

SUMMARY OF PROCEEDINGS¹
WBG Consultation in DAVAO
Country Assistance Strategy for the Philippines

1. A one-day Consultation on the new World Bank Country Assistance Strategy was held at the University of Southeastern Philippines (USEP) in Davao City, Mindanao, on September 24, 2008. This is part of a series of regional, multi-stakeholder consultations that were also conducted in Iloilo City (September 26), Naga City (September 29) and in Metro Manila (October 3).

2. The Consultation had the following objectives:

- a. To increase the WBG's understanding of Government's and various stakeholders' views on the critical development challenges that the Philippines faces;
- b. To share and discuss policy options and potential programs that could address these challenges and how the World Bank could contribute to solving these challenges; and
- c. To increase Government's and stakeholders' understanding of the WBG's work in the Philippines.

3. The Workshop was attended by 68 participants from the following provinces: Cotabato, South Cotabato, Davao del Norte, and Davao del Sur. The breakdown of participants is as follows: 26 from the government, 28 from civil society organizations, 10 from the academe and 4 from the private sector. Please see *Annex 1* for the list of participants.

4. The Consultation began at 9:20 AM and ended at 4:40 PM. Please see *Annex 2* for the Program of Activities.

5. Participants' inputs were surfaced mainly through the two sets of simultaneous Knowledge Café discussions and, to a lesser extent, through the open forums.

6. The three main questions discussed during the Knowledge Café sessions were:
Question 1: In your view, what are the main causes of the worsening poverty in Mindanao and how should these be addressed?

Question 2: In your view, what are the main causes of the inadequate performance of public institutions in Mindanao in delivering public services to citizens and how should these be addressed?

Question 3: Given what you know about the World Bank and the country situation, what priority programs should be included in the new Country

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

Assistance Strategy? Please explain. Are there any issues that the World Bank should not be involved in? Why?

7. In response to question 1 of the Knowledge Café, the participants identified the following three main causes of the worsening poverty in their region and their suggested solutions. Please see *Annex 3* for details.

Table 1. Top Three Main Causes of the Worsening Poverty Situation in Mindanao as Perceived by Participants

MAIN CAUSES	PROPOSED SOLUTIONS
<p>a) Bad governance, including: (a) the dysfunctional system of governance in Barangay Local Government Unit (BLGU), Local Government Unit (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). • Strengthen our regulatory agencies (COA, CSC, etc). • 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. • Professionalize public leadership: set qualifications for public leaders/candidates. • Advocate for strong political system reform. • Promote strong political parties. • Promote vigilance in the community; set up “community watch.” • The national budget should be made transparent and open to public scrutiny. If possible, this should be accessed on-line.
<p>b) Unresolved peace and order issues (including conflict).</p>	<ul style="list-style-type: none"> • The culture of peace (COP) should be integrated in all development programs implemented in Mindanao, whether government-led or foreign-assisted, and should not only focus on conflict-affected areas. • Major stakeholders should be involved in the peace process; there should be consultation and participation in the decision-making involving peace and order. • The government should strictly implement and enforce the rule of law. • There should be demilitarization (both government and rebel groups) in areas where there is strong presence of armed groups.
<p>c) Low level of education, resulting in high illiteracy rate and weak political voice.</p>	<ul style="list-style-type: none"> • Invest more in human capital, particularly on health and education (e.g., teacher training). • Provide incentives to students to increase their participation rate, like the “Food for School Program.”

	<ul style="list-style-type: none"> • Improve statistical systems as planning and development tools for more responsive programs.
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8. In response to question 2 of the Knowledge Café, the participants identified the following five main causes of the inadequate performance of public institutions in delivering services to citizens in their region and suggested the following solutions. Please see *Annex 4* for details.

