

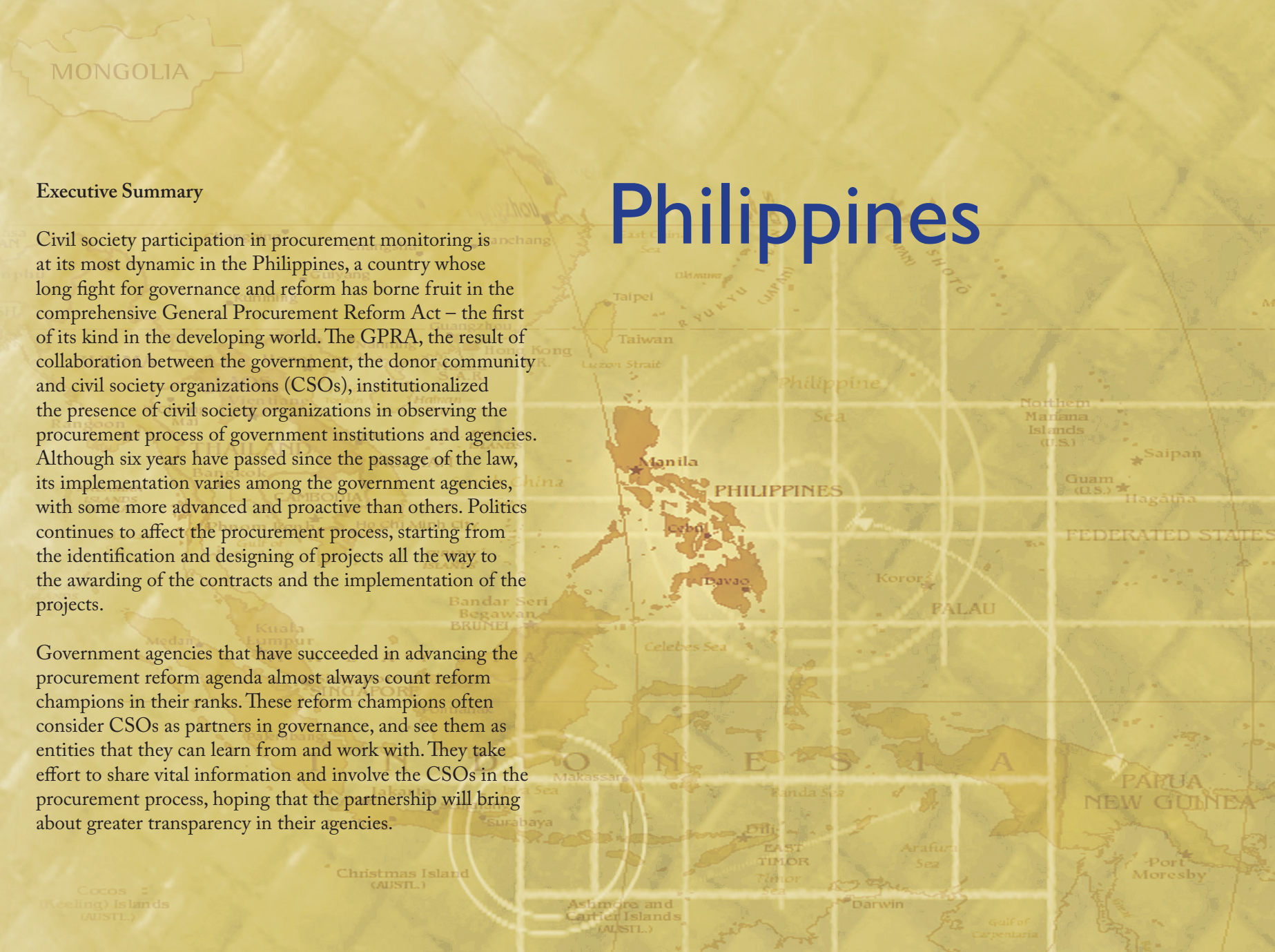
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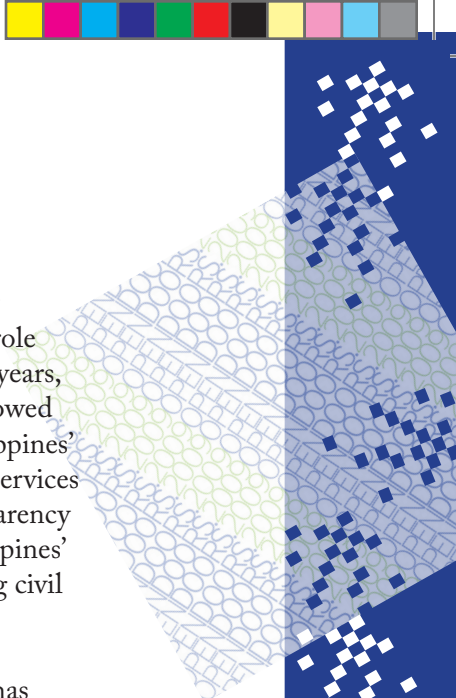

Executive Summary

Civil society participation in procurement monitoring is at its most dynamic in the Philippines, a country whose long fight for governance and reform has borne fruit in the comprehensive General Procurement Reform Act – the first of its kind in the developing world. The GPRA, the result of collaboration between the government, the donor community and civil society organizations (CSOs), institutionalized the presence of civil society organizations in observing the procurement process of government institutions and agencies. Although six years have passed since the passage of the law, its implementation varies among the government agencies, with some more advanced and proactive than others. Politics continues to affect the procurement process, starting from the identification and designing of projects all the way to the awarding of the contracts and the implementation of the projects.

Government agencies that have succeeded in advancing the procurement reform agenda almost always count reform champions in their ranks. These reform champions often consider CSOs as partners in governance, and see them as entities that they can learn from and work with. They take effort to share vital information and involve the CSOs in the procurement process, hoping that the partnership will bring about greater transparency in their agencies.

Philippines





CSOs, too, have varied experiences, with some able to reduce the cost of products and services for the agencies they are monitoring, and others unable to make a difference. Their relationship with government varies as well, with some able to foster a collaborative relationship with government agencies and others unable to penetrate the bureaucracy. Over the years, CSOs have seen the importance of developing their technical skills and building partnerships with other stakeholders. CSOs that are deeply committed to their cause are often able to find creative ways to get the information to make themselves effective procurement monitors.

