CHAPTER 5
ORGANIZATIONAL DIMENSIONS

5. ORGANIZATIONAL DIMENSIONS

Several dimension of the internal organization were reviewed during the conduct of the Comprehensive Survey. These dimensions include the following:
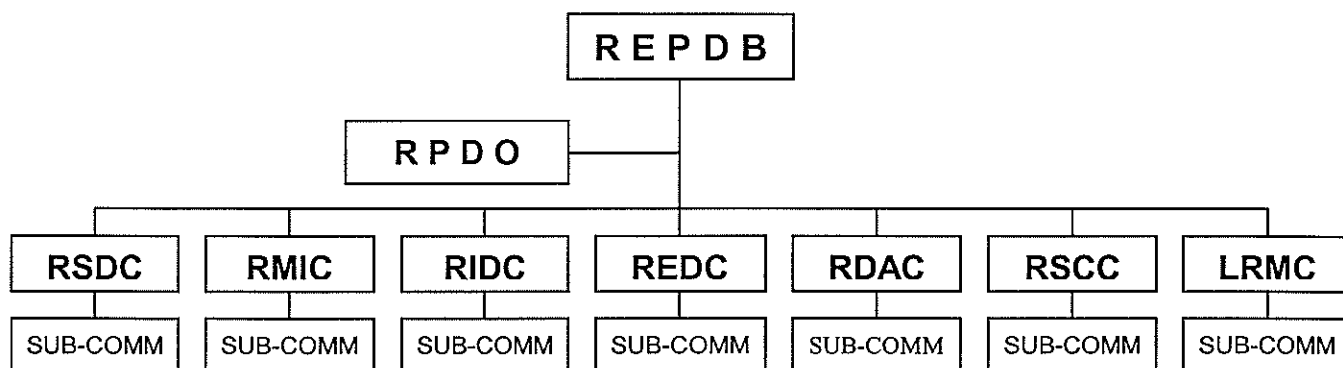
- ◆ Development Planning for ARMM

- ◆ Financing ARMM

- ◆ Policies

- ◆ Relationships

- ◆ Human Resource Complement

- ◆ Operating Systems and Procedures

- ◆ Performance Monitoring, Evaluation and Problem Solving

- ◆ Advocacy and Communication

- ◆ Strategies on the Delivery of Basic Services

- ◆ Devolution.

5.1 Development Planning for ARMM

5.1.1 Planning Structure

One of the major functions of the Autonomous Regional Government (ARG) is to formulate comprehensive and integrated regional urban and rural development policies, plans, programs and projects responsive to the needs, aspirations and values of the people in the autonomous region (Article XI, Section 1, of RA 9054). In line with this, the Regional Economic and Development Planning Board (REDPB) were created to serve as the highest planning body of the Region. The Organizational Structure of the REDPB is shown on the next page:

Figure 5-1   Regional Economic Planning and Development Board (REPDB)
               Organizational Structure

LEGEND:

ARMM	- Autonomous Region in Muslim Mindanao
RLA	- Regional Legislative Assembly
LGUs	- Local Government Units
RLAs	- Regional line Agencies
CABINET MEMBER	- All Heads of Regional Agencies/Department
RPDB	- Regional Planning Development Board
RPDO	- Regional Planning Development Office
ORG	- Office of the Regional Governor
RSDC	- Regional Social Development Committee
RMIC	- Regional Macro-Intersectoral Committee
RIDC	- Regional Infrastructure Development Committee
REDC	- Regional Economic Development Committee
RDAC	- Regional Development Administration Committee
RSCC	- Regional Statistical Coordination Committee
LRMC	- LGUSP Regional Management Committee

The Board serves as the planning, monitoring and coordinating agency for all development plans, projects and programs intended for the autonomous region. It evaluates and recommends for approval by the Regional Legislative Assembly, the annual work program and comprehensive development plan of the autonomous region. Once approved, it is the duty of the Regional Governor to ensure the proper implementation of the said annual work program and comprehensive development plan/s.
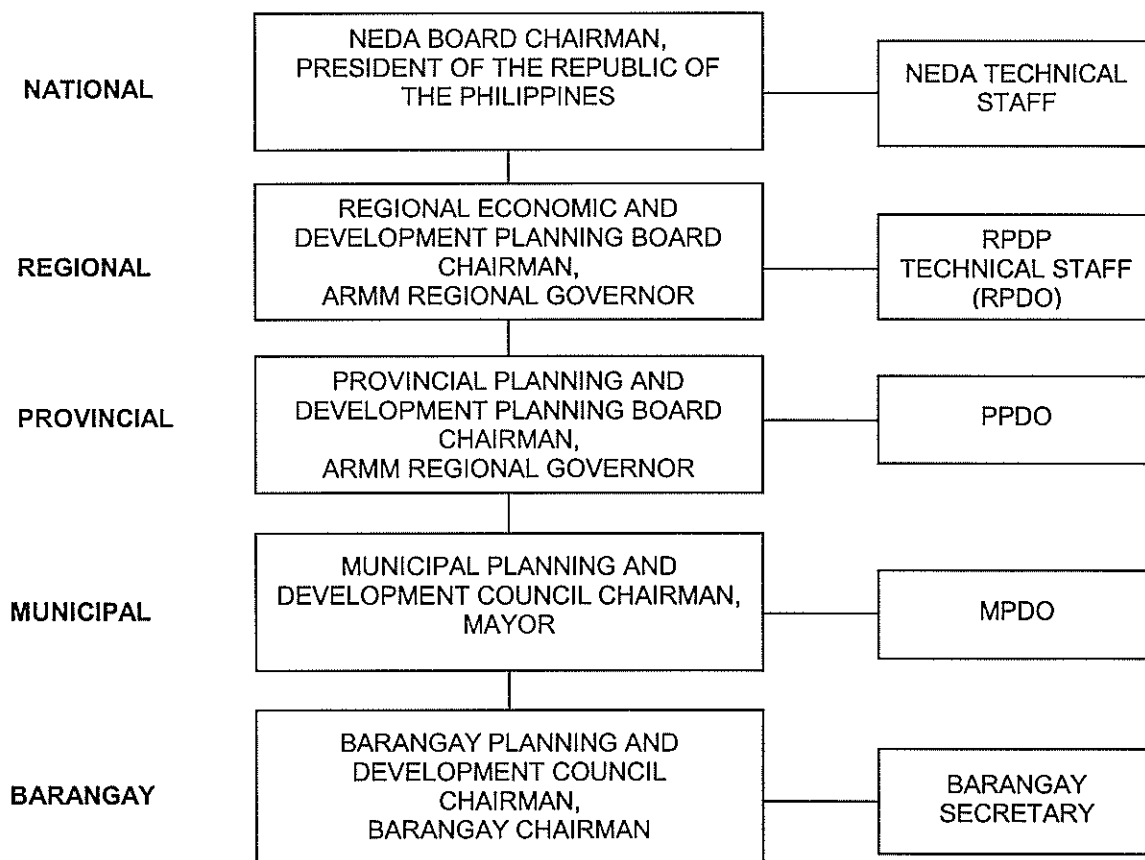
The Board is also tasked to formulate a master plan for a systematic, progressive, and total development of the region. The master plan is to take account the development plans of the provinces, city, municipalities and barangays concerned as mandated by R.A. 7160, the Local Government Code of 1991 (Article XII, Section of R.A. 9054)

5.1.2   Planning Linkage

Similar to the other administrative regions all over the Country, the REPDB relates with all levels emanating from the barangays, municipalities, provinces, and regions and up to the national level. There is an assumption that with the linkages in the Development Planning

Machinery, lower level plans get to be considered at the provincial, regional and even at the National level. However, there are great doubts that linkages are actually happening, given the capacities and time elements of the planning process. Shown in Figure 5-2 shows the linkages of National, Regional and Local Planning and Development Machinery.

Figure 5-2   Linkages of National, Regional and Local Planning and Development Machinery

NATIONAL	NEDA BOARD CHAIRMAN, PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES	NEDA TECHNICAL STAFF
REGIONAL	REGIONAL ECONOMIC AND DEVELOPMENT PLANNING BOARD CHAIRMAN, ARMM REGIONAL GOVERNOR	RPDP TECHNICAL STAFF (RPDO)
PROVINCIAL	PROVINCIAL PLANNING AND DEVELOPMENT PLANNING BOARD CHAIRMAN, ARMM REGIONAL GOVERNOR	PPDO
MUNICIPAL	MUNICIPAL PLANNING AND DEVELOPMENT COUNCIL CHAIRMAN, MAYOR	MPDO
BARANGAY	BARANGAY PLANNING AND DEVELOPMENT COUNCIL CHAIRMAN, BARANGAY CHAIRMAN	BARANGAY SECRETARY

Source: Regional Planning and Development Office (RPDO)

5.1.3   Development Directions

The Regional Economic Planning and Development Board (REPDB) has developed several development plans during the past administrations, ranging from a Regional Physical Development Framework Plan (RPFP), which is a long term physical plan; a Medium Term Regional Development Plan (RPDP) for 1999-2004; and an ARMM Regional Development Framework with the Regional Investment Plan.

While there are existing development plans in all the four (4) administrations, there prevail changing priorities due to the changes in leadership. As such, continuity of programs/projects and sustaining their earlier gains and successes has not been sustained.

In this current administration under Regional Governor Parouk Hussin, the 2002-2004 Development Framework Plan focused on the ARMMs Regional Executive Agenda (REA) for Peace and Development.

a)   REGIONAL EXECUTIVE AGENDA (REA) FOR PEACE AND DEVELOPMENT

The Regional Executive Agenda (REA) is the Regional Development Framework Plan and the Catch-Up Plan of the ARMM Region. The REA sets the development directions and priorities formulated on the basis of policy guidelines and directions of the REPDB. This was formulated in 2001. Shown in Annex 5-1 are the details of the REA.

The REA for Peace and Development is anchored on the following policy guidelines:

♦   Supporting Peace Process

Putting in place the development aspects of the 1996 Peace Agreement and the Mechanism for the Reconciliation to sustain peace and stability.

♦   Social Reforms

Basic services like potable water supply, health, education, and training and social protection package will be developed.

♦   Economic Reforms

Focus will be on livelihood projects, modernizing agriculture and fishing, provision of strategic infrastructure like farm-to-market roads, irrigation, post-harvest, storage and processing and port facilities. The policy environment will be improved and capacity of small-medium enterprises (SMEs) will be developed.

♦   Political Reforms

Focus will be on establishing strong inter and intra-governmental level relationships to strengthen coordination, collaboration and bases for consensus-building to ensure adoption of common policy reform agenda and development directions of the region.

♦ Institutional Reforms

Reforms will be guided by transparency, efficiency and accountability. A Code of Ethical Standard will be adopted; bureaucracy will be restructured and re-organized. There will also be optimization of the Official Development Assistance (ODA) in capacity-building and human resource development.

Shown in Table 5-1 is the Status of Implementation of the Regional Executive Agenda for Peace and Development

Table 5-1   Status of Implementation of the Regional Executive Agenda
for Peace and Development
(As of March 2003)

Regional Executive Agenda for Peace and Development	Summary of Accomplishments
ECONOMIC DEVELOPMENT ■ Agri-Fishery Development ■ Environment and Natural Resources ■ Investment Generation and Development ■ Small Medium Enterprises (SMEs) Development Program ■ Trade, Tourism and Development ■ ARMM Information Communication and Technology	■ Intensified Agriculture Production through the provision of agri-fishery support like seeds, post harvest facilities, irrigation, extension services, etc; ■ Assisted 20 Agrarian Reform Communities (ARCs) covering 78,354.3 hectares with 26,904 beneficiaries, as of March 2003. A total of P331.74 million for on-going and completed projects from the Asian Development Bank (ADB) for 23 various agri-support infrastructures applied by the local government units; ■ Mindanao Rural Development Program (MRDP) funded by World Bank also provided funding for 6 municipalities in Maguindanao; ■ Support for Agrarian Reform in Central Mindanao (STARCM) under the European Union for selected municipalities in Lanao del Sur; ■ A total of 5,107 Cooperatives are registered in ARMM and 3,308 Cooperatives are being monitored by the Cooperative Development Authority (CDA); ■ 2,000 hectares Kabulnan Watershed Reforestation at Ampatuan, Maguindanao was completed with funding by Japan Bank for International Cooperation (JBIC); ■ 950 hectares mangrove reforestation at Kabingaan, Tapul Island in Sulu also funded by JBIC;

Regional Executive Agenda for Peace and Development	Summary of Accomplishments
	▪ P3.756 million revenue generated by the Department of Environment and Natural Resources (DENR) from forest charges; ▪ P2.218 billion worth of 7 livelihood projects were implemented and assisted by the Department of Science and Technology (DOST); ▪ Regional Economic Zone Authority (REZA) approved for implementation in the Region.
SOCIAL DEVELOPMENT ▪ Social Services ▪ Madaris Education ▪ Human Resources Development ▪ Livelihood Development ▪ Cultural Development	▪ Upgrading of hospitals in the provinces of Sulu and Basilan projects worth 1million Canadian dollars (P32million); ▪ Rehabilitation, repair and renovation of war ravaged health facilities such as construction of 9 Rural Health Units, construction of 7 Barangay Health Stations, repair and renovation of 2 hospitals; ▪ Implementation of the Basic Education Assistance in Mindanao (BEAM) and the Commission on Higher Education (CHED)-ARMM Scholarship; ▪ Distribution of post literacy materials in 5 Division Schools of the Department of Education (DepEd); ▪ Implementation of Skills Training Program; ▪ 296 poor but deserving students benefited from the Private Education Scholarship Fund Assistance (PESFA) Scholarship Program ▪ Provision of Emergency Assistance to 287,086 families/individuals, aid to individuals on current situation, supplemental feeding and transportation assistance to deportees; ▪ Provided P1.948 million GOP-UN Multi-donor program for construction of 84 core shelter in Kapatagan, Lanao del Sur; ▪ Assistance to deportees; ▪ Implementation of the Comprehensive Integrated Development of Social Services (CIDSS) Program; ▪ ARMM Social Fund piloting of Community Development Assistance (CDA) component- pilot municipalities and barangays and 3 Strategic Regional Infrastructures (SRIs) scheduled for implementation such as terminal building at Polloc Port Rehabilitation of Sulu Hospital and the

Regional Executive Agenda for Peace and Development	Summary of Accomplishments
	Information, Communication and Technology (ICT) Center;
	▪ Negotiation of JBIC parallel financing to SFP;
	▪ Approval of 2003 Country Program for Children (CPC) V Work plan for province of Maguindanao and Sulu;
	▪ United Nations' Children Fund (UNICEF) assistance to deportees amount to US$13,000.

INFRASTRUCTURE DEVELOPMENT
▪ Regional Infrastructure
▪ Social Infrastructure
▪ Infrastructure Support for Agri-Industrialization
	▪ Concreting of Jolo Circumferential Road;
	
	▪ Portion of unpaved section of Lake Lanao Circumferential Road;
	
	▪ Basilan Circumferential Road/Concrete paving of road sections;
	
	▪ Various Infrastructure for Lanao Sur and Marawi City for school buildings;
	
	▪ Improvement/Concreting of Seit Tayungan Camp Andres Road;
	
	▪ P67.38 million worth of various infrastructure for Sulu;
	
	▪ Awang airport in Maguindanao worth US $30 million earmarked from third airport development project;
	
	▪ On-going Official Development Assistance (ODA) Infrastructure Programs/projects are:
	
	  - 163 units of Salam Bridge Projects being constructed region wide
	  - Presidents' Bridge Program II
	  - Tulay ng Pangulo sa Special Zone of Peace and Development (SZOPAD)
	  - Malmar Irrigation System
	  - Mindanao Second Roads Improvement
	  - Rural Water Supply and Sanitation Sector
	  - Southern Philippine Irrigation Sector
	  - Improvement/Concreting of Manamao Road in Sulu
	  - Seaport Revenues for the following ports (Polloc Port with P850 thousand average monthly income; Jolo Port with ₱190 thousand average monthly income; and Bangao Port with ₱111.5 thousand average monthly income)

Regional Executive Agenda for Peace and Development	Summary of Accomplishments
DEVELOPMENT ADMINISTRATION ■ Regional Administration Reform ■ Regional Systems Development ■ Regional Capability-Building Program ■ Regional Legislation System Program ■ Regional Fiscal Management Program	■ Formulation of the Regional Executive Agenda; ■ Strengthening of the REPDB major committees organized and held 6 regular board meetings; ■ Creation of ARMM Oversight Committee; ■ Facilitated issuance of EO 125 and 125-A; ■ Facilitated issuance of EO 178 which provides additional power and functions of DOST-ARMM; ■ Facilitated issuance of EO 180 which provides additional power and functions of DTI-ARMM; ■ Facilitated issuance of EO 181 provides the devolution of TESDA in Basilan; ■ Regional Legislative Executive Development Advisory Council (RLEDAC) organized; ■ Intensified initiative on inviting multi-donor assistance in ARMM through National and International for a and visitation; ■ Capability-Building for ARMM Executives; ■ On-going Study on Human Resource Development by World Bank; ■ Appointment of 3 Deputy Regional Governors for ARMM; ■ Regional Treasury collected P188.476 million as 60% share of ARMM and Local Government Units from Internal Revenue taxes collected in the Region; ■ 820 crime incidents, 697 solved posting 85% crime solution efficiency; ■ Regional Legislative Assembly conducted 73 regular and 1 special session, drafted 82 bills, filed 51 bills with 4 enacted into law, drafted 104 resolutions and filed 41 with 27 adopted.

Source: RPDO Report on the Workshop on Strengthening the Sectoral and Agency Planning and Reporting System in Support of the ARMM-Regional Executive Agenda, March 2003; and Speech delivered by Executive Secretary Nabil Tan during the DILG Workshop held in Davao City.

b) LOCAL EXECUTIVE AGENDA AND DEVELOPMENT PLANS OF THE LOCAL
GOVERNMENT UNITS (LGUs)

The five provinces have completed their Provincial Physical Framework Plans (PPFP).
However, these long-term physical plans need to be updated given the current realities in the
field.

As for municipalities with completed.Comprehensive Land Use Plans pursuant to E.O. 204 (as
amended), the Housing and Land Use Regulatory Board (HLURB) reported the following status
of completion, excluding the province of Basilan.

Figure 5-3   Status of Completion of Comprehensive Land Use Plans (CLUPs)

MAGUINDANAO

1. Ampatuan   8. Sultan Kudarat
2. Buluan   9. Talayan
3. Datu Odin Sinsuat   10. Talayan
4. Mamasapano   11. Shariff Aguak
5. North Upi   12. Pagalungan
6. Pagalungan   13. Datu Paglas
7. Datu Piang   14. Pagagawan

LANAO DEL SUR

1. Wao   7. Kapatagan
2. Bumbaran   8. Sultan Gumander
3. Piagapo   9. Pualas
4. Kapai   10. Lumbayanague
5. Mulondo   11. Kalawi-Bacolod
6. Poona Bayabao

SULU

1. Talipao
2. Patikul
3. Lugus
4. Pangutaran
5. Parang
6. Maimbung
7. Pata
8. Indanan

TAWI-TAWI

1. Simunul
2. South Ubian

Source: HLURB-ARMM, April 2003

Plans direct activities and conduct of governance among LGUs. Survey respondents were asked
to confirm availability and status of documents in their areas. Results indicate that the most
available from among the provinces are: Socio-Economic Profile, Executive Agenda, Human

Resource Development Plan and Financial Management Plan. At the Municipalities and City level, Socio-Economic profile, Comprehensive land Use Plan registered more positive response.

