



## **Strengthening Local Mechanisms for Effective Civil Society Organizations’ Participation in Procurement Processes**

<b>CSO:</b>	Evelio B. Javier Foundation, Inc. (EEBJFI)
<b>Years:</b>	2009 - 2010
<b>Country:</b>	Davao del Sur and Cebu, Philippines
<b>Amount:</b>	\$ 21,508 USD
<b>Sector:</b>	Public Procurement

<b>Corruption Problem:</b>	Wastage of local government funds to corrupt practices and lavish expenditures in the procurement
<b>Tools Employed:</b>	Training local observers in improved and sustainable observation methods

The Government Procurement Reform Law (R.A. 9184) passed in 2003 sought to improve the process of government procurement by requiring measures to make it open, competitive, and transparent. One measure for improving transparency and accountability was the requirement to have observers from the private sector and civil society present at BAC proceedings. The Evelio B. Javier Foundation, Inc. (EBJFI) was one of the organizations that sought to prepare the participation of such observers by conducting orientations and trainings. However, EBJFI discovered that despite the increase in the number of trained observers, a problem in the commitment of CSOs and private sector groups to observe and monitor the operations of BACs was recurrent. This led EBJFI to initiate the building of a partnership between government and civil society to institutionalize the CSO BAC observers in the provinces of Davao del Sur and Cebu, in an activity referred to as the Interface. The Interface led to the formation of the Davao Procurement Transparency Core Group and the Cebu Bids and Awards Committee Observers Steering Committee that would lead the institutionalization of the observers’ groups in their respective areas of operation. The project on strengthening these local

mechanisms, funded by a PTF grant in 2009, was the direct offshoot of that previous effort.

### **Corruption Problem Addressed and Project Objectives**

While the Interface enabled BAC observers (BACOs) of the two provinces to organize themselves into local networks or committees (the “local mechanisms”) that would work to ensure transparency in local government procurement processes, these mechanisms needed to be strengthened and equipped to be self-sustaining by increasing the networks’ capability to be effective monitors as well as by adding to the number of volunteer observers. Ensuring effective monitoring required that there be more observers trained and that they be knowledgeable about the intricacies of the procurement process, the nature of the services and goods that were being procured, and the requirements that needed to be fulfilled by both purchaser and seller to ensure the desired outcome. Ineffective CSO observers would mean that a vital component of the mandate of the procurement reform law would be not met thereby negating the reforms in government



procurement procedures and keeping the door open to waste and possible corruption.

The project, therefore, aimed to assist both BACO networks in Davao del Sur and Cebu in their capability building activities geared towards sustaining their activities as a unified force actively participating in public procurement activities and effecting reforms. Specifically, it sought to:

- Assist both steering committees in Davao del Sur and Cebu in formulating a strategic direction for the group;
- Help build the capacities of each network organization in sustaining its activities and in enhancing the knowledge and skills of existing and new BACOs;
- Assist in putting BACOs in appropriate BACs and replicating what has been achieved in the Interface. In monitoring procurement processes, the tested method of having observer teams assigned to BACs instead of individuals, as pioneered by the Bishops-Businessmen's Conference for Human Development (BBCHD) and the Makati Business Club (MBC), was to be replicated;
- Assist the Steering Committees in recruiting the ultimate ally and support group—the Filipino people;

Assist in system and tool formulation geared towards effectively and efficiently monitoring, evaluating, and documenting the activities of deployed BACO teams and assist in research efforts aimed at increasing knowledge and skills of BACOs.

## **Approaches, Methods and Tools Used to Address the Problem**

EBJFI proposed to undertake the following activities to strengthen the local BACO networks in the two provinces:

To assist the networks in mapping out a three-year strategic plan that would set future direction for each network, lay down guidelines for how the CSO networks would relate to each other and to the BACs they would be monitoring, and prioritize the particular LGUs and local government agencies (LGAs) and the specific types of procurements the networks would focus on. This activity was to produce the strategic plan as well as an internal “principles of partnership” document and an external “framework for collaboration” with the government, academe, and the business sector.

To maintain and strengthen the observers' networks by asking them to hold regular monthly meetings and to organize trainings to recruit more observers as well as enhance the skills and knowledge of existing observers. This activity was to result in the recruitment of 50 new observers and upgrading of the existing 75 members of the networks. A trainers training module was going to be created as well as a mobilization fund that would provide resources for these activities.