Table 2. Top Five Main Causes for the Inadequate Performance of Public Institutions in Delivering Services to Citizens in Mindanao as Perceived by Participants

MAIN CAUSES	PROPOSED SOLUTIONS
a) The prevalence of corruption at all levels, which results in the high cost of doing business. This is due to the lack of transparency of transactions and lack of community vigilance.	<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. • Close monitoring and regular evaluation of programs and projects must be institutionalized. • Cut red tape. • Active participation of business and private sector in anti-corruption campaigns. • Increase corruption penalties. • Implement lifestyle checks and use results as basis for funding. • Discourage solicitations from government personalities and institutions.
b) Lack of consultation, convergence and complementation among NGAs, LGUs, CSOs, private sector and donors.	<ul style="list-style-type: none"> • LGUs should convene and institutionalize regular multi-stakeholder consultations and convergence mechanisms for implementation and policy advocacy. • LGUs and partners shall organize and educate the citizenry who will demand good governance from their leaders. • MEDCO should rise above its current performance and meet the challenge of becoming more effective in coordinating and orchestrating development in Mindanao. • MEDCO shall encourage the Mindanao Working Group to formulate a peace and development plan with substantive participation of the different stakeholders.

<p>c) Lack of knowledge and understanding of public officials and servants about public service, resulting in political patronage and political dynasties.</p>	<ul style="list-style-type: none"> • Capacitate the political party system with schools of governance. • Enhance qualifications of candidates by strengthening COMELEC and through political reforms. • Enhance moral recovery program by integrating value re-orientation (especially Islamic values) in schools and in government training programs. • Address poverty by providing economic development education.
<p>d) Lack of reliable database for decision making, including: (a) poor state of planning / development statistical system; and (b) inadequate assessment and evaluation system.</p>	<ul style="list-style-type: none"> • Develop a result-based management system among LGUs, NGAs and NGOs. • Regular inspection and evaluation of programs and projects on the ground should be undertaken by external evaluators from the funding agency.
<p>e) Lack of professionalism and inadequate leadership and management capacities of political leaders and servants because of: (1) culture of close family ties, (2) low salaries and benefits and (3) lack of incentives for good performance.</p>	<ul style="list-style-type: none"> • Capacitate political leaders and public servants. • Implement rewards-based performance system.

9. The participants suggested some priority programs in their region that the World Bank should address in its new CAS. Following are the top five priority programs. Please see *Annex 5* for details.

Table 3. Top Five Suggested Priority Programs that the WBG Should Address

PRIORITY PROGRAMS	JUSTIFICATION
<p>a) Basic Education and Health Grassroots Services, in particular, the assessment of basic education curricula and development of alternative methodologies that are responsive to IPs and Moros.</p>	<ul style="list-style-type: none"> • To address basic needs of communities (including the unique needs of IPs and Moros), particularly literacy, basic hygiene and disease prevention. • To institutionalize education for peace and train leaders for the next generation (and especially in values formation). • To empower citizens to demand good governance.
<p>b) Research on previous programs done by various groups in Mindanao.</p>	<ul style="list-style-type: none"> • This will be an evidence-based collation of data to gauge the effectiveness of development projects. It will serve as a tool and guide for donors, NGOs and government to improve activities or replicate successful activities. It will be

	funded by donors in partnership with government, NGOs, and COs in Mindanao.
c) Agricultural productivity and entrepreneurship/agribusiness.	<ul style="list-style-type: none"> To increase productivity and income by providing necessary support services, such as, credit, technical assistance and research. To encourage businesses in the countryside (Note: however, there is need to take measures to ensure that profits are shared equitably among various stakeholders.
d) Microfinance.	<ul style="list-style-type: none"> To meet the needs of the poor (both men and women). To encourage groups to engage or initiate enterprises. To provide loans at lower interest rates.
e) Advocacy on the environment.	<ul style="list-style-type: none"> Rehabilitation of Mindanao River Basin and reforestation to address massive flooding and landslides in some parts of Mindanao and ARMM due to ongoing mining and forest denudation.

10. The participants also recommended the following issues that the World Bank should avoid in its new CAS. Please see *Annex 6* for details.

- Avoid partisan politics.
- Involvement in war against terrorism.
- Direct involvement in conflict resolution (such as ancestral domain issues that may create conflicts).
- Mining.
- Sensitive issues, such as the Reproductive Health Bill.
- Policy making on bidding, procurement, taxes, tariff. (While many participants 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.)

11. The Open Forums held during the consultation also surfaced a number of important comments from the participants. The most significant comments are summarized below. Please see *Annexes 7- 9* for details.

