

**Progress Report on 2007 Action Agenda
PDF Governance and Anti-corruption Working Group**

Introduction

The Philippines Development Forum (PDF) is the primary mechanism of the Government for facilitating substantive policy dialogue among stakeholders on the country’s development agenda. It also serves as a venue for developing consensus and generating commitments among different stakeholders toward critical actionable items of the Government’s reform agenda.

The PDF process involves continuing dialogue on thematic areas through working groups, which are expected to hold meetings in between the formal PDF meetings to follow-up on pending issues and agreements reached in the last meeting. Currently, the PDF has seven working groups, each focused on a specific theme: MDGs and social progress; growth and investment climate; economic and fiscal reforms; governance and anti-corruption; decentralization and local government; sustainable rural development; and Mindanao.

The working group on Governance and Anti-corruption is co-chaired by the Office of the Ombudsman (OMB) and the Asian Development Bank (ADB). In 2006, the Governance Sub-Working Group was created, co-chaired by the Department of Budget and Management (DBM) and the Australian Agency for International Development (AUSAID). Last year, the Procurement Sub-Working Group was created using the Country Procurement Assessment Report (CPAR) framework to sustain efforts geared at procurement reforms and at the same time invite a broader stakeholder participation. Said Sub-Working Group is being co-chaired by the Government Procurement Policy Board-Technical Support Office (GPPB-TSO) and the World Bank.

I. COMMITMENTS MADE DURING 2007 PDF

Last year’s PDF was held on March 8-9, 2007 in Cebu. In said meeting, the Governance and Anti-corruption Working Group has committed to undertake the following:

Issue	Recommended Action
Increasing high quality spending (DBM)	<ol style="list-style-type: none"> 1. Build on successes of MTEF and OPIF: roll-out to other government agencies 2. Widen implementation of Rationalization Program: (i) prioritize evaluation and approval of submitted plans; (ii) assist agencies yet to submit plans; (iii) mitigate impact of the Program; (iv) muster additional political will for program implementation 3. File bill on new compensation system in Congress in July 2007 4. Improve and harmonize GOP and development partners’ procurement guidelines

Issue	Recommended Action
Intensifying governance reform (OMB)	<ol style="list-style-type: none"> 1. Communicate progress made in recent months on prosecution, prevention and education, and identify goals for 2007 2. Monitor recommendations of IDRs

II. ACCOMPLISHMENTS IN 2007

A. Status of Good Governance and Management Reforms:

Hereunder are the status of the different good governance/management reforms being pursued by the DBM:

1. Embedding Budgeting and Other Management Reforms

➤ ***Completed the Paper on Budget Strategy and refined the Forward Estimates (FEs) used for the FY 2008 National Budget***

The Medium-Term Expenditure Framework (MTEF), which is intended to improve the strategic allocation of the budget, its predictability, and its performance or results orientation, was introduced in 2006 for the preparation of the FY 2007 budget. The MTEF was continually adopted for the FY 2008 budget preparation to integrate policy with resource allocation and better achieve Plan objectives towards a balanced budget this year.

The Paper on Budget Strategy (PBS), which was prepared by the Development Budget Coordination Committee, was used at the start of the budget preparation process to report to the President the status of the programs under her 10-Point Agenda and assist her in deciding on the priorities to implement given the fiscal headroom. For FY 2008, the allocable amounts in the Budget were focused on the priority sectors of education, health, infrastructure, housing, and science and technology.

Aside from the PBS, the development of three-year FEs facilitated the budget process. The costing of the ongoing programs and policies in 3-year FEs helped to determine the magnitude of allocable fiscal space for new programs and projects within fiscal constraints. Specifically, the FEs were used in coming up with the budgetary ceiling for FY 2008 and served as a valuable input to add more depth to the PBS. With the development of the FEs, the DBM had a better handle on the reasonableness of agency proposals to ensure continued funding of approved programs and policies.