Although some CSOs have found refuge in the Office of the Ombudsman as well as in court, few CSOs have taken their observations of procurement problems any further than the Bids and Awards Committee (BAC) of the agencies they are monitoring. Others have found that the media is the entity to turn to when they uncover cases of riggings and other anomalies. Sustaining CSO involvement in procurement monitoring is a main concern of government, CSOs and the donor community. Thus, efforts to bring the tools and techniques of procurement monitoring to the grassroots level is being pursued by progressive CSOs that have seen the benefits and impact of community ownership and participation.

As the GPRA continues to evolve, government, CSOs and other stakeholders' contributions will definitely help in building social accountability among government officials and citizens.

1. Procurement in the Philippines: Where it stands

Among developing countries, the Philippines probably has the most advanced legal framework for government procurement. In 2003, it passed Republic Act 9814, also called the General Procurement Reform Act (GPRA), which provided a

comprehensive legal framework for the procurement process and, most importantly, institutionalized the role of civil society as observers of the exercise. Over the years, corruption—deeply embedded in the system and allowed to thrive by conflicting laws, have depleted the Philippines' resources and compromised the extension of public services to the people. The GPRA aimed to introduce transparency into the procurement process by replacing the Philippines' 100-plus procurement related laws and by harnessing civil society participation.

Five years since the law was passed, the Philippines has recognized that procurement reform is a continuous, sometimes painful process. On the ground, observers and government officials are discovering how the GPRA is helpful, but insufficient to effect significant improvements without strong citizen support. Just as it has managed to introduce important changes in its procurement systems, the Philippines has also realized that it has to do much, much more in order to achieve change that would be meaningful to its citizens.

The Philippines' journey to procurement reform may have been long and arduous, but it has certainly not been a lonely one. Over the years, reform-minded government officials and private citizens, non-government organizations and donor partners have worked together to push for procurement reform through a combination of strong persuasion, constant dialogue, negotiation and legislation.

When it first reviewed the country's public procurement system in 2001, the Government of the Philippines, with the assistance of its development partners such as the World Bank, the Asian Development Bank (ADB), and the Japan Bank for International Cooperation (JBIC), saw that the

public procurement system was in dire need of improvement. The agencies rated the Philippines' procurement processes to be of "average risk" in the 2001-02 Country Procurement Assessment Report (CPAR)¹, noting that it was fragmented, cumbersome, and prone to corruption.

Since the Philippines implemented the GPRA, its rating has not changed much, garnering an assessed overall risk level of "medium" or "moderate" in the CPAR.

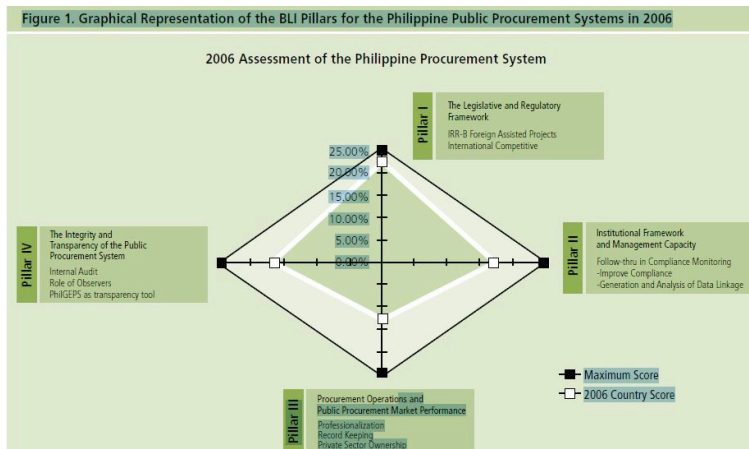
The overall risk level is arrived at by combining separate assessments for four major aspects or pillars. The Legislative and Regulatory Framework substantially met international standards for a low assessed risk level. Two other pillars, Institutional Framework and Management Capacity, and Integrity and Transparency of the Public Procurement System, partially met the standards and were assessed as having a Medium or Moderate Risk. However, Procurement Operations and Public Procurement Market Performance did not meet standards and were assessed at a high risk level.

Considering the magnitude of the Philippines' procurement activities, the need for further improvement cannot be overemphasized. Between 2003 and 2007, an average of 121 billion worth of infrastructure, equipment, materials, supplies and services passed through the procurement process each year, according to the

1 For procurement reforms, a process of joint review takes place by the World Bank, the Asian Development Bank and the Government of the Philippines. Begun in 2002, the Country Procurement Assessment Review (CPAR) was originally integrated with a Public Expenditure Review (PER) and a Country Financial Accountability Assessment. These products were jointly prepared by the Government of the Philippines, the Asian Development Bank (ADB), and the World Bank. The CPAR process is endorsed by the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) as a key mechanism for developing institutional and procedural capacity for procurement.

CPAR. This corresponds to about 15 percent of the Philippines' total annual budget, or about 3 percent of its Gross Domestic Project.

Alongside this, most Filipinos believe that procurement-related corruption is endemic to the system. Surveys consistently show that perceived corruption levels in the Philippines are among the highest in Asia. However, according to a survey undertaken by the Social Weather Station, only 13 percent of the public is aware of the new procurement law and its intended benefits, and only 29 percent of people interviewed agreed that corruption in government contracts is less common now than five years ago.





Source: *Philippine Country Procurement Assessment Report*, World Bank, October 2008

2. The road to procurement reform

A. Social and cultural influences

For reform champions and advocates of good governance, the passage of the GPRA was a cause for celebration. After all, the



GPRA showed how painstaking collaboration and efforts of reform champions can lead to better governance and reforms, not only in procurement, but in all matters pertaining to public administration in the Philippines.

Throughout its history, the Philippines has never lacked champions battling corruption and pushing for transparency in government undertakings. Even when Martial Law was declared, activists flourished, despite real threats to their lives and freedom. In fact, civil society initiatives led to the downfall of the Marcos administration, and the Philippines' new leader, Corazon Aquino, was a champion of civil society participation through the years. Improved governance and transparency in public administration became the rallying cry of CSOs and progressive civil servants.