- 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 equally. We have to go back to the basic question: what can be done to bring peace back in Mindanao? Engaging local communities and conducting more forums (perhaps on education) are effective than multi-million programs because these address the issues of Mindanao.
- A high-ranking government official commented that there is disincentive in local governance: when we build more schools, they don't give us additional schools, when we hire teachers, they don't provide support so we can fill up the gaps. How is targeting done? Can't we receive funding for replication as an incentive to efficient and effective governance? Can WB include this in its strategies?
- While the economy of Mindanao has grown, hunger grew as well. Instead of economic growth, the aim should be for "equitable economic growth."
- There is need to strengthen both MEDCO and the Mindanao Working Group to make them more effective and responsive. The performance of these institutions is hampered by the limitation of their mandate to serving as coordinating body and forum for development ideas.
- The nature of the questions raised at the consultation has resulted in answers that may reflect the general situation of the Philippines but not necessarily the unique situation of Mindanao.

List of Annexes

- 1 - List of Participants
- 2 - Program of Activities
- 3 - Participants' Responses to KC Question 1: Causes of the Worsening Poverty and Recommended Solutions
- 4 - Participants' Responses to KC Question 2: Causes of the Inadequate Performance of Public Institutions and Recommended Solutions
- 5 - Participants' Listing of Development Challenges to be Included in new WB CAS
- 6 - Participants' Listing of Development Challenges to be Avoided in the new WB CAS
- 7 - Participants' Comments during Open Forum 1 (Discussion of Current CAS for the Philippines)
- 8 - Participants' Comments during Open Forum 2 (Discussion of Knowledge Café/FGD Results)

9 - Participants' Comments during Open Forum 3

**Annex 1
List of Participants**

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Annex 2 Program of Activities

Time	Activity	Person(s) Responsible
<i>Morning</i>		
9:15	Singing of the National Anthem	
9:20	Welcome Remarks	Dr. Perfecto Alibin, USEP President
9:25	Welcome Remarks	Mr. Bert Hofman, WB Country Director
9:30	Introduction of Participants (by table)	
9:40	Presentation: MTPDP 2004-2010	Mr. Miguel Herrera III, NEDA Region XI
	Presentation: The World Bank Group and the Current CAS for the Philippines	
9:50	Introduction (video presentation)	
10:00	The CAS	Ms. Leonora Gonzales, WBG
10:10	Overview of the WBG	Ms. Lada Strelkova, WBG
10:20	Presentation: The IFC	Mr. Jesse Ang, IFC
10:25	Open Forum	
11:15	Morning Break	
11:30	Knowledge Café	Mr. Oman Jiao & Co-Facilitators
<i>Afternoon</i>		
1:15	Lunch Break	
	<i>Facilitators' Reports:</i>	
2:00	Question 1: Set 1	Mr. Joemil Montebon
2:10	Question 1: Set 2	Prof. Sheila Algabre
2:18	Question 2: Set 2	Mr. Martiniano Magdolot
2:24	Question 2: Set 1	Ms. Givel Montejo-Mamaril
2:32	Question 3: Set 1	Mr. Roel Ravanera
2:40	Question 3: Set 2	Ms. Fatima Allian
2:50	Open Forum	
3:55	Presentation: Stakeholder Feedback, Emerging CAS Themes	Ms. Nor Gonzales & Ms. Lada Strelkova
4:10	Open Forum	
4:25	Closing Remarks	Mr. Bert Hofman
4:40	End of Consultation	

Annex 3
Participants’ Responses to Question 1:
Causes of Worsening Poverty and Recommended Solutions

Knowledge Café Set 1

FACILITATOR: PROF. SHEILA ALGABRE, Vice-President for Identity and Mission – Notre Dame University (Cotabato City)

Table 4. Output of Knowledge Café Set 1

CAUSES	PROPOSED SOLUTIONS
<p>1. Bad governance, including: (a) the dysfunctional system of governance in Barangay Local Government Unit (BLGU), Local Government Unit (LGU), and (b) corruption at all levels of government.</p>	<ul style="list-style-type: none"> • Continue education for electoral reforms (educate voters, communities). • Strengthen our regulatory agencies (COA, CSC, etc). • 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. • Professionalize public leadership: set qualifications for public leaders/candidates. • Advocate for strong political system reform. • Promote strong political parties. • Promote vigilance in the community; set up “community watch.”
<p>2. Unresolved peace and order issues.</p>	<ul style="list-style-type: none"> • The culture of peace (COP) should be integrated in all development programs implemented in Mindanao, whether government-led or foreign-assisted, and should not only focus on conflict-affected areas. • Major stakeholders should be involved in the peace process; there should be consultation and participation in the decision-making involving peace and order.