➤ ***Cascaded the Organizational Performance Indicator Framework (OPIF) to bureaus/agencies/units of 20 pilot Departments and Other Executive Offices (OEOs) under the Office of the President***

On the adoption of the OPIF, said reform initiative has been cascaded to the different bureaus and attached agencies of the 20 pilot departments, as well as in all OEOs in support of the FY 2008 budget. The finalized logframes of the government entities have been compiled and put into an OPIF book for submission to Congress.

The OPIF approach is aimed at improving the focus of government towards clearer outputs, attaining outcome objectives, and enhancing the accountability of government agencies through key quality and quantity performance indicators. Their major final outputs are used as basis in prioritizing the allocation of funds to agency programs, activities and projects.

➤ ***Implementation of the Rationalization Program***

The DBM, together with the Civil Service Commission (CSC), is continually pursuing the Rationalization Program, as mandated under EO 366 dated 04 October 2004, to transform the Executive Branch into a more effective and efficient government. EO 366 directs all departments/agencies of the Executive Branch to conduct a strategic review of their operations and organizations to identify the functions, programs, activities and projects which (1) can be scaled down, phased out or abolished; or (2) where more resources can be channeled.

In the implementation of the Program, 20 departments/department-level offices, 28 other executive offices (OEOs)/other government agencies and 60 government-owned and/or-controlled corporations (GOCCs) are expected to submit their Rationalization Plan.

Of these, **82** entities (19 departments, 27 OEOs and 36 GOCCs) or **76%** have already submitted their Plans to the DBM as of 15 March 2008.

Of the submitted Plans, **30**, i.e., 2 department-level offices, 5 attached agencies, which are part of a department, 15 OEOs/other government agencies, and 8 GOCCs, have already been approved by the DBM.

The Plan of one (1) department, two (2) OEOs and five (5) GOCCs were returned for revision. Those of 11 departments, 10 OEOs/other agencies and 19 GOCCs which have complete submissions are now under evaluation by the DBM. The Plans of the Departments of Finance, Health, and Transportation and Communications, though not complete, are already being evaluated by the DBM in terms of the agency plans submitted.

Out of the Plans approved, **2,132** positions (1,879 funded and 253 unfunded items) have been abolished. The total Personal Services savings generated out of the approved Plans, which were plowed back to the departments/agencies concerned to beef up the funds that they could use for their maintenance and other operating expenses and capital outlay, amounted to **P 402M**.

On the other hand, **1,742** personnel were affected by the Program. **Ninety-four percent (94%)** or **1,632** personnel have opted to retire/be separated, while **6%** or **110** employees have opted to be placed in recipient agencies such as the Department of Health-managed hospitals, Bureau of Jail Management and Penology, National Statistics Office and Philippine National Police. Incentives and terminal leave benefits paid to those who have opted to retire/be separated amounted to **P 160M**.

➤ ***Passage of a Government Compensation and Classification Bill***

The government, thru the DBM and the CSC, is continually pursuing the passage of a bill that would rationalize the government compensation and classification system to enhance performance orientation and develop an affordable system of government compensation.

The new compensation structure revalues jobs in government vis-à-vis the key roles and functions of the State at this point of our development as well as external factors like technological changes and market demand. It would also feature more performance based incentives by drawing a clear line between longevity and merit increases.

The Bill has been refiled in June 2007 in the Senate by Senator Panfilo Lacson. In addition, the CSC and the DBM are looking for possible sponsors in the House of Representatives.

While awaiting the passage of said Bill, the President has issued EO 611 (*Authorizing Compensation Adjustments to Government Personnel*) dated March 14, 2007, to provide a 10% increase effective 01 July 2007 over the basic monthly salary of all civilian national government personnel whose positions are covered by the Position Classification and Compensation System under RA 6758, as amended. Said EO also implemented adjustments in the subsistence allowance and hazard pay of military and uniformed personnel.