At the provincial level, all five LGUs indicated absence of Revenue Generation Plan and Ecological Solid Waste Management Plan; while the City stated that Contingency Plan, Local Shelter Plan, Human Resource Development Plan and Financial management Manual are not available. As regards municipalities, the plans that received low positive response are – Investment Incentive Code, Public Safety Plan, and Local Shelter Plan. Table 5-30 captures plan availability status among the LGUs.

Table 5-2   Availability of Plans and Other Documents in Sample Provinces, Municipalities and City

Positive Response	Plan and other Documents	Positive Response
Province		Municipalities & City
100%	Socio-Economic Profile	88%
40%	Comprehensive Development Plan	64%
-	Comprehensive Land Use Plan	62%
20%	Physical Framework Plan	-
80%	Executive Agenda	55%
40%	Legislative Agenda	55%
80%	Annual Investment Plan	58%
20%	Investment Incentive Code	23%
20%	Local Revenue Code	52%
0%	Resource Revenue Gen. Plan	41%
20%	Local Poverty Reduction Plan	32%
0	Ecological Solid Waste Management Plan	29%
20%	Public Safety Plan	20%
20%	Contingency Plan	29%
20%	Local Shelter Plan	23%
20%	Local Enterprise Development Plan	38%
20%	Gender & Development Plan	41%
40%	Local Plan for the Protection of Children	32%
20%	LGU Administrative Code & Operational Manual	32%
60%	Human Resource Development Plan	41%
60%	Financial Management Plan	47%

Source: Results of Baseline Survey, September 2003

While the provinces, cities and municipalities also came up with their own Executive Agenda, there is so much to be desired in the actual implementation of these development directions.

5.2   Financing the ARMM

In relation to Fiscal Autonomy provided for in RA 9054, the Regional Government shall:

- ◆ Have the powers to create its own sources of revenues and to levy taxes, fees and charges, subject to the provisions of the Constitution and RA 9054 (Article IX, Section 1);

- ◆ Enjoy fiscal autonomy in generating and budgeting its own sources of revenues, its share of the internal revenue taxes and block grants and subsidies remitted to it by the Central Government or National Government or any donor (Article IX, Section 2)

5.2.1   Sources of Revenues for ARMM

The Regional Legislative Assembly in Muslim Mindanao Act (MMA) No. 49 dated June 12, 1996 passed a Revenue Code of the Autonomous Region in Muslim Mindanao (ARMM). While there is a clamor for the revision of the Regional Code, the major provisions still hold.

The major sources of revenues of the Autonomous Region are:

- ◆ Internal Revenue Collections (35% ARMM Share and 30% National Government Share on In Internal Revenue Allotment);

- ◆ Natural Resources Taxes, Fees and Charges (35% share of ARMM from DENRs collections);

- ◆ Regional Taxes in accordance with the ARMM Revenue Code:

  - o Travel tax
  - o Contractors tax
  - o Interest Income
  - o Regional Posts Management Authority (RPMA) Collections
  - o Others such as collections from RBOI, DTI, Secretary's Fees, Health Certificates, Real Property taxes, rental, and amelioration tax, SPDA, etc.

All these revenues form part of the Local Funds, which are used for local budgets duly, legislated   by the Regional Legislative Assembly.

5.2.2   Local Funds of ARMM

Based on the report from the Office of the Regional Treasurer as shown in Table 5-3, an increase was experienced starting from 1997 (at P175.7 million) coinciding with the first year of the peace agreement between the GRP and the MNLF.   Minimal increases followed in the succeeding years, when RA 9054 set the Internal Revenue Allotment (IRA) share of ARMM at 35%.

In 2002, the Regional Treasurer estimated the ARMM revenues at P270 million, consisting largely from the Regional IRA. (Extracted from the preliminary draft of the World Bank Study on Human Resource Development in ARMM, September 2003)

Table 5-3   ARMM Local Funds

(In million pesos)

YEAR	AMOUNTS
1993	23.1
1994	26.5
1995	26.9
1996	41.1
1997	175.7
1998	104.8
1999	103.0
2000	121.8
2001	130.0
2002	270.0

Source: Office of the Regional Treasurer, ARMM
Extracted from the preliminary draft of the World Bank Study on Human Resource Development in ARMM, September 2003.

Local Fund Transfers to ARMM

Based on the Regional Consultation Workshops and interviews with key officials in the Autonomous Regional Government, the local fund transfers to ARMM has become circuitous in recent years and as such, has resulted in the delays of releases of local funds. Shown below is the situation before 2002 and now with respect to the process of local fund transfer to and from ARMM.

BEFORE 2002   NOW

BIR National Office   BIR National Office ———► DBM Office

Step 1 ↑   │ Step 2   Step 1 │   Step 2   │ Step 3

BIR Local   ORG-ORT   BIR Local   ORG-ORT
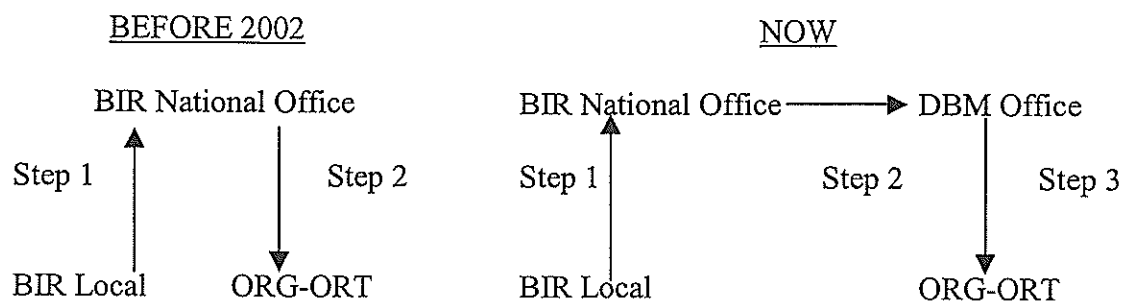
These funds have to be appropriated and shall now form part of the General Appropriations Act (GAA).

5.2.3   Local Budget Preparation

In the utilization of the local funds, the Autonomous Regional Governor follows its Budget Code of 1993 with the setting of its policy guidelines for local budget preparation. For the Budget Year (April 2002 to December 2002), the policy guidelines include the following:

♦ support to socio-economic upliftment programs and projects that promote sustainable development and rapid reduction of poverty, ensuring equitable access of the poor families to the basic services including livelihood and rehabilitation related activities;

♦ enhancement of Madaris education, manpower skills and technological development programs;

♦ Support for the peace process and other socio-political agenda;

♦ Support for sports development programs, preservation and development of cultural heritage of the region;

♦ Support for environment protection, preservation and conservation of natural resources ensuring sustainable development and ecological balance in Mindanao;

♦ Capability building enhancing the regions' capacity to absorb Official Development Assistance (ODA) and attract local and foreign investors;

♦ Locally created agencies/offices shall be given priority consideration in local budget allocation; provided that local fund allocation to national funded agencies shall be for support to specific programs/projects not otherwise funded by the National Government. However, priority is given to income and employment generating programs and skills

development in accordance with the thrusts of the newly expanded autonomous government. Moreover, subject programs shall require minimal personnel services;

♦ Support to the legislative agenda that promote revenue and tariff generation and taxing capacities and those that shall boost the investment initiatives of the region;

♦ To effect the Deposit Account Agreement with the authorized government depository banks that will offer the best yield and services to ARMM;

♦ Support to the devolution and empowerment of devolved agencies;

♦ Standardization and classification of locally funded positions. The Regional Governor will approve the Position Allocation List of the concerned agencies; and

♦ All appointments and hiring of personnel for the positions shall be subject to the evaluation and assessment of the Administration Management Service for approval of the Regional Governor or his authorized representative, upon recommendation of the Head of concerned agency/office except those authorized by law.

A local budget call is issued. Respective agencies submit their proposals. Local budget hearings are made and from which the Office of the Regional Governor (ORG) prepares a local budget for deliberation by the Regional Legislative Assembly (RLA). The latter then acts and approves an annual budget for implementation by the Autonomous Regional Government (ARG). Shown in Annex 5-2 is the list of agency budgets from 1997 to 2003.

5.2.4   Transfers from the National Government

The other major source of funding for ARMM comes from the General Appropriations Act (GAA). These funds are appropriated annually as part of the government budget that is formulated by the DBM with certain budgetary ceilings, endorsed by the President to Congress for enactment the Annual General Appropriations Act. (GAA).

Shown in Table 5-4 is the historical trend of the ARMM Budget since its operation in 1991.

Table 5-4   Historical Budget Trend

Autonomous Regional in Muslim Mindanao
1991-2004
(In thousands)

YEAR	PS	MOOE	CO	TOTAL
1991	64,295	91,403	637,114	792,812
1992	184,279	169,223	628,453	981,955
1993	997,138	321,397	615,078	1,933,613
1994	1,156,067	311,535	622,170	2,089,772
1995	1,362,549	405,801	716,422	2,484,772
1996	1,663,620	433,691	82,964	2,180,275
1997	2,035,063	432,708	40,089	2,507,870
1998	2,848,599	540,630	1,551,310	4,940,539
1999	3,072,436	752,148	545,750	4,370,334
2000	3,093,440	554,602	678,379	4,326,421
2001 (Reenacted)	3,894,300	572,264	514,010	4,980,574
2002	3,997,559	708,429	696,468	5,402,456
2003	4,118,648	1,013,006	493,463	5,625,117
2004 (NEP)	4,460,266	1,004,332	493,470	5,958,068
GRAND TOTAL	32,948,269	7,311,169	8,315,140	48,574,578

Source: FY Proposal for 2004 National Government Appropriations for ARMM.

5.2.5   Distribution of Budgets under the General Appropriations Act within the ARMM

Table 5-4 shows the distribution of the budget under the General Appropriations Act (GAA) to the agencies in the Autonomous Regional Government. From 1997 to 2004, the biggest share all through the years went to Department of Education (ranging from 1.527 million in 1997 to 2.945 million in 2003) followed by the Office of the Regional Governor (ranging from 116 million to 512 million) and Department of Health (ranging from 253 million to 434 million)
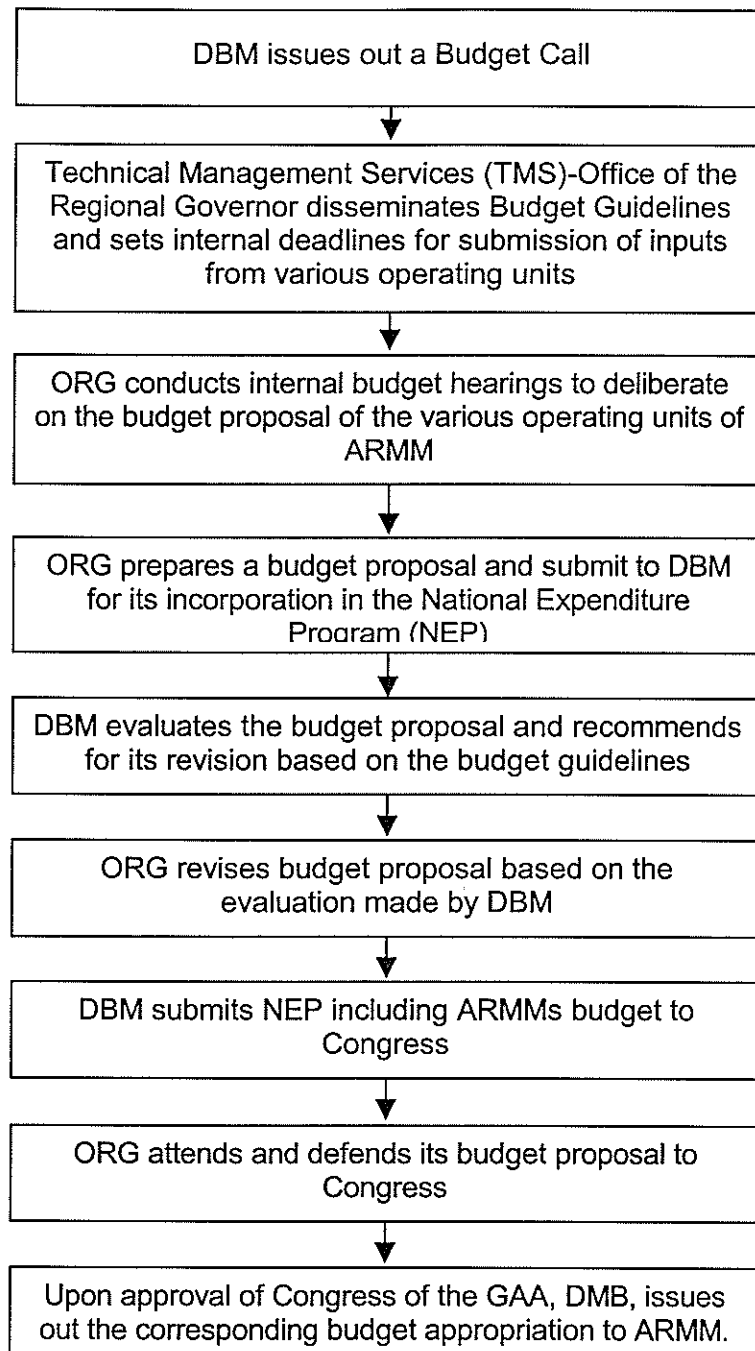
Shown in Annex 5-3 is the Regional Allocation by agencies for FY 2001 to FY 2003. A similar pattern reflects the lopsided distribution of appropriations for Personal Services (PS), Maintenance, Operating and Other Expenses, (MOOE) and Capital Outlay (CO). The greater bulk is basically to support personal services with very limited support for MOOE and CO. As such, these situations have basically affected the delivery of basic services.

5.2.6   National Government Budget Preparation for ARMM

Since the ARMM is treated just like any government entity, it follows the same process as that for all Departments of National Government.

The steps in the normal budgetary process are illustrated on the next page:

Figure 5-4   Budgetary Processes for the General Appropriations Act

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┌─────────────────────────────────────────────────────────┐
│              DBM issues out a Budget Call                 │
└─────────────────────────────────────────────────────────┘
                            ▼
┌─────────────────────────────────────────────────────────┐
│  Technical Management Services (TMS)-Office of the        │
│  Regional Governor disseminates Budget Guidelines         │
│  and sets internal deadlines for submission of inputs     │
│              from various operating units                 │
└─────────────────────────────────────────────────────────┘
                            ▼
┌─────────────────────────────────────────────────────────┐
│  ORG conducts internal budget hearings to deliberate      │
│  on the budget proposal of the various operating units of │
│                         ARMM                              │
└─────────────────────────────────────────────────────────┘
                            ▼
┌─────────────────────────────────────────────────────────┐
│  ORG prepares a budget proposal and submit to DBM         │
│     for its incorporation in the National Expenditure     │
│                    Proaram (NEP)                          │
└─────────────────────────────────────────────────────────┘
                            ▼
┌─────────────────────────────────────────────────────────┐
│  DBM evaluates the budget proposal and recommends         │
│     for its revision based on the budget guidelines       │
└─────────────────────────────────────────────────────────┘
                            ▼
┌─────────────────────────────────────────────────────────┐
│       ORG revises budget proposal based on the            │
│              evaluation made by DBM                       │
└─────────────────────────────────────────────────────────┘
                            ▼
┌─────────────────────────────────────────────────────────┐
│    DBM submits NEP including ARMMs budget to              │
│                    Congress                              │
└─────────────────────────────────────────────────────────┘
                            ▼
┌─────────────────────────────────────────────────────────┐
│   ORG attends and defends its budget proposal to          │
│                    Congress                              │
└─────────────────────────────────────────────────────────┘
                            ▼
┌─────────────────────────────────────────────────────────┐
│  Upon approval of Congress of the GAA, DMB, issues        │
│  out the corresponding budget appropriation to ARMM.      │
└─────────────────────────────────────────────────────────┘
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5.2.7   Sources of Revenues of ARMM Local Government Units

Local Government Units (LGUs) in the ARMM enjoy substantially more financial autonomy and independence than the regional government. Under the Local Government Code, LGUs have been assured of the timely release of predictable levels of national government transfers in the form of Internal Revenue Allotment (IRA) equivalent to 40% of the total national revenue. In addition to their standard IRA, LGUs in ARMM also receive 35% of the National Internal Revenues collected in the Region, shared among them as follows: 45/35/20 percent among the province/municipality/barangay or 50/50 between the city and barangay. Notwithstanding some spending limits on personal services (which should not exceed 55% of total LGU expenditures) and a mandated earmarking of 20% of its funds for their Local Development Fund, the LGUs appear to have more than enough leeway to make resource allocations in accordance with locally determined priorities (Extracted from the preliminary draft of the World Bank Study on Human Resources Development, as of September, 2003)

The IRA of the LGUs covers personal services, maintenance and other operating expenses and capital outlay. There are two releases in a month – 80% is remitted second week of the month while 20% during the fourth week, the latter represents the Development Fund.

Other sources of revenues for LGUs special project, externally funded programs and from local collections and this is presented in Table 5–5 below:

Table 5-5   Sources of Local Revenues (LGUs)

Province	Municipality/Component City	Barangay
Transfer Tax/Fees on Real Property Ownership	Real Property Tax (RPT)	Barangay Clearance
Professional Service Fees	Business Permits and Licenses	Service Fees and Charges (regulation and use of Barangay facilities)
Franchise Tax	Amusement Tax	Other Fees and charges – admission fees on places of recreation, billboards, signboards, outdoor advertisements
Tax on Sand, Gravel and other Quarry Resources	Service Fees (i.e., use of public facilities)	
	Community Tax	
	Fishery Rentals, Fees and Charges	

Source: Baseline Survey, September

A review of ratios on revenues sources reveal high IRA dependency among LGUs, the average ratio is 88% (IRA)-18%(Other sources). In Some LGUs, it can go high to 99% (IRA) dependency. Below is a sample ratio among some LGUs:

Table 5-6   Revenue Sources Ratio of Sample LGUs

LGU	Total Budget (2003)	IRA	%	Other Sources	%
Basilan Province	P295,733,840	P249,472,845	84%	P46,260,996	16%
Sulu Province	313,347,370	304,277,370	97%	9,070,000	3%
Lamitan	57,108,200	47,000,000	82%	10,108,200	18%
Lumba-Bayabao	40,309,605	40,147,845	99%	161,760	1%
Wao	50,344,876	39,990,000	79%	10,370,000	29%

Source: Results of Baseline Survey, September 2003

There are however efforts of some LGUs to generate and raise its level of local revenues, this is true in the case of Sultan Kudarat, Upi, Datu Paglas where improvements in collections and records/information management, advocacy activities have been done.

