- ❖ TAF should consider the potential value and feasibility of contracting for production of a “Confidential Guide for Mayors on Punishing and Terminating Unsatisfactory City Government Employees.” While there is broad consensus that actually terminating employees is a difficult, time-consuming process, detailed guidance on required procedures, timing, and needed documentation may make it somewhat less daunting.

ARMM LGUs:

- ❖ Continue activities aimed at bringing greater transparency and accountability to ARMM municipalities and barangays. However, in doing so, carefully take account of the unique challenges of the ARMM.
- ❖ Craft a special strategy for ARMM programs, balancing the need to respect cultural traditions against the need to effectively challenge ingrained patterns of feudalism, patronage, and impunity that have brought the ARMM to the highest levels of routine corruption in the country. It may be necessary to “begin at the beginning,” e.g. with very basic training and institutional support for Muslim-led NGOs and POs willing to challenge ingrained corruption, and by an activity analogous to the work of the Ashoka Foundation, identify and support young social entrepreneurs willing and able to challenge endemic problems.
- ❖ Convene a working session to refine and (as appropriate) standardize the module for barangay planning. Possible refinements of PBPB, which might make it half a day longer, include: introducing a brief session focused on “implementing our plan with local resources,” and a new approach to documentation, with outputs in the form of durable posters showing: the SWOT analysis, priority activities, action plans, budget data, and project schedules. These materials can be in the local language, and could be produced on some sort of durable paper/plastic.
- ❖ As appropriate, the PBPB working session might also consider “add-ons” such as rapid appraisal exercises, a peace and order dialogue, or a brief session on “Koranic principles of good governance,” so long as the latter doesn’t undermine democratic principles or enhance the authority of traditional feudal structures.
- ❖ TAF and the ARMM partners should explore the feasibility and probable payoffs to a “critical mass” strategy that would bring PBPB to 40-60% of the 2495 ARMM barangays. This effort should also explore sustainability issues, in particular how a cadre of part-time PBPB facilitators can be built and maintained.
- ❖ While support to Local Monitoring Teams may be a valuable and necessary activity, the Evaluation Team believes activities that support establishment and operation of Peace and Order Councils and People’s Law Enforcement Boards will play a more direct role in enhancing transparency and accountability.
- ❖ TAF and their partners should explore with municipal mayors the feasibility and usefulness of a standardized “participatory municipal planning and budgeting” module.
- ❖ TAF should propose a mechanism to maintain closer linkages with GEM, particularly because GEM has programs to build barangay halls and other small infrastructure, often identified as target projects during barangay planning.

Management:

- ❖ TAF should employ a more assertive approach in monitoring and managing TAG activities. Particularly, but not exclusively, in the ARMM, staff must determine which partners need closer scrutiny and guidance, and use field monitoring and performance standards to exert more influence.
- ❖ To maintain coherence in TAG, activities with little or no logical connection to transparency and accountability should be managed as separate programs. These include the Local Monitoring Teams and livelihood activities. Investment planning workshops will fall in this category, unless there is greater emphasis on broad participation, realistic priority setting, and greater reliance on local resources.
- ❖ The current structure for project oversight and information sharing should be re-examined to determine whether there is a need to create separate steering committees for the three major components.
- ❖ To ensure effective information sharing and creative collaboration among TAG partner organizations and LGUs, TAF should convene a series of Annual TAG Partners Conferences. An essential agenda item for the first year is a participatory process, involving all TAG partners, to conceive, refine, and approve an inclusive TAG Action Plan. Periodic meetings of the Steering Committee, subsequent Annual Meetings, and the TAG website will all provide venues for assessing progress toward goals and activities incorporated in the Action Plan.
- ❖ To achieve more effective monitoring and management, TAF will require a few more staff members. The need for an additional professional to coordinate communications and information dissemination was noted above. It may also be useful to engage a full-time person to ensure the coherence of legal reform/policy activities, and another to pursue expansion and sustainability of PSEEAP and PBPB modules.
- ❖ It would be useful for TAF to establish, either through hiring or a contract, a ready source for financial/economic analysis. Such a resource could be used to support Project management—e.g. a study of the “cost effectiveness of various partners in implementing participatory barangay planning in the ARMM”—or a in conjunction with particular Project activities—e.g. “the costs and benefits of providing a ‘golden handshake’ to redundant BIR employees.”
- ❖ The search for best practices, and granting awards, are themselves good practices. But, as discussed above, once good practice information is collected, there should be a “targeted, saturation strategy” in disseminating it.

ANNEXES

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Annex A: EVALUATION TEAM RESPONSES TO TAG EVALUATION QUESTIONS

1) Impact of Setting the Agenda

Has the project been able to focus business and public attention on priority areas of corruption as they affect the conduct of business and economic growth in the Philippines? The interplay of efforts by the Makati Business Club (MBC), Social Weather Stations (SWS), Philippine Center for Policy Studies (PCPS), and the Philippine Center for Investigative Journalism (PCIJ) at the national level, and the Mindanao Business Council at the regional level generate sufficient public attention which result in a number of continuing counter-corruption initiatives. (See Sections II and III.)

What are the factors and activities behind the success or failure? There is sufficient evidence to show that an integrated approach adopted by a number of the project partners using a mix of research and analysis, surveys, case studies, roundtable discussions and public information could lead to positive demonstrable results, at least at the national level. The picture changes at the city and municipal levels where a diverse and broad range of programs and initiatives make it somehow difficult to link them within a coherent and overarching TAG agenda. (Sections II, III, and IV.)

Has the project determined or quantified the economic costs of the various areas of corruption? The three economic research projects conducted by the Philippine Center for Policy Studies as an integrated program with the MBC, PCIJ and the SWS examine the costs that corruption brings to bear on business and economic growth and provide a springboard for situating the problem of corruption within the context of Philippine development. There is need to further study the long-term consequences for the economy of large-scale political corruption that is less noticeable by the public compared to bureaucratic corruption, and the Team has made a recommendation to this effect. (Sections II and VII.)

Has the project established advocacy and coalition building while the agenda and plan of action are being developed? What are they? Yes, there has been considerable success in initiating public advocacy and coalition building. Information sharing among different groups and sectors appears to have been the catalytic force in bringing together different organizations like civil society groups, academe, private sector, and professionals with keen interest in counter-corruption. The Transparency and Accountability Network, initially a loose grouping of organizations and individuals, developed the TAN Anti-Corruption Framework while engaged in coalition building through TAG. In Mindanao, the private sector-led Mindanao Coalition for Transparent Governance (MCTG) enunciated its action agenda in the Covenant of Commitment signed during the 10th Mindanao Business Conference. The MCTG advocacy focuses on policy reforms to reduce red tape, graft and corruption and promote transparent and accountable governance. Another notable example would be the tripartite City Coalitions for Transparent Accountable Governance (CCTAG) in seven Mindanao cities. (See Sections II and III.)

Has the project established an anti-corruption agenda that will mobilize constituencies for a focused advocacy program? There are potential elements of a national agenda in place, e.g., efforts to ensure the success of the GPRA, to advocate for passage of the NARA bill and freedom-of-information legislation. However, these have not been pulled together into a single, coherent action agenda. The Team believes it may be possible to do so, and has made recommendations about possible approaches. Some project activities, especially at the city and municipal levels, can be linked to the “national” themes identified at project inception: counter-corruption, transparency and accountability, and linking corruption with economic growth. Thus, some of the Mindanao cities and ARMM LGU activities can also be linked to a national action agenda. However, it may be more useful to articulate separate action agendas for the cities and LGU components. (Sections II, III, IV, and VII.)

How was the agenda formulated and who participated in the process? Who is now taking ownership of the agenda? This assumes the TAG Project has facilitated an overarching agenda on counter-corruption and that it is clear to all the partners. As noted above, the Team believes most of the elements of an action agenda may be in place; however, an integrated agenda does not yet exist. The elements of a national agenda may be evolving over time. These elements can be enriched through the experiences of the different programs and initiatives, and doing so seems urgent. Given the peculiarities in Muslim Mindanao, a special agenda for this area may also be necessary, and the Team has offered a recommendation along these lines. (See Sections II, III, IV and VII.)

2) Impact of Maximizing Awareness

How have the SWS surveys monitored the levels of public awareness of various anti-corruption efforts, and specifically the TAG project? The surveys have assessed the knowledge and attitudes of the Metro Manila business community vis-à-vis transparency, accountability, and corruption through specialized annual polls. Corresponding information on citizens-at-large is provided through sets of questions included in national polls undertaken quarterly. Regarding specific knowledge about anti-corruption efforts, the Team has noted a number of stories generated by the media, specifically the PCIJ and Newsbreak, on corruption issues and efforts to combat corruption, in some cases incorporating the survey findings into the stories. The roundtable discussions and FGDs initiated by the Makati Business Club and others use the survey findings as a starting point. (See Section II.)

Has the project improved the “user-friendliness” of opinion results in deepening public awareness of how deeply economic growth and well-being are hindered by corruption? Some refinements are probably still in order to further popularize results of the SWS surveys. This can be part of a wider effort to strengthen partnerships with the mass media and to maximize information technology to broaden the anti-corruption campaign. The esoteric and complex nature of the surveys, unless focused on the popularity ratings of national candidates for public office tend to be relegated by journalists to the backburner of their priorities, and therefore become less accessible to the general public. New presentation techniques are in order, and this is the subject of a Team recommendation. (See Section VII.)

What is the state of the development and capability of the TI Philippines Chapter? Is TI Philippines playing a critical role that a prominent TI Chapter could undertake in advancing counter-corruption efforts? Has the project contributed in developing the capability of this organization? Transparency International-Philippines appears singularly focused on the Moral Recovery Program, in the process affecting the effectiveness of its counter-corruption campaign. Given this limited agenda, and the fact that other groups such as TAN, and other mechanisms such as Ehem! and PSEP, are already in place, the Team sees little justification for dedicating major resources to TI Philippines at this time.

Has TI Philippines strengthened its efforts at coalition-building with like-minded counter-corruption public and private organizations in the Philippines? The Transparency and Accountability Network (TAN) demonstrates a more proactive approach in coalition building and in converging diverse efforts at anti-corruption. Likewise, the Ehem! approach promotes a more holistic, analytical approach and merits a second look, and is the subject of a Team Recommendation. (See Sections III and VII.)

What are the perceptions of the various sectors about the TAG website? Are they satisfied with the form and content of the website? Some observers pointed out that the TAG website is not easy to navigate and suggest a “clickable” forum where citizens can bring their complaints to concerned government agencies. On the other hand, the Philippine Governance Forum reported a successful application of the website: A woman browsing the TAG website sent an email asking what she can do to have a local official investigated for corruption. She was referred to the Ombudsman. The Team has offered a recommendation regarding TAG-related websites. (See Sections II and VII.)

