

Summary of Key Messages from the four Regional Multi-stakeholder Meetings WBG Consultations for the New Country Assistance Strategy¹

1. Causes of Worsening Poverty and Recommended Solutions

<p>Bad governance, including: (a) the dysfunctional system of governance in BLGU, LGU, national governments; and (b) corruption at all levels of government.</p>	<ul style="list-style-type: none"> • Continue education for electoral reforms (educate voters, communities) and to promote strong political parties; • Strengthen our regulatory agencies (COA, CSC, etc); • Reform the justice system to make government officials accountable and impose corresponding punishment on corrupt officials; • Institute a well-defined transparency and accountability program within the government and all its agencies; • Set up an institute for leadership to train and educate, mentor and coach government leaders; • Promote vigilance in the community; set up “community watch”; and • The national budget should be made transparent and open to public scrutiny. If possible, this should be accessed on-line.
<p>Poor quality of education, particularly in the rural areas, results in high illiteracy rate, weak political voice, unemployment, and continuing poverty.</p>	<ul style="list-style-type: none"> • Increase investments in human capital, particularly for health and education; • Provide scholarships for formal and vocational training; • Improve the educational system and facilities (including training of teachers); • Lessen political intervention, particularly in hiring teachers; • Provide incentives to students to increase their participation rate, like the “Food for School Program”; and • Improve statistical systems as planning and development tools for more responsive programs.
<p>Lack of livelihood and employment opportunities.</p>	<ul style="list-style-type: none"> • Implement microfinance projects with social insurance and capacity building for micro enterprises; • Develop livelihood opportunities in the rural

¹ Prepared by Raul P. Gonzalez, Consultant, with inputs from Joey Alegre and Oman Jiao of the Association of Foundations. November 2008.

	<p>areas to stop rural people from migrating to urban areas;</p> <ul style="list-style-type: none"> • Encourage big companies to practice corporate social responsibility; • Pursue asset reforms (i.e. Agrarian Reform, Fisheries Program, Certificate for Ancestral Domains, etc); and • Promote micro & SMEs to generate employment.
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2. Causes of the Inadequate Performance of Public Institutions and Recommended Solutions:

<p>The prevalence of corruption at all levels, which results in the high cost of doing business. This is due to the lack of transparency in transactions and lack of community vigilance.</p>	<ul style="list-style-type: none"> • Ensure transparency and disclosure of public budgets, programs/projects and disbursement through posting of information, publication or on-line disclosure on the internet; • Strengthen the current judicial system; • Strengthen people’s participation and involvement in the identification and prosecution of corrupt officials; • Ensure the active participation of business and private sector in anti-corruption campaigns; • Strengthen the auditing system; • Close monitoring and regular evaluation of programs and projects must be institutionalized; • Cut red tape; • Increase corruption penalties; • Implement lifestyle checks and use results as basis for funding; and • Discourage solicitations from government personalities and institutions.
<p>Lack of or weak citizen participation in all aspects of local governance.</p>	<ul style="list-style-type: none"> • Strengthen local development councils and local special bodies; • Professionalize elective leaders; • Upgrade qualification standards for elective officials; • Focus support on lower-level government units and communities; • Government should engage the private sector and civil society in identifying priorities that truly address development needs of the community; and • Provide continuous capacity building for NGOs

	and POs.
Lack of professionalism and inadequate leadership and management capacities of political leaders and servants.	<ul style="list-style-type: none"> • Conduct values education and capacity building activities for government officials and workers Implement rewards-based performance system; • Develop an integrated and institutionalized Performance Management System for government, e.g. public disclosure or report card system for national government agencies and LGUs (there are existing practices but should be done in all institutions); • Advocate for Electoral Reforms to make the appointment process transparent and based on merit and performance; and • Advocate for Civil Service reforms, e.g., to improve compensation package for public servants.
A bloated and inefficient bureaucracy that results in the lack of communication and coordination and hampers the delivery of public services.	<ul style="list-style-type: none"> • The bureaucracy – both in offices and processes - must be streamlined; • The governmental system should be more decentralized in order to give rise to a more local government system; • Time in processing government transactions must be shortened and minimum requirements lessened; • Upgrade computer systems and maximize ICT infrastructure; • Professionalize the bureaucracy by ensuring competitive rates for civil servants and • Better implementation of “rationalization policy.”

3. Proposed Priority Programs for the new World Bank CAS:

- Basic education, health and other social services at the grassroots level.
- Food sufficiency and security programs that will improve farm gate prices of the produce of farmers and promote collaboration between the government and private sector.
- Capacity-building to improve local governance (e.g., institutionalization of social accountability mechanisms, replication and/or scaling up of and replication of best practices in local governance.

- Programs that improve transparency and accountability in government agencies (e.g., strengthening of civil society participation in oversight roles, prosecution of erring public officials, etc.).
- Electoral reforms to strengthen democratic processes (e.g., voters' education).²
- Social protection, (e.g., poverty maps and improved targeting mechanisms and conditional cash transfers through municipal LGUs).³

4. Issues that the World Bank Should Avoid:

- Political intervention, whether engagement in partisan politics, giving in to political pressure or direct involvement in conflict resolution and the war against terrorism.
- Mining. Large-scale mining is against sustainable development. "Responsible mining" is still a vague concept. In one consultation, however, a workshop group qualified its opposition as follows: "mining projects that are not supported by communities."
- Policy of government on the importation of goods. The rice importation program of government (DA) is a failure. At the same time, technologies developed in the Philippines have been copied by foreigners and Filipinos have ended up as consumers of goods produced by these technologies.
- Human rights violations. WB should not support or fund enterprises or industries that encourage human trafficking, sex slavery and those that employ minors.
- Use of foreign consultants. The WB should minimize foreign consultants and maximize the use of local experts.