CSOs vary in their approaches to fighting for reform. Some choose to slug it out in the communities and far-flung barrios, unafraid to confront those who do not embrace their cause. Others would rather study policies and write papers, realizing the importance of these products in furthering their causes. Still others are in between, spending some time in the communities as well as in their offices.

The success of most CSOs is almost always related to their level of passion. Those who can give up their everyday comforts for causes that others find ambiguous or have long abandoned are driven by deep commitment. For many, this commitment is rooted in culture and history. Their present fight is but a continuation of what they, as a people, have encountered and fought for through the years.

The Concerned Citizens of Abra for Good Governance (CCAGG), one of the most passionate and militant

organizations with a string of successes on the ground, is an interesting case in point. For the past two decades, the CCAGG and its members have closely watched government officials, actively working against illegal logging and jueteng operations, among others, in their provinces. Despite constant threat to their lives, nothing has intimidated CCAGG. Its founder, Pura Sumangil, has never shown fear or hesitation even when her life was in danger.

The CCAGG's fervor mirrors the same passion that has driven the people of the Ilocos and Cordillera provinces to take up arms against their oppressors over the past four centuries, fighting for their ancestral domains. The tribes that have called its plains and valleys home have had to fight intruders who wanted to annex their homes, from farmers in search of new lands to till to developers building dams and other infrastructure projects. In many cases, the tribes have engaged each other in armed struggle

Moreover, the land-locked Cordillera's rough terrain and harsh weather have made life hard for the people, who have learned that they have to fight for their survival. Sometimes, this means going against neighbors who are perceived to be oppressors. Bloodshed is part of their history. The Cordilleras has cradled armed resistance movements; its mountains have been home to guerrillas and revolutionaries who have, in the course of their struggles, managed to organize themselves and their forces. The Cordillera Administrative Region, a political entity, is the result of the people's struggle for autonomy and their insistence to have a stake in their own affairs.

Having gone through these struggles, it is no longer hard for the CCAGG to go out to the fields and confront entities coming between them and what they believe to be truly theirs. In their culture, conflict is a part of life. It is

not surprising that they were the first to take their cause to the barangay level. They have long known the power that rested in the tribes and clans, which in today's context are the communities. Instinctively, they knew that if they empowered these barangays with the right tools for monitoring, they would be able to achieve the highest form of monitoring not possible with any other tool or technology.

Sumangil's inclusive and participatory approach, though revolutionary for outsiders, actually dates back to the tribal chieftains who always sought the consensus of his constituents. Even the social audits undertaken by the CCAGG have been done by the chieftains of long ago, who have always understood that their power came from the people.

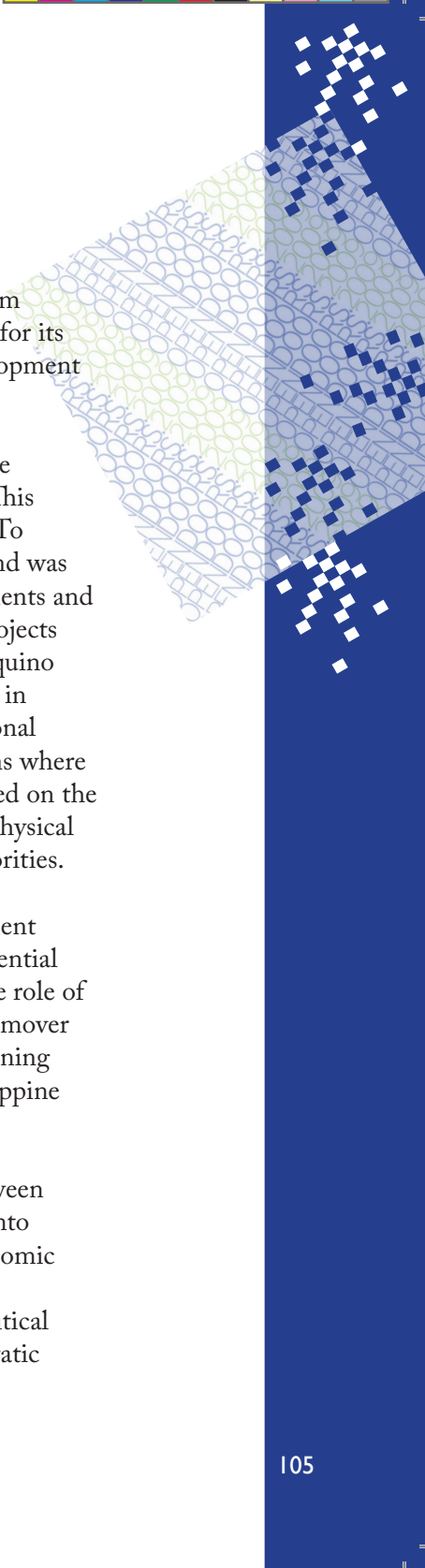


Similarly, the dogged determination of Iloilo GraftWatch and the Concerned Citizens of Negros for Governance, both based in the Visayas, is deeply rooted in the history and culture of the Ilonggos. The provinces of Negros Occidental and Iloilo have been tagged as the bastions of feudalism, and even after agrarian reform, vestiges of feudal structures remain. History is filled with the stories of the landless who, unable to take the oppression of their landlords, took up arms to reclaim their rights over their land. Over the years, Negros became a hotbed of insurgents who questioned the leadership of their bureaucrats and the military. Insurgency peaked when global sugar prices tumbled in the eighties, plunging the provinces into the depths of poverty. Citizens, backed up by the religious sector, questioned the structures that dictated the norms of their existence. It is not surprising, then, that CSOs based in these provinces are vigilant in ensuring that the oppressive structures of the forebears are not resurrected in a different form.

The leadership provided by the religious sector have also helped these CSOs in their advocacy. Through the years, the Roman

Catholic Church has served as the moral and spiritual leader of the people. Its word was the law, and it commanded the respect of all. Few dare cross the Church. The Catholic Church's backing of the work of these CSOs have provided the kind of steady backing that few others can give. The protection and support they have provided have enabled CSOs to pursue their advocacies without fear.

Other CSOs, being school-based, take an academic approach to their work. GWatch, which is backed by the Ateneo de Manila University, uses techniques refined by the academe. Their scientific approach to advocacy, huge network and knowledge of processes enabled GWatch to create an impact and replicate a model for delivery and procurement monitoring in the country. Procurement Watch, on the other hand, takes a legalistic approach, drawing from the expertise of lawyers who started the group.