➤ ***Other Civil Service Reforms***

The CSC has commenced the roll-out of the ***Performance Management System*** in all national government agencies in June 2007. This System was developed by the Commission thru the assistance of the United Nations Development Programme and the World Bank. This is intended to align individual objectives with the strategic organizational goals and vision and

ensure organizational effectiveness thru a *point system*, and is expected to be implemented/adopted in all NGAs in 2008.

On the other hand, the ***Government Human Resource Management Information System*** intends to link the databases/information systems of the CSC, DBM and Government Service Insurance System (GSIS), and facilitate human resource and fiscal planning and management. Relative to this, the Personnel Data Sheets (PDS) of all government employees nationwide have been encoded by the CSC. Pilot-testing and roll-out of the System in different CSC Regional Offices have been completed in June 2007.

Currently, the CSC is in the process of procuring and installing the necessary IT equipment in preparation for the full operationalization of the System within the year. After that, the CSC's database would be linked to the DBM's Government Manpower Information System and the GSIS database thru an information system structure that would be developed later for the purpose.

In addition, the DBM is pursuing the following initiatives to further enhance the quality of public expenditure management, improve public service delivery and strengthen performance management:

➤ ***Formulation of the Public Financial Management (PFM) Manual***

In enhancing the financial management skills/capabilities of the key financial management personnel of the different government agencies, the DBM, thru the assistance of the World Bank, has pursued on the formulation of a PFM Manual, primarily intended to clarify basic concepts, principles and paradigms on PFM.

A project team from the University of the Philippines' National College of Public Administration and Governance, College of Business Administration and School of Economics has been mobilized to assist in the development of the PFM Manual. The Manual will cover all aspects of financial management from planning to budgeting and audit, as well as the latest developments in budgeting.

The recent receipt by the DBM of a grant from the European Commission (EC), in connection with the Health Sector Reform Agenda (HSRA), would be used for the finalization and the roll-out of the PFM manual to the different government agencies and the conduct of an Executive Training Course on the matter.

➤ ***Implementation of Government Quality Management Program (GQMP)***

Prompted by the results of the 2006 World Competitiveness Yearbook and Global Competitiveness Report of the World Economic Forum which ranked

the Philippines 49th among 61 countries, and 77th among 117 countries, respectively, AO 161 was issued on 05 October 2006 on the institutionalization of ISO-aligned quality management systems (QMS) in government as one of the National Competitiveness Summit (NCS) agenda.

Not satisfied with an ISO-aligned QMS, EO 605 was issued on 23 February 2007 directing the institutionalization of the Government Quality Management Program (GQMP). The GQMP is intended to:

- a) Promote and enhance public sector performance through adoption of ISO 9001:2000 QMS in all agencies of government;
- b) Develop the institutional infrastructure that shall provide certification with international accreditation; and
- c) Recognize customer-driven government organizations that have demonstrated alignment to international standards.

A Government Quality Management Committee (GQMC) was created to formulate policies on and oversee the implementation of the GQMP. The GQMC is co-chaired by the DBM/Department of Trade and Industry (DTI), with Department of the Interior and Local Government (DILG), Office of the President-Internal Audit Office (OP-IAO) and Development Academy of the Philippines (DAP) as members.

In the pursuit of the GQMP, the following have been undertaken:

- a) In June 2007, the GQMC has approved the Government Quality Management Systems Standards (GQMSS) for the use of the different departments/agencies of the Executive Branch in the adoption of the ISO 9001:2000 Quality Management Systems.
- b) Different information, education and communications materials, such as the GQMP brochure and the ISO guidebook, were also produced in support of Program implementation.
- c) The GQMC has identified the following systems of agencies covered by the Philippine Business Registry (PBR) Project as priorities for purposes of ISO certification:
 - DTI – business name registration;
 - Securities and Exchange Commission (SEC) – partnerships and corporations registration;
 - Bureau of Internal Revenue (BIR) – e-TIN System;
 - Social Security System (SSS) – employer-employee information validation and issuance of employer SSS number;
 - Philippine Health Insurance Corporation (PHIC) – employer PhilHealth number issuance system;