5.3   Policies

Policies are established to provide a legal framework for the conduct of fiscal, administrative and program management and operations. The Organic Act serves as overall policy guide for ARMM, this is supported by Executive Orders from the national government (example, EO 125, 125-A, etc.). In the region, Legislative actions come from two bodies – Regional Legislative Assembly (RLA) and from the Sanggunian Panglalawigan (Province), Panglungsod (City) and Bayan (Municipality) for the local level. At the onset of the term of RLA and Sanggunian representatives, a Legislative Agenda (LA) is develop to complement the Executive Agenda (EA) drawn by the office of the Regional Governor and the Office of Local Chief Executive. Both plans are deem essential in pursuing developments of the region and the communities. In the current assembly, turn-over of speakers has been often and this condition has influenced the agenda/priorities of the body.

5.3.1 Regional Enactment

Since the establishment of ARMM, the RLA (first to the fourth assembly) have enacted a total of one hundred fifty four (154) laws, these are classified accordingly to Economic/Agricultural, Social, Political, Infrastructure, and Development Administration. The first enactment was

political, i.e., the Adoption of the Official Seal of the Autonomous Region in Muslim in Mindanao; while the latest is an economic measure providing for the legal framework and mechanism for the creation, operation, administration and coordination of Special Economic Zones in ARMM. This gave birth to the ARMM Regional Economic Zone (REZA), launched during the ARMM Business Conference on September 1-2, 2003 in Marawi City.

The ARMM provinces and communities belong to the poorest in the country, this is shown not only in terms of income but services provision and access to and use of basic services is wanting. Being the case, it is expected that the region's policymaking processes prioritize passage of laws that would ensure efforts and resources addressing poverty issues. The following Tables 5-7 to 5-14 show the types of enactment and number of laws by the RLA:

Table 5-7   Legislation Promoting Social Sector

Muslim Mindanao Act (MMA) Details	Number of Laws
Providing for System of Education	1
Establishing Scholarship Assistance Program	2
Renaming Schools, Hospital	3
Conversion/upgrading of District Hospital to Regional Hospital	1
Creation of Anti-Poverty Commission, Anti-Drug Abuse Council	2
Creation of Bureau of Senior Citizens	1
Recognizing Historical & Religious events and all Muslim Holidays	2
Total	12

Source: Results of Baseline Survey, September 2003

Table 5-8   Legislation Supportive of the Economic/Agriculture Sector

Muslim Mindanao Act (MMA) Details	Number of Laws
Use of Agriculture Land	1
Aquatic & Fisheries code	1
Economic Zones	1
Total	3

Source: Results of Baseline Survey, September 2003

Table 5-9   Legislation Supportive of the Infrastructure Sector

Muslim Mindanao Act (MMA) Details	Number of Laws
Regional Public Works Act (Multi-Year)	14
Amendment to Public Works Act	1
Franchise for Telecommunications Service	1
Total	16

Source: Results of Baseline Survey, September 2003

Table 5-10   Legislation Related to Development Administration/Finance

Muslim Mindanao Act (MMA) Details	Number of Laws
Adoption of Seal/Emblem, Posting of Arabic Translation for Public & Business Offices and Streets	3
Naming/Renaming of Camp & Road	2
Revenue Code for ARMM	1
Recognition of Muslim Holidays	2
Creation and Strengthening of Local Regional Offices	15
Approval of Budgets/Funds (Multi-Year)	14
Location of Seats of Government (for ARMM & Province of Lanao del Sur)	2
Amendment to ARMM Local Government Code provision	1
Total	40

Source: Results of Baseline Survey, September 2003

Table 5-11   Legislation Supportive of the Political Sector

Muslim Mindanao Act (MMA) Details	Number of Laws
Creation of Barangays	52
Creation of Municipalities	11
Renaming of Barangays	4
Renaming of Municipalities	5
Amendments to Acts on Creation/Renaming of Barangays	11
Total	83

Source: Results of Baseline Survey, September 2003

The table below summarizes the sector and corresponding number of laws passed. Of the five (5) development sectors, Political Sector has the most number of legislative actions and the least is that of Economic/Agriculture sector. The region is blessed with natural and agricultural resources and ensuring its productivity and focusing economic activities around this sector are in order. Laws that would optimize use of such resource are necessary and of primordial concern.

In the area of Infrastructure, most of the enactments are approval of and or amendment to public works budget for the years covered.

Table 5-12   Summary of Enactment

Sector	Number of Laws
Social	12
Economic/Agriculture	3
Infrastructure	16
Development Administration/Finance	40
Political	83
Total	**154**

Source: Results of Baseline Survey, September 2003

A review of the records in the RLA showed a list of pending bills for approval as of September 2003, these are under Development Administration/Finance and Political sectors.   This is exhibited as follows:

Table 5-13   Pending Bills for Approval

Sector	Details	Number of Bills
Development Administration/Finance	Appropriation of Funds for ARMM Operation for 2003 (MMA # 155)	1
Political	Creation of Barangays (MMA # 156 to 162)	7
Total		**8**

Source: Results of Baseline Survey, September 2003

The present assembly (4th) had four turnovers of speakers.   The current, Hon. Ismael B. Abubakar, Jr. has indicated a list of priority bills for his term. The bills include actions on Peace and Security, Socio-Cultural Development, Economic and Financial Development, Political and Institutional Development, Environment and Ecological Protection and Development Administration.

Table 5-14   Priority Legislative Agenda

By Categories	Priority Legislative Agenda	Remarks
Peace and Security	Strengthening of the Regional Police Force as enacted in MMA Act 27 The creation of the Regional Commission on Human Rights	Priorities are the provision of mechanisms aimed at securing peace and order; sustaining community-based efforts to peace-building and stability, particularly, the urgency of hastening reconciliation among communities and factions whose varying states of conflict threaten the fragile peace and stability of the ARMM
Socio-Cultural Development	The Regional Magna Carta for Children Regional Indigenous Law Creation of the Regional Madrasah Academy Codification of Muslim and Tribal Laws and others	This is aimed at improving the socio-cultural aspects of the people of ARMM, including those intended to preserve or develop indigenous culture and improve the social well being of the people.
Economic and Financial Development	Regional Integrated Agricultural Research Center Regional Investment Code	These are aimed at uplifting and improving the economic condition of the people of the ARMM, including those related to the acquisition or improvement of the financial position and livelihood opportunities within the area of autonomy.
Political and Institutional Development	Several measures creating offices and LGUs.	The Regional Assembly is embarking on measures that deal with the establishment or changes in the politico-administrative structures and personnel within ARMM, including the creation and strengthening of offices and local government units
Environment and Ecological Protection	Regional Anti-logging Ban Law	Protection of the environment and ecology

By Categories	Priority Legislative Agenda	Remarks
	Regional Mines and Mineral Law Regional Seawater and Marine Resources Law Regional Solid Waste Management Law	
Development Administration Initiatives	Regional Administrative Code	Other priorities include restructuring and reorganization, transparency in bureaucratic processes, professionalizing the regional civil service, strengthening inter and intra government level relationships, strengthening revenue campaign and collection and fostering better relationship between the Executive and Legislative Branches of the Autonomous Region

Source: Message of Honorable Speaker Ismael B. Abubakar, Jr. on the Opening Program of the
            Training Seminar for Legislative Staff Officers at the Asian Institute of Management, Makati,
            in August 11, 2003.

5.3.2 Local Government Units' Legislative Enactment

At the local level, Provinces, Municipalities, Cities and Barangays are likewise expected to pass policies, ordinances, laws and resolutions to facilitate development priorities in their areas. Ideally, this set of enactment/laws should be consistent with and/or complementary to the development directions and priorities pegged by the Local Chief Executive Office, which are outlined in the Executive Agenda and supportive of the Regional Executive Agenda of ARMM.

Respondent LGUs were asked to provide information on legislative actions for the period 2000-2003 using the categories – Livelihood and Income; Health and Nutrition; Water and Sanitation; Shelter; Agriculture and Fisheries; Education; Infrastructure; Security, Peace and Order; Development Administration.

Among these LGUs, Datu Paglas, Upi, H. Panglina Tahil, Parang (Maguindanao), Shariff Aguak, Lamitan, Wao specified the resolutions, ordinances enacted for the period. Most of

them were not able to provide responses due to non-systematic recording of documents hence have difficulty in retrieving, inventory not accessible (or no inventory), the respondents not knowledgeable on the concern.

Sample legislations of some LGUs can be gleaned below:

Table 5-15   Legislative Actions of Sample LGUs

Concern	Datu Paglas	Upi	Parang	Shariff Aguak	H P Tahil	Poona Bayabao
Livelihood & Income/Economic	Allocation of Funds for Public Market	Provision of Livelihood opportunities for communities; Enterprise Development	Market Utilities at Fish Section			
Health and Nutrition, Water & Sanitation, Child Protection, Social Services, Shelter, Education	Health Outreach; Relief Assistance for displaced residents; Town site reservation for Gawad Kalinga Shelter	Request for school facilities	5th Country program for Children Master plan Local Operations	Request for Ambulance from PCSO	Provision for Housing	
Environment		Reviving Program on Forest Ecosystems Mgmt (Profem)	.		Provision for Environment Mgmt – Solid Waste Management	
Agriculture	EDF for Agriculture Production Loans	Implementation of ADB Assisted Project through DAR				
Infrastructure	Town site for SUKELCO sub-station	Farm to market Roads		Repair/Rehab of Kulalo-Nabundas Farm to market roads		
Security, Peace & Order	Endorsement of Peace Advocates for Ceasefire Agreement; Joint Session with Tulunan for Resolution of Armed Conflict	Request for PNP-RMP Company presence in the LGU	Peace & Order Council (LSB)			Ordinance on Public Disturbance, against Carrying of Firearms in public places
Development Administration	Approval of Budgets	Approval of Budgets	Metro Kutawato Development alliance; Funding for Annual Investment Plan	Approval of Budgets; Realignments of unexpended balances	Approval of Budgets	Approval of Budgets

Source: Results of Baseline Survey, September 2003

In terms of number of resolutions/enactments for the period 2000-2003, most actions focused on Development Administration, followed by Infrastructure, Social Development, Economic/ Agriculture, Security, Peace & Order, and Environment. This is shown below:

Table 5-16   Resolutions/Enactments of Sample LGUs in Maguindanao

Concern	Number of Resolutions/Enactments					
	Datu Paglas	Upi	Parang, Maguindanao	Shariff Aguak	Mamasapano	Total
Economic/ Agriculture	4	31	8	12	1	56
Environment	4	9	6	1	-	20
Social	15	48	21	13	3	100
Infrastructure	10	30	22	52	7	121
Security, Peace and Order	4	11	9	27	1	52
Development Administration	7	224	24	41	9	305
Total	44	353	90	146	21	

Source: Results of the Baseline Survey, September 2003

As regards inventory of legislation/enactment, more than half of the respondent LGUs claimed that this has not been done or updated or accessible to the public. They however see the necessity of organizing said information for easy tracking and reference. When asked on its codification status and plans for reviewing the enactments, data showed that 28% or 11 LGUs have undertaken codification; 33% or 13 have not codified but plan to do so while 16 or 40% did not answer the question. LGUs planning to pursue the process indicated their need for technical and financial assistance.

Relative to complementation of legislative action to the Executive Agenda (EA) and the Regional Executive Agenda (REA), only a handful confirmed its linkage. Some, particularly the municipalities, commented that they are not aware of the focus of EA and REA. However there are LGUs who expressed that both agenda do linked, most of these are LGUs (Upi, Sultan Kudarat, Datu Paglas, etc.) receiving technical assistance from the Local Government Support Program (LGSP). A list of LGSP-assisted areas in ARMM is found in Annex 5-4.

5.4   Relationships

Convergence of services and interface of responsibilities describe an ideal organization. Through this, complementation and optimum use of resources is achieved. As in other targets, this set-up needs to be worked on by concerned units continuously.

As ARMM faces the challenge of devolution and autonomy, the tasks of organizing agencies and ascertaining teamwork exist in every agency and among institutions as well as building relationships must be done to ensure concerted delivery of services. Majority of the agencies covered by the survey averred that units operating in their organizations are well aware of its responsibilities and functions and complement each other well. They likewise have not cut off their relationships with their central agencies, where exchange of policies, information and in some cases, sharing of resources are still being pursued. A poll into how agencies view their relationships among themselves and with others including the private sector and the Civil Society Organizations (CSOs) are presented through the table below. When asked as to their relationship with the legislative assembly, the judiciary and the congress, the devolved and non-devolved agencies did not provide response as they have not had direct dealings with these institutions nor have seen yet its necessity. In addition, understanding of relationships with the Congress is limited, i.e., approval of/action on budgets.

Table 5-17   Relationship Patterns Among Agencies/Institutions

Institutions	ARMM (Executive, Legislative) & Local Created Office	Devolved Agencies	Non-Devolved Agencies
Office of the Regional Governor	• Legislative Agenda supportive of REA • Approved Local funds use • Serves as Secretariat to Regional Economic Planning and Development Board	• Member of Development Council Committees (economic, social, disaster coordinating) • Submits accomplishment reports to ORG	• CSC is chair of Development Administration Committee • Napolcom is not directly link with ARMM and with REA. Secretariat to Peace and Order Council
Regional Legislative Assembly	• Creation & operationalization of LEDAC • Creation of Committee to draft Administrative Code • Liaise with RLA in drafting bills and providing necessary information		
Judiciary	-	-	-
Local Government Units	• Provision of local funds to LGUs • Support through approval of local funds • Provision of technical assistance in planning,	• Through field offices, DILG monitors LGU performance, training for LGUs, advocacy, resource sharing. technical assistance	• CSC: Assistance in HRM processes • Napolcom: Member in PLEB, POC;

Institutions	ARMM (Executive, Legislative) & Local Created Office	Devolved Agencies	Non-Devolved Agencies
	project development, monitoring & evaluation; information on ODA	■ DAF & DSWD: Implementation of national and foreign funded projects through the line agency provincial offices ■ HLURB: Assist LGUs in CLUP preparation ■ Per RA 7160, Basilan PSWDO is under LGU	LGU recommends for selection of Chief of Police
Devolved and non-devolved Line Agencies	■ Provision of resources to devolved agencies ■ Relates with all agencies through planning and monitoring committees; provision of development information	■ Tie-up projects: Nutrition, Botica sa Barangay, agriculture, environment, rehabilitation activities ■ Membership in Inter-Agency Committees	■ Membership in Inter-Agency Committees ■ CSC assists all agencies in HRM processes ■ Napolcom supports agencies on internal security
Private Sector, Civil Society Organizations	■ Public Hearings attended by the private sector and CSO representatives ■ Relates with all agencies through planning and monitoring committees	■ DILG orients CSOs on Local Special Bodies concerns, Mindanao Emergency Response Network coordinates efforts of CSOs & LGUs in emergency work ■ DSWD: Accredits CSOs providing social services ■ Services include Save the Children for Mindanao, Mindanao Emergency Relief Network ■ DAF: Works with irrigators' Associations, Traders, farmers	■ Takes care of registering Homeowners' Association; deals with housing developers; ensures presence of CSOs during public hearing/consultation during town ■ Participation of CBOs in the PLEBs; ■ Conduct of crime prevention activities for NGOs, barangays, schools
Office of the President & the Cabinet	■ Some Central Agencies – DSWD, DAF drew up their catch-up plans for ARMM ■ Regional Governor seats in the NEDA Board, cabinet ■ Relates with Office of the President and NEDA ■ ODA projects for ARMM are coordinated with	◉ DILG partners with Central Office on Capacity Dev't & technical assistance provision ◉ DSWD: CIDSS & Core Shelter programs being implemented in the region; Central office assigned Assistant Secretary to take care of	◉ Directly links with Central Napolcom for supervision & management; appointment of supervisory position handled by Central office ● CSC Central Office supports

Institutions	ARMM (Executive, Legislative) & Local Created Office	Devolved Agencies	Non-Devolved Agencies
	NEDA (provided by EO 125-A) • National Government projects in ARMM should be managed by ARMM • National government officials need to appreciate more essence of autonomy in ARMM	Secretary to take care of ARMM concerns; Central Office assisted the Regional office draw up strategic plan • DPWH National projects managed by either Region 9, 10, 12 • ARMM still invited to national conference and management meetings. • DAF: Policy dissemination, info sharing, TA, coordination of national and foreign funded projects	Office supports operation through its own resources. DBM withholds recognition of CSC-ARMM as legitimate office since Organic Act does not provide for its creation
Congress	▪ Advocacy for approval of ARMM budget ▪ Advocacy for approval of ARMM budget ▪ Any amendment to the Organic Act have to be recommended by the RLA		

Source: Results of the Baseline Survey, September 2003

With regard to the LGUs, relationship patterns with their partners and constraints/ difficulties experienced while interacting with each are presented in the table provided. Relationship is mostly collegial and most consider each other as an important resource in pursuing their development initiatives and activities. LGUs treat the traditional leaders with respect. Their efforts to form Council of Elders with the traditional leaders as members and providers of advice show their attachment and reverence for culture. The role of traditional leaders in peace building is place into fore.

Difficulties cited stemmed from the lack of information and appreciation of each other's contribution in governance processes. Reviewing roles and ensuring people participation as well prioritizing issues and responses need to be done in a more continuous mien.

Table 5-18   LGU Relationship Patterns

Institutions	Local Government Units			Constraints
	Provinces	City	Municipalities	
Civil Society Organizations & Private Sector	▪ Partners in project implementatio n, services delivery, advocacy & information dissemination ▪ CSOs are part of the Local Special Bodies ▪ Province has updated list of CSOs in the area.	▪ Members of Local Special Bodies, projects, services delivery ▪ Advocacy, information dissemination	▪ Participatory Seminar Workshops ▪ Planning process, Monitoring ▪ Information dissemination ▪ Advocacy ▪ Services delivery ▪ Joint projects	▪ List of CSOs not updated ▪ Lack of knowledge/understand ing on programs initiated ▪ Misinformation ▪ Non-involvement in governance
Traditional Leaders	▪ Consultation, peace building, dialogue, monitoring	▪ Promote peace and order ▪ Consultations done with them	▪ They are members of Council of Elders and they participate in our processes, ideas and past experiences provide lessons; they promote the common good and better understanding ▪ Represents Peoples Organizations ▪ Assists us in amicable settlement of disputes among tribes and family feuds	▪ Not too participative

Institutions	Local Government Units			Constraints
	Provinces	**City**	**Municipalities**	
Other Local Government Units	▪ Joint projects, information dissemination, advocacy work	▪ Joint projects, information dissemination ▪ Advocacy ▪ Sharing of resources	▪ Joint projects, advocacy, sharing of information	▪ No regular communication ▪ "Off and On" relationship & presence ▪ Even when activities are funded by other agencies or donors, some LGUs insist that the province shoulder costs (Misunderstanding due to lack of information)
Regional Line Agencies	▪ Joint projects, coordinate in services delivery, information dissemination	▪ Projects ▪ Services delivery ▪ Technical assistance ▪ Information provider	▪ Joint undertakings, advocacy, technical inputs provider ▪ Monitoring	▪ Lack of complementation
Office of the Regional Governor	▪ Projects, financial resources, monitoring, advocacy, information dissemination	▪ Provides directives through memos/letters ▪ Joint projects ▪ Services delivery ▪ Information dissemination	▪ Funds provider ▪ Information dissemination ▪ Services delivery, projects	▪ Rivalry among leaders (politics) ▪ Patronage, favors given to certain groups

Source: Results of the Baseline Survey, September 2003

5.5 Human Resource (HR) Complement

Per Civil Service Commission (CSC) data, there is an estimate of 37, 000 government employees in the Executive, Legislative and Judicial Departments (including government owned and controlled corporations) in ARMM and are assigned across the region, provinces, city, municipalities and barangays. (The figure excludes Basilan) This covers plantilla position-personnel, appointed, project based staff and contractuals engaged by the bureaucracy to beef up their human resource complement. Most of the contractuals occupy utility positions (drivers, janitors, messengers, clerks, computer operators, etc.) and are paid out of MOOE or local funds or from project budgets available in the region. Total number of personnel cannot be exacted because many serve on a co-terminus basis depending on the turn-over of leaders and heads of offices and on project terms.