<p>3. Lack of access to quality basic education; many are illiterate and do not have access to education.</p>	<ul style="list-style-type: none"> • Increase national funding on education. • Increase investment in education and human resource development (training of teachers). • Provide incentives to students to increase their participation rate, like the “Food for School Program.”
<p>4. Low purchasing power and the inability of people to pay for basic needs. This is due to: (a) high unemployment rate; (b) low wages of workers; (c) people’s limited access and control over productive resources, like land.</p>	<ul style="list-style-type: none"> • Lobby for the extension of the CARP Law. • Increase wages in both public and private institutions. • Increase agricultural productivity by providing training to the agriculture sector.
<p>5. Lack of unified direction in addressing Mindanao’s real issues. Highly-centralized governance has not led to integrated and coordinated solutions to poverty.</p>	<ul style="list-style-type: none"> • Develop a well-defined Mindanao development agenda that has been influenced by Mindanaoans and LGUs, and Mindanao stakeholders. • Support NEDA in its effort towards the convergence of development efforts.
<p>6. Lack of participation of the marginalized sectors in the monitoring and evaluation of projects and other decision-making processes.</p>	<ul style="list-style-type: none"> • Reiterate participation of CSOs/POs and NGOs in local special bodies as provided in the Local Government Code. • Democratize the distribution of wealth and opportunities.
<p>7. Lack of science and technology and entrepreneurship programs in Mindanao. This prevents Mindanao, which is rich in natural resources, from developing products that can generate income for the region.</p>	<ul style="list-style-type: none"> • Provide greater incentive and support for science development and scientists. • Promote the adoption of appropriate technology. • Promote/offer entrepreneurship programs in higher/tertiary educational institutions (HEIs).

Knowledge Café Set 2

FACILITATOR: MR. JOEMIL MONTEBON, Executive Director – Kasilak Foundation, Inc. (Davao City)

Table 5. Output Of Knowledge Café Set 2

CAUSES	PROPOSED SOLUTIONS
1. Corruption.	<ul style="list-style-type: none"> • The national budget should be made transparent and open to public scrutiny. If possible, this should be accessed on-line. • Develop and institutionalize tools and mechanisms at all government levels to track transparency and accountability. • Make governance more participative, transparent and accountable.
2. Low level of education, resulting in high illiteracy rate and weak political voice.	<ul style="list-style-type: none"> • Invest more in human capital, particularly on health and education. • Improve statistical systems as planning and development tools for more responsive programs.
3. Peace and order problems (conflict).	<ul style="list-style-type: none"> • The government should strictly implement and enforce the rule of law. • There should be demilitarization (both government and rebel groups) in areas where there is strong presence of armed groups.
4. Inequitable distribution of national budget.	<ul style="list-style-type: none"> • Promote the equitable distribution and allocation of resources. • Increase the national allocation for Mindanao. • Government allocation should be more focused towards the marginalized sectors.
5. The economic and political system is controlled by a few.	<ul style="list-style-type: none"> • Electoral laws and policies, such as, on spending, should be strictly implemented.
6. An uncertain policy and political climate and environment that results in inconsistent policies which are oftentimes viewed as anti-development.	<ul style="list-style-type: none"> • Make more avenues and mechanisms for the more meaningful participation and involvement of CSOs in Local Development Councils and special bodies.

<p>7. Lack of access to basic social services and local resources (and resulting benefits).</p>	<ul style="list-style-type: none"> • Develop and implement more affirmative- action development programs at all levels (GO, CSO, donor and community).
<p>8. Unresponsive and ineffective governance.</p>	
<p>9. Some programs are “donor-driven” and not reflective and responsive to the real needs and situation of the locality.</p>	<ul style="list-style-type: none"> • There should be more programs that reflect the real needs and situation of the community.
<p>10. Insufficient capital for micro-entrepreneurs to jumpstart and/or sustain local economic activities. This also contributes to lack of employment opportunities.</p>	
<p>11. Poor tax revenue administration on the part of the local government units.</p>	
<p>12. Unabated population growth.</p>	
<p>13. Ineffective government tools in targeting poor clients.</p>	
<p>14. Wrong or improper media reporting and projection of Mindanao.</p>	

Annex 4
Participants' Responses to Question 2:
Causes of Inadequate Performance of Public Institutions and
Recommended Solutions