- Cooperative Development Authority (CDA) – cooperatives registration; and
 - Home Development Mutual Fund (HDMF) – mandatory employee registration.
- d) To promote awareness and generate support in the GQMP implementation, a conference on the institutionalization of ISO QMS, which has a theme, “Quality is Everyone’s Responsibility”, was conducted in October 2007.
- e) Technical assistance, including training and coaching, on the development of a quality policy, quality objectives and documentation of the agencies’ quality manual, as well as in the development of capability to conduct quality audit, is being undertaken thru the DAP.
- f) The DAP is conducting Certificate Courses on ISO 9001:2000 and on Effective Internal Quality Audit (EIQA) to train potential Quality Auditors from government.
- ***Development of National Guidelines on Internal Control Standards (NGICS)***

The DBM, thru a technical assistance from the Philippines-Australia Partnership for Economic Governance Reforms (PEGR), is pursuing a project on the formulation of the *National Guidelines on Internal Control Standards (NGICS)* to enhance internal controls in the operating systems of all departments/agencies. The Project is also intended to update and upgrade the agencies’ understanding of the concept/scope of internal control, thereby redesign an effective internal control system which would be applicable to their organization.

A draft of the NGICS had been developed by Consultants tapped for the effort. This is now being reviewed by a Reference Panel composed of internal control/internal audit practitioners from various agencies of government. Thereafter, the NGICS would be initially rolled-out to “big spending agencies” like Departments of Public Works and Highways, and Education, and in Bureau of Customs, before its final adoption government-wide.

- ***Establishment of an Internal Audit Service(IAS)/Internal Audit Unit (IAU) in Departments/Agencies/GOCCs Concerned and Formulation of an Internal Audit Manual***

Under the Rationalization Program, all departments, agencies attached to a department for policy and program coordination, and GOCCs which have original charters or those created through Corporation Code are authorized to establish an IAU to be responsible for assisting the Department head in

achieving an effective and efficient fiscal administration and performance of its affairs and functions, without intruding into the authority and mandate of the Commission on Audit.

Relatedly, the Presidential Anti-Graft Commission (PAGC), thru an assistance from the World Bank, is developing an Internal Audit Manual intended to be used by the different IAS/IAUs to guide in their respective operations. The Manual, which would be issued this year, is being reviewed by the DBM to ensure its consistency with the NGICS.

2. Procurement Reforms

➤ *Improve and harmonize GOP and development partners' procurement guidelines*

For a more concerted and sustained efforts aimed at pushing for procurement reforms, a sub-working group on procurement was created last year. The sub-working group has met twice during 2007 starting with the presentation of the CPAR action plan in order to solicit development partners' support to the implementation of the matrix of agreed actions, then gradually moving towards the identification of gaps in the implementation of the different initiatives on procurement through a series of reporting on the part of both the government and the development partners. The following is the status of the action plan based on the last meeting that the sub working group has last November 14, 2007.

Strategic Communications Plan

In preparation of a Government Procurement Reforms Act Communications Plan, focused group discussions have been conducted. Subsequently, with the assistance of an outside consultant a draft communication plan has been prepared, together with a financial plan. The implementation of the plan is set for 2008

Strengthening monitoring and enforcement

The WB has hired a consultant to assist GPPB in establishing record management system. Transparency and Accountability Network (TAN), a civil society organization addressing anticorruption issues, has been contracted to handle initial studies on (i) Strengthening feedback and procurement monitoring at national and local levels and (ii) Analysis of procurement related information and linkages with other data bases for policy and decision. With the support of the European Commission (EC) and the Asia Foundation (TAF), feedback handling mechanisms for utilization of observers' reports have been developed.