3) Impact of Working with New Partners

What are the most important results of the evaluation of “values-based” counter-corruption activities? Are they useful in enriching the project’s efforts and activities? The challenge facing the TAG Project is how to effectively make the transition from moral fervor to public criticism and action. The study evaluating the results of major “values-based” anti-corruption activities elicited workshop participants’ views about the sessions they went through. The Team believes that the study demonstrates that the moral recovery/integrity circle approach has been more effective in building short-term enthusiasm than in supporting longer-term system change.

Have they contributed in combating corruption? What is the empirical evidence? The Integrity Circle workshop facilitator reports that coalitions in some provinces are already implementing their counter-corruption plans. He cites the specific example of Barangay Mandug, Davao, where project implementers have posted a list of expenditures for a canal construction project so that people can learn the details of the undertaking. These examples strike the Team as rather vague, showing limited results from a rather large, high profile program. We believe that more “refined” activities under TAG, such as PSEEAP and Ehem! are having more concrete results in changing minds and systems, and have made recommendations about how to expand the impact of these activities. (See Sections II and VII.)

Has the Mindanao Business Council been successful in reaching out to the Moslem business sector and with political and civic leaders for uniting actions for development in Mindanao? Yes. The organization of the private-sector led Mindanao Coalition for Transparent Governance (MCTG), the formation of the Advisory Group to provide recommendations to the MCTG and the Regional Executive Boards to direct activities of regional coalitions are some examples. All of these efforts have included representatives of the Moslem business community. It is worth noting that the head of the Muslim Chamber in Cotabato City could be a very strong ally in articulating issues and setting agendas. The MBC has also involved the local Chambers in Mindanao in the coalition; some of the chambers also belong to the CCTAG in their respective cities. (See Section III.)

Has the Council worked with LGUs to reduce red tape and corruption at the local level? The MBC conducts discussions with LCEs on the proposed creation of Regional Executive Boards and their role in investment promotion, stressing the importance of transparency and good governance in the process. The Mindanao Economic Development Council (MEDCo) is helping identify pilot LGUs and developing a proposal on governance and investment promotion. (See Section III.)

With support from the Project, what other activities were undertaken by the Council to combat corruption in the long term and how will they be sustained? A permanent Secretariat for the MCTG was established to provide technical and administrative support while funding schemes have been made a part of the regular agenda of the MCTG Internal Affairs Committee. (See Section III.)

4) Impact of Solidifying the Agenda

Is there a blueprint of the anti-corruption agenda? Is it actionable and results-oriented? The TAG project has taken a life of its own, while at the same time finding itself in a state of flux, thus making “blueprinting” a difficult task. The marked differences between TAG 1 and TAG 2 also make “solidifying” an agenda that is not yet very clear somewhat daunting. As noted above, the elements of an Agenda may be in place, but a widely agreed and well-understood agenda is not in place, and thus there is little possibility of preparing a “blueprint” to carry it out. The Team has offered a recommendation on possible next steps toward an action agenda. (Sections II and VII.)

What are the reactions of those involved in formulating the action agenda? As noted previously, the Evaluation Team doubts that an integrated agenda exists. Still, there are promising examples of multi-sectoral collaboration. For example, Project partners like the La Salle Institute of Governance have seen

greater participation of civil society and the private sector in the Citizen Watch on Tax Administration Reform thus enriching LSIG's counter-corruption agenda. The Makati Business Club and the Philippine Center for Policy Studies noted that they were able "to build relationships" between a business organization and an academic unit. And PWI is signing MOAs with local TANs to undertake monitoring and documentation of LGU procurement practices. (See Sections II and III.)

Who will monitor the implementation of the action agenda? Each organization, coalition, or network will monitor the implementation of its separate action agenda. However, many grantees interviewed by the Team have noted that their work will end with completion of workshops, seminars, studies, publications, etc. and that no funds are available in their budgets for supporting follow-on actions or monitoring impacts. (See Sections II, III, IV, and VII.)

5) Impact on Maintaining Broad Civil Society and Private Sector engagement in Transparency and Accountability at the National level.

What are the specific activities undertaken for reforming the BIR? How effective are they in harnessing support from various sectors of society? Partner institution authored a bill seeking to overhaul/reform the BIR. Legislative (Congress) deliberation and amendments resulted in a watered-down version of the bill that will not institute the supposed reform objectives. The 2004 national election prevented further legislative action on the bill. It appears that there was limited support by Civil Society Groups for this bill. Despite the failure to pass the NARA Bill, the Makati Business Club is acting as a pressure group to institute systems reform in the BIR and the Bureau of Customs. Activities like Lifestyle Check, provision of fast lanes for businessmen with complete documents at BoC have been instituted. Dr. Francisco Magno the leader of the partner institution who assisted in promoting the NARA bill hopes to be able to re-work it with the new congress to reinstall the provisions of the original proposal and that congress will be able to act on the bill.

What is the contribution of the project in the passage of the New Procurement Act. How doable are the planned actions and training for the implementation of this new act, especially at the local government level? Procurement Watch, Inc. has been successful in its effort to push for the enactment of the new Procurement Law. Passing the bill is a significant step, but Procurement Watch needs to take more initiatives to inform the public and monitor implementation doing perhaps rapid appraisal surveys. Likewise the various Leagues of local government units need to take the lead in training their members on this new law lest the law suffer the same fate as previous councils mandated under the Local Government Code (R.A. 7160) but never operationalized by many LGUs.

What are the general perceptions by the various stakeholders about the assistance of the Project in support to the reforms at the BIR and the passage of the new Procurement Act. Overall, various stakeholders felt they gained some ground in their work to reform the BIR and the government procurement process thru the new Procurement law. However, in the case of the NARA bill, the proponents feel there is failure on the part of the general public to recognize the reforms in the BIR. BIR employees themselves rallied against the bill due to its impact on their organization and benefits.

What are the other activities undertaken in regard to procurement in the area of education, health, public works and national budgeting/ How effective are these activities in promoting anti-corruption reforms? PWI's work in education textbook procurement, mobilizing field level auditing of textbook deliveries results in reducing leakages. In health, public works and national budgeting, a lot more appraisal and agency cooperation need to be undertaken. Even NAMFREL believes that it should monitor procurement, textbook delivery etc. after the election so that their members are fully engaged year round.

6) Impact of Anti-Corruption Initiatives at the City Level

Are there evidences about reduction of corruption and corrupt practices at the city level and their respective administrative department? Had the city officials played active roles in initiating and implementing counter-corruption reforms in their respective Cities? Who are the other stakeholders involved in the counter corruption? The initiative is moving forward - briefly characterized by 2 steps forward and 1 step backward. The degree of success varies in the 7 cities. Where the City mayor is on top of the initiative, a high degree of change has been noted, e.g. Surigao and General Santos City. Where there is reluctance of the City Mayor and implementation is left to a subordinate, success is less. Other stakeholders, such as the local chambers of commerce and industries and the CC-TAG are beginning to play active roles in combating corruption. In addition to the Business permit tracking, the introduction of PSEEAP is producing changes in some cities. General Santos City and Surigao have produced flow charts on document movement. The former is finalizing their manual patterned after the Naga City Citizens Manual.

What are the specific activities undertaken to combat corruption? What are the major challenges and constraints in the success of their reform initiatives? The major challenge faced by the reform initiatives is the coming elections. If the current good City Mayors are replaced, there is no assurance that the reforms will be continued unless there is a strong pressure from Civil Society organizations and the Chambers.

What is the role of the media in the anti-corruption efforts of the various cities? Have they been supportive of the reforms? Formal media has not captured the success stories. Many Businessmen are also not aware of the changes. There is a great need to document these success stories. Except for the articles published by Newsbreak, success stories in the ARMM-LGUs have not been adequately featured.

7) Impact of Good Governance for Peace and Development in Mindanao Municipalities and Provinces

How effective and participatory are the approach, such as rapid field appraisal, used by the project in the assessment of the dynamics of local governance in the current regional context? Are the stakeholders satisfied with the results? There is no evidence that the project was undertaken to do rapid field appraisals to understand dynamics of local governance in the regional context. If the appraisal is with reference to the LGU score card, not all cities were satisfied with the process and results of the scorecard.

How useful are the results of the assessment/appraisal in determining the various areas for technical assistance? Unable to make any comment given our previous observation regarding RFA.

What are the specific priority areas that are being worked on by the various local governments with support from the Project? What are the technical assistance packages being provided by the Project? How are they contributing to the overall anti-corruption efforts and peace and development goal for Mindanao? How are their successful initiatives shared with and adopted by other local government units (LGUs) in the ARMM and nearby areas. Has there been an assessment of these sub-project components and what are the results? In the 7 Cities, the Business Permit Studies/Tracking and the PSEP/PSEEAT are specific activities that contribute to anti-corruption efforts. The support to LMTs is generally a contribution to the cessation of hostilities between MILF and GRP. Various barangay planning initiatives by partners using participatory approaches and other variants are contributing to the peace effort through unity of the citizenry. All activities seem to work better where there is good governance and the impact is less in conflict affected areas. The TAG report last year details a number of accomplishments.

What is the state of the fiscal affairs of the various local governments being assisted by the project? Has there been an increase in real property tax collections? Are there improvements in local revenue assessment and collection? All 6 cities visited claimed increasing revenues. Unfortunately we could not get comparative copy of their financial statements for the last two years. All Cities have been assisted by LGSP in the local tax collection efforts and we are inclined to believe that there are increases in tax collection; however, we do not know the exact amount of increases. In Iligan, failure to pass the new re-valuation of property values has not improved its tax base in the city.

8) Impact of Local Capability Building for Institutional Partners

Who are the new institutional partners tapped by the Project? Are they locally-based, Mindanao-based institutions? A substantial number of institutional partners have been tapped by the Project. These organizations are Academe, academe-based groups, civil society groups, networks of NGOs, Makati Business Club, local Chambers of Commerce and Industries, and others based in Metro Manila and in the provinces and cities. The Ateneo de Davao CLG, the MSU-CLG, the Notre Dame Business Center and NGOs in the ARMM partners in the Mindanao programs are also included.

What is the level of satisfaction of these new partners on the capability-building and training program provided to them by the project? Partners are generally satisfied with the capability building program provided to them by the project. Sustainability is a question for some and the project may have to explore cost sharing arrangements in areas like Barangay Planning and Budgeting.