There, too, are Metro Manila-centric CSOs whose fights have always revolved around Metro Manila's streets. These are the CSOs whose initiatives have snowballed to become the Edsa I and Edsa II uprisings, and whose fights have taken them to the halls of Senate and Congress. They regularly face the water hoses and truncheons of Manila's anti-riot police force, and have somehow learned that they cannot forever keep their battles in the streets. They often desire to see change on a national level but have difficulty in mustering continuous support for their causes, given the general indifference and the frenzied pace of life of people in the city, as well as the seeming lack of concrete goals for people in the city. Their influences are eclectic, and many are westernized. They are usually able to work closely with donors and adopt templates developed by global development institutions. Some argue that they are far removed from the hardships on the ground, and that some are not so much into



their cause, but are simply fulfilling their job descriptions. The different perspectives and approaches of CSOs have definitely given new dimensions to civil society and government cooperation, giving more depth and color to the reform process.

B. Political and historical events

Following Aquino's assumption to power, a new Philippine Constitution was ratified in 1987, which effectively lay the foundation for the recognition of CSOs in government activities. Presidential Proclamation 51, signed by Aquino, led to CSO participation in government affairs, by recognizing their role in promoting governance and transparency. The 1987 Constitution laid the foundation for the development of the NGOs. It encouraged the formation of non-governmental, community-based, or sectoral organizations that promote the welfare of the nation. It also guaranteed the "right of the people and their organizations to effective and reasonable participation at all levels of social, political and economic decision-making". In the following years, CSOs grew in number and in influence.

Alongside this, Aquino began to pursue the road to decentralization. In 1987, she issued Executive Order No. 31, entitled "Decentralizing Actions on Government Negotiated Contracts, Lease Contracts and Records Disposal." By devolving the power to decide on contracts, the EO aimed to diminish the influence of national officials on the procurement process and create accountability among procuring bodies in other agencies.

In November 1987, the President issued Executive Order No. 308, which empowered the Regional Development Councils (RDCs) to be the "primary institutions in the regions which shall set the direction of economic and social development". E.O. 308 defined the RDC membership and prescribed

that one-fourth of the composition was to come from representatives of the private sector, paving the way for its greater involvement in regional planning and development efforts.

The RDCs were mandated to administer most of the Integrated Area Development Programs (IADPs). This included authority over the finances of the IADPs. To strengthen the RDCs, a Regional Development Fund was instituted in 1988 to finance the operating requirements and capital outlays of regional and local development projects identified and adopted by the RDCs. Under the Aquino administration, budget preparation was participated in by all national government agencies as well as Regional Development Councils. It held sectoral consultations where each sector prioritized its funding requirements based on the sectoral ceiling, to ensure that agency budgets and physical targets per region supported regional needs and priorities.

Moreover, the Medium-Term Philippine Development Plan 1987-1992 which was adopted through Presidential Proclamation No. 51 in December, 1986 defined the role of NGOs and community organizations as the "prime mover of development...the lead in undertaking and sustaining programs and projects aimed at improving the Philippine socioeconomic situation".

From 1987 to 1992, various partnership modes between the government and NGOs evolved. These flowed into three streams of people empowerment: 1) socioeconomic development vital for poverty alleviation; 2) disaster management for calamity-stricken areas; and 3) political development activities necessary to preserve democratic institutions.

The underlying theme for all these efforts was doing things the *kabisig* way – enlisting the active support of all sectors, including the private sector, toward establishing an economically self-reliant, socially participative and responsible, and politically progressive and stable, nation and citizenry.

The *Kabisig* Peoples' Movement, institutionalized in Proclamation No. 650 and in Article XII of the Constitution, was tasked to facilitate, coordinate, and monitor the implementation of programs and projects, and provide linkages between and among the private sector and government agencies and instrumentalities.

It was in the area of socioeconomic development where most partnership arrangements were explored. Partnerships in this area included:

- Community Mortgage Program where urban poor NGOs negotiated and purchased the land, and initiated housing projects with assistance from government housing agencies. Since the onset of the program, some 200,000 urban poor families had availed of the CMP;
- President's Social Fund where NGOs were tapped to construct school buildings, potable water systems, and provide livelihood to identified beneficiaries; and
- Special Development Area Program of various government agencies where NGO networks were utilized to fast track development projects in poverty stricken and insurgency infested areas.

A landmark law for people empowerment was the New Local Government Code which institutionalized and enhanced the partnership between NGOs and LGUs. The Code provided for the involvement of NGOs and the private sector in local development

councils, delivery of basic services, joint ventures and cooperative programs, financial and other forms of assistance, and in financing and construction. It also gave preferential treatment for cooperatives development and organizations.

On May 23, 1988, President Aquino signed Executive Order 175 which provided guidelines for the implementation of local government projects funded by the National Government. These guidelines include the following: The creation of Pre-qualification, Bids and Awards Committee (PBAC) in each province and municipality, which shall be responsible for the conduct of pre-qualification of contractors, bidding, evaluation and bids and recommending awards to contracts; and the creation of Project Monitoring Committee (PMC) which will monitor the implementation of projects. A provision in the PBAC allows an NGO to sit in as an observer. In the PMC, an NGO is a regular member.

The following year, President Aquino signed Executive Order 376 which established the Regional Project Monitoring and Evaluation System (RPMES). The RPMES is tasked to monitor and evaluate all development projects (economic, social, physical, infrastructure development projects) at the regional, provincial and municipal levels, whether these are funded from national or local generated resources. The RPMES shall be implemented by development councils at various levels.

The project monitoring committees (PMCs) that oversee the operation of RPMES were established in each region through EO 376 and in each LGU levels through Memorandum Order 176. At the national level, the NPMC is composed of the National Economic Development Authority (NEDA), Department of Budget and Management (DBM), Office of the



President–Presidential Management Staff (OP-PMS) and the Department of Interior and Local Governments (DILG). The NEDA serves as the secretariat.

At the regional level, RPMC is composed of NEDA, DBM, DILG, OP-PMS and NGO representatives. At the LGU level, the PPMC’s composition is subject to the discretion of the Local Development Council. It includes the DILG, NGO representatives and nominees of the development council.