5. Issues Where There Were Divergent Views on World Bank Involvement:

Participants had divergent views on World Bank involvement in several issues. While the many felt that the WB should avoid these issues, some participants felt that there was opportunity for World Bank involvement:

- Policy making on bidding, procurement, taxes, tariff. While the majority felt that the World Bank should not be involved in policy-making, one participant disagreed that the Bank should refrain from engaging in issues such as taxation since, for example, the value-added tax, or VAT, has reaped many benefits.
- Microfinance assistance w/ NGAs, LGUs. One participant commented that one workshop group had recommended WB support for microfinance, while another group had recommended against WB support. Another participant clarified that there is no conflict because the other group had said that WB should not support microfinance *implemented by the government*.

² While electoral reforms was suggested as a priority program for WB support, this recommendation must be viewed against the concern of some participants that the World Bank should avoid engagement in partisan politics (see succeeding section on Issues that the World Bank should avoid).

³ There were no objections to WB support for social protection in general. However, some participants expressed disagreement with CCT programs (see Section 5: Issues Where there were Divergent Views on WB Support).

- Partisan politics in 2010. Many felt that partisan involvement in the 2010 elections would erode the credibility of the WB. However, a participant commented that the WB could contribute to electoral reforms through: (a) policy reforms (e.g., putting in place a nomination process; (b) examining the comparative advantages of a two-party vs. multi-party system) and (c) leveling the playing field, e.g. supporting qualified candidates who do not have the resources to run.
- Indigenous Peoples. A participant sought clarification on why the World Bank should avoid issues related to IPs. Another participant responded that it is all right for the World Bank to help IPs as long as the cultural heritage of the latter is preserved.
- Family planning programs. There was divergence in participants' views whenever this issue was brought up in the regional consultations. In Bicol, a participant commented (during the open forum) that one workshop group had objected to the Reproductive Health Bill, while another group had identified it as a solution to the problem. In the NCR consultation, while population control was identified as an issue that the WB should avoid, two measures were proposed for WB support to address the population issue: (a) pass laws on population control; and (b) include population education in WB projects.
- Cash grants and subsidies. Sustained social security measures must be put in place instead. If conditional cash transfer (CCT) programs are to be implemented, these should be implemented by municipal LGUs (who are closer to the ground) than provincial LGUs.
- Project identification and prioritization. A participant clarified that, as an operating procedure, all projects approved by WB are proposed by national government and therefore, are assumed to be for the betterment of the nation. However, the World Bank should look into these projects and make sure that these are what the people really need.

6. Other Key Messages:

6.1 Davao City

- There is no data on what works and does not work in Mindanao. There is no real research on what needs to be done for Mindanao; there is lack of integrated research or study to aid proper identification of partners and sectors to focus on; mechanism of exchange and integration. Impact assessment is required, not just plain M&E.
- Huge investments may not work if the Mindanao conflict situation is not addressed. The basic question that needs to be answered is, "what can be done to bring peace back in Mindanao?" Engaging local communities and conducting more forums (perhaps on education) are more effective than multi-million programs because these address the issues of Mindanao.
- Hunger in Mindanao has intensified despite economic expansion. Instead of economic growth, the aim should be for "equitable economic growth."

6.2 Iloilo City

- The crisis of the century is environmental; deforestation is linked to climate change.

- There are a lot of agencies whose programs and projects are developed at central offices and, when ground implementation starts, the necessary support is not all downloaded. Financial institutions have influence in correcting the current methodology in managing resources, that is, too much is spent on administrative costs and little resources are left for actual ground implementation.
- Is population a cause of poverty? Comparing the Philippines with Hongkong (in terms of population) gives rise to the question on whether the Philippines is using its manpower properly.
- Clarification on work with Indigenous Peoples (IPs): it is all right for the WB to help the IPs for as long as the cultural heritage is preserved.

6.3 Naga City

- How can the WB ensure that all 17 regions will be able to access programs equitably and that funds are not filtered at the national level? Perhaps the WB can establish regional allocations so that other regions can access unused allocations.
- Is there a change in the packaging of proposals in the windows for assistance? Previously, it was up to the lead government agency to decide on the packaging. Many LGUs had to wait because the implementing agency took a long time in the “packaging.” A lot of time was already wasted, yet the LGU cannot move.
- The concept of CCT (conditional cash transfers) is good, but it is also a chance for patronage politics since the provincial head of DSWD who will be administering it is under the Office of the Governor. It may be better if the administration is left to municipal LGUs.
- Why not do a regional Panibagong Paraan?

6.4 Manila/Makati City

- An LGU participant (the Honorable Mayor of Mulanay, Quezon) expressed satisfaction that KALAHYON-CIDSS, which is being implemented practically all barangays of his town, is a very transparent and accountable program. He expressed his wish that KALAHYON-CIDSS could be implemented for the whole country and suggested that the participants challenge the government (including legislators with their PDAF) to channel funds to something like KALAHYON-CIDSS.
- A participant from the labor sector expressed concern that the WB Knowledge Agenda will focus on such global issues as liberalization, privatization, etc. He exhorted the WB to stop giving this kind of advice to the Philippines. Instead, the WB should advocate for the social dimension of development, social equity, asset reforms, and other human-centered development issues and concerns for the Philippines.
- A representative of the PWD sector emphasized the marginalization of the disabled. There are 2-million disabled children in the Philippines who are not in school, an indication that disabled people will remain in poverty. The WB should seriously look into this, and involve PWDs in its development goals.
- A participant questioned NEDA’s benchmark that a person is considered “employed” if s/he works for one-hour-a-week. He asked the World Bank whether it believes in these data, expressing concern that this may be an exercise in self-delusion.