Are the local government units satisfied with the performance of the Project partners in providing technical assistance? Overall, LGUs are satisfied with the performance of the Project partners in providing technical assistance. Reception of the result of the Score Card rating is mixed. Marawi City and Iligan felt that the Score Card did not represent their performance, as the sole basis was perception of residents who may not be representative of the general public.

How will the capabilities of the project partners be sustained? This is the 64 million dollar question. For some of the academic institutions that continue to undertake outreach programs, this will not be a problem (including most of the CLGs). Most of the NGOs may not be able to expand their work without assistance from the project.

9) Impact of Special Focus on Peace and Order

What specific support was provided by the Project to the Local Monitoring Teams? The Project, through the Advocacy Mindanao Foundation, is providing a monthly subsidy of P18,000 to each of 13 Provincial-level Local Monitoring Teams (LMT) to cover expenses for travel, communications, and meetings. It funded the orientation of the LMTs, area-based capacity-building workshops, and seminars on conflict resolution.

Are the Teams satisfied with the support provided by the project? Yes, members of the Teams appreciate the logistical support being provided by the Project, although they see a need to increase the allocation for communications. They have expressed reservations on whether they are really receiving the full amount due them, since funds are channeled through a Foundation identified with the office of the Presidential Adviser on the Peace Process (OPAPP). The MILF representatives in the Team raised concerns on the neutrality of the workshops, since they perceived the case studies they were asked to work on as pro-government.

Has the support helped the different teams be involved in the development activities in their areas? No. The LMTs are more involved in forging peace and understanding in the areas than in development work. Some LGUs, which are not supportive of the peace process, do not support the work of the LMTs much less involve them in development efforts. While represented in the LMTs, the role of the LGU in

the teams is not clear. There is expectation, however, on the part of LMT members to have a role in the development efforts after the peace agreement between the GRP and the MILF is forged.

Were the Peace and Order Councils activated and strengthened as a result of the assistance provided by the project? What are the indicators that they have been strengthened? The Evaluation Team has not observed any program that activated and strengthened the Peace and Order Councils.

How has the Project contributed in the organization of the People's Law Enforcement Boards and in improving police-civilian relations? The Team has not observed any program to organize the People's Law Enforcement Boards (PLEB) or to improve police-civilian relations.

How effective is the coordination between the GEM and the TAG projects in providing support to the Local Monitoring Teams? The Evaluation Team's impression is that relatively little project-to-project coordination has taken place. However, there has been a reasonable degree of "complementarity" between the projects--e.g. GEM has built barangay halls in ARMM barangays that have identified the need for such structures during TAG-sponsored barangay planning. However, this example also demonstrates why closer coordination between the projects would be useful. The Evaluation Team agrees that construction of barangay halls is a very useful activity, an essential first step in separating barangay governance from the feudal families that dominate many localities by default. Moving governance processes out of the homes of traditional elites makes their power less "automatic." However, the Team believes that more halls are in order, to establish the principle that local governance is separable from local feudal elites in many more ARMM localities.

10) Impact of Working with the ARMM Department of Interior and Local Government (DILG-ARMM)

Has the project supported the ARMM-DILG in training the barangay officials elected in 2002? While the project involves barangay trainings/workshops in the ARMM, the Team finds no clear indications that these activities are coordinated or implemented through the ARMM-DILG. There are indications that officials from municipal offices of the DILG-ARMM participate in these training/workshops. However, when the ARMM Regional Secretary of the DILG was interviewed, he appeared to be unaware of the TAG Project.

How does ARMM-DILG view the support provided by the project? Given the Regional Department's lack of awareness of the project, its view of the support by the project cannot be ascertained. The municipal offices of the DILG, however, appear to be supportive of the trainings/workshops conducted in the barangays in the ARMM.

What are the results of the assistance provided by the project in developing the administrative and coordination mechanism of the DILG-ARMM? The low level of awareness by the Regional office of the DILG-ARMM of the project indicate poor coordination between the Regional Office and its provincial and municipal offices. The implementing partners and TAF appear to coordinate directly with the municipal offices of the DILG regarding the prospects of strengthening administrative and coordination mechanism in the ARMM-DILG. The planning and implementation of these barangay trainings/workshops have not been fully realized.

How effective is the coordination between the GEM and the TAG projects in working with the DILG-ARMM? The Evaluation Team has found little evidence of coordination between GEM and TAG in working with DILG-ARMM. Nor, as we have noted elsewhere, are we convinced that intensive efforts to work with DILG-ARMM will have useful payoffs.

11) Impact of Localizing the Transparency and Accountability Network (TAN)

Has the TAN been localized and where? Yes, the TAN has been localized. Of the six cities visited by the team, local TAN chapters are well-organized and apparently taking full part in reform efforts in General Santos and Surigao City, and fairly well organized and effective in Iligan, Marawi, Samal and Cotabato.

What assistance or initiatives were provided by the project in localizing the TAN? Working with the Mindanao Coalition of Development NGO Networks (MINCODE), the project has funded sessions on project orientation, agenda-building and sectoral focus group discussions as preliminary steps in the formation of the TAN in the seven pilot cities.

What are the objectives and plans of the localized TAN? The objectives and plans of the localized TANs are left to the local TANs to formulate. In General Santos City, the local TAN acts as the civil society component of the CCTAG and coordinates its plans with the CCTAG while maintaining its separate juridical personality. In Surigao City, the TAN has signed a MOA with PWI to monitor and report on procurements by the city government.

What have they contributed so far in mitigating corruption at the local level? Raising the awareness of civil society groups and the public in general of the need to engage in anti-corruption programs is the greatest contribution of local TANs. Specific programs such as the citizen's evaluation of the business permits process in General Santos promoted transparency and accountability in the city.

12) Impact of Promoting Accountable Leadership

How successful is the Project in harnessing the participation and contribution of the private sector in crafting the content of the information campaign and in providing TV and radio space? The Project has been fairly successful. It has brought together the Makati Business Club, Procurement Watch, the Philippine Center on Investigative Journalism, and the Society of Jesus through its EHEM project to produce posters and T.V. advertisements against corruption specifically against accepting bribes for votes in the coming elections. The program promoting investigative reporting at least in the national scene is highly developed

Has the information campaign plan been developed and implemented? There appears to be no cohesive and systematic anti-corruption information campaign plan in place yet. The information materials so far produced were a part of the partner organizations' programs, but do not reflect any unified information plan or program.

Are ordinary citizens or the general public aware of such campaigns? What are their impressions about the campaign? There is no monitoring mechanism in place to assess the awareness or impressions of ordinary citizens for the posters and TV advertisements already produced. The comic books on the new Procurement Law have a rather limited circulation (10,000 copies), almost certainly too few to affect the opinions of a "critical mass" of citizens.

What are the corruption issues which have been identified and how were they discussed, publicly or other means? Most corruption issues publicly discussed are on the national level. The forums, roundtable discussions and focus group discussions so far conducted revolved around reforms in the Bureau of Internal Revenue and the Bureau of Customs. Forums on the new Procurement Law are fairly extensive. Advocacy on the passage of the Right to Information Bill has led to public discussions on the subject. The initiatives in the local scene have not reached a level where specific local issues of corruption are publicly discussed in the target cities, municipalities and barangays.

13) Impact of New Counter-Corruption Policy Initiatives

What specific assistance was provided by the Project in support of the implementation of the Procurement Act at the national and local government levels? What are the impressions of agencies or LGUs concerned with the quality and effectiveness of the assistance provided by the Project? The Project has provided varied support to ensure effective implementation of the Government Procurement Reform Act, including funding to Procurement Watch, Inc. to provide public information for civil society, LGUs, and NGAs, and to support their efforts to build a national database on public procurement. (See Section II.) The PSEP and PSEEAP activities help the Mindanao cities take initial steps toward conforming to the new law. LGUs, NGOs, and business groups are grateful for the assistance received. (See Section III.)

Has the Project built a network of NGOs accredited by the Office of the Ombudsman as corruption prevention units? Is the Office of the Ombudsman satisfied with the capability of those NGOs. Are those NGOs participating in Bids and Awards Committees, and are they reporting to the Ombudsman if there are anomalies in the bidding and procurement process? The Office of the Ombudsman at the national level has accredited very few NGOs. It is not clear that any of the accredited groups have been associated with TAG. Members of at least some of the TAN coalitions stand ready to monitor and report on, and as appropriate to “fiscalize” the procurement process in the seven Mindanao cities. (See Section III.)

Are the private sector and civil society actively involved in the efforts for reforming the BIR? Corporate leaders, including members of the Makati Business Club, are in a position to exert informal pressure on senior officials of the BIR. One example of this is a workshop sponsored by the Makati Business Club in November 2002 that included business people and BIR Commissioners. The session resulted in defining promising policy and procedural reforms to discourage bribery and corruption at the BIR.

Are taxpayer assistance mechanisms developed and implemented at the BIR and are their transactions transparent? What is the contribution of the Project in promoting these efforts? Some efforts to support the BIR in improving its “user friendliness” and transparency have been undertaken by the staff and members of the Makati Business Club. After the November 2002 workshop mentioned above, a BIR commissioner agreed to organize a “text in” campaign in which taxpayers texted the numbers and amounts of their tax receipts for comparison with BIR records, an imaginative way to check on the accuracy of records submitted by revenue officers. MBC advertised this campaign to members, enabling them to participate. MBC also assisted in preparation of a primer on BIR procedures, and now publicizes changes in those procedures on the TAG website.

14) Impact of Increasing Access to Educational Materials in Mindanao

Are the private sectors participating in the shipment of books to Mindanao? Who are they? Why are they doing this? Team members understand that earlier in the TAG program there was some private sector support for shipping books to Mindanao. More recently these costs have been covered by TAF or LGUs.

What is the contribution of this activity in the overall anti-corruption and good governance efforts of the Project? The contribution of the Books for Mindanao activity must be considered to be modest, indirect, and long-term, since the bulk of books are provided to day care centers in the ARMM, and to interested municipal libraries and primary and secondary schools across Mindanao. Books provided to day care centers are age-appropriate, and thus have little to do with such abstract subjects as good governance and corruption. Books supplied to school and municipal libraries cover a range of subjects in science, mathematics, social science, and the humanities and thus, at best, only a handful are likely to address issues of good governance and responsible citizenship.

15) Impact of Undertaking Local e-Government

What support has the Project provided in addressing the policy and procedural constraints from national government? What are those constraints and how were they resolved? TAG supported CALDEM in undertaking field research and writing a Preliminary Report on e-Governance in Selected Local Government Units. The Report identifies some bureaucratic constraints that might usefully be removed. However, no efforts have been made under TAG to remove such constraints at this time. TAG assistance for e-governance is planned for the future.