CSC further cited that the Department of Education (DEPED) has the most number of employees pegged around 18, 000; LGU personnel account between 12, 000 and 14, 000. Annex 5-4 shows personnel complement of region as of April 2003.

Below is a table showing HR complement of sample agencies in the region as provided by the respondents during the interview and collated from Questionnaires. The figures indicating plantilla positions for some agencies is slightly higher than that approved by DBM for the year as these include positions of local funded personnel. Also, there were some agencies that did not indicate number of contractual/casual employees.

Table 5-19   Human Resource Complement and Status
Line Agencies, 2003

Status	ORG	RLA	RPDO	DILG	DSWD	DAF	DPWH	DOH	DEPED	HLURB	CSC
Plantilla	1,762	273	43	300	264	760	550	1,762	14,656	15	37
Contractual	219	243	8	-	10	80	-			5	-
Project based			1								
Total	479	516	51	300	274	840	550	1,762	14,656	20	37

Source: Results of Baseline Survey, September 2003

Per respondents' information, most Regional Line Agencies have filled up all plantilla positions. Some agencies though indicated the need to fill up some positions. These are the cases of DILG - Legal Officer Position has no qualified takers; DSWD – Legal Officer, Accountant; DPWH – Legal officer; Napolcom – 16 vacant positions, mostly lawyer positions.

From among the provincial line agencies, Department of Health (Provincial Health Office), Department of Trade and Industry and Department of Interior and Local Government in Basilan showed list of unfilled posts. This is shown as follows:

Table 5-20   Unfilled Positions in Sample Line Agencies (Provinces)

Agency	Province	Unfilled Positions
Department of Health	Basilan Sulu	Provincial Officer II 4 Medical officers 3 Clerical Aides 1 Utility Worker Medical officer III
Department of Trade & Industry	Maguindanao Sulu	Chief, Trade and Industry Development Specialist Senior Trade & Industry Development Specialist Senior Trade & Industry Development Specialist

Agency	Province	Unfilled Positions
Department of Interior & Local Government	Lanao del Sur Basilan	LGOO II, LGOO V LGOO II, ASEC
Department of Public Works & Highways	Lanao del Sur	Engineer III

Source: Results of the Baseline Survey, September 2003

Majority of the LGUs covered in the survey have likewise filled up plantilla positions. As in the case of line agencies, excess personnel are paid out of MOOE, these are mostly casual employees assigned to do utility tasks, LCE aides, and clerical work. A number of LGUs did not specify total number of plantilla positions nor that of casuals/contractuals, almost all did not cite number of casuals. All provinces indicated that the number of current personnel is not adequate to perform all mandated functions.

Some municipalities and a province have specified unfilled positions, namely, Human Resource Management Officer, Assistant Municipal Treasurer, Computer Operators, Security Officer, Assessor, Information Officer, Clerks.

A sample of HR complement in LGUs is present below:

Table 5-21   Human Resource Complement of Sample LGUs

LGU	Income Class	# of Plantilla Positions	Unfilled Positions
Maguindanao	2nd	660	First & second level positions
Lanao del Sur	4th		Human Resource Management Officer IV
Basilan	4th	646	-
Sulu Province	3rd	519	-
Tawi Tawi	4th	365	-
Lantawan, Basilan	4th	124	Security Officer, computer Operator
Upi	3rd	83	Mgmt. & Audit Analyst, Accounting Clerk, Revenue & Collection Clerk, Utility Worker, Security Agent
Binidayan, Lanao de Sur	5th	35	-
Masiu, Lanao del Sur	5th	73	-
Sultan Kudarat	1st	77	-
H. Panglima Tahil	6th	20	Assistant Municipal Treasurer, Security Guards

Source: Results of the Baseline Survey, September 2003

5.6   Operating Systems and Procedures

Institutionalizing systems and processes expedite performance of functions and tasks. Majority of the agencies covered by the study indicated presence of necessary systems such as – Planning, Financial Management, Audit, Administrative Management, Human Resource Management, Information management, Monitoring and Evaluation. As a norm, national government systems (on Planning & Budgeting, Accounting and Auditing, Administrative Management and Monitoring & Evaluation) are in placed and adopted by the agencies both at the region and province. However, systems are not documented/manualized and implementation and compliance with these systems and processes have varying degrees.   Some also need updating and upgrading of facilities to ensure systems' relevance and appropriateness particularly in the areas of administrative, audit and control, monitoring and evaluation. An important issue is the need to use monitoring results to correct deficiencies, enhance strengths and improve performance.

In the area of Human Resource Management, most agencies adopt the rules and policies promulgated by the civil Service Commission. As raised by the respondents and further expressed by participants in the Development Administration Committee Workshop, compliance and stricter enforcement of procedures particularly on selection and promotion need to be looked into.   More so, the concerns on enforcing sanctions and rewarding performing personnel have to be reviewed, as this has not been pursued vigorously.

Availability of systems/processes in sample agencies are captured in the table on the next page:

Table 5-22   Systems/Processes in Place

ARMM Departments and Local-Created Office

Systems	ORG	RLA	RPDO
Policy Development Parliamentary Procedures		• Code is followed • Depends on Assembly Representatives • Congress procedures are followed (but Unilateral)	
Planning			Follows NEDA Process and manual of operations
Financial Management	Follows Department of Budget & Management process and Manual of Operations		
Audit	Follows Commission on Audit process & Manual of Operations		
Administrative Management	Follows Civil Service Commission, COA, process and Manual of Operations		
Information Management			CompuServe
Human Resource Management	Follows CSC On-going computerization of personnel records (CompuServe)	Follows CSC	Follows CSC ▪ Almost in the last stage of accreditation by the CSC
Monitoring & Evaluation		Tracking policy enforcement is not yet done	Follows RPMES patterned after NEDA

Source: Results of the Baseline Survey, September 2003

Table 5-23   Systems/Processes in Place

Sample Devolved & Non-Devolved Agencies

System	Devolved Agencies (DILG, DSWD, DAF, DPWH, DOH, HLURB)	Non-Devolved (CSC, NAPOLCOM)
Planning	Uses National Agencies' process; Strategic Plan formulated recently	Follows national agency processes (CSC regional office continue to be involved in determining targets and programs/projects for the entire agency)
Financial Management	Follows DBM process and Manual of Operations	
Audit	Follows COA process and Manual of Operations	
Administrative Management	Follows CSC processes Performance Appraisal based on job description DAF-Documented & complied procedures, System on procurement & records keeping Systems on Procurement, records keeping	Follows Central agency process
Information Management	DILG & DAF - Not that established DSWD -Administrative Records keeping done manually, not computerized DOH – MIS established but needs upgrading/strengthening DPWH -Not well defined, needs improvement HLURB – Information on LGUs' CLUP updates & land uses are stored in the computers	CSC – CompuServe (data on employees)
Human Resource Management	DILG - Follows CSC & Manual of Operations DSWD-Installed committees except Grievance; scholarships thru CSC & national agency DAF -Personnel & Career Development Plan	Follows CSC Process
Monitoring and Evaluation	Follows national agency & ORG Processes	

Source: Results of the Baseline Survey, September 2003

Constraints experienced by agencies on the Systems and Processes are presented in the table below:

Table 5-24   Constraints Relative to the Systems/Processes

System/Process	ARMM Departments	Regional Line Agencies	Provincial Line Agencies
Planning		• Only 1 person assigned to take care of the unit • Planning data not sufficient	• Plans are prepared but not fully implemented
Financial Management	• Delay in releases of funds	• Delay in release of funds (specially MOOE) • Inadequate financial resources	• Delay in release of funds (specially MOOE) • Inadequate financial resources • Need to clarify/define policies • Some agencies still under other regions (ex. DPWH under IX, X, XII)
Audit			• Employee assigned does multi tasks (internal audit & bookkeeping)
Administrative Management	• Regional Administrative Code to be drafted	• System need to be documented/manualized	• Standards, guidelines not consistently followed
Information Management		• Majority of agencies-not LAN • RPDO main source of development information needs to computerized its system	• Inadequate communication facilities • Information delayed if not disseminated
Human Resource Management	• Too many contractuals, drain on MOOE • Political patronage	• HRM policies based on discretion of person in authority (changing priorities of leaders) • Agencies set up structures (committees, council) but not fully complied with • Inadequate managerial	• Application of HRD policies not consistent • System based in Regional Office • Lack of personnel, lack of technical items

System/Process	ARMM Departments	Regional Line Agencies	Provincial Line Agencies
		capacities (both appointive & elective officials) • Political patronage results to underdeveloped, underutilized & qualified pool of HR • Limited training opportunities for Administrative staff	
Monitoring and Evaluation		• M & E done only when need arises • Results not used	• M & E done only when need arises • Results not used • Cannot reach all areas

Source: Results of the Baseline Survey, September 2003

At the LGU level, most respondents (from Provinces, City & Municipalities) indicated presence of systems in their organization. This includes Planning, Financial Management, Audit and Administrative Management and Human Resources Management. Most Provinces also consider Information Management, and Monitoring & Evaluation systems as available in their organization.

There were less LGUs (Municipalities) confirming presence of Monitoring & Evaluation system. The only city, Marawi claimed all these systems are present and documented/ manualized.

The systems/processes based in the legislative body received low positive scores; these are Policy Review & Formulation/Development and Parliamentary Processes, and Public Consultations/Hearings. This is probably due to the non-knowledge of respondents on status of these processes or procedures are not viewed as strictly pursued.

The difficulties experienced by the LGUs cut across the systems, these include lack of material resources (funds, supplies, etc.) and facilities (computer, LAN), personnel and staff competence/attitude to do tasks, absence of concerned staff, incomplete data, lack of coordination among units, non-support/lack of support of management, inadequate linkage with other agencies, lack of political will to enforce guidelines and policies, frequent replacement of accountable persons, lack of transparency in processes.

Most constraints are interconnected and will require an integrated approach in addressing them. Some efforts to address difficulties/constraints are done by the LGUs. However, these may not be extensive hence will need review and corresponding appropriate and more purposive actions. These are shown below:

Table 5-25   Difficulties and Actions Done by LGUs

System & Processes	Difficulty	Actions Done in Response to Difficulties
Planning	■ Lack of planning data; lack of coordination among service providers; uncooperative staff ■ One staff-planning office/overburdened staff	■ Hold meetings/dialogue to thresh out concerns among service providers so that appropriate inputs for planning are made available ■ Tapping/ Maximizing presence of other staff
Financial Management	■ Financial reports not updated as quarterly reports not submitted ■ Frequent replacement of accountable persons ■ Revenue Code not updated ■ Processes not transparent ■ Apparent neglect of management ■ Lack of facilities ■ Lack of funds	■ Sanggunian Members resort to constant request for financial reports ■ Come up with Revenue Generation & Financial Management Plan ■ Undertake tax campaign, request for financial assistance from line agencies and ARMM Regional Government
Administrative Management	■ No item for Municipal Administrator ■ Administrative section not fully organized ■ Neglect of management ■ Poor link with line agencies	■ (No action, tolerate the arrangement)
Human Resource Management	■ Understaffed ■ Inadequate skills, low performance ■ Standards not followed – unqualified staff hired	■ Support staff mobilized ■ In-service training conducted
Information management	■ Lack of data bank ■ Strategies for disseminating information not adequate ■ Delayed information due to lack of communication facilities ■ Lack of information ■ Lack of/no computer	■ Requested assistance to set up system ■ Gradually organizing records/systematizing information (filing/recording) ■ Continuous follow-up through radio, cable
Monitoring & Evaluation	■ Delayed reports ■ Non-involvement of barangays ■ Non-coordination ■ Monitoring activities not done ■ Lack of resources	■ Pursuing coordinative activities between SB & MPDC ■ Support provided by the Mayor

Source: Results of the Baseline Survey, September 2003

5.7   Performance Monitoring and Evaluation and Problem Solving

Tracking performances and Problem Solving are processes that cut across organizational operations. These are seen critical as they open opportunities for improvement; self-correct their processes hence contribute sustaining their relevance. The respondents indicated that agency concerns and problems are tackled through their respective Management Committees (MANCOM). These concerns are on internal processes, systems, project implementation gaps, resources lack, and staff competence. Other issues that are beyond their control are presented by the Cabinet Secretaries during regular meetings. More often, there is no information as to progress of resolving the concerns.

A Regional Project Monitoring and Evaluation Committee (RPMEC) operate in ARMM and is tasked to look into status of programs and projects in the region. Quarterly Performance Reports are prepared and submitted by the regional agencies to the Office of the Regional Governor, some agencies furnished copy to their Central Agency for information. Non-Devolved agencies, i.e., CSC, Napolcom provide copy of reports to ORG only upon request. The reports usually cover status of program/projects/activities' implementation for the period, constraints encountered and succeeding actions.

As to the types of concerns affecting agencies and raised during Cabinet meetings, respondents averred that operational issues are presented but the perennial problem is on the financial resources. Agencies are faced with the problem of inadequate releases and/or delayed transfer of funds to cover maintenance and other operating expenses (delays run from 2 to 4 months). In many occasions, agencies had to divert budget for employer share for statutory benefits of employees to cover rentals of office spaces and other utilities.

In the area of financial management, respondents view COA audited reports as a form of performance monitoring. Suspensions and disallowances and their actions on this signal how they have complied with audit rules and regulations.

Other that these reports, agency meetings and audit process, respondents claimed no other agency performance monitoring system.

LGUs on the other hand, also comply with reports required of them. Many have referred to DILG as the agency tasked to monitor and supervise them. In pursuing this function, DILG has a Local Productivity and Performance Measurement System (LPPMS) which assists LGUs in

tracking their performances along mandated functions and in delivering services. However, LGU and DILG respondents claimed that the conduct of the process has been irregular and feedback on results not consistently done, in some case, not done. LGUs also expressed that many of the indicators on basic services delivery are not applicable, as the functions are not devolved to them.

There are however LGUs who either undertake their own performance monitoring (like, Sultan Kudarat, Marawi City, Lano del Sur, Datu Paglas, Maguindanao) or acknowledged DILG as their overseer (i.e., Wao, Marawi City, D. Ramain, Pangutaran, Tagoloan, Upi). Some also indicated the Project Management Offices of foreign-funded projects/donors like LGSP, DAP, UNDP, etc. who have helped them in this area.

5.8   Advocacy and Communication

ARMM is characterized by islands and far-flung communities. This geographic configuration requires an intensive information, education campaign and as well as communication network and facilities to ensure a well-informed constituency and to hasten developments in respective areas. Agencies in ARMM adopt different modes for advocating its programs and keep the public aware of services and other relevant information. One of the local-created agencies in ARMM is the Bureau of Public Information (BPI). The agency produces quarterly publication, "Parsugpatan" which chronicles developments in the region and provides critical information to the public. It also has initiated the organization of ARMM Guild of Information Officers (GIO) with the aim of enhancing linkages among information officers across line agencies and the RLA. A number of agencies at the region rely on BPI as their communication channel. This however has hindrances; the publication for example is not widely circulated due to limited issues, the language used (published in English) and inadequate resources of the bureau.

At the provincial level, the use of local radio stations and programs to air services, program and projects, updates and activities are commonly used by agencies. They consider such strategy as cost effective, cheap (if not free) and can reach more constituencies. The joint approach adopted by agencies also optimized the resources.

The following table presents some strategies mobilized by sample agencies in ARMM:

Table 5-26 Communication Strategies Adopted by Agencies

Regional and Provincial Offices, LGUs

Agency	Strategies
Office of the Regional Governor	▪ Mainly through the BPI
Regional Planning and Development Office	▪ Conduct of workshops at the local level
Regional Legislative Assembly	▪ Public Hearings ▪ Newsletter (RLA Digest) in 1991-1992
Department of Interior and Local Government	▪ Through the BPI ▪ Dissemination through provincial, municipal, city offices, letters, visits to beneficiaries ▪ Radio Program ▪ Visibility of field personnel
Department of Social Welfare and Development	▪ Mobilization of commercial print and broadcast media ▪ Quarterly Publication – "The Monitor" ▪ Community organizing
Department of Agriculture and Fisheries	▪ Radio and extension programs ▪ Meetings with farmers and other beneficiaries
Department of Health	▪ Information, Education Campaign, Medical missions through Rural Health Units ▪ Radio program
Department of Public Works & Highways	▪ Through billboards
Department of Environment & Natural Resources	▪ Leaflets and posters, barangay consultations ▪ Radio program
Department of Trade & Industry	▪ Seminars, organized groups through local media ▪ Consumer education program with the DepEd, dialogue ▪ Streamers, billboards
Housing & Land Use Regulatory Board	▪ Local broadcast and media ▪ Through LGUs during public hearings/consultations
Civil Service Commission	▪ Local broadcast media ▪ Letters to Barangay Officials ▪ CSC Publications (published weekly) ▪ Training Information Brochure ▪ Distribution of 800 Information materials (Manuals, guides) ▪ "Text-CSC ARMM" program (0916-581 8324) ▪ Semi-Annual Reports
National Police Commission	▪ Pulong Pulong sa Barangay ▪ Press releases on schedule of police examinations
Local Government Units - Provinces, Municipalities	▪ Public service through media ▪ Pulong Pulong, Barangay assemblies ▪ Medical missions ▪ Caravans ▪ Barangay announcements ▪ Mosque announcements ▪ Joint meetings of Executive, Legislative, Barangay officials ▪ Barangay Bulletin boards, Posters

Source: Results of the Baseline Survey, September 2003

Available communication facilities in the agencies and LGUs facilitate information dissemination. However, many of these agencies are not equipped with such utilities hence causing delay in transmitting critical information, in delivering services and submission of reports. This situation is more pronounced in the provincial offices and municipalities. Employees own almost all cellular phones and when used for official transactions, charges are borne by the employees. In the island provinces and municipalities, internet services and facsimile lines are limited if not available. (The Municipality of Jolo however has a website). Results of interview also indicate that even among regional agencies, fewer premiums are placed on using Internet facility. Respondents indicated that proposed budgets for this service and cellular phone costs were not allowed. Furthermore, there is a decreasing trend in Capital Outlay Budgets (COB) of agencies across five (5) years from 1999 to 2003. Communication facilities are usually charged against this account.