The deputized NGO monitors are tasked to assist the PMC or development council in the monitoring and evaluation of projects by identifying implementation problems or outstanding performance through project exception reports; ensure effective/efficient implementation of projects through vigilance; and act as government partners in ensuring transparency in project implementation.

On October 1991, Republic Act No. 7160, otherwise known as the Local Government Code was signed into law. The Code aimed to enable local government units (LGUs) to attain their fullest development as self-reliant communities and make them more effective partners in the attainment of national goals. It also sought to give them more powers, authority, responsibilities, and resources.

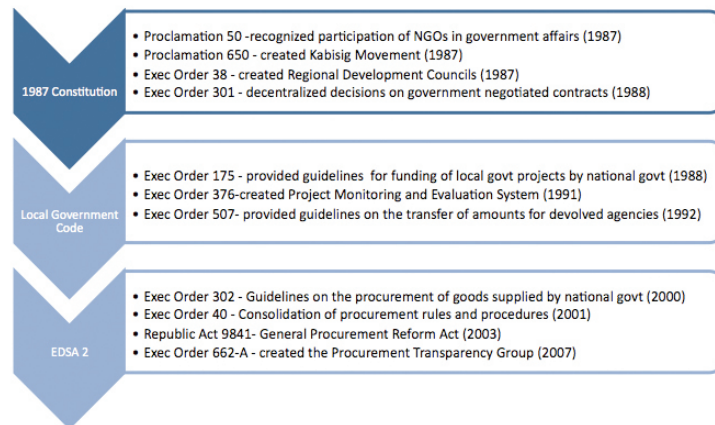
The local governments were to assume the delivery of basic services and facilities in the following areas: agricultural support services; health and social welfare services. This included putting up and maintaining local infrastructure, including roads and bridges.

The basic services and facilities were to be funded from the share of the LGUs in the proceeds of national taxes and other local revenues and funding support from the national government, its instrumentalities, and government-owned or –controlled corporations. Any fund or resource available for the use of the LGUs should first be allocated to provide basic services or facilities. To ensure LGU’s compliance with the procurement law, the Government Procurement Policy Board (GPPB) was created. The GPPB is also tasked to provide procurement oversight functions to all levels of government.

On February 24, 1992, President Aquino issued Executive Order No. 507 directing the transfer of the amounts appropriated in the 1992 General Appropriations Act for devolved services and facilities, and projects and activities of affected national government agencies and departments to the Internal Revenue Allotment (IRA) of the LGUs.

With the support of donors such as the Australian government and the UNDP that are eager to push for transparency, a cadre of reform-minded individuals in middle and senior positions of the civil service continued to drive forward reforms in financial and procurement management. It was not until the Asian crisis triggered a fiscal crisis in the late nineties that financial and governance reform became a central part of the discussions with donor agencies. These groups, in turn, used political pressure on the government to push their procurement agenda. These donor agencies, of course, are also the Philippine government’s largest sources of funding for vital infrastructure projects.

The catalyst for the reform process was the publication in 1999 of a report by the World Bank on the status of governance and corruption in the Philippines. The report considered the status of governance and corruption, and contained among its recommendations the comprehensive reform of state procurement regulations and practices. Progressive government officials took this as the opportunity to drive the budgetary and procurement reform process, seeking the technical support of the same donor agencies asking the government to improve transparency and governance. Politicians eager to portray themselves as clean and reform-minded, whether or not sincere in their intentions, eventually passed the law. In 2000, President Joseph Estrada passed Executive Order 262, amending policies and guidelines in the procurement of goods and supplies by the Philippine national government.





Interestingly, the 1999 World Bank report was written at the request of the Estrada government, prompted by progressive officials who realized that an external impetus was needed for domestic reform to take place. Its publication drew sharp commentary from the public, putting further political pressure on the government.

Following the World Bank's 1999 report, external funders provided technical assistance to government for the reform process. Prior to 1999, state procurement was officially managed by the Government Procurement Service (GPS). In fact, GPS only handled up to 15% of common goods and supplies. As an initial step, a Technical Assistance (TA) was provided by the Canadian International Development Agency (CIDA) in 1999 to the Department for Budget Management, which oversaw the GPS, for the development of electronic procurement. This was followed by a package of TA from USAID, which led to the drafting of the first version of the new procurement legislation in 1999. Both processes were meant to unify the splintered procurement regime that prevailed.

This version was reviewed by a "Budget Reform Task Force" put together by the DBM. A consultation workshop with government officials from relevant agencies, as well as representatives of the World Bank and ADB, was undertaken in 2000. The workshop went through the USAID consultants' draft legislation line by line, reworking them in detail. This process, wrote Thornton, was important not just for developing ownership of the legislation itself by those in government responsible for its eventual administration, but also for developing a deeper understanding of the principles underlying it. Following the workshop, an action plan was developed including the creation of a Technical Working Group (TWG) to drive the reforms forward, a rolling program of workshops over a three-month period to develop the approach further, and the participation of the TWG in congressional discussions in order to promote understanding.

When angry Filipinos once more took to the streets to demand the resignation of President Estrada in 2001 for corruption, the incoming President, as a political necessity, had to embrace



governance as part of her platform. Riding on the wave of public sentiment, and knowing that politicians had to accept reforms to raise their political stock, progressive officials were able to push for institutional changes towards governance. A Budget Reform Task Force was put in place, and the Government Procurement Policy Board (GPPB) was reinvigorated to become the main oversight body for procurement. The GPPB reconvened the TWG on procurement reform, and the final draft legislation was submitted to Congress.

Even while the draft law was lodged in Congress, senior DBM officials, still riding on the crest of public sentiment for transparency and reform, were able to get the majority of the new procurement laws approved as Executive Order No. 40 by the President on October 8, 2001. This was a tactical move meant to forestall any later veto of the reforms in the Legislature. EO 40, the forerunner of the GPRA, was the first attempt to consolidate procurement rules and procedures for all national government agencies, government-owned and –controlled corporations and government financial institutions. It also required the use of the Government Electronic Procurement System.

As it happened, the political process of passing the procurement reform bill was not completed until the last quarter of 2003 when the law finally came into force, after considerable effort had been expended by the TWG, the Government Procurement Service and the Commission on Audit, whose heads acted in close coordination throughout the period to maintain the momentum for change.