Are the e-Governance plans developed and implemented by at least one province, one city and one municipality? How has this contributed in mitigating corruption and promoting good governance? Are the local governments satisfied with technical assistance provided by the Project? Planning and implementation of e-governance systems may be ongoing in some of the seven Mindanao cities, but so far TAG has not supported such efforts. Fairly effective, reasonably user-friendly websites that have been posted by General Santos and Samal Island suggest that e-governance applications are probably imminent, and might usefully benefit from support from TAF. (Section III.)

16) Overall Assessment of Project Framework, Design, Management Structure and Implementation Process

Assess the mix of project activities or components, and determine if and how they could be tied together in a more cohesive and doable project framework for effective implementation. Overall, the mix of project components—national-level analysis, information-sharing, and advocacy; reforms at the city level in Mindanao; and introduction of greater transparency and governance in ARMM municipalities and barangays—is appropriate. However: National programs can be shifted usefully toward greater emphasis on specific advocacy campaigns and more effective sharing and dissemination of information. (Sections II and VII.) The Mindanao cities component can be usefully expanded, initially to other cities in Mindanao, and after 18-24 months, to other parts of the country. (Sections III and VII.) The ARMM component will benefit from setting a specific target for “saturation” of the ARMM’s 2500 barangays with Participatory Barangay Planning and Budgeting, perhaps at the 40-50% level. (Sections IV and VII.) We also recommend that activities not clearly congruent with the transparency and governance themes be managed separately. (Sections V and VII.) As mentioned elsewhere, we believe a comprehensive strategy for communication and information sharing, a new steering committee for ARMM activities, and an annual partners conference will do much to improve the coherence and impact of project activities. (Sections II, VI, and VII.)

Determine the extent of the project’s contribution in achieving the Mission’s Strategic Objective (SO2) of “Institutions, Policies, Practices Made Transparent and Accountable.” Significant progress has been made in making the policies and practices of half-a-dozen cities in Mindanao significantly more transparent and accountable. It remains to be seen whether similar progress can be made in Marawi City. (Section III.) Work in the ARMM with introduction of Participatory Barangay Planning and Budgeting has begun to establish new patterns of transparency in about 280 barnagays (about 11% of the total number). The next two or three years will begin to demonstrate whether greater transparency in turn leads to increased accountability at the barangay level. (Section IV.) Significant progress is being made in familiarizing national government agencies, LGUs, civil society, and business with provisions of the new procurement law. While it is too soon to assert with confidence that the new procedures will significantly reduce corruption and improve efficiency in procuring goods and services, the Team witnessed very serious efforts in some Mindanao cities to implement required reforms. (Sections II and III.)

Assess the merits of the Project’s management structure and implementation process. Staffing at TAF for management of ongoing and planned activities needs to be expanded by two or three individuals. (Sections VI and VII.) The project will also benefit from greater communication and information sharing among all of TAF’s implementing partners. Adding a new project unit that focuses specifically on sharing

information widely, and an Annual TAG Partners Conference, will help to ensure greater coherence in implementation of activities. (Sections II and VII.)

17) Overall Project Achievements and Results, and Recommendations

Summarize the overall project achievements in terms of reducing corruption at the national and local level, and in instituting good governance. Most project achievements at the national level can be captured in the form of “outputs”—polls, investigative reports, academic studies completed—that have ensured citizens of the Philippines are better informed about the forms of corruption that are current, and to a lesser degree about possible solutions. There have also been a few concrete successes—texting campaigns sponsored by the Makati Business Club, a few procedural changes at the Bureau of Internal Revenue—as a result of pressures from prominent figures in the business world. Finally, campaigns aimed at passing key legislation—the NARA and RTI bills—have been initiated. With the exception of procedural changes at the BIR, it is difficult to argue there have been direct impacts on corruption at the national level. (Section II.) At the level of Mindanao cities, the Team observed procedural reforms that clearly have increased transparency, efficiency, and accountability. Informants in business and NGOs made convincing arguments that procedural reforms have already reduced the need to deliver “gifts,” make payments to speed up services, or pay for “fixer” services. In the process, overall governance has been improved, and mayors and city officials have risen in the estimation of observant citizens. Introduction of the Public Service Excellence, Ethics, and Accountability Program has been a major contribution to good governance and public sector probity in Mindanao. (Section III.) Work in the ARMM, particularly through Participatory Barangay Planning and Budgeting, has begun to introduce new traditions of transparency, and created opportunities for citizens to demand greater accountability. (Section IV.)

Identify constraints encountered and how they were mitigated or resolved. What has been learned in the implementation of the project in terms of organizational set-up and working with the national government agencies, LGUs, civil society, and private sector? Major constraints encountered include: 1) Ready acceptance of many Filipinos that corruption is a way of life and thus virtually impossible to eradicate, and 2) Quasi-feudal social structures in parts of the ARMM. Fortunately, the Mindanao cities activities are beginning to offer concrete evidence that corrupt systems can be reformed. Participatory Barangay Planning to Budgeting is beginning to introduce a new tradition of transparency that most citizens can readily accept. (Sections I, III, and IV.) It is not clear that TAG has produced useful new lessons about working with national government agencies, since this has been at best a minor theme to this point. Establishment of the CCTAG/CCTAN process for coalition building and regular consultations has created a new atmosphere of trust and mutual respect in some Mindanao cities, enabling city officials, business leaders, and NGO activists to work together effectively for the first time. (Section III.) PSEEAP has proven itself to be an excellent approach to reforming LGUs that are already committed to the reform process, and might be applied usefully to willing national government agencies in the future. Participatory Barangay Planning and Budgeting is an important breakthrough for working in ARMM barangays, and might usefully be “rolled up” to the municipal level, creating a new tradition of citizen participation through “Participatory Municipal Planning and Budgeting.” (Sections III and IV.)

Find important key areas that need to be immediately addressed relative to the Philippine anti-corruption and good governance efforts. Immediately after a new administration is sworn in, it will be appropriate to reinvigorate advocacy activities aimed at passage of the NARA and Right to Information laws. The beginning of a new administration is also a good time to explore opportunities for other new advocacy activities—e.g., laws related to political parties and campaign finance, better financial support for the Office of the Ombudsman, and possible anti-corruption work in the health and education sectors. (Sections II and VII.) It will be useful to convene partners involved in Participatory Barangay Planning and Budgeting at an early date, to begin making modest, but needed improvements in the facilitation module. (Sections IV and VII.)

Suggest possible project directions either through TAG or a successor project. How will it be designed? Recommend an overall comprehensive framework, including important elements. The Team discussed implementation options, such as starting fresh with a competitive procurement (a Request for Applications or Request for Proposals), or an Indefinite Quantity Contract. However, after considerable discussion, we concluded that the current arrangement is working satisfactorily, and that with the Team’s recommended improvements in management and organization—additional TAF staff, annual partners conferences, a unit focused on information sharing—the project can be usefully provided with additional USAID support for the next three or four years. (Sections VI and VII.)

Annex B: KEY INFORMANT INTERVIEWS AND FOCUS GROUP DISCUSSIONS

I. PROJECT MANAGEMENT

Napoleon de Sagun, *Sr. Program Management Specialist*, US Agency for International Development, Office of Economic Development and Governance
Steven D. Edminster, *Governance Officer*, US Agency for International Development Office of Economic Development and Governance
Robert Wuertz, *Chief*, US Agency for International Development, Office of Economic Development and Governance
Dr. Steven Rood, *Representative*, The Asia Foundation
Maria Belen Bonoan, *Senior Program Officer*, The Asia Foundation
Lito Tenebro, *Project Officer*, The Asia Foundation

II. NATIONAL LEVEL COUNTER CORRUPTION ADVOCACY

Sheila S. Coronel, *Executive Director*, Philippine Center for Investigative Journalism
Melinda Quintos-De Jesus, *Executive Director*, Center for Media Freedom and Responsibility
Leslie Ann Flores, *Research Assistant*, Philippine Governance Forum-TAN
Vicente Lazatin, *Secretary/Board of Trustees*, Pagbabago@Pilipinas Foundation
Guillermo Luz, *Executive Director*, Makati Business Club
Dr. Francisco Magno, *Executive Director*, La Salle Institute of Governance
Camilo Montesa, *President*, Libertas Lawyers for Democracy
Ma. Kristina V. Pimentel, *Program Director for Advocacy*, Procurement Watch, Inc.
Cipriano Ravanos Jr., *Executive Director*, Procurement Watch, Inc.
Jerryll Reyes, *Project Officer*, Philippine Governance Forum-TAN
Vina Vidal Vicente, *Program Director*, Philippine Governance Forum-TAN
Marites Vitug, *Editor*, Newsbreak

III. TRANSPARENCY AND ACCOUNTABILITY IN MINDANAO CITIES

Leila Mae M. De Castro, *Faculty*-Ateneo CLG
Dolly Corro, *Executive Director*, Mindanao Coalition of Development NGO Networks
Gil Fernando Cruz, *Executive Director*, League of Cities of the Philippines
Farrah Dizon, *TAG Project Technical Assistant*, Mindanao Business Council
Ma. Yasmin C. Elizalde, *Faculty*-Ateneo CLG
Ben Gumba Jr., *Ateneo CLG Support Staff*
Lourdes Mamaed, *Ateneo de Davao – Center for Local Governance*
Danilo O. Tagailo, *Ateneo CLG Support Staff*
Romeo J. Serra, *Project Director and Vice-Chairman*, Mindanao Business Council
Cynthia Ayco, *Center for Local Governance*, Holy Name University—Tagbilaran
Gemma Jay, *Center for Local Governance*, Holy Name University—Tagbilaran

Cotabato City

Maria Diosa Almanzor, *Cotabato Business Center*
Prof. Moner M. Bajunaid, *Management Training Specialist*, Basic Education Assistance for Mindanao
Abdullah Cusain, *City Information Officer*
Datu Muslimin G. Sema, *Mayor*

FGD on Business Environment in Cotabato City

Facilitated by Notre Dame University to elicit views of the business community on the city's efforts to streamline the bureaucracy and improve business transactions