Improvement and harmonization of GOP and Development Partners procurement guidelines

- a) The Philippine Government Electronic Procurement System (Phil-GEPS)

The Government Electronic Procurement System (GEPS), version 1.1, which offers enhanced functionalities to support a more efficient, convenient, and transparent procurement process, was launched on November 25, 2006. The system was adopted by 84% of the national government agencies, 92% of the state colleges and universities, 51% of the government owned and controlled corporations, and 5.5% of the local government units. By the end of CY 2006, 5,091 agencies and 18,734 suppliers registered in the system. The savings generated from the use of the system from CY 2001-2006 was estimated at PhP 414 million. As early as 2004, the GEPS was able to reduce the waiting time for the opening of the sealed bids by more than half in several offices under the DILG. In the meantime, the Government Procurement Policy Board (GPPB) issued Resolution No. 14-2006 shortening the timelines for the completion of the entire process for the procurement of goods, civil works, and consulting services.

Last November 2007, ADB and the World Bank agreed to start using Phil-GEPS National Competitive Bidding and Shopping. The harmonized Phil-GEPS will be piloted in six agencies that are implementing ADB and World Bank assisted projects starting in November 2007, after which a nationwide roll-out is expected to commence in July 2008.

The DBM released the Philippine Bidding Documents (PBDs) Edition II for mandatory use by all government agencies to standardize the bidding documents in all agencies. The GPPB, on the other hand, approved the Generic Procurement Manual. Trainings on the use of the PBDs and the Manual have been rolled out. Meanwhile, a Tripartite Code of Conduct for procurement officials, BAC observers, and suppliers/contractors has been drafted.

Operational guidelines on the Bids and Awards Committee (BAC) Observers' Feedback and Complaint Handling Mechanism were also developed by the OMB in partnership with Procurement Watch, Inc. These guidelines were issued in response to the IRR of R.A. 9184 giving BAC observers the option to submit observation reports to the Bureau of the Resident Ombudsman in the procuring agency. Likewise in partnership with PWI, the OMB conducted 15 trainings (358 participants) for CSO procurement monitors, observers & trainers.

To enhance transparency in public procurement, the President issued Executive Order No. 662-A on November 15, 2007 creating the Procurement Transparency Group (PTG) composed of the GPPB as the head, and the PAGC, National Economic and Development Authority (NEDA), DOJ, DBM, Department of the Interior and Local Government (DILG), and 5 civil society organizations (CSOs) designated by the CSO network as members. The group is tasked to evaluate, comment on, record and monitor procurement activities of NGAs, GOCCs, GFIs, SUCs, and LGUs based on mode of procurement, amount of budget, volume, susceptibility to problems or anomalies and importance of the project to the developmental activities of the country. The group is also mandated to strategically deploy trained observers to the BACs and address the issues and concerns gathered from the monitoring of these observers.

b) Construction Sector Transparency Initiative (CoST)

A new initiative was introduced in the area of development of Procurement Monitoring System. In September 2007, the principle of the CoST has been officially adopted by the Government of the Philippines in an Executive Cabinet Meeting. The CoST initiative aims to supplement existing country initiatives to enhance transparency and accountability of publicly financed infrastructure projects by publicly disclosing basic project information and creating a collaborative multi-stakeholders group which can act as oversight committee in ensuring greater transparency and public understanding of information on disclosed projects.

During a consultative workshop held in Manila last September 2007, a consensus was made on the following:

- Secretary Rolando G. Andaya, Jr was named CoST Champion;
- The Government Procurement Policy Board –Technical Support Office (GPPB-TSO) would take the lead in the CoST initiative in the Philippines;
- The Department of Public Works and Highways would be the CoST Pilot Implementing Agency
- A multi-stakeholders group (MSG) and Quality Assurance (QA) Team would be established

B- Anticorruption

➤ ***Communicate progress made in recent months on prosecution, prevention and education, and identify goals for 2007***

The year 2007 saw the initiation of a convergence of the different stakeholders in the anti-corruption arena and the formation of the Multi-Sectoral Anti-Corruption Council (MSACC) under the National Anti-Corruption Program of Action (NACPA), spearheaded by the OMB. The goal of the NACPA is to integrate and eradicate overlaps in the anti-corruption initiatives and projects of the OMB, other government agencies, and civil society groups, using the UNCAC as its framework. It seeks to (1) serve as an avenue for effective Consultations and coordination among key anti-corruption players, (2) streamline and strengthen the anti-corruption commitments of the government, civil society, and donor community under a comprehensive strategic framework, (3) install an anti-corruption performance measurement system, and (4) achieve greater public support and investor confidence through the social marketing of anti-corruption success stories.