Knowledge Café Set 1

FACILITATOR: MS. GIVEL MONTEJO-MAMARIL, Director - Mayors'

Development Center, University of Southeastern Philippines (Davao City)

Table 6. Output of Knowledge Café Set 1

CAUSES	SOLUTIONS
1. Lack of consultation, convergence and complementation among NGAs, LGUs, CSOs, private sector and donors.	<ul style="list-style-type: none"> • LGUs should convene and institutionalize regular multi-stakeholder consultations and convergence mechanisms for implementation and policy advocacy. • LGUs and partners shall organize and educate the citizenry who will demand good governance from their leaders. • MEDCO should rise above its current performance and meet the challenge of becoming more effective in coordinating and orchestrating development in Mindanao. • MEDCO shall encourage the Mindanao Working Group to formulate a peace and development plan with substantive participation of the different stakeholders.
2. Lack of reliable database for decision making, including: (a) poor state of planning / development statistical system; and (b) inadequate assessment and evaluation system.	<ul style="list-style-type: none"> • Develop a result-based management system among LGUs, NGAs and NGOs. • Regular inspection and evaluation of programs and projects on the ground should be undertaken by external evaluators from the funding agency.
3. Prevalence of corruption at all levels.	<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. • Close monitoring and regular evaluation of programs and projects must be

	institutionalized.
4. Lack of education and competence among elected leaders.	<ul style="list-style-type: none"> • Undertake capacity development programs to address capability gaps among elected leaders. • Provide more scholarship and exposure study/trainings to expand and widen the perspective of local leaders. • Educate the masses to enable them demand good governance and participate in governance. • Propose policy changes to Congress to raise the educational qualifications for those intending to run in the government/elected positions.
5. Continued control of national government over LGUs, which constricts the operations and performance of the latter.	<ul style="list-style-type: none"> • National government should devolve funds to enable LGUs to finance their many unfunded mandates and functions.
Unstable peace and order conditions, which hamper effective performance, especially the delivery of basic services.	<ul style="list-style-type: none"> • Mainstream peace advocacy program. • Integrate peace and cultural sensitivity in school curricula to target the youth.
6. Budgetary constraints of NGAs.	<ul style="list-style-type: none"> • NGAs in Mindanao should prioritize needs. • Open up avenues to enable more people to participate in budget preparation. • National government should shift from a highly centralized budgeting process and instead, strengthen regional budgeting processes.

Knowledge Café Set 2

**FACILITATOR: MR. MARTINIANO MAGDOLOT, Executive Director –
Mahintana Foundation, Inc. (South Cotabato)**

Table 7. Output of Knowledge Café Set 2

CAUSES	PROPOSED SOLUTIONS
<p>1. Corruption, which results in the high cost of doing business. This is due to the lack of transparency of transactions and lack of community vigilance.</p>	<ul style="list-style-type: none"> • Cut red tape. • Active participation of business and private sector in anti-corruption campaigns. • Increase corruption penalties. • Implement lifestyle checks and use results as basis for funding. • Discourage solicitations from government personalities and institutions.
<p>2. Lack of knowledge and understanding of public officials and servants about public service, resulting in political patronage and political dynasties.</p>	<ul style="list-style-type: none"> • Capacitate the political party system with schools of governance. • Enhance qualifications of candidates by strengthening COMELEC and through political reforms. • Enhance moral recovery program by integrating value re-orientation (especially Islamic values) in schools and in government training programs. • Address poverty by providing economic development education.
<p>3. Lack of professionalism and inadequate leadership and management capacities of political leaders and servants because of: (a) culture of close family ties, (b) low salaries and benefits and (c) lack of incentives for good performance.</p>	<ul style="list-style-type: none"> • Capacitate political leaders and public servants. • Implement rewards-based performance system.
<p>4. Too many government agencies with overlapping functions and the lack of coordination and harmonization among agencies.</p>	<ul style="list-style-type: none"> • Harmonize local and development plans and programs.
<p>5. Peace and order problems, resulting in the displacement of communities and dysfunction of governmental services.</p>	<ul style="list-style-type: none"> • Restore peace and order. • Ensure proper consultation and participation of different sectors in peace

	and development processes.
6. Lack of community participation in the planning, implementation and monitoring and evaluation of government projects.	<ul style="list-style-type: none">• Strengthen local development councils and local special bodies.• Institutionalize participation of communities and CSOs.
7. Lack of funds and heavy reliance on government funding and ODA support.	<ul style="list-style-type: none">• Tap other funding sources, such as OFW remittances.
8. Lack of accountability of public officials.	
9. Rigid bureaucracy and highly centralized national policy on government programs.	<ul style="list-style-type: none">• Decentralize programs by enhancing autonomy and devolving more authority and responsibility to LGUs (including financial resources).