Nukib S. Abdulla, Muslim Chamber of Commerce

Bai Sandra Basar, Muslim Chamber of Commerce

Vicente Lutero Jr., SBI Beneficiary

Maria Rosa Ventura, Storeowner

Ian Villanueva, Metro Cotabato Chamber of Commerce

Isidro R. Villegas, Furniture shop owner

Samal City

Rogelio P. Antalan, *Mayor*

Noel S. Daquioag, *City Information Officer*

Cleto Bravo Gales Jr., *City Administrator*

Engr. Lozada, *President*, Samal Chamber of Commerce and *Chair*, CCTAG

Gemino Peratas, *Datu and tribal elder in Samal*

Rexall Kaalim and Frances Maria Lozano, *Initiatives for International Dialogue*

Elizabeth B. Luna, *Licensing Officer IV and CCTAG Coordinator*

Surigao City

Alfonso S. Casurra, *Mayor*

Leonardo Edera Jr., *City Treasurer*

Armando Elumba, *General Services Officer*

Dr. Arlene Felizarta, *Head, Technical Team*, City Health Office

Bienvenido C. Ilano, *President*, Surigao City Chamber of Commerce

Carlo Reynaldo Lozada, *Legal Officer and Chair*, Bids and Awards Committee

Araceli Napalan, *Executive Director*, REACH Foundation

Ireneo S. Piong Jr., *Administrative Assistant*, Surigao City Chamber of Commerce

Dr. Milagros Regana, *City Health Officer*

Felipe Sulapas, *Assistant General Services Officer*

Ann Mercado Tan, *Training Officer Designate*, City Health Office

Gail Dolfo Tiu, *Station Manager*, Radio Mindanao Network

Sarah Yamit, *Assistant City Treasurer*

General Santos City

Raul Montes, *Executive Assistant*, City Government of General Santos

Pedro B. Acharon, Jr., *Mayor*, General Santos City

Gloria Castellano, *Division Chief*, Land Tax Division

Perla Castellano, *Asst. Planning Officer*, City Planning Office

Wilfredo Cutamora, *Chief Licensing Officer*

Amira Mutalib, *Inspector*, Licensing Office

Robert McGovern, *FMS, President*, Notre Dame Business Resource Center (NDBRC)

Virginia Manalo, *Program Office*, NDBRC

Bong Sarmiento, *Reporter*, Mindananews

Pilar Afuang, *Executive Director*, General Santos Chamber of Commerce

Marawi City

Hadja Nabihah Noni Lao, *Executive Director*, MSU Center for Local Governance
Hadji Data M. Lao, *President*, Association of Barangay Captains, Lanao Sur
Sangcopa M. Batao, *Chairman*, Bgy. Pinaring, Lumbatan, Lanao Sur
Pamentulan Arumpac, *Bgy. Official*, Pinaring, Lumbatan, Lanao Sur
Macugaya Arumpac, *Bgy. Secretary*, Lumbatan, Lanao Sur
Mansor Bula, *ABC Vice-President*, Bgy. Bayasunga, Marubatan
Rashak Mangalen, *Bgy. Oriental Vita*
Salik Ibrahim, *Executive Director*, Marawi People's Development Center
Villamor Bagumbaran, *Planning Officer*, Marawi City Government
Basari Mapupuno, *Dean*, MSU College of Law
Engr. Tampuco, *City Administrator*, Marawi City

FGD on Investment Planning in Marawi City

Facilitated by Dean, College of Law, Mindanao State University

Palawan R. Madid, Bgy Bacolod, Marantao, Lanao Sur
Jamael D.H. Edaros, LGU, Balindong, Lanao Sur
Amerodin Abdulwahab, *MPDC*, Balindong, Lanao Sur
Ibrahim B. Mangondato, *MPDO*, Kapai, Lanao del Sur
Alimodin S. Pascan, Balindong, Lanao Sur

Iligan City

Francisco Almanzor, *Chief*, Business Tax and Fees Division, City Government
Franklin Quijano, *City Mayor*, Iligan City
Rosello C. Macasantos, *Executive Director*, SOFREX Foundation, Inc.
Eufenio Callo, *Program Director-PSEP*, SOFREX Foundation, Inc.
Mayer Ranil L. Macasantos, *Executive Secretary*, SOFREX Foundation, Inc.
Regina S. Antequisa, *Executive Director*, Hope for Change, Inc.
Teresita O. Poblete, *Treasurer*, Hope for Change, Inc.
Musa M. Sanggila, *Project Officer*, Pakigdait, Inc.
Abel Jose A. Moya, *Project Manager*, Pakigdait, Inc.

IV GOOD GOVERNANCE FOR PEACE AND DEVELOPMENT IN MINDANAO MUNICIPALITIES

Carolyn O. Arguillas, *Chairperson*, Board of Directors, Mindanao News and Information Cooperative Center
Jowel Canuday, *Reporter*, MindaNews
Jean Claire Dy, *Reporter*, MindaNews
Ferdinand T. Guisadio, DILG-ARMM
Abdulrahim Imao, Jr., *Regional Cabinet Secretary*, DILG-Autonomous Region in Muslim Mindanao
Aiejob P. Jama, *LGOO II*, DILG-ARMM
Li-Ann de Leon, *Executive Director*, League of Municipalities of the Philippines
Isa G. Romancap, *Provincial Director*, DILG Maguindanao

Maguindanao

Ustadz Nhorul am Suharto Acman, *Chairman*, Local Monitoring Team-Maguindanao
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Datucain M. Ali, *Faculty (Agriculture)/Facilitator*
Maguindanao Foundation for Good Governance and Development
Mindanao State University-Maguindanao
Guiamel Alim, *Executive Director*, Kadtuntaya Foundation, Inc.
Rogelio D. Balarey Jr., *OIC Chairman*, Barangay Sarmiento, Parang
Macantuan Baraguin, *Kagawad*, Barangay Binolen, Datu Odin Sinsuat
Hasmin D. Baraguin, *Secretary*, Barangay Binolen, Datu Odin Sinsuat
Matas M. Batao, *Faculty/Facilitator*, MSU-Maguindanao
Dr. Sulog G. Bra, *Executive Director*, Maguindanao Foundatio (MSU-Maguindanao)
Angelina Camporedondo, *Pangkat Secretary*, Barangay Making, Parang
Rogelio Casas, *Kagawad*, Barangay Sarmiento, Parang
Albaya I. Cendeman, *Faculty/Facilitator*, MSU-Maguindanao
Prof. Zenaida P. Dianal, *Faculty/Facilitator*, MSU-Maguindanao
Musa M. Dicolano, *Faculty/Facilitator*, MSU-Maguindanao
Salimbai M. Dimalen, *Faculty/Facilitator*, MSU-Maguindanao
Leslie Empeynado, *Day Care Worker*, Barangay Making, Parang
Norain Mohammad, *TAG Project Coordinator*, Bangsamoro Women Foundation for Peace and Development
Dr. Samuel A. Pahm, *Project Manager*, Metro Kutawato Development Alliance
Datumanol O. Pentaliday, *Faculty/Facilitator*, MSU-Maguindanao
Kuyan L. Matiy, *Faculty/Facilitator*, MSU-Maguindanao
Dr. D. Josue, *Faculty/Facilitator*, MSU-Maguindanao
Iskar B. Kagui, *Cashier/Faculty*, MSU-Maguindanao
Thomas M. Sabal, *Faculty/Facilitator*, MSU-Maguindanao
Dr. Radzar A. Sibar, *Faculty/Facilitator*, MSU-Maguindanao
Akmad A. Watamama, *Project ACTIVE beneficiary*
H. Nasser G. Guiamar, *husband of barangay secretary*, Barangay Bugawas, Datu Odin Sinsuat
Seredad Tablazon, *Pangkat Chairwoman*, Barangay Making, Parang
Ritchel Villagracias, *Treasurer*, Barangay Making, Parang
Ildfonso M. Santos Jr., *Kagawad*, Barangay Sarmiento, Parang
Henrietta J. Hipolito, *Kagawad*, Barangay Sarmiento, Parang
Karim A. Kasan, *Kagawad*, Barangay Sarmiento, Parang
Bonifacio Dael Jr., *Kagawad*, Barangay Sarmiento, Parang
Sarah U. Matucan, *MPDC/Project Facilitator*, Pagalungan
Bailana S. Matalam, *Assistant MPDC*, Pagalungan
Liza Talusob, *Barangay Kagawad*, Pagalungan
Emran Mohamad, *Secretary/Spokesperson*, Local Monitoring Team-Maguindanao
Joy Mijares, *LMT Provincial Coordinating Office*, Advocacy Mindanow, Davao

FGD on Participatory Barangay Planning and Budgeting in Maguindanao

Facilitated by Notre Dame University to elicit multi-sectoral perspectives and views on participatory planning and budgeting that they participated in

Bulyoc M. Taib, *ABC President*, Barira, Maguindanao

Ayuman Ampatula, *IPDC Chair*, Barira, Maguindanao

Macmod Ni, *IPDC Secretary*, Barira, Maguindanao

Saadudin N. Macongco, *Community Organizer*, Institute for Strategic Initiatives

Tarhata M. Pagayao, *Municipal Planning and Development Coordinator*, Buldon

Somaira C. Pacasem, *Iranun Women Solidarity Movement*

Lanao del Sur

Meeting with MuCARD-Ranao Integrated Assistance Program, Inc.

Zenaida Gaurata, *Secretarial Staff*, Balindong

Eliazar Montero, *LRI*, CDO

Mike Masoshayaban, *PO/Consultant*, MuCARD-RIAP

Mashor S. Mamolawan, *PC/Consultant*, MuCARD-RIAP

Dr. Dipsy Marohon, *Senior Consultant*, Marawi City

Khim T. Ditolomoun, *Training Coordinator*, MuCARD-RIAP

Hadji Omar Faisal, *Team Leader*, MuCARD-RIAP

Ben D. Ramiro, *Senior Consultant*

Hidjara Tanto, MuCARD-RIAP

Noraisak Macabiro, *Administration/Finance*, MuCARD-RIAP

Ernie Pagayao, *Secretary*, MuCARD-RIAP

Cadidia A. Sangco, *Local Consultant*, MuCARD-POM

Saida A. Lamayan, *Local Specialist*

Imee Manginsay, *LTS*, MuCARD-Cagayan

Hja. Nurjanrak G. Macarambon, *TC*, MuCARD-POM

Hja. Jonairak H. Mungca, *Local Technical Specialist*, MuCARD-RIAP

Ramlah S. Mipangca, *Administration/Finance*, MuCARD-POM

Gemma F. Sumao-as, *LTS*, MuCARD-SECT

Juanito Q. Logueren, *LTS*, MuCARD-SECT

H. Nocaya G. Gusola, Balindong POM

Cairan Pepe Macalabo, *Grant Management*, MuCARD-RIAP

Mike M. Balang, *Project Officer*, MuCARD-POM

Somil B. Gaunaki, *Local Consultant*, MuCARD-POM

Francisco T. Albaran, *Local Technical Specialist*, MuCARD-SECT

Linang Macarambon, *Secretariat*, MuCARD-RIAP

Zamboanga City

Angelina Ludovice-Katoh, *Executive Director*, Alternative Center for Organizational Reforms (ACCORD)