The MSACC is composed of the OMB as chair and representatives from anti-corruption key players and stakeholders as members. The council implements the NACPA by putting into practice a convergence strategy for collective and coordinated action against corruption along three thematic areas: prosecution, prevention, and promotion, corresponding to the three reform areas of punitive measures, preventive measures, and promotion of zero tolerance under the MTPDP.

The sectors under the umbrella of the MSACC include the executive (Office of the President), legislative (Senate, House of Representatives), and judicial (Supreme Court, Sandiganbayan) branches, constitutional bodies (OMB and Commission on Audit), local government (Liga ng mga Barangay), government financial institution (Bangko Sentral ng Pilipinas), youth (National Youth Commission), business (Employers' Confederation of the Philippines), civil society (Evelio Javier Foundation, Moral Recovery Officers Foundation, BISYON 2020), academe (University of the Philippines-NCPAG), interfaith groups (Imam Council of the Philippines), professional organizations (Philippine Association of Professional Regulatory Board Members), media (Kapisanan ng mga Brodkaster ng Pilipinas, Tri-Media Professionals Association) and development partners on observer status.

On March 1, 2007, the MSACC was formally launched, a set of by-laws was adopted and the different members of the different sectors representing the council signed the Memorandum of Agreement.

Regular meetings were undertaken, a secretariat and a technical working group were created in order to assist the council in its operation. Last June 6-8, strategic planning was held participated in by the Tanodbayan herself and all the representatives of the sector. In that session, the body adopted the mission, vision and goal of the council and initiated the assessment of the individual anticorruption initiatives of the different member sectors with the plan to consolidate and correlate similar efforts in combating corruption.

In order to raise the consciousness of the public and solicit public support, MSACC successfully concluded two road shows in Quezon City and Davao City in August and October 2007, respectively. The integrity rally held on August 17, 2007 brought together the participation of all members of the sector including local governments, junior graft busters, academe, and even the media. The event was covered extensively in local and national broadsheet. On the other hand, the road show in Davao resulted to the forging of agreement and support by the business community in the anticorruption drive of the Office of the Ombudsman. A memorandum of agreement was signed by and between the office of the Ombudsman and the Federation of Filipino-Chinese Chambers of Commerce) for collaboration on anti-corruption initiatives, such as the conduct of lifestyle checks, procurement monitoring and public contracts implementation monitoring. The move was likewise seen as a means of forging partnership in jointly eliminating barriers to the application for business operation and thus promoting growth and competitiveness.

On September 26-28, 2007, MSACC members participated in a training on monitoring and evaluation of anticorruption projects in line with the UNCAC framework. During the training, participants painstakingly arrived at verifiable project indicators, project objectives, and agreed on measurable performance indicators that could be objectively used in assessing extent of successful project implementation.

➤ *Monitor recommendations of Integrity Development Reviews (IDRs)*

Integrity Development Review (IDR), a systematic assessment of the corruption resistance mechanisms and corruption vulnerabilities of an agency, has been conducted in 18 agencies of the national government - exceeding the target of 15 agencies by 2007 - through the OMB with the collaboration of other government offices such as Commission on Audit (COA), the Development Academy of the Philippines (DAP), the Presidential Anti-Graft Commission (PAGC), and DBM. The IDR is a compendium of diagnostic tools that allow an agency to assess the corruption risks and controls and plan out anti-corruption safeguards. The agencies that underwent this exercise during the Plan period are the BOC, Bureau of Internal Revenue (BIR), Department of Public Works and Highways (DPWH), Philippine National Police (PNP), Land Transportation Office (LTO), Department of Environment and Natural Resources (DENR), Philippine Veterans Affairs Office (PVAO), Armed Forces of the Philippines-Philippine Navy (AFP-PN), Department of Health (DOH), Department of Agrarian Reform (DAR), Light Rail Transit Authority (LRTA), Land Registration Authority (LRA), Bureau of Corrections (BuCor), Bureau of Fire and Protection (BFP), National Irrigation Authority (NIA), Department of Budget and Management-Procurement Service (DBM-PS), Department of Education (DepEd), and the OMB. In line with the recommendations of the IDR, 600 middle managers from these agencies were trained on the institutionalization of mentoring activities on risk management, among others. A mentoring manual is being developed.