To date, the Philippines also subscribes to at least 2 anti-corruption covenants – the Development Assistance Committee of the Organization for Economic Cooperation

and Development (DAC-OECD) DC, wherein the GPPB Executive Director is the procurement committee chair, and the United Nations Convention Against Corruption (UNCAC), which was ratified by the Senate in 2006.

The DAC-OECD focuses on aid harmonization and effectiveness. One of its themes is building procurement capacity. A Task Force on Procurement was formed among multilateral institutions and developing countries engaged in procurement reform. Their mandate is to fulfill the Paris Declaration on Aid Effectiveness and its commitment to strengthen national procurement systems, support capacity development, and use local country systems.

The UNCAC, on the other hand, defines the role of the donor community in anti-corruption reform in partnership with civil society.

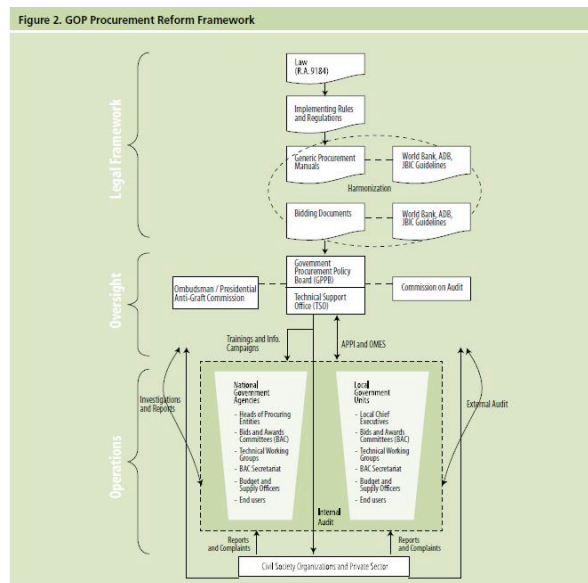
In signing these covenants, the Philippines bound itself to reform. As a result, the country is forced to demonstrate compliance, giving reformists within government more leverage against politicians who may have other interests. Both have also galvanized civil society participation in the governance process by defining their roles, especially those that deal with procurement.

In a move that showed the importance of civil society in pursuing procurement related reforms, Macapagal-Arroyo signed EO 662-A, which created the Procurement Transparency Group (PTG), comprised of representatives from government and the private sector.

Today, a number of CSOs and NGOs have moved from being pressure groups and watchdogs to become

government's technical partners, conveying change through policy changes and recommendations. These groups are investing more resources in developing analytical tools to aid government in promoting governance and accountability measures.

The momentum for reform, however, ebbs and flows, largely because Filipinos cannot seem to sustain their passion and commitment for it. Except for reformers in government service and in CSOs, most Filipinos – while loudly denouncing corruption – are not doing much to push for greater social accountability and governance, the combined result, perhaps, of a short attention span; a ningas-kugon culture; a propensity to talk more than act; and apathy from listening to politician's broken promises over the years. Given the right impetus, however, usually in the form of scandals, Filipinos can be counted upon to push for change.



Source: Philippines Country Procurement Assessment Report, GoP, ADB and World Bank, October 2008



C. The catalysts of change

Throughout the procurement reform process, the role of government champions and civil society organizations was pivotal. Riding on the momentum of public perception, and with the support of official donor agencies, reform champions in government were able to push for procurement reforms that otherwise would not have been given thought by politicians. CSOs were able to rally support for these reforms, and by demonstrating tenacity, helped drive change.

In particular, Procurement Watch was instrumental in the passage of the procurement bill. It worked alongside Walang Kukurap, a student advocacy group established with the help of the Foundation for Economic Freedom, to raise awareness and create pressure points where needed to pass the procurement bill. Procurement Watch also provided technical support to the working group that crafted Executive Order 40, the pre-cursor to the procurement law, and was part of the GPRA TWG as well. The advocacy efforts of Procurement Watch persuaded 20 anti-corruption NGOs under the Transparency and Accountability Network to sign a manifesto in support of the procurement bill.

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To drive these changes, the CSOs and government champions needed not just technical expertise, but also good interpersonal skills and political savvy to push forward their recommendations. Consultations were critical. The USAID, for instance, was not able to rally support for its first draft drafted by international consultants because of the absence of ownership among stakeholders. Subsequently, in working on the succeeding drafts, USAID hired



Filipino consultants who had the political knowledge, energy and interpersonal skills to communicate with other stakeholders. In the end, reforms proceeded because the buy-in of government stakeholders was solicited. Taking time to involve stakeholders in government was essential in driving change.

“It is better to have a less-than-ideal reform with strong government ownership than a state-of-the-art reform with little or no ownership. The latter has very little chance of succeeding” wrote Nigel Thornton of the Agulhas Thinktank. “The process of reform was essentially a political rather than a technical achievement. When purely technical changes were proposed, they tended to stall on organizational or high political grounds. Conversely, they succeeded when the politics was right.”

“For a procurement code to be passed, four potential impediments had to be overcome. First, the Executive branch had to be unified in the effort. Second, civil society groups had to be mobilized to lead the advocacy needed to get the Legislature to act. Third, the reformers within the Executive branch and the civil society groups had to work together in unison. Fourth, influential legislators had to be recruited to champion the bill in their respective chambers”. All these, noted Thornton, came together in the Philippines, paving the way for the GPRA.

III. The Government Procurement Reform Act

In January 2003, the Philippines’ fragmented and cumbersome system was replaced with the Government Procurement Reform Act (GPRA), which provided for “the modernization, standardization, and regulation of the procurement activities of the government.” The GPRA replaced what had been more than 100 laws, rules, and regulations with a single unified public procurement system.

As a measure to promote transparency, the GPRA mandated that observers from civil society organizations and professional groups be invited to witness the bidding process.

The law was designed to streamline the Philippine procurement system, reduce opportunities for graft and corruption, harmonize the system with international standards and practices, and promote transparency, competitiveness, streamlined procurement, accountability, and public monitoring. It covered all government levels—from Sangguniang Kabataan and barangays to Local Government Units to state-owned or state-controlled companies. The framework covered the procurement process from planning to implementation.