Gromeo Bilugan, *Program Officer*, ACCORD

Tawi-Tawi

FGD on Participatory Barangay Planning and Budgeting in Bongao, Tawi-Tawi

Facilitated by the DXGD Station Coordinator

Elias Akip, *Chairman*, Barangay Lamion, Bongao

Alvin L. Ambri, *Representative*, Barangay Pahut, Bongao

Bakie Erong, *Chairman*, Barangay Bagid, Simunul

Olivia N. Hapid, *Secretary*, Barangay Bagid, Simunul

Khadaffy O. Haroun, *Treasurer*, Doh Tong, Tubig Indangan, Simunul

Hja. Abdul Asis Hashim, *Chairman*, Barangay Sokah Bulan, Simunul

Hja. Fatima Junaid, *Kagawad*, Barangay Simandagit, Bongao

Idris Kalbit, *Representative*, Paggasinan, Bongao

Abidin Nurrudin, *Chairman*, Barangay, Tubig Mampallan, Bongao

Annex C: SEMI-STRUCTURED INTERVIEWS AND FOCUS GROUP DISCUSSIONS (FGD)

Semi-Structured Interview Format for Anti-Corruption Activists

1. How did you personally get involved in this activity? When did you first get involved? Why did you get involved?
2. How did your organization get involved? When? Why?
3. What activities are being undertaken? Please take a few minutes to explain each one of them. Why these activities and not others?
4. Please explain your “theory of corruption” for the Philippines. It is widely thought that the Philippines is quite a corrupt country overall. What do you think? Why is the Philippines corrupt? Who is corrupt? How and when and where? Thinking broadly, what is it going to take to significantly reduce corruption in the Philippines?
5. Now let’s get specific. What is your “theory of corruption” for this place/where you live? Some questions: Why? How? Who? When? Where? And how long is it going to take to significantly reduce corruption in this place?
6. Now let’s go back to the activities that [you, your organization] is undertaking? Do you think they’re making a positive difference? What makes you think so?
7. Are you aware of other anti-corruption activities? Are they complementary to those being undertaken by you/your organization? Do you think they’ll make a positive difference?
8. Do you feel optimistic about the future of the Philippines? Why?

[Notes: a) Questions were seldom asked in precisely this form, or this order. b) This is a list of topics to be covered, more than a list of questions. c) During interviews in the ARMM LGUs, corruption was seldom explicitly mentioned until the informant brought it up. In fact, most did so. Instead, the initial emphasis was on mechanisms to enhance transparency and accountability. d) Issues 4, 5, 7, and 8 were given greater emphasis when the informant was particularly thoughtful and forthcoming.]

FGD Questions on Participatory Barangay Planning Workshops (Maguindanao and Bongao)

1. How many participants attended the workshops? How were they chosen? Where were the participants coming from?
2. What can you say about the process adopted in the workshops? What can you say about the facilitators?
3. How did your barangay do the planning before the workshops?
4. Has the IRA and other income of your barangay discussed during the workshops?
5. What was the output of the workshop? Did it help you understand the financial condition of your barangays?
6. What priority projects were identified in the workshops? Did you discuss how to fund these projects? Did you discuss how residents can contribute in implementing the priority projects?
7. Has there been more openness on the part of the barangay officials in discussing barangay finances with the residents after the workshop? Has there been a publication of these barangay finances and priority projects after the workshops?
8. What insight did you get out of the workshops?

FGD Questions on Reforms in Business Licenses and Permits (Cotabato City)

1. What are your experiences in applying for business permits from the city? What are the problems encountered in doing so? Where are the bottlenecks in the process?
2. Have you noticed any significant change in the procedures for securing business permits? Have the changes made it easier or harder for business people to secure the business permits?

3. Are you aware of the TAG programs implemented in the city? Are you aware of the tracking studies on business permits? Are you aware of the CCTAG and local TAN?
4. Are there issues on corruption, transparency and accountability in the procedure for securing business permits? Have these issues been addressed lately?
5. What do you think of the level of commitment of your mayor in implementing reforms in the business permits process?
6. If reforms have been instituted, have these improved the business climate in the city?
7. As business people, would you be willing to invest in further improving the process of securing permits in the city?
8. What other suggestions can you make to further improve the business permits project?

Annex D: BRIEF STUDY OF BARANGAY PLANS FROM THE ARMM

Introduction:

Barangays are the smallest administrative unit of the Government. In all, there are about 42,000 barangays throughout the country, each with its own set of elected officials (Barangay Chairperson, seven Sanggunian members and the SK rep.) and appointed staff like the Secretary and Treasurer. Under the Local Government Code of 1991, every barangay directly receives an Internal Revenue Allocation (IRA) from the national government, which it is authorized to plan and budget under specific guidelines from the Department of Budget and Management and the Commission on Audit. The amount is by no means nominal. The smallest barangay received no less than P185,000 annually as its share of the IRA aside from its share of the Real Property Tax and the Special Education Fund and share in Sand and Gravel Fees. Barangay's are also allowed to generate their own local taxes under the Code.

In an effort to replicate the Governance and Local Democracy's (GOLD's) Project success in enhancing good governance practice in Barangay Planning and Budgeting, TAF decided to promote Participatory Planning and Budgeting at the Barangay level in the 4 provinces of ARMM (Basilan, Lanao del Sur, Maguindanao and Tawi-Tawi) by providing grants to a number of NGO partners who were given training in ToP and the Barangay Planning and Budgeting Module. This analysis covers only the reports made available to the evaluation team in April 2004, covering only 3 provinces, particularly Basilan, Lanao del Sur and Maguindanao. For one reason or another all reports in Tawi-Tawi were not yet available.

The **Statistical Package for Social Sciences (SPSS)** was used to analyze the available data from 219 Participatory Barangay Planning and Budgeting activities (PBPB).

FINDINGS

Distribution of the 219 PBPBs in the 3 provinces were as follows: Basilan, 31; Lanao del Norte, 42 and Maguindanao, 97. In all there were a total of 3444 participants or an average of 17 participants per barangay. The largest number of participants per barangay was 31 and the smallest was 1 (See Table 1). Males dominated the participants in the PBPB. With 2,556 participants who filled-up the information regarding sex, 1,802 or 70% were males and only 754 or 30% were females (See Table 2).

Table 1 Number of Participants vs. Province

		province	no. of participants
N	Valid	219	198
	Missing	0	21
Mean		2.30	17.39
Median		2.00	18.00
Mode		3	17
Minimum		1	1
Maximum		3	31
Sum		504	3444
Percentiles	25	2.00	11.00
	50	2.00	18.00
	75	3.00	23.00

Table 2. Sex of Participants

		no. of participants	no. of male of participants	no of female participants
N	Valid	198	157	157
	Missing	21	62	62
Mean		17.39	11.48	4.80
Median		18.00	12.00	5.00
Mode		17	12	5
Minimum		1	0	0
Maximum		31	26	12
Sum		3444	1802	754
Percentiles	25	11.00	7.00	3.00
	50	18.00	12.00	5.00
	75	23.00	15.00	7.00

Barangay officials dominated the participants in the PBPB. Of the 3,444 participants, only 3,418 had valid designation. Of this valid number, 1,285 or 38% were barangay officials, 246 or 7% came from Civil Society Organizations, 940 or 27% were barangay residents and 947 or 28% came from other government agencies (Table 3). The same table shows that the Mean number of participants was 17 of which 6 were Barangay officials, 1 from CSO, 5 from LGUs and National Agencies and 5 from barangay residents. However, the same table would show that in one case, there was only 1 representative for the PBPB coming from the Barangay Council. There were also cases where there was no representative from the Barangay Council, the CSO, the LGU and National Agency, and Barangay residents (See Annex Tables 5-8 and Figures 3-5)

Table 3. Participants by Agency Designation

		no. of participants	brgy official	civil society (NGOs, POs, church, business, etc.)	other agencies (LGUs, national gov't agencies)	observers
N	Valid	198	197	197	197	197
	Missing	21*	22	22	22	22
Mean		17.39	6.52	1.25	4.81	4.77
Median		18.00	8.00	.00	2.00	.00
Mode		17	1	0	0	0
Minimum		1	0	0	0	0
Maximum		31	17	14	23	30
Sum**		3444	1285	246	947	940
Percentiles	25	11.00	2.00	.00	.00	.00
	50	18.00	8.00	.00	2.00	.00
	75	23.00	10.00	1.00	8.50	9.00

*Baimbing, Lamitan has the total number of participants but does not indicate from what organizations the participants came from.

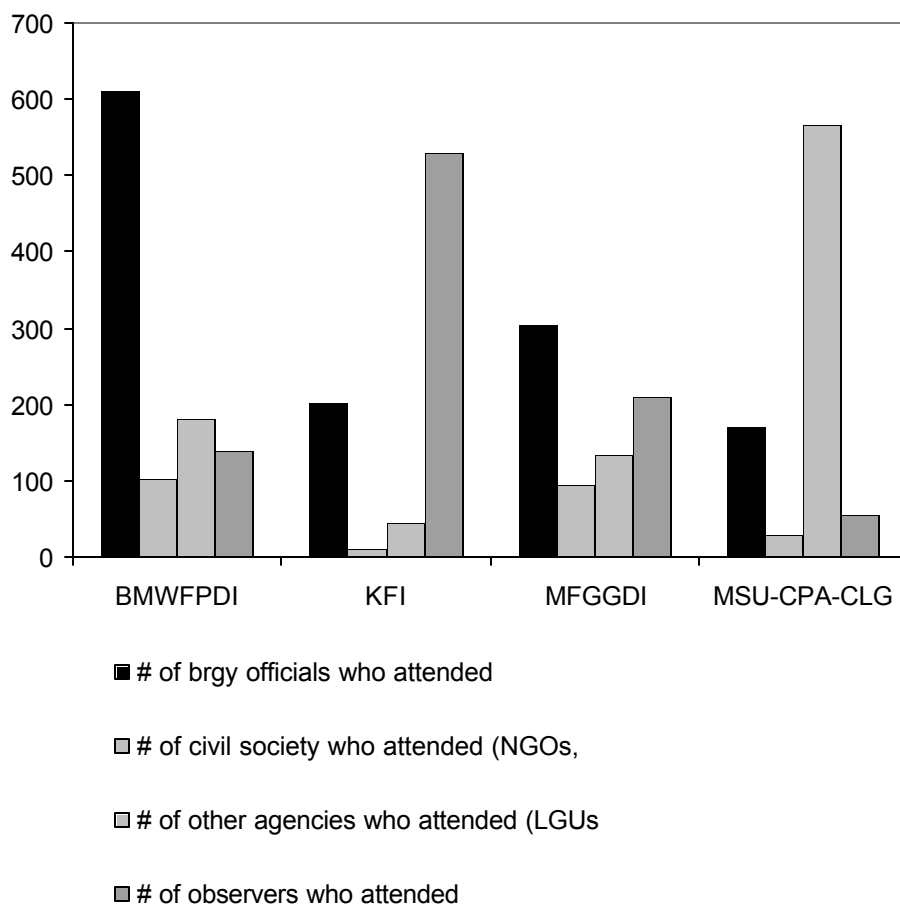
**1285+246+947+940=3418+26 (the participants from Baimbing, Lamitan) = 3444 (the total number of participants)