Annex 5
Listing of Priority Programs
that should be included in the new CAS

Knowledge Café Set 1

FACILITATOR: MR. ROEL RAVANERA, Dean – College of Agriculture, Xavier University (Cagayan de Oro City)

Table 8: Output of Knowledge Café Set 1

SUGGESTED PROGRAM(S)	JUSTIFICATION
1. Basic grassroots services: education and health.	<ul style="list-style-type: none"> • To address basic needs of communities, particularly literacy, basic hygiene and disease prevention. • To institutionalize education for peace and train leaders for the next generation. • To empower citizens to demand good governance.
2. Agricultural productivity and entrepreneurship / agribusiness.	<ul style="list-style-type: none"> • To increase productivity and income by providing necessary support services, such as, credit, technical assistance and research. • To encourage businesses in the countryside (Note: however, there is need to take measures to ensure that profits are shared equitably among various stakeholders).
3. Microfinance.	<ul style="list-style-type: none"> • To meet the needs of the poor (both men and women). • To encourage groups to engage or initiate enterprises. • To provide loans at lower interest rates.
4. Good governance (with emphasis on local governance).	<ul style="list-style-type: none"> • To enhance capacities of local executives to manage constituencies, coordinate services, set systems and standards, and administer taxes (refer to EO 605).

	<ul style="list-style-type: none"> • To focus on the basic units (barangay LGU). • To enhance participation of stakeholders and achieve more transparency.
5. Basic rural infrastructure.	<ul style="list-style-type: none"> • To continue rural infrastructure projects, such as, farm-to-market roads. (Note: however, this should not exclude major infrastructure projects that would contribute to poverty reduction.)
6. Information / knowledge centers.	<ul style="list-style-type: none"> • To make available data for informed decision making. • To determine impacts of various projects and the lessons learned from these projects.
7. Environment conservation.	<ul style="list-style-type: none"> • To promote alternative sources of energy. • To promote forest conservation and watershed development.
8. Support for peace initiatives.	<ul style="list-style-type: none"> • For re-integration and resettlement programs for EOP / IDP.
9. Asset reform.	

Knowledge Café Set 2

FACILITATOR: MS. FATIMA ALLIAN, Tarbilang Foundation, Inc.

Table 9: Output Of Knowledge Café Set 2

SUGGESTED PROGRAM(S)	JUSTIFICATION
1. Assessment of basic education curricula and development of alternative methodologies that are responsive to IPs and Moros.	<ul style="list-style-type: none"> • To ensure, apart from the attainment of high quality education, values formation needed by the individual learner. • To explore innovative methods that will effectively address the unique needs of IPs

	and Moros.
2. Research on previous programs done by various groups in Mindanao.	<ul style="list-style-type: none"> • This will be an evidence-based collation of data to gauge the effectiveness of development projects. It will serve as a tool and guide for donors, NGOs and government to improve activities or replicate successful activities. It will be funded by donors in partnership with government, NGOs, and COs in Mindanao.
3. Advocacy on Environment.	<ul style="list-style-type: none"> • Rehabilitation of Mindanao River Basin and reforestation to address massive flooding and landslides in some parts of Mindanao and ARMM due to ongoing mining and forest denudation.
4. Capacity building on Conflict Resolution at the grassroots level.	<ul style="list-style-type: none"> • To improve conflict resolution management at the local level and prevent further escalation of tribal, family, political and land conflicts.
5. Food sufficiency program.	<ul style="list-style-type: none"> • Assist and farmers by improving their irrigation systems and providing subsidy for farm inputs and farm-to-market roads.
6. Advocacy on ancestral domains.	<ul style="list-style-type: none"> • Develop localized popular education materials using the vernacular, to generate understanding of issues and problems on ancestral domains (AD). This will help communities to understand AD management and serve, in effect, as a vehicle to open space for resuming the peace talks.