To institutionalize the observers' networks by arranging that observer teams, rather than individual observers, monitor the BAC activities of the priority LGUs and LGAs. Part of this institutionalization was to match each observer team to a particular LGU or LGA for monitoring. EBJFIII would also arrange for regular quarterly dialogues between the BACs identified and the observer teams assigned to them.



To build awareness among the public and garner their support for the reforms in government procurement. This activity would result in a communication plan, the organization of a “Public Procurement Month” culminating in a public parade with an anti-corruption theme, and the holding of public meetings and information-sharing fora.

To systematize and facilitate the reporting of the observer teams by creating a standard reporting format and a monitoring and evaluation group that would scrutinize the reports and provide advice to the observer teams. This activity would also involve the creation of a central table library to collect relevant reading materials and archive the team reports. A directory of observers would be put together and a semi-annual conference of observers would be organized as a venue for sharing experiences.

## **Results Achieved**

1. The two networks conducted strategic planning exercises in early 2010, which produced a strategic plan for each network, the principles for partnership agreement, and the framework for collaboration document. The priority government offices and procurement exercises to be monitored by the networks were identified for each province. While a three-year strategic plan was conceived and its components noted, no formal plan document was ever produced. A deployment and monitoring mechanism also took the place of the envisioned principles of agreement and framework for collaboration.

2. The institutionalization of organizational mechanisms called for each network regularly scheduling monthly meetings for tracking their respective progress in plan implementation. While meetings were indeed held, they were not regularly scheduled on a monthly basis.

The Davao network organized a training for 63 new observers and a retooling session for 14 existing observers out of the 75 formerly identified. In Cebu, 75 volunteers, of whom 28 were existing observers, were gathered in a joint training and retooling exercise. Both trainings were held in early 2010 right after the planning sessions. Both Davao and Cebu also held training for trainers in April and May 2010, respectively.

Each network also established a mobilization fund. This fund was intended to provide funds to volunteers for their out-of-pocket expenses when monitoring the BACs.

3. The networks assigned observer teams to the priority procurement activities and procuring offices that each had identified. However, the planned dialogue between observer teams and BACs that would have formalized and institutionalized the relationship between the two entities was frustrated by the fact that no formal agreement on this matter was actually drawn up. The networks also met with the academic and business sectors in their respective areas of operation and were said to have forged cooperation and pledges to monitor government procurement processes. In March 2010, the Davao network decided to cover all three provinces of Davao (i.e., Davao del Sur, Davao del Norte, and Davao Oriental) in recognition of the fact that its members came from all three provinces. In all, 33 organizations fielded 63 observer volunteers in the identified priority LGUs and LGAs. The Cebu network’s six members monitored nine priority LGUs and LGAs.

4. The networks’ simple communications plan called for making January “Public Procurement Month,” but this never got off the ground because the project schedule did not allow it. The Davao network established an awareness committee that catered to the members of the network organizations rather than the general public. The Cebu network created an information



brochure that was distributed to procurement reform stakeholders and other organizations.

5. The networks adopted the Coalition Against Corruption's observer reporting template instead of developing their own. Knowledge resources were collected and made available to the observers for increasing their knowledge regarding government procurement processes.

### **What worked well and what did not?**

*Strategic Planning and Network Strengthening:* The strategic plan of each network provided strategic directions for the institutionalization of CSO monitoring of priority LGUs and LGAs with trained observers. Capability building through training of new volunteers and the retooling of experienced observers enabled the networks to respond to the call for more observers in the BACs. The creation of documents formally laying out the strategic plan and the implementation guides covered by the principles of partnership and framework for collaboration would have facilitated the overseeing of the whole program and could have been useful as a reference for other similar efforts initiated by other CSO networks.

*Recruiting, Endorsing and Deploying BACOs:* The networks were able to recruit and train new volunteers to meet the increasing demand for more observers. In order to maximize their limited number of volunteers, the networks decided to prioritize which LGUs and LGAs it would assign BACOs to. Also, as a way to increase the effectiveness of CSO monitoring, it assigned BACO Teams instead of individuals to the prioritized BACs and matched the teams to their particular BAC assignments based on the types of procurement to be monitored.

*Deepening Knowledge and Skills in Public Procurement Processes:* The institution of measures for

organizational strengthening was a necessary step in building more solid footing for the networks. The trainings and retooling sessions built up the networks' manpower resources and their ability to monitor the priority BACs. The training of trainers program ensured that the networks would be self-sufficient in having the personnel necessary for preparing volunteers for monitoring work. Measures to stem the problem of volunteer drop out were initiated with the expectation of good results.