Barangay planning documents were available for four organizations that undertook PBPB in three provinces, particularly: the Bangsa Moro Women for Freedom, Peace and Development, Inc. (BMWFPDI)

which did 65 PBPB; the Kahapan Foundation, Inc. (KFI) which conducted 31 PBPB; the Mindanao Foundation for Good Governance and Development, Inc., (MFGGDI) which covered 32 PBPB; and the Mindanao State University College of Public Affairs Center for Local Governance (MSU-CPA-CLG) which administered the workshops in 70 barangays (total completed PBPB were 198 of the targeted 219). Attendance data culled from the report by partner organizations showed that BMWFPDI had a total of 1,038 participants or an average of 16 participants per session, KFI had 807 participants or an average of 26 participants per session, MFGGDI had 773 participants or average of 34 participants while MSU-CPA-CLG had 826 participants or only 12 per session.

In terms of composition, participants from BMWFPDI and MFGGDI were mostly barangay officials while those of KFI and MSU-CPA-CLG were mostly from the LGUs and other line agencies and barangays residents. The low number of participants from MSU-CPA-CLG is attributable to the manner this organization conducted the PBPB. Rather than conducting this at the Barangay level, MSU-CPA-CLG conducted the workshop at the municipal level by asking participants to go to the municipal venue. In some cases, there were only 1 to 3 representatives in the barangay and many of the participants were facilitators or members of the MSU-CPA-CLG (Figure 1).

Figure 1. Number of Participants with respect to their designation per intermediary organization



Cursory examination of the relationship between allocated funds and total available funds showed that barangays covered by the PBPB in the 3 ARMM provinces allocated 79% of their total funds as shown by the mean value of 0.7997392 while that they are allocating about 75% of their 20% Development Fund for their projects only as shown by the mean value of 0.7533358 (Table 4)

Table 4. Summary statistics of PBPB Allocated Fund (C) over Barangay Total Available Fund (A) and PBPB Allocated Fund (C) over 20 % Development Fund (B)

		c/a	c/b
N	Valid	119	128
	Missing	100	91
Mean		.7997392	.7533358
Median		.1649814	.8626042
Mode		.00000	.00000
Minimum		.00000	.00000
Maximum		77.98213	8.70892
Sum		95.16897	96.42698
Percentiles	25	1.718017E-02	2.160637E-02
	50	.1649814	.8626042
	75	.1954061	1.0000000

The PBPB identified a variety of projects and “wish lists” far beyond their available funds. Figure 2 identifies the projects based on the frequency mentioned were in the order of: 1) Health, 2) Barangay Facilities (Barangay Hall), 3) Agriculture, 4) Road Construction and maintenance and 5) Education (Madrasa School building).

Figure 2 Frequency of projects

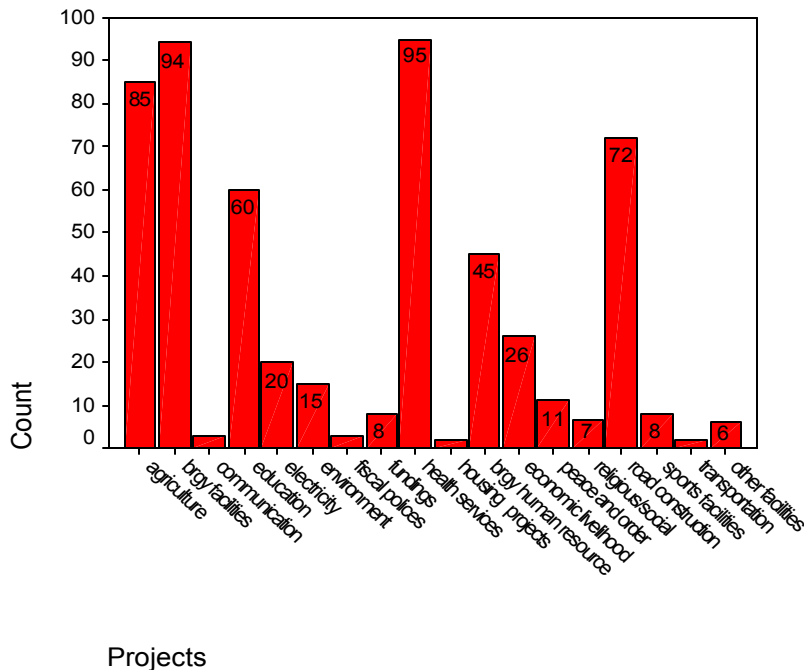


Table 5. No. of Brgy. Official who attended

		Frequency	Percent
Valid	0	7	3.2
	1	33	15.1
	2	12	5.5
	3	11	5.0
	4	10	4.6
	5	6	2.7
	6	8	3.7
	7	9	4.1
	8	18	8.2
	9	24	11.0
	10	22	10.0
	11	24	11.0
	12	7	3.2
	13	3	1.4
	14	1	.5
	16	1	.5
	17	1	.5
	Total	197	90.0
Missing	99	22	10.0
Total		219	100.0

Table 6. No. of civil society who attended (NGOs, POs, church, business, etc.)

		Frequency	Percent	
Valid	0	141	64.4	
	1	10	4.6	
	2	14	6.4	
	3	6	2.7	
	4	5	2.3	
	5	5	2.3	
	6	4	1.8	
	7	1	.5	
	8	1	.5	
	10	8	3.7	
	12	1	.5	
	14	1	.5	
		Total	197	90.0
	Missing	99	22	10.0
Total		219	100.0	

Table 7. No. of other agencies who attended (LGUs, national gov't agencies)

		Frequency	Percent	
Valid	0	76	34.7	
	1	11	5.0	
	2	16	7.3	
	3	12	5.5	
	4	8	3.7	
	5	12	5.5	
	6	5	2.3	
	7	6	2.7	
	8	2	.9	
	9	2	.9	
	10	14	6.4	
	12	1	.5	
	13	1	.5	
	14	2	.9	
	16	22	10.0	
	17	6	2.7	
	23	1	.5	
		Total	197	90.0
	Missing	99	22	10.0
Total		219	100.0	

Table 8. No. of observers who attended

		Frequency	Percent
Valid	0	108	49.3
	1	7	3.2
	2	8	3.7
	3	6	2.7
	4	3	1.4
	5	2	.9
	6	6	2.7
	7	4	1.8
	8	3	1.4
	9	3	1.4
	10	11	5.0
	11	1	.5
	12	2	.9
	13	4	1.8
	14	1	.5
	15	2	.9
	16	6	2.7
	17	2	.9
	18	1	.5
	19	4	1.8
	20	2	.9
	21	4	1.8
	22	1	.5
	23	2	.9
	24	1	.5
	25	1	.5
26	1	.5	
30	1	.5	
	Total	197	90.0
Missing	99	22	10.0
Total		219	100.0

Annex E: INITIAL TAG EVALUATION TEAM VIEWS ON CORRUPTION IN THE PHILIPPINES--March 20, 2004

Workshop 1: WHY CORRUPTION IN THE PHILIPPINES

- Filipinos do not get angry enough on corruption.
- High level of tolerance on corruption
- Local government units as employment agencies (especially in the ARMM)
- Willing bribe-givers
- Appetite for shorts-cuts
- “Fixing” as profession that it remains even as systems improve and become efficient
- Laws and regulations not implemented
- Responsibility to clan and family outweighs responsibility to society and the community (especially in the ARMM)
- Patron-client practices dominate civil service (especially in the ARMM)
- Lack of sense of responsibility and accountability of state funds seem more as compensation for years of government neglect/oppression/colonization (especially in the ARMM.)
- Policy of cooptation of government in resolving the Mindanao conflict breeds corruption (especially in the ARMM)
- Fear for one’s safety in exposing corruption
- Whistleblowers sometimes end as accused
- Filipinos as poor losers
- Inefficient and ineffective justice system breeds/facilitates corruption
- “Envelopmental journalism” abets corruption
- Lack of follow-through on exposed corruption cases by media

Workshop 2: STEPS TO CURB CORRUPTION

- Decrease monopoly and discretion and increase accountability in government transactions
- Raise public’s awareness of corruption
- Strong national anti-corruption agenda (and complementary local agenda)
- Find and support credible champions against corruption
- Promote family/religious values to curb corruption
- Introduce administrative reforms as windows-based transactions, reduction of red tape and simple/visible signage of steps/responsible persons in government transactions.
- Promote efficiency and accountability of government employees
- Promote participatory planning and decision-making processes
- Introduce citizen’s manual as a tool to curb corruption
- Use of IT to promote efficiency and reduce corruption

Workshop 3: MEASURING PROGRESS OF ANTI-CORRUPTION EFFORTS

- Identifiable stakeholders and champions
- Concrete and working anti-corruption agenda (National and local front)
- Higher rate of conviction especially of “big fishes”

Annex F: TAG-RELATED WEBSITES

TAG Partner	URL Address
Ateneo Center for Social Policy and Public Affairs	www.admu.edu.ph/acspaa
Center for Media Freedom and Responsibility	www.cmfr.com.ph
General Santos City	www.gsc.gov.ph
Island Garden City of Samal	www.procurementservice.org.ph www.samalcity.gov.ph
La Salle Institute of Governance	http://system.dlsu.edu.ph/research/lisig
League of Cities of the Philippines	www.cdsea.org
Makati Business Club	www.mbc.com.ph
Mindanao Business Council	www.mindanao.org
Mindanao News and Information Cooperative Center (MindaNews)	www.mindanews.com
Newsbreak	Electronic versions available at: www.inq7.net
Philippine Center for Investigative Journalism	www.pcij.org www.i-site.ph
Procurement Watch, Inc.	www.procurementwatch.org.ph
Transparent Accountable Governance (TAG)	www.tag.org.ph
Transparency and Accountability Network (TAN)	www.tan.org.ph
Surigao City	www.dbm.gov.ph

Annex G: GOOD PRACTICES ASSOCIATED WITH TAG

“Enriched” Barangay Planning: The ACCORD in Zamboanga City, in facilitating the barangay workshops in Simunul and Bongao, Tawi-Tawi, devoted sometime before the workshops, to prepare the barangay residents for the exercise. This preparation involves a house to house campaign to explain the exercise to the residents and to consult with barangay officials on gathering relevant data on the barangay. In doing so, the facilitators lived with the residents becoming part of the community. This good practice insures residents’ support of the exercise, wide participation and representation in the workshops, and builds trust between residents and facilitators.