Annex 6
Participants' Responses to Question 3:
Listing of Issues that the WBG should not be involved with

Knowledge Café Set 1

FACILITATOR: MR. ROEL RAVANERA, Dean – College of Agriculture, Xavier University (Cagayan de Oro City)

Table 10: Output Of Knowledge Café Set 1

- Avoid partisan politics.
- Involvement in war against terrorism.
- Direct involvement in conflict resolution.
- Mining.

Participants felt that addressing these issues should be left to the Philippine government.

Knowledge Café Set 2

FACILITATOR: MS. FATIMA ALLIAN, Tarbilang Foundation, Inc.

Table 11: Output of Knowledge Café Set 2

- No involvement in politics.
- Mining.
- Ancestral domain issues (if these will create conflict).
- Sensitive issues, such as the Reproductive Health Bill).
- Policy making on bidding, procurement, taxes, tariff. (While many participants 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.)

Annex 7
Participants' Comments during Open Forum 1²
(Discussion after the Presentation on the Current Philippine CAS)

1. On the Work of the International Finance Corporation (IFC) in Mindanao:

- A participant from the academe asked if there is any support for the seaweed industry.
- Jessie Ang, *IFC* – said supporting the industry needs physical presence in the Sulu Archipelago which is difficult for IFC now. Our focus now, he said, is on banana.
- A representative from a health insurance agency asked how support can be accessed for microfinance banks.
- Jessie Ang, *IFC* – you should contact the microfinance unit of IFC.
- Another CSO representative asked how the IFC could support the mango industry.
- Jessie Ang, *IFC* – said that mango is a challenging sector; IFC's current focus on banana is because it is the number one export crop.

2. Research on what works:

- A CSO representative from General Santos City said 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.
- Bert Hofman, *WBG* – said there is a need for a more comprehensive approach for Mindanao. One avenue or mechanism for exchange is the Mindanao Working Group (MWG), as a focal point for a Mindanao discussion. On the second point, what WB needs to do, and this, he said, continues to be a challenge, is scale up good models/ideas as we have resources to do so; this is where WB can provide added value.

² The names of participants who gave their inputs and insights during the Open Forum, except WBG representatives, are kept confidential because WBG did not have the permission to make their identities public.

- A government undersecretary said there is need for impact assessment, not just plain M&E.

3. World Bank investments in Mindanao

- A representative from the academe said if his reading of the numbers is correct, WB investment in Mindanao are relatively low. Is this reflective of the WB strategic direction?
- Bert Hofman, *WBG* – said that the figure does not count national programs implemented in Mindanao. At the same time, WB is engaged in many conflict-affected areas (CAA) and it is not easy to operate in CAAs. The WB stays engaged at low levels as conflicts persist, but increase exposure in relatively peaceful areas. He said WBG is trying to find approaches in dealing with this concern, and this is where you (participants) can be of help.
- A government official from North Cotabato said the huge investments that the WBG showed may not work if the Mindanao conflict situation is not addressed equally. He said, there is a need to go back to the basic question of what can be done to bring peace back in Mindanao. He also said engaging local communities and conducting more forums (perhaps on education) are more effective than multi-million programs because these addresses the issues of Mindanao.
- Bert Hofman, *WBG* – he agreed that there's a need for that balance. That's the reason why WBG programs/projects in CAAs not just aim to contribute to development but to conflict resolution as well. Expanding more community-based approach in CAAs could be a strategic approach. KALAHI-CIDSS, for example, supports many community projects that are small but with high economic returns.
- The government official from North Cotabato clarified he was not saying that the WBG should stop doing the big projects; it is just that the WBG should also be paying attention to smaller projects that actually contribute to the success of bigger ones.

4. Support for Good Performing LGUs:

- A government official from South Cotabato commented that there is disincentive in local governance: she said, when we build more schools, they don't give us additional schools, when we hire teachers, they don't provide support so we can fill up the gaps. She asked, how is targeting done? Can't we

receive funding for replication as an incentive to efficient and effective governance? Can WB include this in its strategies?

- Bert Hofman, *WBG* – WBG is trying really hard, he said, but results have not been good in the “Islands of Good Governance” component of the Current CAS. The WBG has a Local Government Performance Grants program to respond to this concern. With IFC, WBG is still working on a strategy for direct lending to sub-national government levels.