An interesting development borne out by the IDR project is the dynamic government-CSO partnership, particularly at the Department of Health, where the National Movement for Free Elections (NAMFREL) developed and printed user-friendly handbooks on the procurement and delivery of medicines in public hospitals nationwide. The handbook seeks to promote transparency in the procurement process to ensure value-for-money procurement, delivery and distribution of medicines especially to remote areas, thereby boosting the nation's attainment of the MDG to reduce child mortality, improve maternal health and combat HIV/AIDS, malaria and other major diseases.

The IDR participating agencies are required to constitute their respective Integrity Development Committees (IDCs) tasked to monitor the implementation progress of the IDR recommendations which are embodied in the respective Action Plan submitted by the agencies. Integrity Development Committee (IDC) shall have a tripartite composition:

1. From the Agency: Career Undersecretary/Asst. Secretary or Deputy Commissioner/Asst. Commissioner or Director level;
2. From the Ombudsman: Resident Ombudsman and staff;
3. From Civil Society/NGO group: Major external stakeholder / CSO/ NGO/ Professional Association partner of the Agency

Recommendations are arrived at in consultation with key management people of the participating agencies to ensure their "doability" and commitment, and in the event that they do not comply with the recommendations, the Ombudsman is aided with the

constitutional and statutory powers, thus: Par. 2, Section 13 of the 1987 Constitution in relation to Par. (2) Section 15 of RA 6770 provides as one of the Ombudsman's powers, functions and duties –

“To direct, upon complaint or at its own instance, any public official or employee of the Government, or any subdivision, agency, or instrumentality thereof, as well as of any government-owned or controlled corporation with original charter, to perform and expedite any act or duty required by law, or to stop, prevent and correct any abuse or impropriety in the performance of duties.”

A similar project was rolled out by the OMB at the Ninoy Aquino International Airport (NAIA). A study of the corruption vulnerabilities of the air cargo handling system at NAIA was conducted for the purpose of enhancing the integrity infrastructures supporting the air cargo operations at the airport with the end in view of increasing government revenues and investments and improving global competitiveness.

The Resident Ombudsman program of the OMB was repositioned to give strategic focus on systems reforms-based corruption prevention programs. Five hundred (500) organic/non-organic resident ombudsmen are spread over national government agencies (NGAs), local government units (LGUs), government-owned and controlled corporations (GOCCs), government financial institutions (GFIs) and state universities and colleges (SUCs).

The PAGC, for its part, was able to cascade the Integrity Development Action Plan (IDAP) to 120 agencies, bureaus, and regional offices. The IDAP is the national anti-corruption framework of the executive branch. It is composed of 22 “doable” anti-corruption measures clustered into the strategies of Deterrence/Investigation and Enforcement (making corruption as high-risk, low-reward activity); Prevention (systems reforms to minimize opportunities for graft and corruption); Education (advocacy to fight the negative perception of the public in the fight against corruption as well as values formation); and Strategic Partnership (enjoining the support of the public towards the fight). To ensure and measure the efficiency of implementation of the IDAP, PAGC together with representatives from IDAP-participating agencies crafted a set of IDAP indicators using a 5-point rating scale and is in the process of finalizing an anti-corruption scorecard for piloting in December 2007.