*Instituting a Uniform Reporting and Feedback Mechanism:* The project adopted the CAC Coalition Against Corruption (CAC) Observer Reporting Template which helped in evaluating the compliance of the BACs with the law. Adopting the template, albeit altered to reflect local conditions, ensured a uniform reporting format, which facilitated the collection and analysis of the data contained in these reports. Feedbacks, suggestions and comments on particular procurement activities were discussed during the quarterly meetings of the networks and the BACOs.

*Formal Recognition by Government Procuring Agencies:* The matching of observer teams to BACs has produced positive results for third party monitoring of government procurement, possibly preventing more corruption and other anomalies. However, the inability to draft a memorandum of agreement or understanding with the BACs was regarded as a setback as it prevented the BACOs from "fully engaging" with the procuring agencies, particularly in the long-term.

*Formulation of Criteria and Process of Identification of Priority Agencies/Bids and Awards Committee:* The networks produced a set of prioritization criteria for choosing which BAC to observe based on the budgets allocated and the services impacted. The project's PCA suggested that another element for selection should have been included based on the degree of corruption



associated with each agency as implied by COA reports, media feedback, and popular perception.

*Developing Partnerships with Business Groups, the Academe, and Media:* The networks were able to conduct dialogues with academe and business groups. However, these relationships need to be strengthened and formalized as suggested by the PCA report. Such partnerships would help the networks do their work more effectively through knowledge sharing as well as the possibility of obtaining funds from the business sector. The networks' public profile would also have been enhanced if it had engaged with media as a way to channel the reports of corruption to the public and to build popular support for the anti-corruption campaign.

*Sharing a Model for Network Building:* By organizing and strengthening Davao Procurement Transparency Core Group (DPTCG) and the Cebu BACOs, EBJFI has provided a model for organizing a nationwide Philippine Procurement Network (P2N) for monitoring government procurement processes. The project has also placed EBJFI in a good position to pursue the organization of the much-desired Provincial Integrity Board (PIB).

## **Lessons Learned**

*Funding:* Since the network members had no funds dedicated to support BAC monitoring, they could only pursue this activity if they had funds saved from their other projects in order to be able to support the expenses incurred by volunteer observers. The creation of a mobilization fund is a start but it will have to be continuously replenished from a sustained fund source.

*Volunteer Management:* The high drop-out rate of trained volunteer observers, more than 50 percent in each of the two areas, does not bode well for sustaining this activity. The networks have initiated a "wooing"

program to keep volunteers interested and motivated but a more formal volunteer management program may need to be instituted so as to retain the services of observers.

*Limited BAC monitoring:* The BACOs in Davao and Cebu have had limited participation in BAC activities, mostly in pre-bidding processes and in the opening of bid documents. Considering that CSO presence during the whole procurement cycles has been institutionalized in other agencies and areas as mandated by law, the networks' ability to expand their monitoring activities seems to be limited by their own resource constraints in terms of volunteers and funding as already pointed out above.

*Dissemination:* Dissemination of results should be integral to the design of these projects as this broadens public awareness and may result in broader public participation. Such support from the public will be essential when projects seek greater transparency and accountability through advocacy for reforms. In this project, raising public awareness was a goal that was only partially fulfilled; dissemination of project results, however, was not an integral part of the project design.

*Project Management Challenges:* It was a challenge for EBJFI to manage the project since it was based in Manila while its two partners were based in the Visayas and Mindanao. Another difficulty was the number of network members that had to be coordinated, which at times proved unwieldy for EBJFI.

## **Sustainability**

The project's generally positive results have encouraged the networks to push procurement reform further, in particular, to establish provincial/city integrity boards to ensure that the recommendations of the local BACO networks are adequately considered and acted upon.



The networks have also striven to expand their coverage as noted above. What is more, the Cebu BACO has made a breakthrough by being recognized by the City Council and invited to provide procurement training to LGU officials.

The in-house training capability developed by the project will enable DPTCG and the Cebu BACO to recruit and train volunteer monitors, thereby expanding its personnel resources to be able to respond for the increased demand for observers. It only remains for the networks to sustainably manage these volunteer resources so as to minimize the number of dropouts.

As already pointed out above, funding is an essential sustainability element that the networks must seriously tackle. The mobilization fund is a small step, but other strategies need to be applied to garner the funds necessary to keep the volunteer work going.