Annex 8
Participants' Comments during Open Forum 2³
(Discussion of Knowledge Café/FGD Results)

1. Conflicting Recommendations on WB Support for Microfinance:

- A representative from the academe commented that one group has recommended WB support for microfinance, while another group has recommended that WB should not support microfinance.
- A representative from a local CSO network pointed out that there is no conflict because the other group had said that WB should not support microfinance implemented by the government.
- Jessie Ang, *IFC* - pointed out a number of challenges facing microfinance.

2. Comment on the issue of corruption (a major articulated cause of both poverty and inadequate performance of public institutions):

- A government official shared their province's experience as proof that engaging local authorities is strategic. He said his province was ranked as being among the five poorest province in 1998 at the start of his administration; today, the province is ranked 27th among the top 30 "rich" provinces.

3. The Role of MEDCO:

- A representative from MEDCO asked for clarification on the proposed solution of "making MEDCO more effective."
- A representative from a women group in Mindanao said certain strategic decision and directions have to be articulated by MEDCO because it is mandated and has the capacity to do it. The Mindanao Working Group (MWG) needs to improve its performance as well. The poor condition of Mindanao today is a testament that something is amiss.
- The representative from MEDCO countered that there have been economic gains due to investments in infrastructure and other economic facilities. In

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2007, he said, Mindanao registered one of the highest agricultural outputs. That is something not negative and a reality, he said.

- The women group representative said she is not challenging that the economy has grown, but hunger grew as well. Instead of economic growth, we should aim for “equitable economic growth.”
- A senior MEDCO official said coordination is MEDCO’s responsibility. Which part of coordination should be improved? Today, we have convergence of vision unlike in the past.
- The women group representative said she cannot see any action plan coming out of the MWG process. MEDCO and MWG should be judged according to the outcomes.
- The senior MEDCO official said the MWG is not an implementing body but a forum of development ideas. He agrees, however, that there is a need to strengthen the MWG secretariat to make it more responsive.
- A government official from South Cotabato said the proposal for MEDCO is to be a coordinating body.
- Bert Hofman, *WBG* – he said WBG partners feel the same, that there’s a need to make MWG more effective and responsive.
- Another CSO representative said there is concern that nothing is happening with MEDCO. What we need is the provision of funds for agribusiness, such as, financial assistance for farmers for production to avoid being trapped in onerous lending system. WB conduits in Manila don’t know and care about Mindanao. The role of WBG and IFC should be to channel its support to the right leadership.
- A private sector representative said the WBG need to focus in order to produce tangible results. On the government side, it needs to make governance more transparent through the use of high technology.

4. On Taxation, Procurement and the role of the World Bank

- A representative from a government health insurance agency said he does not agree that the WBG should refrain from engaging on issues like taxation since the VAT has reaped many benefits.
- A representative from an auditing agency reacted to the recommendation that “WB should not be involved in procurement.” She asked if there is another

law on procurement, saying there is already one applicable to domestic funds. On transparency, she said one can just click a mouse to see government transactions, especially of local governments.

- A representative from the academe said what the representative from the auditing agency said is not yet happening; notices of bidding are posted, but there are no postings on awardees.
- Bert Hofman, *WBG* – regarding procurement, the WB already accepts the Philippine law for national competitive bidding, but not yet on international competitive bidding. The WBG actually does contribute some advice on taxation and procurement. However, the WBG does not impose conditionalities; instead, it only supports policies of the government.

5. On the questions posed by the WB CAS consultation:

- A representative from a local CSO network commented that the nature of the questions raised at the consultation have resulted in answers that may reflect the general situation of the Philippines but not necessarily the unique situation of Mindanao.

Annex 9 Participants' Comments during Open Forum 3⁴

1. The WB Knowledge Agenda:

- A representative from a women group sought clarification on the knowledge management agenda.
- A representative from the academe cited the “Checkpoints and Chokepoints” discussions at a peace and development conference. Also suggested the engagement of academics, e.g., in the monitoring of programs and projects.

2. On operationalizing governance and minimizing corruption:

- Another representative from the academe noted that operationalizing governance is a function of culture. To minimize corruption, measures should be embedded in the operations system. Minimizing corruption cannot be left to individuals as people come and go. WB should look into this.

3. On the involvement of trade unions:

- A representative from a labor group thanked the WBG for including trade unions in the consultation.

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