Below illustrates the state of facilities' availability and condition in sample agencies:

Table 5-27   Communication Facilities Availability

ARMM Departments & Local-Created Office

Facility	ORG	RLA	RPDO
Land line Telephone (Units)	17	5 (1 is off-line)	3
Cellular Phones	Owned by Personnel	Owned by personnel	1
Radio (Single Side Band)	-	-	-
Facsimile Machine	3	1	1
Internet, Email Services	1	-	-
Photocopier	6	1	1
Computer	11	Over 20 (Allocated to each Assembly member)	10
Printer	11 1 dot matrix, 4 bubble jets, 6 laser	No data	10 (5 laser)
Overhead Projector	1	-	1
LCD	1	-	1
Others: Scanner Risograph Mineographing machine	4 1 1 (non-functional)		

Source: Results of the Baseline Survey, September 2003

Table 5-28   Communication Facilities Availability

Sample Devolved Agencies (Regional)

Facility	DILG	DSWD	DAF	DPWH	DOH	HLURB
Land line Telephone (Units)	3	3	2	6	2	2
Cellular Phones	Owned by Personnel	15	Owned by personnel	Owned by personnel	3	Owned by personnel
Radio (Single Side Band)	1 Non-Functional	1 Non-Functional	-	-	1	-
Facsimile Machine	2	2	2	2	1	1
Internet, Email Services	-	1	1	-	-	-
Photocopier	1	1	3 1 for repair	2	1 Non-functional	1
Computer	9 4 out-mode, 3 non-functional	12 9 functional, 3 non-functional	12	15 1 non-functional	4	3 Pentium 2, 3
Printer	9 4 bubble jet, 1 laser, 4 dot matrix	12 2 laser jet 9 bubble jet	12 laser, desk jet	10 8 functional, 2 non-functional	4 bubble jet	3 Inkjet
Overhead Projector	1 Non-functional	1	1	-	-	1
LCD	-	1	-	-	-	-
Others: Scanner Plotter				1 1		

Source: Results of the Baseline Survey, September 2003

Table 5-29   Communication Facilities Availability

Sample Non-Devolved Agencies

Facility	Civil Service Commission	National Police Commission
Land line Telephone (Units)	2	2
Cellular Phones	1	3
Radio (Single Side Band)	-	-
Facsimile Machine	1	1
Internet, Email Services	1	-
Photocopier	1	1 Non-functional
Computer	18	4
Printer	19	4 Bubble jet
Overhead Projector	-	-
LCD	1	-

Source: Results of the Baseline Survey, September 2003

Table 5-30   Communication Facilities Availability

Sample Provincial Line Agencies

Facility	DPWH Tawi	DILG Marawi	PHO Basilan	DTI Maguin	DENR Sulu	DepEd Maguin	PAO Lanao
Land line Telephone (Units)	6	-	1 not functional	1	2	3	1
Cellular Phones	Personal	Personal	Personal	Personal	Personal	Personal	Personal
Radio (Single Side Band)		-	-	-		1 not reliable	-
Facsimile Machine	1 not used		-	1	-	1	-
Internet, Email Services	-	-	-	-	-	-	-
Photocopier	-	-	-	-	-	1 needs repair	1
Computer	5	2 1 not functional	1 not functional	2	3	2 not reliable	1
Printer	6	1	1 non functional	2 1 not functional	3	1 not reliable	1
Overhead Projector	-	-	1	-	-	-	1
LCD	-	-	-	-	-	-	-

Source: Results of the Baseline Survey, September 2003

5.9   Strategies in Basic Service Delivery

In the area of delivery of services, agencies and LGUs adopt a variety of strategies depending on the focus of their mandate, specific programs/projects and availability of resources. Among others, this includes provision of direct technical assistance, participatory planning and monitoring through consultations and community-based activities, conduct of direct training for the beneficiaries/communities, and direct management of projects. A noteworthy approach adopted by some agencies is the convergence strategy. This pools together efforts and limited resources available in the agencies, at the same time, enabling these agencies perform mandated functions. It also provide for the participation of Civil Society Organizations in managing and delivering services.

Although basic services delivery (health, education, agriculture, social services) is not devolved to LGUs, it is worthwhile to note that some have recognized their critical role in ensuring that such services reach the constituencies specially the poor. These LGUs (example, Tawi Tawi, Upi, Datu Paglas, Wao, etc.) have coordinated with the line agencies tasked to deliver the functions and partnered with NGOs and other organizations to complement resources and ascertain provision of services to their communities. They have likewise legislated needed actions in support of these functions.

Some difficulties encountered by agencies in the delivery of their programs and services include unstable peace and order conditions, geographic/far flung location of communities, inadequate resources and facilities to reach target areas.

Table below presents specific agencies' approaches in delivering their services:

Table 5-31   Strategies in Delivering Agency Services

Agencies	Strategies	Difficulties
ARMM Department & Local-Created Offices	■ Public consultations, hearings ■ Technical assistance	■ Lack of resources
Devolved Agencies (Regional & Provincial Offices)	■ Direct technical assistance to communities; assistance delivered through provincial offices ■ Services delivered through special projects – KALAHI, Core shelter, AHON, CIDSS. BADJAO ■ Through foreign-funded projects – LGSP, MRDP,	■ Delay in fund transfers ■ Financial constraints, Inadequate funds for delivering services, implementing programs/projects ■ Difficulty in reaching far-flung areas ■ Lack of personnel ■ Political interference

Agencies	Strategies	Difficulties
	▪ Mobilization and Capability building interventions for partners, volunteers, para-professional Social Workers ▪ Creation of Task Forces (multi-sectoral) to monitor implementation of programs, projects ▪ Convergence – services are coordinated and linked with other programs & agencies ▪ Partnership Mobilization (CSOs, private sector)	
Non-Devolved Agencies	▪ Conduct of Training ▪ Professionalization of HR through conduct of exams, training, inspection, monitoring against policies and standards ▪ Technical assistance ▪ Citizen participation	▪ Lack of resources
Local Government Units	▪ Strengthening the Local Special Bodies (training) ▪ Allocation of budgets and coordination with concerned Line agencies ▪ Set up PMO /committees to deliver & monitor services delivery to target communities ▪ Multi-agency cooperation ▪ During calamities, use allocated funds to provide needs of victims	▪ Lack of resources ▪ Some barangays are difficult to reach

Source: Results of the Baseline Survey, September 2003

5.10   Devolution

Devolution is one of the strategies in attaining autonomy. It is a continuing process and for this to work, certain parameters and attributes are required. It also demands mechanisms that would facilitate movement from the current situation to what is desired. These parameters and mechanisms include a) accountability for devolution and autonomy and its consequences, b) modified procedures and policies to support the process and its entirety, c) new activities are regularized, d) roles created and adjusted because of integration of new activities and procedures, and e) technologies and capacities introduce are optimally utilized. Implementing devolution and achieving the desired condition – Autonomy, is a case of managing a planned change. Being so, the tasks of ensuring that transitions are properly addressed and that actors handle their functions responsibly are necessary. Among others, interventions that build

readiness and acceptance among stakeholders (ARMM and national agencies, etc.), manage resistance, defining directions, building capacities of actors to carry on responsibilities in devolution and autonomy need to be pursued.

In ARMM, the transfer of powers, resources, and accountabilities from the central to the region characterizes devolution. Set against this guideline and as cited in earlier portion of this report, twenty line agencies were devolved to the region and local-created offices have started to operate. Per survey results and as shared by the agency respondents, common problem besetting their organizations include the lack of financial resources to carry out the mandated functions, capacities of staff are wanting, national agencies' technical assistance not adequate (or not available) to meet capacity building for autonomy concerns. Agencies in newly expanded ARMM areas, Basilan and Marawi City continue to draw their budgets from Region IX and Region XII line agencies.

The following information indicate devolution status in their organizations:

Table 5-32   Devolution Status in Sample Agencies

Agency	Information on Devolution in their Agency
DepEd	Health Services unit is not devolved
CHED	Scholarship program is not devolved
HLURB	Ad judicatory function (settling conflicts between homeowners and contractors/developers, etc.) is not devolved; Commission has not yet been convened; skeletal staff office
DAF	Attached bureaus are not devolved, ex. NIA, NFA, PCA; conducted bilateral meeting w/ PCA, they have agreed to be devolved (as contained in TWG agenda) but
DILG	Attached agencies like BJMP, BFP are centrally supervised.
NAPOLCOM	(Resentment among personnel as police might be used as "Private army" or "personal bodyguard"); the Proposal is that Operational control be under ARMM, Administrative be under NAPOLCOM National
CSC	There is a proposed Executive Order on devolving CSC operations under ARMM, Administration under national office
Register of Deeds	Not existing in the region
DPWH	DPWH in Basilan based in Isabela still under process, only 25 personnel will be under ARMM, 30 will be retained to staff the sub-district engineering district; Sub-District Engineering Offices are created by the national to manage national projects and under the management of the national.
DSWD	DSWD in Basilan is devolved to LGU per RA7160
DTI	Decentralization policy emanates only from Regional Government
BIR	ARMM has no administrative control over the agency

Agency	Information on Devolution in their Agency
NCIP	ARMM & IPRA Act need to be harmonized, delineation of responsibilities have to be spelled out
NSO	(Strong link with ORG) more than a million are unregistered in 2002 (no coordination made with ARMM on UNICEF project)
DENR	Environmental Management Bureau not devolved

Source: Results of the Baseline Survey, September 2003

It is worthwhile to note that some agencies have not cut off their relationships with the central line agency. As examples -- DILG-ARMM has entered into an agreement with DILG-national for technical assistance provision; DSWD continue to share resources, policy directions and guides with the region, DSWD Central office designated an Assistant Secretary to take care of ARMM concerns; DAF partners with the national in policy dissemination, information sharing, coordination of national and foreign funded projects. These initiatives are helpful in enabling ARMM agencies' performance of responsibilities especially in delivering services.

The other critical concern in ARMM is that delivery of basic services is devolved to the regional agencies and not to LGUs, the front liners. Resources could be optimized more since LGUS are better off compared to line agencies in terms of funds. As cited in Chapter 5.2.8 of this report, the IRA provision (RA 7160) is being followed for ARMM LGUs hence ensuring availability of resources. Given this, strengthening partnerships between line agencies and the LGUs will be advantageous in performing the function. The situation also calls for a review of the provisions of the Organic Act and the MMA # 25 relative to accountabilities in services delivery.

CHAPTER 6
PEACE BUILDING INITIATIVES

6. PEACE BUILDING INITIATIVES

There has been a wide recognition that securing peace and development in Mindanao will achieve greater benefits for the entire country. A section in the Medium Term Philippine Development Plan (2000-2004) specifically addresses the peace and development challenges facing the island of Mindanao. These challenges are:

- ◆ Recurrence of armed conflict;
- ◆ Lack of harmony due to diverse culture;
- ◆ Low level of socio-economic development

The current administration is fully committed to undertake peace building hand-in-hand with socio-economic upliftment in Mindanao. These efforts will take into consideration the multi-ethnic composition of Mindanao. (Extracted from the Medium Term Philippine Development Plan, 2002-2004)

6.1 Status of the Peace Agreement between the Government of the Republic of the Philippines (GRP) and the Moro National Liberation Front (MNLF)

The final agreement on the implementation of the 1976 Tripoli Agreement between the GRP and the MNLF with the participation of the Organization of Islam Conference (OIC) Ministerial Committee of the Six and the Secretary General of the OIC was signed in Manila on September 02, 1996.

The Peace Agreement covers two phases: (Annex 6-1).

Phase I: covers a three-year period which started after the signing, with the establishment of the Special Zone on Peace and Development (SZOPAD), the Southern Philippines Council for Peace and Development (SPCPD), and the Consultative Assembly (CA). It also entails the integration of the MNLF elements with the Armed Forces of the Philippines (AFP) and the Philippine National Police (PNP).

Phase II: involves an amendment to or repeal of RA 6734 through a Congressional action, after which the Amendatory Law is to be submitted to the people of the concerned areas in a plebiscite to determine the establishment of a new autonomous government and the specific areas of autonomy.

6.1.1   GRP and MNLF Implementation of the Political Aspect of the 1996 Peace Agreement

The first element of the 1996 Peace Agreement dealt with the Political aspect.   Specific provisions include:

♦ The new Autonomy Law and Elections in the new ARMM. Paragraph 2 of the Peace Agreement mandates the amendment to or repeal of the Organic Act of the ARMM through congressional action. The amendatory law would be subjected to a plebiscite to determine the establishment of a new Autonomous Government and the specific area of autonomy;

♦ The creation of the SPCPD, the CA and the SZOPAD. The peace agreement provides for the establishment of development institutions such as the SPCPD, the CA and the SZOPAD. Paragraph 7 of the same peace agreement mandates the transfer of appropriate agencies in place & development activities in the area under the control and supervision of the SPCPD/CA to ensure effective implementation of government programs;

♦ The implementation of the Provisions of Republic Act 9054, to include the provision of appointments of Muslims in Government. The RA provides that there shall be at least one (1) member of the Cabinet with the rank of Department Secretary, who is from the ARMM, representation in each of the department, offices or bureaus and constitutional bodies and government-owned and controlled corporations (Article V)

Shown in Table 6-1 is the Status of Implementation of the Political Aspect of the 1996 Peace Agreement.

Table 6-1   Status of the Implementation of the Political Aspect of the 1996 Peace
Agreement (As of September 2003)

Provisions of the 1996 Peace Agreement between the GRP and the MNLF	Status of Implementation
1. The New Autonomy Law and Elections in the new ARMM	1.1 Republic Act No. 9054 " An Act to Strengthen and Expand the Organic Act for the Autonomous Region in Muslim Mindanao, amending for the purpose Republic Act 6734 entitled "An Act Providing for the Autonomous Region in Muslim Mindanao, as amended, was passed on February 7, 2001 and became a law on March 31, 2001, in accordance with Article VI, Section 27 (1) of the Philippine Constitution; 1.2 A plebiscite in 15 provinces and 14 cities in Mindanao were conducted on August 14, 2001. On August 28, 2001, the COMELEC issued Resolution No. 4561 declaring the results of the August 14, 2001 plebiscite; 1.3 On November 26, 2001, elections in the new ARMM pushed through. The Macapagal-Arroyo Administration supported the candidacy of Dr. Parouk Hussin (Foreign Affairs Minister of the MNLF) for Regional Governor and Dr, Mahid M. Mutilan (President of the Ulama League of the Philippines) for Regional Vice-Governor along with a number of MNLF members for Regional Assemblymen; 1.4 ·On December 4, 2001, the COMELEC proclaimed the new leaders of the ARMM, with Dr. Hussin as the Regional Governor and Dr. Mutilan as Regional Vice Governor, along with 24 members of the Regional Legislative Assembly.
2. The SPCPD, the CA and the SZOPAD	2.1 Executive Order No. 371 dated October 2, 1996 provided for the establishment of the Southern Philippines Council for Peace and Development (SPCPD), its Consultative Assembly (CA) as well as the Special Zone on Peace and Development (SZOPAD). Appointments were extended to 81 SPCPD and CA officials and members. All Cabinet positions in ARMM, key posts in SPCPD and membership of the 44 person CA came from the MNLF ranks as appointed or recommended by former Governor Nur Misuari; In the said EO, the SPCPD shall directly supervise offices and projects located in SZOPAD particularly the SPDA, OMA, the National Commission for Indigenous Peoples (NCIP), as well as Task Forces such as the Basilan Development Task Force, the Central Mindanao Development Task Force and the Sulu Development Task Force. A Presidential Memorandum Order was issued on June 17, 1999 which reiterates that offices and projects located in the SZOPAD of the abovementioned agencies are placed under the direct supervision of SPCPD;

Provisions of the 1996 Peace Agreement between the GRP and the MNLF	Status of Implementation
	2.2 E.O. 161 was issued extending the term of EO 371 for one-year period corresponding to the period covered by RA 8753. In view of another postponement of the regular ARMM elections to May 2001, former President Joseph Ejercito Estrada signed EO No. 288 on September 22, 2000, extending the term of office of SPCPD and the CA. 2.3 E.O. No. 29 dated August 3, 2001 was issued by President Gloria Macapagal Arroyo (PGMA) reconstituting the SPCPD, and the CA and further extending the term of office of the said bodies until the date of the approval of RA 9054. Cotabato City Mayor Muslimin Sema was appointed Chairman of the SPCPD. All officials of the ARMM, SPCPD and CA were on holdover capacity until the officials of the new ARMM were elected and qualified last November 26, 2001; 2.4 SZOPAD, SPCPD and CA were deemed abolished with the approval of RA 9054 pursuant to Article XVIII, Section 16. The abolition of the SPCPD was declared effective through EO No. 80 signed on March 11, 2002. Functions and responsibilities of the SPCPD with regard to the ARMM were transferred to the new Regional Governor while its functions and responsibilities with regard to the SZOPAD areas that did not join the ARMM were transferred to the SPDA. However, with the deactivation of the SPDA on November 18, 2002, the Task Force created to oversee its de-activation process is currently evaluating the transfer of its functions to manage projects with the former SZOPAD area to appropriate agencies. 2.5 EO 229 dated July 21, 2003 was issued by PGMA creating the Mindanao Peace and Development Fund (MPDF). It provided for the transfer of the remaining SPDA funds and assets including its subsidiaries and projects to the MPDF. Coverage and target beneficiaries are the dis-advantaged conflict affected and influenced communities outside ARMM
3. Implementation of the Provisions of RA 9054	3.1 Implementation of the provisions of RA 9054 is discussed in detail in the other chapters of this study. These include the following areas: ▪ Appointment of the 3 Deputy Regional Governors representing the Christians, the Lumads and the Muslims; ▪ Further enhancing devolution to the ARMM; ▪ The Regional Legislative Assembly; ▪ The Regional Economic Development and Planning Board (REPDB);

Provisions of the 1996 Peace Agreement between the GRP and the MNLF	Status of Implementation
	▪ Education in the ARMM' ▪ Establishment of the Shari'a Courts. 3.2 For more than 5 years that the agreement has been implemented, MNLF leaders and members and Muslim political leaders have been appointed to many positions in political and economic institutions in Government; 3.3 The Macapagal-Arroyo Administration has appointed a total of ninety-three (93) Muslims in the Executive and the Judiciary Branches of the Government. The List of all appointees is shown in Annex 6-2. <u>Executive Branch</u> ▪ Ranked as Secretary position: Simeon A. Datumanong as Secretary of Justice and Nur Jaafar as Presidential Advisor for Muslim Communities; ▪ MNLF appointees include: DILG Assistant Secretary (ASEC) Abraham S. Iribani; DENR ASEC Matanog Mapandi; NEDA-RDC Chairman and Cotabato City Mayor Muslimin G. Sema; ARMM Social Fund-Board of Directors (BOD) and SPDA-BOD Uttoh Salem Cutan; OPPAP ASEC Dimasangcay A. Pundato; Habid Mujahab Hashim as member of BOD of the Al Amanah Islamic Bank in the Philippines; and members of the SPDA-BOD Abdul Y. Hadjisalam, Abu Amri Taddik, Sambas S. Mabang and Ameer Hamza Manda; ▪ In the AFP, there are 7 Senior Muslim Officers, one with the rank of Brigadier General. In the PNP, there are some 169 Senior Officers, four with the rank of one-star general. <u>Judicial Branch</u> ▪ Judge Hakim S. Abdul Wahid was appointed as Associate Justice of the CA last March 17, 2003. He is now the highest Muslim Magistrate in the Country; <u>Legislative Branch</u> ▪ Eight (8) members of the legislators are Muslims, with Basilan Congressman Gerry Salapuddin (also a former MNLF combatant) as the Deputy Speaker for Mindanao.