The Philippines’ procurement act designated competitive bidding as the standard procurement method, with some exceptions. Under the rules, procuring agencies are required to publish tender openings twice in nationwide media to attract a big number of tenders which is necessary to prevent failure of tenders.

Electronic procurement was also a feature of the procurement act. The Philippine Government Electronic Procurement System (PhilGEPS) is managed by PS-DBM under the supervision of the GPPB.

Standard bidding and contract documents have also been developed and the use of these documents is compulsory.

The GPRA also included anti-corruption provisions, including stiff penalties and sanctions administrative, civil, and criminal – against offenders who are found guilty, with a minimum criminal penalty of six years in prison.

The bid opening takes place in public at a predefined place and time. However, the law does not require bid opening right after the submission period, a requirement that is generally considered a safeguard against fraudulent alterations of bids during the time between the deadline for submission and the opening of bids. The procurement itself, from needs assessment to implementation, is

conducted by the individual government departments, offices, or agencies. Bids and awards committees are established within each procuring entity to conduct the procurement proceedings.

The procurement act also established the Government Procurement Policy Board (GPPB). This central body defines policies, implementing regulations, and standard documents; produces guidelines and manuals; and oversees the training conducted by procuring agencies.

The Philippine procurement law itself established penal sanctions for procurement-specific corruption, in addition to offenses established by the generally applicable penal law. These offenses covered public officials as well as suppliers' staff. Civil liability was linked to conviction for these acts. To sanction the economic entity that profited from corruption in public procurement, the procurement act also provided for debarment. It empowered the head of a procuring entity to exclude a bidder for one or two years from public bidding as a sanction for providing false information or unduly influencing the procurement process. The law does not specify whether the debarment decision has any consequences for public tenders by other procuring entities. A partial list of blacklisted contractors is listed on the GPPB website.

Textbook Count involved 5,500 delivery points, and involved a consortium of CSOs that took part in the the different stages of the procurement process. It was supported by thousands of volunteers including boys scouts, girl scouts, principals, parents and other stakeholders with an interest in ensuring the education of the youth.

Moreover, the government of the Philippines and its development partners agreed to align and harmonize the new public procurement system with the requirements of foreign-assisted projects. As of December 31, 2007, four areas have been harmonized: the standard bidding documents, the generic procurement manuals, the training of procurement staff and the use of the PhilGEPS.

IV. Procurement Monitoring on the Ground: Actual Experiences


A. Tales of Achievement

Six years since the passage of the GPRA, the public procurement system has started to become more efficient, and many loopholes that have allowed corruption opportunities have been closed with continuing revisions of its IRR. More government agencies are implementing the GPRA and are moving towards increased transparency.

By monitoring the procurement activities of the Department of Health, as well as the delivery and inventory of its drugs and medicine, NAMFREL enabled the government to realize substantial savings.

The exception, of course, will be those agencies that deliberately choose not to implement the GPRA for their own interests, and the politicians who are determined to circumvent the law. Further, CSOs are able to witness the different stages of the procurement process—a disincentive for corrupt entities and officials who have less space for their irregular transactions.

In fact, a CSO has successfully won a case against a government agency that failed to follow the procurement law—a case that builds the faith of the Filipinos in the procurement law and inspires many observers facing the hazards of procurement monitoring across the archipelago.



John Joseph Cordova of People's GraftWatch of Iloilo refused to sign the abstract of bids for the procurement of armchairs by the Department of Education in Region VI after noting an irregularity in the bidding process. He was not invited to observe the post-qualification proceedings, but he managed to attend the same, invoking his constitutional right to information on matters of public concern, as well as the Code of Conduct of Public Officials and Employees that grants all citizens access to information. Using this as basis, he was able to get the information and documents needed, and proceeded to file a case, which was judged in his favor.

GraftWatch has also filed a case against a town mayor for procurement irregularities, leading to his eventual suspension.

1. Improved government-CSO collaboration

Shortly before the GPRA was passed, progressive champions in government already started Textbook Count, a program that focused on the DepEd's procurement process using civil society participation. Initiated by Secretary Edilberto de Jesus and spearheaded by Undersecretary Juan Miguel Luz, the program involved CSOs in the complete textbook procurement cycle, from bidding to production to final delivery.


Textbook Count involved 5,500 delivery points, and required the help of a consortium of CSOs to take part in the different stages of the procurement process: as observers during the pre-bid conference, bidding proper, and post-qualification, as members of the quality control inspection team in warehouses and printing presses, and as on-the-spot monitors during actual deliveries.

Textbook Count has since been repeated over the years, harnessing the support of thousands of volunteers, including Boy Scouts, principals, parents and other groups which realize they have a stake in the education of the youth. More importantly, Textbook Count has shown that government and CSO collaboration can yield tremendous savings and improve transparency in government.

NAMFREL's Medicine Monitoring project is another proof of how collaboration between government and CSOs can bring about actual savings and increased efficiency. By monitoring the procurement activities of the Department of Health, as well as the delivery and inventory of its drugs and medicine, substantial savings have been realized by the government.

Government support is most crucial when a program is at its earliest stages. Bantay Eskwela in Davao had a rousing start owing to the strong support of the Department of Education at the national and local levels.

For CSOs to be effective in their monitoring efforts, they need the constant support of government. To provide a mechanism that would allow continuing collaboration between government and the



John Joseph Cordova of People's GraftWatch of Iloilo refused to sign the abstract of bids for the procurement of armchairs by the Department of Education in Region VI after noting an irregularity in the bidding process. He was not invited to observe the post-qualification proceedings, but he managed to attend these, invoking his constitutional right and the Code of Conduct of Public Officials and Employees. Using these, he was able to get the information and documents needed, and proceeded to file a case, which was judged in his favor.

CSOs, the Procurement Transparency Group² was established. The PTG serves as a vehicle to facilitate communication and coordination between the two groups.

The Montelibano Regional Hospital in Bacolod did not hesitate to rescind its P1.6-million contract with foreign suppliers after realizing, through CNGG's report, that they had violated provisions of the law. The BAC of the hospital has since sought CNGG's help in training their members.