The PAGC also initiated a project to strengthen internal audits for effective procurement monitoring and enforcement. An assessment report on the operational quality of 15 pilot agencies and a generic internal audit manual that includes Quality Assurance Program were completed in October 2007.

Civil Society Participation

In the same year, the working group on GAC opened its door to CSOs' participation. In the meetings conducted at the sub-working group level, representatives of the CSOs were invited.

On the other hand, the secretariat of the working group attended significant activities initiated by the CSO in order to keep abreast of the developments in anticorruption and to ensure interaction between development partners, the government and the civil society which are key allies in the fight against corruption.

Although there were some notable changes in significant actors in the anticorruption milieu, the level of participation continues to manifest the same degree of CSO involvement. The strong civil society in the country proved to be a never ending source of pressure to improve governance and continue the fight against corruption.

The **Transparency and Accountability Network (TAN)** developed a Lifestyle Check Guide for CSOs and trained local CSOs on existing anti-corruption tools through outreach programs in Luzon, Visayas, and Mindanao. It also undertook the validation of procurement indicators at selected pilot agencies of the government, spearheaded appointments watch in the COMELEC and Supreme Court and expanded the search to include the COA and CSC.

In between the second to the third quarter of last year, it spearheaded the conduct of at least three road shows on three main cities such as Iloilo, Tuguegarao and Davao.

The **Coalition Against Corruption**, on the other hand, developed handbooks/volunteer guides on pork barrel watch monitoring, medicine monitoring, and internal revenue allotment (IRA) watch, and conducted trainings for CSOs on monitoring these projects. The **Code-NGO** likewise implemented a pork barrel watch project. Meanwhile, the **Society of Jesus** is active in conducting *Ehem!* Value Formation seminars.

The **PWI**, in partnership with the OMB, conducted trainings on the procurement process for BAC observers, monitors and trainers. It also developed a working tool to measure the efficiency of differential expenditure in public procurement and another tool to monitor procurement of infrastructure, the CoST initiative.

The **Social Weather Stations**, in partnership with the GPPB, conducted a public opinion survey to gauge the effectiveness and impact of procurement reforms and for almost 7 years had consistently conducted the business survey on corruption.

The **Concerned Citizens of Abra for Good Governance (CCAGG)** is involved in monitoring civil works projects of the government and actively participates in trainings on procurement monitoring.

The **G-Watch of the Ateneo School of Government** has a project called *Bayanihang Eskwela* together with the Text book count. As an offshoot of the Text book count project and the significant procurement reforms initiated at the Dep-ED, books in the elementary

and secondary education have reduced in terms of cost from P70 and 120 in 1998 to P37 and P59. (PDI Jan. 11, 2007)

III. CHALLENGES FOR 2008

The year 2007 has been an uphill battle in the field of anticorruption and good governance. Public confidence in the government's ability to combat corruption continues to be low despite the conviction of the proverbial big fish, former President Joseph Estrada.

The working group is looking at continued discussion at the level of the different sub-working groups of significant issues that had already been started last year. Some of these are the following:

At the level of the governance sub-working group, discussions will be centered on piloting and eventual implementation of the financial management manual. Parallel to this, consistent effort aimed at harmonizing the different existing donors' intervention related to financial management will be pursued. The sub-working group is targeting a more active participation of the CoA during its regular meetings. There are also some recommendations to connect the WB-PAGC project with that of DBM.

At the level of the procurement sub-working group, efforts have already been initiated in terms of coordinating the different programs of the development partners in support of the CPAR. The priorities of which are centered on procurement communications reforms, strengthening and enforcement and capacity building.

The working group is also planning to prioritize the evaluation of the existing module on IDR and the drafting of a customized module for the LGUs.

Interests have been shown towards bringing in to the discussion at the level of the working group, existing and completed projects on justice reform and the creation of an Integrity Development Institute.

While the accomplishments can be considered as significant, much remains to be done in the field of anticorruption. The working group appeared to be a small boat trying to keep afloat in a wide turbulent sea, continuously battling the tide and unafraid to explore new horizons!