Source: OPAPP Report, as of September 2003.

6.1.2 GRP and MNLF Implementation of the Military/Police Aspect of the 1996 Peace Agreement

The second element of the 1996 peace Agreement dealt with the Military/Political aspect. Specific provisions include:

♦ Integration of MNLF combatant into the Armed Forces of the Philippines (AFP) and the Philippine National Police (PNP), as well as, the provision of the socio-economic programs to those who will not be absorbed by the military (par.20 of the Peace Agreement);

♦ Creation of the Regional Command of the Armed Forces of the Philippines for the Autonomous Region (Article XIII, Section 11 of RA 9054);

♦ Creation of the Philippine National Police Regional Command or the Special Regional Security Force in the ARMM (Article XIII, Section 2 of RA 9054);

♦ Creation of a Regional Police Commission to perform the functions of the National Police Commission in the Region (Article XIII, Section 10 of RA 9054)

♦ Appointment of a Deputy Commander of the AFP Southern Command for Separate Units

Shown in Table 6-2 is the Status of the Implementation of the Military/Police Aspect of the 1996 Peace Agreement.

**Table 6-2   Status of Implementation of the Military/Police Aspect
of the 1996 Peace Agreement
(As of September 2003)**

Provisions of the 1996 Peace Agreement between the GRP and the MNLF	Status of Implementation
1. Integration into the Armed Forces of the Philippines (AFP)	1.1 The 1996 Peace Agreement mandates the integration of 7,500 MNLF members in the AFP and the PNP, with 5,750 under the AFP while the remaining 1,750 with the PNP. Processing starts with the submission of a list from the MNLF of their bonafide members for evaluation. Thereafter, qualified applicants are screened and made to undergo rigorous training. Applicants satisfying all requirements are then integrated into either the AFP or the PNP.

Provisions of the 1996 Peace Agreement between the GRP and the MNLF	Status of Implementation
	1.2 For integrees with the AFP, five to seven year educational programs were set up for the educationally deficient integree officers and enlisted personnel. A total of 85 Officers availed of a study grant from the CHED to pursue courses in Agriculture, Criminology, Education, Arts and Sciences at the Western Mindanao State University at Zamboanga City, and in the Cotabato City Polytechnic College. Around 949 enlisted personnel also availed of educational grants from the government. 1.3 The 5,750 members of the MNLF are expected to be fully integrated into the AFP with the graduation of the last 499 MNLF members in the second quarter of 2003. Present actual strength of former MNLF members number 4,949 with 211 having the rank of 2nd lieutenant and 4,738 enlisted personnel. Nine (9) officers and 792 enlisted personnel or 801 have been attrited. Present strength and deployment of MNLF integrees in the AFP are shown in Annex 6-3.
2. Integration into the Philippine National Police	2.1 The Peace Agreement provided for the allocation of 1,500 vacancies to allow the joining of MNLF elements into the PNP and another 250 for special auxiliary services. Since many MNLF personnel do not possess the 72 college units required for police applicants, the PNP and the CHED formulated an educational program for MNLF members who finished high school and those who did not graduate from high school. Shown in Annex 6-4 are details of the PNP Integration. 2.2 The 1,500 former MNLF combatants have been fully integrated. Present strength totals to 1, 416 in the Autonomous Region in Muslim Mindanao (ARMM) with 84 inactive and reassigned members. The recruitment for the remaining 250 slots for auxiliary forces has commenced with the approval of the conversion of position from Salary Grade 1 to Salary Grade 10 (Police Officer 1).
3. Socio-Economic Assistance for Non-Integrees	3.1 The National Program for Unification and Development (NPUD), now operating within the Office of the Presidential Adviser on the Peace Process, has provided socio-economic assistance to MNLF members in the form of skills training, income-generating projects, resettlement, housing,

Provisions of the 1996 Peace Agreement between the GRP and the MNLF	Status of Implementation
	and study grants to a total of 1,744 displaced MNLF members and their families in the SZOPAD area. The NPUD in partnership with the CHED has provided 847 scholarship slots of MNLF dependents from the SZOPAD areas
4. Establishment of the Regional Command of the AFP	4.1 EO No. 212 entitled "Providing for the Organization of the ARMM Unified Command, Armed Forces of the Philippines (AFP) for the Autonomous Region in Muslim Mindanao" was signed by PGMA last May 28, 2003. The ARMM Unified Command is under the Southern Command, AFP, which shall be organized, maintained, and utilized in accordance with national laws and shall be under the direct supervision and control of the Commander, Southcom, AFP. The Department of National Defense (DND) and the AFP of the Philippines shall determine the command relationship between the Southern Command and the AFP-wide support units of the major services operating in Southern Philippines.
5. Establishment of the Regional Security Force	5.1 PGMA approved the operation of the Regional Security Force or RSF, which is charged with peace –keeping in the ARMM. This RSF operationalized on May 4, 2002, is under the effective control of the Regional Government. A General with one-star rank, Police Chief Superintendent Acmad Omar, who hails from Lanao del Norte, is heading it.
6. Appointment of a Deputy Commander of the AFP-Southern Command for Separate Units	6.1 The Government appointed MNLF Chief-of-Staff Yusof Jikiri as Presidential Assistant for Separate Units with the rank of Director, and was designated as the Deputy Commander of the AFP Southern Command for Separate Units in February 1997. At present, Yusof Kikiri is Governor of the province of Sulu. The Acting Deputy Commander of the AFP Southern Command for Separate Units is Abdulrahman Pacam.

6.1.3   GRP and MNLF Implementation of the Socio-Economic Aspect of the 1996 Peace Agreement

a) SPCPD-NEDA-UN   MULTI-DONOR   PROGRAMME   FOR   PEACE   AND DEVELOPMENT IN MINDANAO

Worthwhile highlighting in this Study is the first of its kind type of assistance forged under a UN-Multi-donor program after the signing of the Final Peace Agreement between the GRP and MNLF in September 2, 1996.

Phase I of the Program (April 1997 to February 1998)

This phase started with a Needs Assessment Survey and pilot emergency food and livelihood assistance in six (6) of the sixteen (16) MNLF states. Twenty-four (24) livelihood and basic services projects were implemented benefiting 1,627 MNLF families in 30 municipalities in the SZOPAD areas.

Phase II of the Program (March 1998 to May 2001)

This phase expanded the program coverage to include all the sixteen (16) MNLF states in the 14 provinces and 10 cities covered by the SZOPAD. The program has sponsored trainings in agriculture livelihood, enterprise development and skills enhancement for over 3,000 beneficiaries. These training programs, together with livelihood assistance projects resulted in the creation of 763 individual and group livelihood projects benefiting more than 30,000 MNLF families throughout the SZOPAD.

Focused on 67 priority Peace and Development Communities (PDCs), the program has introduced development interventions to include sustainable agriculture, micro-financing, capability building, water and sanitation, hygiene and reproductive health, and repair/construction of school buildings and day care centers.

The program is into its Phase III up to 2004. Details of Phase III are presented under Chapter 7 of this Study.

Lessons Learned

Extracted from the Terminal Report of the Program for the Second Phase of the SPCPD-NEDA-UN Multi-Donor Program for Peace and Development in Mindanao are the lessons learned. These are:

i)   *Cultivating peace requires an inclusive development approach;* While attention to the needs of MNLF fighters remains an important concern, laying solid foundations for lasting peace requires that the needs and aspirations of all other sectors in the affected communities be recognized and responded to.

ii) *The need to facilitate the building of partnerships;* Building peace and promoting development in the wake of a long drawn-out and fierce war requires not only vast physical and financial resources. It also entails painstaking work in fostering trust and confidence among a wide range of parties- some of whom may have once confronted each other in the battlefield (figuratively or literally);

iii) *Local Peace and Development Advocates and Community Development Managers are a key to sustained community development;* To sustain the momentum along the trajectory of sustained development, the development skills to work out plans and mobilize resources must be embedded in the communities through the cultivation of a cadre of local peace advocates and development managers, who would not only have the necessary skills but also the all-important sense of belonging that engenders a genuine dedication to cultivate peace and achieve development in the community;

iv) *Social preparation as a basic requirement;* It is only through a process wherein communities participate in identifying their needs and inherent resources and are assisted in setting up and strengthening their own organizations, that any development project can be assured of effectiveness and success in its livelihood assistance and other interventions geared towards peace-building and development. Thu, the need to pay serious attention to and invest adequately in confidence, capacity, and capability-building activities in the Peace and Development Communities in order to be successful in laying the solid foundations for lasting peace and sustained development;

v)   *The importance of livelihood programs with capital building interventions;* Community-driven livelihood projects are an important means for enhancing community economic capacity, an essential element of the foundations for peace and development. These, however need to be designed to promote self-reliance-involving as much as possible savings mobilization among community participants and paving the way for them to "graduate" into non-grant micro-financing schemes;

vi)   *The imperative for continuous advocacy of peace initiatives and communication.* Peace-building requires an effective and sustained communication campaign aimed at building understanding, harmony and trust and promoting the culture of peace and peace initiatives. Such communication advocacy should target all community sectors, as well as other peace and development stakeholders and players in the larger society.

b)   GOVERNMENT AND NON-GOVERNMENT INTERVENTIONS

Other than the ODA-initiated programs and projects on peace and development initiatives, the Government and Non-Government Organizations (NGOs) have done several activities on peace and development for ARMM. Shown in below are just some of the major accomplishments.

Table 6-3   Other Initiatives on Peace and Development in ARMM

Institutions	Peace and Development Initiatives
1. Government Sector	The ARMM and its neighboring provinces are the beneficiaries of on-going national government infrastructure projects worth a total of P15.66 billion Roads. On-going road projects include the Zamboanga-Pagadian Highway, which is a major component of the Mindanao Arterial Road Network, as well as important roads in Lanao del Sur, Maguidanao, Sultan Kudarat, and Saranggani provinces. Examples of these roads are: Zambo City-Pagadian Highway; Completion of the Lake Lanao Circumferential Road; Concreting and widening of Maguindanao-General Santos National Highway Concreting of Awang-Upi-Lebak Road Boundary North Upi, Tumanan Section, and Concreting of Awang-Upi. Bridges. The two major bridge programs of the government are the *Tulay ng Pangulo sa Barangay* (The President's Barangay Bridges Program) and the Salam Bridges Project in

Institutions	Peace and Development Initiatives
	Maguindanao, Lanao del Sur, Sulu and Tawi-Tawi. The Philippine government has also more than P70 million worth of bridge projects at various stages of completion in Marawi City, Maguindanao, and Lanao del Sur. These bridge projects are worth P6.74 billion. Irrigation. Major irrigation projects, the Kabulnan Irrigation and Area Development Project (KIADP) in Maguindanao, and the Malitbog-Maridagao Irrigation Project (MMIP) in North Cotabato and Maguindanao, have been inaguarated. These are expected to significantly increase palay production in these areas. The National Irrigation Authority (NIA) has also completed the installation of 60 shallow tube wells in 2001. Several projects are on going in 2002 and 2003. Assistance to victims of armed conflict. Government has succeeded in reaching out to more than 90 percent of the families adversely affected by last year's armed conflict. The Department of Social Welfare and Development has provided some P211 million worth of assistance in the form of relief goods, bunkhouses, water and toilet facilities, core shelters and evacuation centers in Cotabato Provinces, Sultan Kudarat, Lanao del Norte, Maguindanao and Lanao del Sur. The Department of Agriculture has likewise released P87 million to support rehabilitation projects in various Mindanao provinces. These interventions include the provision of farm inputs and farm machinery, livestock dispersal, and livelihood projects. Cash and in-kind assistance for health programs worth P38 million for conflict-affected areas was released by the Department of Health. The Philippine Army's 54th Engineering Brigad completed some P55 million worth of infrastructure rehabilitation projects in Lanao del Sur, Maguindanao, North Cotabato, and Cotabato City. Pikit as a Zone of Peace. PIKIT was established as the initial ZONE OF PEACE. Other zones will be created as conditions stabilize. In PIKIT, several activities were implemented and are also programmed, falling under the MINDANAO "NATIN", a National Initiative for Muslim Mindanao. These are: • Schedules projects for Phase I of the 54th Engineering Brigade in the amount of P5M by National Disaster Coordinating Committee. These include: Construction of

Institutions	Peace and Development Initiatives
	Gil-Gil Makabual-Hinatilan-Balong junction road at 4.0km/P4.4 M; Repair of 1 unit school building in Raja Muda with .3 M; and the Repair of 1 unit school building in Bulod with .3 M. Funding for the construction of Bulod-Kabasalan Road with 8km in the amount of P6.4 M is committed by NDCC. ■ Other immediate rehabilitation and livelihood assistance include social, health education services by DSWD, DOH and DepEd; Infrastructure, Rehabilitation and Electrification by the LGUs, DPWH, DepEd, DOE, and the 54th Engineering Brigade; and Livelihood Assistance by DA, NIA, KALAHI, LGU and the Livelihood Cluster. The total amount for all these is P41.505 M.
2. Private Sector Assistance to ARMM	The Philippine Business for Social Progress (PBSP). Is a staunch supporter of the Mindanao peace process. Specifically PBSP focuses on education and literacy, health, land tenure, productivity, and income improvement, governance, and capacity-building; PBSP has mobilized a total of P113 Million for peace and development efforts in Mindanao. Of this amount, approximately P69 Million were from corporate contributions while P42 Million came from its development partners. Tabang Mindanao (Help for Mindanao). This is another private sector initiative that has been active in assisting worth P35.59 Million in the form of relief operations, subsidy for the Notre Dame Hospital Charity Ward, and a rehabilitation program for people displaced by the armed conflict. Notre Dame Foundation for Charitable Activities, Inc.- Women in Enterprise Development (NDFCAIWED). This group initiated several activities. These include: Gender, Peace and Development Projects (GENPEACE); Advancing Basic Assistance and Support through Education and Entrepreneurship (ABANSE); Women in Enterprise Development for SZOPAD; and Responsive Education and Accreditation Program for Children and Youth (REACH-MINDANAO) Other Non-Government Organizations. Several NGOs are identified in Chapter Four, which undertake activities on peace and development. Please refer to Chapter Four.

Sources: *Forging Ahead: National Government Programs in Support of ARMM and the Peace Process in Mindanao; Mindanao NATIN Program*

6.2   Status of the Government of the Republic of the Philippine and the Moro Islamic Liberation Front (MILF) Peace Talks (Extracted from the GRP Peace Negotiating Panel for Talks with the MILF, OPAPP)

6.2.1   Background

♦ The GRP-MILF Peace talks under the Arroyo administration started in March 2001 with the signing of the Agreement on the General Framework for the Resumption of Peace Talks between the GRP and the MILF in Kuala Lumpur, Malaysia.

♦ Formal talks begun in Tripoli, Libya on July 20-22, 2001 and resulted to the signing of the Agreement on Peace between the GRP and MILF on June 22, 2003 which laid down the principles and agenda of the peace negotiations.

♦ The government and the MILF agreed on a general cessation of hostilities with the signing of the Implementing Guidelines on the Security Aspect of the GRP-MILF Tripoli Agreement of Peace of 2001 on August 7, 2001 in Kuala Lumpur, Malaysia. The ceasefire agreement reinforced by the Manual of Instructions for the Coordinating Committee on the Cessation of Hostilities (CCCH) and the Local Monitoring Teams (LMT), which was also agreed by the two, parties on October 18, 2001 in Selangor, Malaysia.

♦ Formal talks between the government and the MILF are coddling and giving sanctuary to lawless elements in their areas. The negotiations shifted to back channel mode.

♦ Through back channel talks, the GRP and MILF agreed on the Implementing Guidelines on the Humanitarian, Rehabilitation and Development Aspect of the GRP-MILF Tripoli Agreement of Peace of 2001, which was signed in Kuala Lumpur on May 7, 2002. Previous to this agreement, both parties also signed and issued a Joint Communique, which established the coordination mechanism between the two sides in the isolation and interdiction of lawless elements.

♦ The GRP Panel crafted a Final Peace Agreement Framework in preparation for the resumption of the formal talks. The draft document was reviewed and approved by the Cabinet Oversight Committee on February 7, 2003. It was presented to the Speaker of the House of Representatives and the Senate President as well as some members of

Congress on February 7, 2003. The draft Final Peace agreement was approved by the President on February 17, 2003.

❖ Back channel communication between the two sides continued. Also sustained were talks and interaction at the sub-panel levels particularly between the two CCCHs and the LMTs in the effort to implement and monitor the ceasefire. However, the talks broke down in February 2003 as an offshoot of the military operations in the Buliok complex encompassing the Liguasan Marsh areas in Cotabato and Maguindanao. This led to further armed hostilities between the AFP and the MILF forces.

❖ Exploratory talks for the resumption of the peace talks were conducted on different periods through backchannel means. The government formed a special panel to meet with representatives of the MILF to explore opportunities for the two parties to end the hostilities and return to the negotiating table. The meeting was held in Kuala Lumpur on March 27-28, 2003. A Joint Statement was assigned during this meeting, which highlighted the measures and commitments of both sides to pave the way for the resumption of the talks.

❖ On June 2; 2003, the MILF declared a 10-day Suspension of Military Actions (SOMA). This was later extended for another ten (10) days and expired on June 22, 2003.

❖ GRP prepared its strategic road map or blueprint to respond to the MILF's initiative and establish the steps and stages leading towards the attainment of a final negotiated settlement with the MILF. Dubbed as the President's Peace Initiative in Mindanao, the blueprint serves as the Panel's guide in the pursuit of the peace process with MILF. Under the same, the following confidence-building measures were undertaken:

   o The President directed the AFP on July 19, 2003 to downgrade their operational status from punitive operations to active defense.

   o The courts lifted the service of warrants of arrest against the leadership of the MILF as well as the reward for their arrest and capture.

   o The MILF leaders were issued Safe Conduct Pass in accordance with the GRP-MILF agreement on safety and security guarantees. Similar safe conduct pass was also provided to the members of the MILF-CCCH.

◆ Finally, a Mutual agreement on Cessation of Hostilities was signed on July 19, 2003 by the Secretary Eduardo R. Ermita representing the GRP Peace Panel and Al Haj Murad Ebrahim in behalf of the MILF Panel. The agreement signals the resumption of the ground and the reactivation of its implementing mechanisms.

6.2.2   Current Status (As of September 2003)

◆ The GRP Panel had been reconstituted.

◆ Due to the untimely demise of MILF Chairman Hashim Salamat on July 13, 2003 and the consequent reconstitution of the MILF leadership, Panel Chairman Al Haj Murad Ebrahim requested for more time to attend to the consolidation of the organization under his leadership as the newly elected Chairman of the Central Committee.