Timely Payments: The Accounting Department of the City Government of General Santos City, after PSEP and PSEA, on its own, introduced reforms to drastically reduce the waiting time for releasing checks due to suppliers and service-providers. This good practice promoted efficiency and reduced occasions for corrupt practices in the disbursement of local funds.

Ethical Education: The Center for Local Governance of the Ateneo de Davao requires all its graduate students in Public Administration to undergo the EHEM seminar, an anti-corruption workshop that analyzes the culture of corruption, reexamines one’s values and encourages personal commitment to help in promoting transparency and accountability at all levels. This good practice integrates an anti-corruption module into the curriculum for graduate students in Public Administration.

Texting Complaints: The “Text Resibo” project of the Makati Business Club utilizes the popularity of Short Messaging Services (SMS) or text messages to encourage businesses to issue receipts. Citizens can actively participate by using their cellular phones to report retail outlets who fail to give receipts. Promotional aspect of the project led to the engagement of telcos.

Anti-Corruption Drama: A creative approach to increase public awareness about corruption and its impact on people’s daily lives is best exemplified by the mobile play *Anatomiya ng Korupsyon* supported by TAN. The play uses cultural norms and practices that Filipinos can easily relate to in presenting subtle facets of corruption.

Peaceful, Participatory Planning: Pakigdait Foundation (“Pakigdait” is a Cebuano word with the English meaning “Unity”) uses a Peace Focused Participatory Barangay Planning and Budgeting to reduce conflicts in the rural areas due to religious ethnicity. As a first step in the planning process, Pakigdait conducts barangay consultation to identify important sectors and later identify representatives to the sector, preferably a Christian and a Muslim. As a second step, Pakigdait uses the SECA (Socio-Economic and Conflict Analysis) to enable the barangay to understand the causes of conflict in the area. As part of the second step, Pakigdait brings in religious leaders to talk on peace and unity in the barangay (Suhra). Prior to the actual barangay planning, the foundation asks the barangay chairperson to make an address regarding the “State of the Barangay” which includes the barangay funds, budget and expenditures and accomplishments.

Sharing Information: Samal Island has an Association of Barangay Secretaries. Through that organization, an arrangement has been made with the city government for the secretaries to act as reporters/information sources. In effect, they become a kind of news service for the city’s website and for various print publications.

Giving Rural Women a Voice: With the support of the Municipal Planning and Development Office, Barira Municipality plans to hold an annual Women’s Assembly, with representatives from each Barangay.

Texting the Mayor: In Cotabato City, citizens are encouraged to “text the mayor” with complaints or suggestions. He responds to the texts on a weekly radio program.

Annex H: OVERVIEW OF TAG PARTNERS FOR ARMM LGU ACTIVITIES

Table 1: TAG NATIONAL ACTIVITIES

TAG PARTNER	ACTIVITIES
<i>Ateneo Center for Social Policy and Public Affairs</i>	Works with NGOs to establish Transparency and Accountability Network (TAN) to support, encourage, and track counter-corruption reforms in NGAs and LGUs; maintains website to coordinate civil society activities and information sharing.
<i>La Salle Institute of Governance</i>	Conducts analytical studies and advocacy to support National Revenue Authority (NARA) law to reform collections and reduce graft.
<i>League of Cities of the Philippines</i>	Executive Vice President for Mindanao acts as TAG Steering Committee chair; provides platform to share good practices, website on counter-corruption initiatives.
<i>Pagbabago@Pilipinas Foundation</i>	Supports advocacy for passage of Right to Information Law through lobbying of Access to Information Network.
<i>Philippine Governance Forum</i>	Collaborative effort of UNDP, Ateneo School of Government, Ateneo Center for Social Policy and Public Affairs promoting good governance. Developed the templates for national governance scorecards.
<i>Philippine Center for Investigative Journalism</i>	Conducts investigations on corruption; publishes findings in newspapers, magazines, and online links; findings used for MBC Forums; provides inputs for SWS survey questions.
<i>Philippine Center for Policy Studies</i>	Studies of The Political Economy of Corruption examining the costs that corruption brings to bear on business and economic growth.
<i>Procurement Watch, Inc.</i>	Follows up passage of Government Procurement Reform Act (GPRA) with public consultations on implementing rules, produces educational materials, trains national and LGU officials, and business and NGOs, identifies Mindanao NGOs to monitor procurement; maintain database.
<i>Newsbreak</i>	Publishes special reports on corruption—e.g. deal between National Power Corporation and Argentine industrialists; military brass who control housing in a military base; and Mindanao governance overview.
<i>Social Weather Stations</i>	Annual enterprise surveys on knowledge and attitudes of business people and ordinary citizens about corruption; results feed into MBC forums, published in major newspapers.

Table 2: TAG PARTNERS FOR MINDANAO CITIES

TAG PARTNER	ACTIVITIES	GRANT AMOUNT
Ateneo de Davao University – Center Local Governance	Business Permits Study Public Service Excellence, Ethics, and Accountability Program (PSEEP)	P252,000-1st round P358,400-2nd round P1,108,300-PSEP P1,247,250-PSEA
Governance Advisory Council	Governance Scorecards	P102,210
Holy Name University – Center for Local Governance	Manual on Public Service Ethics and Accountability Training on PSEA Local Governance Scorecards-2 nd round	P244,890 P150,000 P2,308,300
Hope for Change, Inc.	Business Permits Study-Marawi	P165,000-1 st round P174,500-2nd round

TAG PARTNER	ACTIVITIES	GRANT AMOUNT
League of Cities of the Philippines (LCP)	Development of Local Governance Scorecards	P638,657
	Procedural Reforms in the 7 Mindanao Cities	P2,954,430
	Sharing sessions on TAG	P768,370
	Portal Development of LCP website (www.lcp.org.ph)	P705,092.50
Mindanao News and Information Co-operative (MINDANEWS)	Documentation of Good Governance Practices in Mindanao Publication of Book, Video Documentation of Good Governance Practices in Mindanao (www.mindanews.com)	P1,500,000
Mindanao Business Council, Inc. (MBC)	Mindanao Private Sector Transparency and Accountability Advocacy City Coalitions for Transparent Accountable Governance	P4,074,000
Mindanao Coalition for Development NGO Networks (MINCODE)	Civil Society Constituency Building for seven cities in Mindanao	P3,841,400 P688,125 (NGO-PO Capability Building)
Newsbreak	Publication of a Special Issue on Mindanao	P530,000
Notre Dame Business Resource Center (NDBRC)	Business Permits Study	P484,250-1 st round P450,800-2 nd round
	Implementation of Public Service Excellence, Ethics, and Accountability Program (PSEEAP)	P1,230,000-PSEP P1,021,100-PSEA
Procurement Watch, Inc. (PWI)	Public Consultation on the Procurement Reform Act	P382,750
	Production of Supplemental Materials Procurement Training	P327,000 P2,127,450
Southern Philippines Research and Extension Foundation (SOPREX)	Business Permits Study	P293,300-1st round P389,300-2nd round
	Public Service Excellence, Ethics, and Accountability Program (PSEEAP)	P1,286,700-PSEP P1,451,250-PSEA

Table 3: TAG PARTNERS FOR ARMM LGU ACTIVITIES

TAG PARTNER	ACTIVITIES	PROJECT AREASS	GRANT AMOUNT
Advocacy Mindanow Foundation	Capability Building Program for Local Monitoring Teams	14 provinces in Mindanao	P3,568,000
Bangsamoro Women Foundation for peace and Development, Inc.	Barangay participatory planning and budgeting Conduct of ToP Real Property Tax Admin. Human resource development	83 barangays in 8 Maguindanao municipalities 2 municipalities Datu Paglas, Maguindanao	P3,912,260
Dawn Foundation	Gender budgeting in ARMM	4 municipalities, 4 ARMM provinces	P2,041,522
Federation of Lanao del Sur Farmers' Cooperatives	Investment promotion and enterprise development	6 municipalities in Lanao del Sur	P2,778,450

<i>Hope for Change</i>	Business Permit Study	Marawi City	P339,500
<i>Institute for Strategic Initiatives</i>	Participatory Dev. Planning Provincial Validation of Bangsamoro Women's Agenda	13 Maguindanao barangays	P2,800,000
<i>Kadtuntaya Foundation</i>	ToP training Awareness Building-Bangsamoro	Mindanao-wide	P2,581,970
<i>Kaharapan Foundation</i>	Participatory Barangay Development Planning	50 Barangays in Basilan	P2,374,970
<i>Maguindanao Foundation for Good Governance and Development</i>	Municipal Development & Investment Framework Plans Participatory Barangay Development Planning	3 Maguindanao municipalities 5 Maguindanao municipalities	P3,125,150
<i>Muslim-Christian Agency for Rur. Dev.-Paganan O Masa</i>	Investment Promotion and Enterprise Development	Balindong, Madalum and Ganassi, Lanao del Sur	P1,621,150
<i>Muslim-Christian Agency for Rur.Dev.–Ranao Integrated Assistance Program</i>	Investment Promotion and Enterprise Development	Kapai & Tagaloan, Lanao del Sur	P1,272,150
<i>Metro Kutawato Development Alliance</i>	Strengthening MKDA Project Management Office Project ACTIVE (Action of the Community towards Innovative and Viable Enterprise)	7 Maguindanao municipalities, Cotabato City	P4,525,850
<i>Mindanao State University, Marawi- CLG</i>	Investment Promotion and Enterprise Development Participatory Barangay Development Planning	Municipalities in Lanao del Sur and Maguindanao 90 Barangays in 9 Lanao del Sur municipalities	P5,066,260
<i>Alternative Center for Organizational Reforms (ACORD)</i>	Participatory Barangay Planning and Budgeting	50 Barangays in Bongao and Simunul, Tawi-Tawi	P999,250
<i>MINDANEWS</i>	Documentation of Good Practices	ARMM & 7 Mindanao cities	P1,500,000
<i>League of Municipalities (LMP)</i>	Consensus building workshop and sharing sessions	5 provinces of the ARMM	P1,500,000