◆ Meanwhile, the ceasefire on the ground is holding and efforts to strengthen its implementing and monitoring mechanisms are continuing. The Joint CCCH has already conducted three (3) meetings on August 4, August 9 and September 4, 2003 in Cotabato City to discuss the enhancements to the ceasefire mechanism proposed by the RP including the draft implementing guidelines to operationalize the agreements in the May 6 GRP-MILF Joint Communique.

◆ The GRP-CCCH had been reconstituted to allow for wider participation of government agencies and non-government organizations in the task of ceasefire implementation and monitoring. The Committee is now headed by no less than the Vice Chief of Staff of the AFP, Lt. Gen. Rodolfo Garcia, to strengthen its capability to enforce the ceasefire agreement.

◆ The Joint CCCH also conducted a joint mission to Lanao Norte on August 10-11, 2003 to disseminate to the ground commanders of the AFP and the BangsaMoro Islamic Armed Forces (BIAF) the agreements reached at the CCCH level relative to the government's pursuit of international terrorist, Fathur Rohman Al Ghozi.

◆ Both parties also await the deployment of the 3rd Party Monitoring Team to the Philippines to be spearheaded by the Government of Malaysia. Members of the team may come from other OIC member-states, which have expressed willingness to assist in the GRP-MILF peace process like Bahrain, Saudi Arabia, Libya and others.

♦ While awaiting word on the resumption of the formal talks, the GRP Panel is conducting consultations with stakeholders and known authorities/resource persons on the Mindanao problem to gather inputs that may enhance the draft Final Peace Agreement Framework and develop a more viable position for the government on the various issues and concerns that may affect the peace negotiations.

♦ Representatives from the GRP and the MILF met again for the 4th Exploratory Talks in Kuala Lumpur, Malaysia to lay down the preparations for the resumption of the peace talks. The formal meeting is tentatively set for October subject to final determination by the Malaysian authorities. During the Exploratory talks, the composition of the Ad Hoc Joint Action Group to implement the Agreements in the May 6, 2002 Joint Communique was agreed upon by the two parties. It was also agreed that a survey group of the 3rd Party Monitoring Team will be fielded by Malaysia to the Philippines to look into the operational and administrative requirements for the deployment of the team.

6.3   Government's Initiatives on Loose Firearms

6.3.1   Philippine National Police (PNP) Initiatives

In compliance with PD 1866 as amended by RA 8294, which amends the provision of PD 1866, Codifying the Laws on Illegal/Unlawful Possession, Manufacturing dealing in Acquisition or Disposition of Firearms, Ammunition or Explosives or Instruments used in the Manufacture of Firearms and imposing stiffer penalties for certain violation, the Police Regional Office (PRO)-ARMM accomplished the following under OPLAN PAGLALANSAG. This program started during former President Fidel Ramos Administration, which was designed to dismantle private armed groups and later continued to campaign against loose firearms.

**Table 6-4   Summary of Firearms Confiscated and Surrendered ARMM
2001-2003**

Classification of Firearms	2001	2002	2003 (As of September 2003 partial report)
1. Number of Firearms confiscated/seized	240	276	77
2. Number of Firearms surrendered	-	114	-
TOTAL	240	390	77

Note: These are firearms of different types and caliber
Source: Police Regional Office-ARMM

For CY 2000 to date, the total number of registered firearms licensed is 4,662 for the ARMM Region (excluding Basilan) with the following breakdown:

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**Table 6-5   Registered Firearms Licensed
CY 2000-September 2003**

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Province	Licensed Firearms
Maguindanao	1,094
Lanao del Sur	1,931
Sulu	1,058
Tawi-Tawi	579
TOTAL	4662

*Source: Police Regional Office-ARMM
         Excludes Basilan*

In compliance with EO 171, which is the law granting amnesty to persons with loose firearms, implemented in March 3, 2003, the Police Regional Office-ARMM has processed a total of 21 surrendered unlicensed firearms for the period of August-September 2003.

There is a need to further disseminate this EO on the Firearm Amnesty Program and simplify the process of approval for its licensing and permit to transport (PTT) firearms and ammunition. The EO provides that only the Director of the Civil Security Group of the Firearms and Explosive Division based in the Headquarters and the Regional Directors of the PNP as well as the Police Regional Officers are authorized signatories for the Provisional and Temporary license and the permit to transport (PTT) firearms and ammunition. These regulations constrained fast processing of the amnesty program

6.3.2   Balik Baril Program of the Armed Forces of the Philippines (AFP)

Based on the report of the 6th Infantry (KAMPILAN) Division of the Philippine Army, Maguindanao, a total of 1,220 rebels formally surrendered their arms to the AFP comprising 1,208 MILF and 12 NPA guerillas. For this, the Command released the amount of P3, 419,910 for the payment of their surrendered firearms and P2, 736,500 representing their emergency cash assistance. The amount of P366, 315 was also released as negotiation fund while P136, 070 was expended for information dissemination.

There are about 89 rebels who have sent surrender feelers and signified their intentions to avail of the National Reconciliation Program.

Shown in Annex 6-5 is the status of the Balik Baril Program for the years 2000 to September 2003 and Annex 6-6 on the List of Prospective Surrenderees.

Several other agencies and Local Government Units (LGUs) have accomplished programs and projects on Peace-Building. LGUs through their Peace and Order Councils and partner CSOs conducted activities that nurture a culture of peace among communities, training of Tanods has been done in coordination with the DILG and PNP, hosting Peace Zones (i.e., Matanog-Barira, Buldon).

As cited earlier, NGOs and other groups, like "Mothers for Peace" is active in advocating and promoting peace; the Philippine Business for Social Progress (PBSP) is undertaking various programs – livelihood, education, health; the Notre Dame Foundation for Charitable Activities, Inc.-Women in Enterprise Development (NDFCAI-WED) is engaged in gender and development, peace building, livelihood, adult literacy, community radio development activities; the Peace and Equity Foundation (PEF) provides resources for livelihood and other services delivery projects that intend to advance peace building.

Despite these efforts, there is still a need for all agencies and sectors to work closely in attaining and nurturing peace in the region, to integrate peace initiatives in their respective agencies and view peace building as their own responsibility. The perception that peace is the domain of military still pervades among stakeholders.

CHAPTER 7
DEVELOPMENT INITIATIVES

7.   DEVELOPMENT INITIATIVES

7.1   National and Regional Undertakings

The national government, ARMM and LGUs and supported by Official Development Assistance (ODA) institutions have embarked on a number of development programs/projects to uplift the condition in the region. Taking a cue from the development agenda priorities, these undertakings attempt to respond to social, economic/agriculture, infrastructure, development administration, security, peace and unity requirements. Samples of these are – the Kapit-Bisig Laban sa Kahirapan-Comprehensive and Integrated Delivery of Social Services (KALAHI-CIDDS), Salam (Peace) Bridges, Upgrading of Hospitals in Sulu and Basilan, environmental Protection in Support to Sustainable Livelihood Component in lake Lanao. (Source: RDCS, NEDA).

At the national level, the government issued policy and executive orders that would facilitate the flow of resources and initiatives to ARMM. Executive Orders (EO) 124, 125 and 125-A are examples of these guidelines; among others, these provided directions in implementing the ARMM Social Fund, devolved locally and ODA funded projects to the region.

EO 25 likewise cited the need for a catch-up budget for ARMM where national agencies must include in their programs and activities the corresponding equitable and proportionate budget for programs and projects intended for ARMM in consultation with ARMM Regional Government (ARG).   In view of these programs and projects for ARMM by the national agencies, mechanisms for its effective implementation have to be agreed between ARG and the agencies concerned.

At the regional level, the Regional Executive Agenda (REA) for Peace and Development serves as ARMM's catch-up plan. Current projects and activities are aligned with the priorities embodied in the plan. As regional line agencies as well as LGU representatives participated in the drafting of the REA, their annual operating plans also incorporated the thrusts specified in the regional agenda.

As mentioned in earlier chapter of this report, the REA focused on advancing the following:

♦ Economic Development: Agri-fishery Development, Environment & Natural Resources, Investment Generation and Development, Trade, Tourism Development, ARMM Information, communication and Technology

♦ Social Development: Social Services, Madaris Education, Human Resources Development, Livelihood Development, Cultural Development

♦ Infrastructure Development: Regional Infrastructure, Infrastructure Support for Agri-Industrialization

♦ Development Administration: Regional Administration Reform, Regional Systems Development. Regional Capability Building Program, Regional Fiscal Management Program

Since the inception of the REA, a number of activities relative to the above cited were conducted by the different line agencies and ARMM offices. At present, outcome and impact results could not yet be gleaned since its accomplishments are relatively new.

At the local level, a number of the LGU respondents implement projects that are in line with their Executive Agenda and/or with the REA. They also acknowledged that some of their projects are done in collaboration with other agencies/groups. Table below presents this:

Table 7-1   Sample of LGU Projects

LGU	Project Name	Implemented by:	Project Aligned With:	
			EA	**REA**
Tawi Tawi	a. Health & Sanitation b. Peace & Order c. Housing for Badjaos d. Livelihood-Aqua Culture e. Light & Power	a. DOH-IPHO, RHU b. LGU with PNP, DILG, CSOs c. LGU d. LGU, CSOs e. LGU & TAWELCO, NPC	/ / / / /	
Lamitan, Basilan	a. Health Services b. FMR maintenance c. Peace & order	a. LGU b. LGU c. LGU	/ / /	/ / /

LGU	Project Name	Implemented by:	Project Aligned With:	
			EA	REA
Parang, Maguindanao	a. Water Supply project	a. LGU, DILG, ADB	/	/
	b. Reproductive Health	b. LGU, DILG,UNFPA	/	/
	c. Coastal Marine Bio-Diversity Conservation	c. LGU, BFAR, CSOs, MRDP (WB)	/	/
Kapatagan, Lanao del Sur	a. Core Shelter	a. LGU, DSWD/TABAN	/	/
	b. Spring Development	b. LGU, DPWH, Province, DAR, ADB	/	/
	c. FMR	c. LGU, DAR, ADB		
Sultan Kudarat, Maguindanao	a. Computerization	a. LGU	/	
	b. Gender and Development	b. LGU	/	
	c. Environment protection	c. LGU	/	

7.2   Eternally Funded Programs

7.2.1   Projects

ODA programs/projects continue to be a major contributor in ARMM's development undertakings however exact amount of ODA investments could not be pegged as some cover the whole country or Mindanao. Focus of ODA initiatives are along – social services, income and livelihood provision, peace and development, development administration, infrastructure. Specific interventions include capacity building activities; equipment, materials and farm implements provision, technical assistance, Table 7-1 below captures a sample of these projects, its focus, source and corresponding estimates. Lists of other ODA funded projects (On-going, Committed, and Completed) are seen in Annexes 7-1a to 7-1e.

Table 7-2   Sample ODA Projects in ARMM (Ongoing)

Name of Program/Project	Focus of Project	Source	Amount (₱/$)
Fifth Country Programme for Children (CPC V) (Being implemented by DSWD)	Strengthening government capacities to carry out Convention on the Rights of the Child. Scale up to cover all barangays	UNICEF	P 150. 0M

Name of Program/Project	Focus of Project	Source	Amount (P/$)
UN-Multi Donor Programme (Phase III) (PMO)	Support provision of basic services, livelihood, capacity & confidence building; strengthen foundation for peace and order	United Nations	US$25.0M
Basic Education Assistance for Mindanao (BEAM) – Grant (PMO in coordination with DEPED))	Assist improvement of quality of basic education and respond to local educational needs of minority & indigenous people	AusAid	US2.7M
ARMM Social Fund Project (ASF) (PMO)	Aim to reduce massive poverty and help build sustainable peace in conflict-affected areas.	World Bank/ CIDA/JBIC	US33.6 M (WB) US$25.18M (JBIC)
Local Government Support Program (LGSP Phase 2) – Grant (PMO working with DILG)	Capacity Building for 23 LGUs, target CSOs	CIDA	C$20.46M
Support to Agrarian Reform Communities in Central Mindanao (STARCM) – Grant (PMO)	Contribute to alleviation of rural poverty and economic disparities in 4 provinces (in ARMM, Lanao del Sur)	European Union	P243.45
Women's Health and Safe Motherhood Project (PMO working with DOH)	Improve health status of women through safe motherhood services	ADB/WB/ EU	P58,98M
Comprehensive Salam (Peace) Project – Loan	Construction of 163 bridges	British Government	US83.5M

Source: MEDCO Reports, RPDO, ARMM-ODA Unit

Majority of these programs are handled by national line agencies/coordinated by the regional line agencies and LGUs or managed by a Project Management Office (PMO), in some cases external to the concerned line agency; focused on a target community, area/number; and require counterpart resources.

There are also a number of projects implemented by various CSOs in ARMM, most of these are livelihood promotion and provision, environment management activities, community-based small enterprise development, water systems, health, peace and unity. Resources are channeled through the NGOs, academe or churches/diocese. Information on this is not complete since LGUs and line agencies have not recorded extensively their operations. For example, the

Catholic Relief Services (CRS) has health, agriculture, and peace and reconciliation projects operating in Maguindanao, Basilan, Jolo and Marawi City. They work with NGOs and communities in implementing these undertakings. The Notre Dame Foundation for Charitable Activities, Inc – Women in Enterprise Development (NDFCAI-WED) based in Cotabato City also engaged in various programs on peace building, gender and development, adult literacy, micro lending, enterprise development, community radio development, and capacity building activities. They cover communities in Barira, Matanog, Buldon, Parang, Sultan Kudarat, Sultan sa Barongis, and Simunul.

As regards constraints encountered by agencies in managing/coordinating ODA funded projects, they shared problems on – difficulty of agencies/beneficiaries to accomplish required documents prior to approval, mobilization fund to be advanced by the agency, unstable peace and order hamper implementation of project, geographic location of those who need assistance, lack of funds to cover counterpart.

7.2.2   Directions of Externally Funded Projects

A look into the list of pipeline projects and proposed programs show the continuing assistance of donors along poverty reduction, good governance, and peace and development. Provision to improve basic services such as education, water, health care are the core of Asian Development Bank, Japan International Cooperation Agency, ARMM Social Fund, European Union programs. Initiatives to help bring about good governance and institution building/strengthening environment management and gender and development are key thrusts in Canadian International Development Agency, USAID, United Nations Development Program while Saudi Fund, USAID, JBIC intend to contribute infrastructure development. The USAID through Growth With Equity in Mindanao (GEM) shall continue assistance along economic, livelihood, small enterprise development concerns. Post-conflict assistance to ARMM is likewise given attention by the UN-Multi-Donor countries. CIDA through Local Government Support Program shall expand its operations to cover all LGUs and provide assistance along Development Planning (CLUP, EA/Legislative Agenda formulation & implementation) and Peace Building.

Annex 7-2 shows some Pipeline Projects.

Given the number of local and external-funded projects, it is important that harmonizing of initiatives be done to ensure its complementation, avoid overlaps and optimize resources in the area.

CHAPTER 8
TRENDS AND CHALLENGES

8.   TRENDS AND CHALLENGES

There are emerging trends, issues and challenges in governance affecting ARMM. This specific section highlights the discussions in the different chapters considering the various results of the interviews and consultations undertaken.

8.1   Development Directions in ARMM

There are development directions set through the formulation of Development Plans and Programs in the four (4) Administrations under ARMM. In all cases, these development directions embody the aspirations of the BangsaMoro people in the region. The latest of these development directions is the 2002-2004 Development Framework Plan focused on the ARMMs Regional Executive Agenda (REA) for Peace and Development.

The challenge facing the Autonomous Regional Government (ARG) is having this Executive Agenda fully understood and disseminated in the lower levels of the government bureaucracy particularly at the provincial and municipal levels. Unfortunately, the current efforts on communication and advocacy activities are very limited given that its Bureau of Public Information (BPI) is constrained to expand its dissemination activities.

There is great desire to build on gains and successes of previous administrations; however, these are not generally sustained because of changing priorities of different leaders of the Region.

At the Local Government Units level, all provinces have completed their Provincial Physical Framework Plans, a long-term plan that spells out the socio-economic and land uses of the area. However, these plans need to be updated given the current realities in the field.

Other than the Comprehensive Land Use Plans (CLUPs) formulated by less than 50% of the municipalities within the ARMM Region, several other plan documents were developed in specific areas of concern in respective municipalities. These plans are: Local Poverty Reduction Action Plan, Ecological Solid Waster Management Plan, Resource Generation and Mobilization Plan, Gender and Development Plans, Local Plan for the Protection of Children, Contingency Plan, Local Shelter Plan, and Local Enterprises Development Plan. The presence of these plans also reflects the priorities made by the different Local Chief Executives (LCEs).

Similar to the Regional Governor's Executive Agenda, the different Local Chief Executives also came up with their own version of an Executive Agenda. However, there is still much to be desired in the actual implementation of these development directions.

8.2   Delivery of Basic Services

There are no conclusive reports on whether delivery of basic services has been cost efficient and effective.   What came out as a common perception resulting from the interviews and consultation workshops, are that these basic services have not reached the poor and far-flung areas. Reasons cited by service providers (agencies and Local Government Units) include peace and order conditions, geographic/far-flung location of communities, inadequate resources and facilities to reach target areas.

Given their limitations, these service providers adopted several strategies depending on the focus of their mandates, specific programs/projects and availability of resources. Among others, this includes the provision of direct technical assistance, participatory planning and monitoring through consultations and community-based activities, conduct of direct trainings for the beneficiaries and direct management of projects.

A challenge for these service providers is how to make the existing service delivery systems effective in serving the intended beneficiaries using appropriate performance indicators and ensuring internal control in safeguarding fund utilization.

Noteworthy of highlighting is the current initiative of the Autonomous Regional Government (ARG) on the Convergence Strategy in selected municipalities in the provinces. This approach pools together efforts and limited resources available in the agencies, at the same time, enabling these agencies to perform their mandated functions. It also provides for the participation of the Civil Society Organizations (CSOs) in managing and delivering services.

8.3   Resources Generation and Mobilization

There is an overwhelming response that there is greater access to resources particularly from the Official Development Assistance (ODA) since the time ARMM was created. Likewise, the National Government continues to provide nationwide programs and projects located in ARMM. Other sources include: Congressional Funds and Locally-generated revenues and taxes.

Local Government Units are still very dependent on its share of the Internal Revenue Allotment with only very limited revenues from local taxes such as Real Property taxes, business fees, rental of equipment, revenues from local enterprises, etc. Although, there are initiatives to generate its own resources, building their own capacities to mobilize and generate revenues are not that adequate and apparent.

The following Resource generation and mobilization strategies were adopted by ARMM and its appropriateness depends on the kind of resource being accessed:

- Preparation of technical proposals, feasibility studies and training designs;
- Establishing of the "twining" approach";
- Entering into Memorandum of Agreement (MOA) or Memorandum of Understanding (MOU);
- Strengthening of technical capabilities.

While there is recognition of opening up of greater resource opportunities, ARMM is challenged further because:

- The Autonomous Regional Government (ARG) will have to compete with other administrative regions, particularly with requests for budgetary cover for foreign-assisted projects. Likewise, it will have to continue on proving itself that its Region is receiving less in terms of program funds for basic services from the General Appropriations Act as compared to other Administrative Regions of the country.

- ODA donors usually have circuitous processes and any assistance is generally controlled and managed by them. While being very receptive to any of assistance, these foreign-assisted projects are usually aligned with the ODA's own priorities based on their respective country programs.

- Finally, while there are initial efforts of strengthening technical capabilities, there is still room for enhancing capabilities in project development, management, monitoring and evaluation as well as access to ODA sources.

With respect to local revenue generation, the Autonomous Regional Government recognized the need to review existing Regional Laws such as the ARMM Revenue Code and Local

Government Code. Likewise, there is also a need to enact various Regional Laws supportive of fiscal management. Examples cited are: Regional Mercantile Law, Regional Law governing Insurance of Debt Notes, and Regional Endowment Law.

8.4   Budget and Fund Flows

ARMM continues to receive two major sources of funds: the National Government fund transfers through the General Appropriations Act (GAA) and the Local Funds generated from the internal revenue collections, natural resources taxes, fees and charges and regional taxes. In both cases, these fund transfers are to be appropriated and contained in the National Expenditure Program (NEP) annually as part of the National Government budget, endorsed by the President to Congress for enactment as the Annual General Appropriations Act (GAA).

On the National Government fund transfers through the GAA, increases have been minimal to comply with the budgetary ceilings imposed by the DBM. All through the years, the budget has been skewed towards Personal Services (PS) averaging to 70% as against 20% for Maintenance, Operating and Other Expenses (MOOE) and 10% for Capital outlay. In such situation, there is a bloated "bureaucracy" that cannot be fully utilized effectively since there is very limited support for operations and facilities for mobility and communication.

National Government Budget Preparation is in-place and has not changed. However, the process flow for the Local Funds has become circuitous, thus causing the delay in releases. In 2002, Local Funds have to go through DBM for appropriations, a practice that was not done before.

In both fund transfers, delays are generally experienced not just in the regional but also in the provincial offices as well. Similar experience is happening with respect to releases of the Internal Revenue Allotment (IRA) for LGUs.

Issues raised during the consultations are policy limitations constraining budgets like: imposition of budget ceiling; the absence of program funds' allocation in the budgets of devolved agencies; and non-implementation of salary standardization law for some National Government with field offices in the ARMM such as the BJMP and the BFP.

8.5   Organizational Structures and Staffing Patterns

Organizational Structures and Staffing Patterns are generally in place except for the newly devolved agencies which are still in skeletal force (Ex. HLURB). Job functions, roles and responsibilities are spelled out, while relationship between and among departments are clearly understood.

Structures vary depending on the nature of the programs/projects/services of devolved agencies. A common picture in all these agencies is the presence of operating units involving technical and administrative services. National Government with field offices are still very centralized and depend on support from their respective Central Offices (Ex. NAPOLCOM, CSC)

There are prevailing negative views from the provincial and municipal level respondents that ARMM is perceived to be another layer of bureaucracy causing red tape as indicated by the delayed releases of funds to the field offices responsible for direct service delivery.

Likewise, the leadership sees the need to streamline and re-structure the bureaucracy to make it more responsive and cost efficient.

8.6   Operating Systems and Procedures

Operating Systems and Procedures are in-place in majority of the agencies and Local Government Units. As an existing norm, National Government Systems (on planning and budgeting, accounting and auditing, administrative management, monitoring and evaluation) are adopted. However, systems are not documented and manualized and implementations as well as compliance with these systems and processes have varying degrees. Some needs updating and upgrading of facilities to ensure system's relevance and appropriateness particularly in the areas of administrative, audit and control, monitoring and evaluation. An important issue is the need to use monitoring results to correct deficiencies, enhance systems and improve performance.

There is also a strong clamor for the enactment of an ARMM Administrative Code, coupled with the formulation of the Region's Code on Ethical Standards.

8.7   Human Resource Development

Most agencies and Local Government Units adopt the rules and policies promulgated by the Civil Service Commission. The respondents and participants during the Development Administration Consultation Workshop raised issues on compliance and stricter enforcement of procedures particularly in the selection and promotion of personnel. More so, the concern on sanctions and rewarding performing personnel has to be viewed as this area has not been pursued.

There is also a strong view that managerial and executive capacities have to be continuously strengthened for both appointive and elective officials, not just in the field of technical competence but also in work ethics, personal and organizational values.

8.8   Inter and Intra-governmental Relations

As ARMM faces the challenge of devolution and autonomy, the tasks of organizing agencies and ascertaining teamwork exist in every agency and among institutions as well as building relationships must be done to ensure concerted delivery of services. As mentioned earlier, majority of the agencies covered in the study averred that units operating in their organizations are well aware of its responsibilities and functions and complement each other. They likewise have not cut off their relationships with their Central agencies, exchange of policies, information and some cases, sharing of resource are still being pursued. There also exists strong links with the Civil Society Organizations.

Coordination and linkages with Local Government Units are done through Memorandum of Agreements (MOA)/Memorandum of Understanding (MOU).

While EO 125 and 125-A have been issued to further devolve powers and functions, programs and projects of National Government Agencies to the ARMM, these powers will only come to fruition when both parties develop sincere trust with each other in the pursuit of genuine development in ARMM. To date, several National Government programs located in ARMM are still managed and controlled by the Central Offices and implemented either by their respective Administrative Regions in IX, X and XII. An example well illustrated are National Infrastructure projects located in ARMM being implemented by the three administrative regions (Regions IX, X and XII).

8.9   Devolution

With respect to devolution from the National Government, four (4) Executive issuances were signed involving DOST, DTI, TESDA and a general issuance for the devolution of powers and functions to ARMM.

While policies and guidelines on devolution are in-placed, there is still a need to improve hand-holding or enabling mechanisms such as technical assistance and preparation of manual of operations for internal processes and procedures and ensuring the provision of required resources.

There is a common perception from among the respondents and workshop participants that devolution has constrained the delivery of basic services because of: limited financial support, manpower complement for those agencies with skeletal force, and facility to reach the target areas.

As for the devolution of regional powers to the LGUs in the areas of education, health, human resources, science and technology and people empowerment, this has not taken effect. There is a need to look at MMA 25, the ARMMs' Local Government Code and reconcile policy implementation in relation to local autonomy.

8.10   Legislation

The profile of existing Regional Laws tend to favor legislation supportive of the political sector, such as the creation of barangays and municipalities, renaming of barangays and municipalities and amendments to acts on creation/renaming of barangays, totaling to 83 out of the 154 Regional Laws. The least number of Enactments was in the Economic/Agriculture Sector with only 3 Regional Laws since its creation in 1991.

There is a common view that relationship between the Executive and Legislative Departments is being strengthened as evidenced by:

♦ Organization of the Regional Legislative and Executive Development and Advisory Council (RLEDAC);

♦ Participation of the Legislative Department in the Regional Economic Development and Planning Board (REDPB) and its Sub-Committees;

- Passage of Enactments certified by the Executive Department;
- Current capability building initiatives

There is a clamor to strengthen the capacities of both the Legislators and Staff in the areas of policy formulation and local legislation.

8.11 Administration of Justice

Based on the Study prepared by PILIPINA Legal Resource Center (PLRC) and the reports of the Supreme Court and OPAP, the present state of the Shari 'Courts is very depressing; The Shari'a Appellate Court has not yet been organized; all Shari'a District Courts are vacant; and only 36 out of 51 Shari'a Circuit Courts are organized. Of the 51 authorized positions for Circuit Court Judges, 63% (32) have long been vacant since 1991.

Courts and its building facilities are even more deplorable since there are no permanent places for them to hold their hearings. The judges and their staff had to shell out from their pockets to pay for the rental and bills for basic utilities.

The qualification requirements of a Shari'a judge are more stringent as compared to Regular Trial Judges and there is very limited pool of Shari'a Counselors for which selection can be made.

Administration of Justice affecting the BangsaMoro people needs to be responded properly by both the Regional and National Governments.

8.12 Peace Building

There are peace building initiatives in ARMM pursued by the national, regional, LGUs, CSOs and other donors. Despite this, ensuring that all agencies and sectors participate in these efforts need to be done. Many stakeholders still view peace building as a responsibility of the military and particular groups. More so, there is inadequate information system based in the region that tracks peace building efforts and status and reports gains. Likewise, information dissemination on policies, guidelines (i.e., on loose firearms registration) has to be extensively done.

CHAPTER 9
ISSUES AND RECOMMENDED INTERVENTIONS

9.   ISSUES AND RECOMMENDED INTERVENTIONS

With reference to the earlier discussions on the trends, issues and challenges, this section presents recommended interventions resulting from the survey and consultations made. These recommendations are also consistent with the Regional Executive Agenda for Peace and Development, in the pursuit of the ARMMs transformation into a proactive, transparent and responsive government within the purview of real autonomy and distinct culture.

There are ten (10) program packages being suggested. It is important however to note that the packages are inter-related and that not one intervention can fully respond to an issue. A combination of the program packages will be ideal in addressing specific concerns. The table below serves a s a shopping list of interventions:

Table 9-1   Summary of Issues and Recommended Interventions on Governance

ISSUES	RECOMMENDED INTERVENTIONS
1. Issues relate to the perception of bloated bureaucracy in the ARMM Regional Government and address gaps in operating systems and procedures to effectiveness.	1. **Regional Administrative Reform** Ensuring transparency, accountability, responsiveness, cost efficiency, the program package will consist of the following elements:
▪ The need to assess number (and quality) of people and mandated services as there is a perception that there is much employees in ARMM	◆ Restructure and streamline ARMM Government with a general assessment and review of existing structures and staffing patterns;
▪ Inconsistent compliance to and lack of enforcement of systems and procedures – i.e., administrative procedures, employee hiring and selection, audit and controls, monitoring and evaluation)	◆ Documentation of workable operating systems and full implementation and strict compliance of said systems; ◆ Technical Assistance Support in the formulation of the Regional Administrative Code and the Code on Ethical Standards;
▪ Undocumented systems, processes	◆ Installation of an effective internal control system with corresponding sanctions and awards to government personnel;
▪ Inadequate system to tract agency performance	◆ Enhance programs supportive of anti-corruption strategies;
▪ Monitoring data not fully use to improve performance	◆ Mainstreaming CSOs (NGOs, Pos, Traditional Leaders) into ARMM governance

ISSUES	RECOMMENDED INTERVENTIONS
2. Resource Generation, Mobilization and Utilization issues need to be addressed to perform fully and support autonomy. The issues are: ■ ARMM agencies and LGUs highly dependent on national government fund transfers/ Internal Revenue Allocations to fund its operations and deliver services. ◆ There is inadequate initiatives to generate own resources/ low collection rate of local revenues ◆ Need to enhance competence of personnel to undertake project development, management, monitoring and evaluation ◆ Budgets and its utilization are skewed towards personnel services, the ratio is: 70%-80% Personal Services, 20%-Maintenance & Other Operating Expenses, 10% for Capital Outlay Budgets; in many cases, MOOE funds are used to pay salaries of casuals/contractuals ◆ Lack of resources to cover counterparts for foreign-assisted projects among agencies	2. **Regional Fiscal Management Reforms** The program package target at lessening dependency on national government fund transfers, it focuses on: ■ Review of existing Regional Laws such as the ARMM Revenue Code and the Local Government Code. ■ Technical assistance support in the development of other Regional Laws dealing with Fiscal Matters such as: Regional Mercantile, a Law governing Insurance of Debt Notes and on Regional Endowment. ■ Build/enhance competence on project development, management, monitoring & evaluation, networking and partnerships mobilization, budgeting and ensuring budgets relate to development priorities. ■ Test other resource generation and mobilization strategies/options. ■ Information dissemination and education on resource/revenue generation strategies and corresponding benefits derived for the communities
3. Efficient and effective delivery mechanisms need to be in place to ensure availability and wide reach of services. Its inadequacy lead to these concerns: ■ Services do not reach the poorest and far-flung communities ■ Services delivery function is based in the region and not devolved LGUs ■ Inadequate resources to perform service delivery functions ■ CSOs not fully optimized in services delivery	3. **Technical Assistance on Basic Service 3. Delivery Mechanisms** The package aims in ensuring provision and sustainability of services delivery through: ■ Promotion and adoption of the Convergence Strategy in more areas ■ Provide assistance to agencies mandated to deliver services – in terms of systems improvement and documentation of operating procedures, partnership building for resource mobilization, monitoring and evaluation, internal controls with regard to fund utilization

ISSUES	RECOMMENDED INTERVENTIONS
	▪ Build capacities of service providers/CSOs especially those that are community based ▪ Enjoin participation of CSOs in the service delivery process. The ODA assistance can provide for the deficiencies in actual services such as health, agriculture, water, education, social services and rural infrastructure. ▪ Pursue the devolution of regional powers on service delivery to the Local Government Units.
4. Devolution is an ongoing process and requires " handholding" mechanisms that would address consequences (resource requirement, staffing, etc). The issues are: ▪ Inadequate enabling/ support mechanisms for devolved agencies/services (resources, technical capacities, guidelines) ▪ Need to manage perceptions that devolution slows down delivery of services ▪ Reluctance among some agencies to be devolved for fear of delays in fund releases ▪ Provisions in RA 9054 and MMA # 25 regarding responsibility/accountability of services delivery are not consistent	4. **Technical Assistance to Devolution Processes and Institutionalization of Services** Possible interventions along this are: ▪ Assessment of services/functions and extent of performance; determining requirements – resources, capacities, staffing, structures, enabling processes ▪ Building readiness and acceptance among stakeholders ▪ Capacitating the institutions and required building competencies for the institutionalization of services. ▪ Formulation of guidelines, checklist that would direct devolution activities of agencies ▪ Revisiting provisions in RA 9054 and MMA # 25 and reconciling services delivery responsibility between line agencies and LGUs ▪ Resources mobilization to support performance of devolved functions/services

ISSUES	RECOMMENDED INTERVENTIONS
5. There is a wide recognition on the need for professionalism and capacity-building efforts for the Executive, Middle Management and the work force across agencies. ■ Lack of Human Resource Development Plan ■ Inadequate capacities of institutions to address human resource capacity gaps ■ The need to nurture proper work attitudes and ethics among employees	**.5. Support to Region-based Human Resource Development Institutions** Proposals from the stakeholders themselves include: ■ Formulation of a Human Resource Development Plan ■ Strengthen existing Region-Based Human Resource Development Institution, which will take the lead in developing the competencies, work ethics, personal, and organization values among the appointive and elective officials and staff. The ARMM Development Academy (ADA), a locally created Resource Institute and the Civil Service Commission (CSC) can be supported in terms of instructional materials development (culture sensitive materials), facility development ■ Develop a pool of resource persons, specialists and experts in various fields of expertise needed in the Region ■ Link region-based HRD institutions with other organizations (other regions, external) for information sharing, exchange of technologies
6. There is recognition of the weaknesses of the information, communication and technology capabilities of the ARMM Region. This is evidence by: ■ Limited understanding of the Regional Executive Agenda and the Organic Act at the local levels ■ Negative perception on the existence of ARMM as another layer of bureaucracy that hinders rather than hastens development.	**6. Support to Information, Communication and Technology** This program package aims to increase awareness among constituencies and enhance their involvement in governance processes. It will consist of the following: ■ Development of an Information, Communication and Technology Plan that will be the basis of implementation. ■ Assist the Bureau of Public Information (BPI) in its operations as a government agency tasked to lead in information

ISSUES	RECOMMENDED INTERVENTIONS
▪ Lack of communication facilities among agencies as well as strategies for information dissemination	dissemination through strategizing on effective means of reaching the greater population, technology and facilities development. ▪ Optimizing the use of mass based approaches i.e., community radio, indigenous ways of dissemination, pulong-pulong. ▪ Developing strategies and materials that would cater to varying levels of stakeholders and involving CSOs in the use of these strategies ▪ Partnering with other institutions, CSOs that provide communication services
7. Current performance of the Regional Legislative Assembly and Local Legislative council showed the need for its enhancement. ▪ Regional Laws are more aligned to political enactments and approval of operating budgets rather than support to priority sectors such as economic/agriculture and social services. ▪ Technical staff also needs to be developed in policy formulation, local legislation and legislative tracking. ▪ Need for a Legislative Agenda that complement/support Executive Agenda	7. **Regional and Local Legislative Improvement Program** This program package center on: ▪ Improve capacities of the Regional Legislative Assembly in formulating and tracking of Regional Laws, technical assistance in information management and facility development. ▪ Assist legislators in crafting Legislative Agenda that complements development thrust ▪ Technical assistance in codification of laws/ordinances ▪ Conduct of advocacy activities
8. Several governance issues identified are policy restrictions that will need greater policy development and advocacy for national and local interests. ▪ The need to develop a more "sincere trust and relationship" between the National Government Departments and the ARMM are very important aspects to be seriously dealt with.	8. **Regional Policy Development and Advocacy** This program package will – ▪ Assist ARMM and its Local Government Units in the area of policy development and advocacy. It will include emersion programs for National Government Officials to better understand the ARMM and

ISSUES	RECOMMENDED INTERVENTIONS
■ Investment Programs and Budgetary Restrictions on fiscal autonomy ■ While there is a clamor for decentralization of services from the Regional Government to the Local Government Units, there are LGU apprehensions because of limited resources.	vice-versa ■ Develop the capabilities of executive and legislative department officials and the Local Chief Executives in policy advocacy and development. Some of the policy issues that can be addressed are: ■ ARMM with respect to the National Government's Investment Programming and Budgeting Processes; ■ Policy Review of both RA 9054 and Muslim Mindanao Act 25 on the Local Government Code particularly on the devolution of basic services
9. Efficient and effective delivery of justice is affected by: ■ Many of the courts are not staffed with judges ■ No permanent venues to hold hearings, the courts and facilities are in deplorable conditions. ■ Shari'a Appellate Courts and Shari'a Circuit courts need to be organized	9. **Support to the Shari'a Courts' Operations and Facility Development** This program package will look into the Shari'a facilities and support to the delivery of justice. It will include: ■ Construction of courtrooms, judges' offices ■ Possible logistical and administrative support for the administration of justice. ■ Information management system to track cases and status (including equipment provision) ■ Enhance involvement of CSOs (i.e., in reporting cases and tracking status) (These program packages can be developed into full-blown proposals and shall consider other pipeline National and other ODA assistance from other countries)
10. Although there are activities undertaken by the government and non-government organizations, Peace building must be the concerned of all agencies and sectors.	10. **Support to Peace-Building Process** ■ Set up monitoring mechanism to track peace building efforts and results and organize current peace building efforts

ISSUES	RECOMMENDED INTERVENTIONS
■ Not all agencies are engaged in peace building/promotion efforts ■ Need to manage perception among stakeholders that the approach to peace is sectoral (i.e., keeping peace is the domain of the military) ■ Inadequate/ information system on peace initiatives and status that is based in the region	organize current peace building efforts ■ Assist agencies in integrating peace-building activities in their operations, programs, projects ■ Technical assistance in the operations and the sustainability of the Peace and Order Councils – formulating relevant plans, enjoining people participation, monitoring, reporting, mobilizing resources ■ Optimize CSOs in peace building efforts and in monitoring processes

Sources   *Results of Baseline Survey, September 2003; and Results of the various Consultation Workshops, September 2003*