Since it was created, the PTG has ironed out kinks between government agencies and CSOs. It stepped in, for example, when CSO observers walked out of a bidding held by the Department of National Defense after the vice-chair of the Bids and Awards Committee questioned the observers' presence, invoking the need for confidentiality in national security matters. The same morning, the Secretary of National Defense and the head of the BAC made a call to the GPPB, seeking a meeting with the CSO observers to extend their apologies.

The PTG's Atty. Pat Menzon, who attended the meeting, took this as the opportunity to formalize the observer group's presence in future biddings. "We will accept your apology, but on one condition. Henceforth, you have to sign a MOA that we are allowed to sit in all your proceedings, including those where you allege national security," he told the Secretary of National Defense, who did not hesitate to sign the MOA. Under the agreement, the observers were allowed to witness all stages of the procurement process, from procurement planning up to actual delivery, which is beyond what the GPRA provides.

² The Procurement Transparency Group is a partnership between government agencies and civil society organizations such as the Bishops Businessmen's Conference, the Makati Business Club, the Ateneo School of Government, COFILCO, Transparency and Accountability Network and government agencies such as the Department of Justice, National Economic and Development Authority, Presidential Anti-Graft Commission, among others.

Other cases resolved by the PTG involved the observers of the National Food Authority and Department of Agriculture, among others.

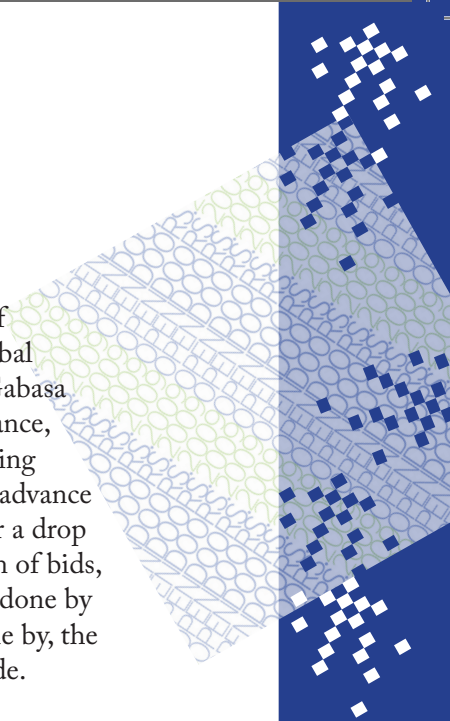


2. Learning together

The filing of cases and the confrontations, though initially adversarial, have in fact helped educate government agencies and CSOs alike in the nuances of procurement monitoring.

Procurement Watch, for instance, filed a report through the Feedback and Complaints Handling Mechanism of the Office of the Ombudsman against the Commission on Audit (COA), a constitutional body ironically tasked to oversee the conduct of procurement in the country. Procurement Watch took COA to task for repeatedly failing to comply with provisions of the GPRA, failure to post in Phil-GePS the bid opportunity, and the semblance of BAC exercising its discretion over the absence/presence of a document of a bidder, which could create a wrong signal that they are favoring a supplier. The Office of the Ombudsman dissuaded Procurement Watch from filing a case because COA was a Constitutional body which should be policing its own ranks. No case was filed in court, but the complaint was docketed with the Ombudsman system, which asked the COA-BAC to explain its actions and to rectify its processes.

Though COA initially resented the move and stopped inviting Procurement Watch to observe its procurement activities, it still consulted them on procurement issues, apparently recognizing that it was to its interest to learn more about the implementation of the law. In the process, a constructive partnership has emerged between the two.

This story is being repeated in several other agencies across the Philippines. Increasingly, BAC members and observers are consulting each other on the nuances of the law. Observers have become an integral part of the procurement process, and their opinions are valued and given due



Bantay Eskwela Davao led to a major improvement in the quality of school furniture because of these were scrutinized by the volunteers. As a result, the school desks and chairs last much longer, resulting in the comfort of the students and leading to savings on the part of the government.

consideration. Where there are questions, government officials and observers are seeking answers together, in the process learning from each other.

For some agencies, the learnings pertain to technical matters. Maximino Cordero, Executive Director of the Citizen's Network for Good Governance shares his experience with the National Transmission Corporation in Bacolod, Negros Occidental, wherein the chair of

the BAC allowed the use of a personal cheque as bid security, in violation of the law. Cordero admonished the BAC chair, who said that he could vouch for the bidder that issued the personal cheque. Seeing that the BAC chair believed he was not doing anything irregular, Cordero wrote a letter explaining the provisions of the law and the violations incurred with the acceptance of the cheque. Days later, he received a letter from the company thanking him for sharing his knowledge and informing him that the error had been rectified. Company officials also invited him to observe future biddings, and even after the company has been privatized, Cordero is still invited to witness bid proceedings.

Cordero noted that officials who are committed to carrying out their functions are generally open to the observations of CSOs. The Montelibano Regional Hospital in Bacolod did not hesitate to rescind its P1.6-million contract with foreign suppliers after realizing, through Cordero's report, that they had violated provisions of the law. The BAC of the hospital has since sought Cordero's help in training their members.

In Iloilo, the Philippine Ports Authority took note of Graft Watch executive director Porficio Gabasa's verbal observations without need for a diagnostic report. Gabasa told the BAC that he was a partner for good governance, and that he was there to help the PPA make its bidding more transparent and competitive. He then gave his advance observations on physical matters such as the need for a drop box for the bids, the need for deadline for submission of bids, and the manner of the delivery checking, which was done by the TWG instead of the BAC. The next time he came by, the BAC proudly showed him the changes they had made.

3. Reduced wastage

There is also evidence that outputs are emerging including the reduction of wastage and increase in cost effectiveness of purchases of public goods and services. The OECD DAC has concluded that there have been "significant outcome improvements", citing an example reported by the World Bank in Education Sector Procurement. After the reforms, unit costs of chairs and desks have been reduced by between 22% and 77%, textbooks 50% and classrooms 39%.

Cordero, for his part, estimated that the government agencies observed by CNGG have saved P15 million in 2008 and P11 million in the first half of 2009 by adhering to the provisions of the GPRA.

Bantay Eskwela Davao, on the other hand, led to a major improvement in the quality of school furniture being delivered to six pilot schools because of the scrutiny of the volunteers. As a result, the school desks and chairs last much longer, resulting in the comfort of the students and leading to savings on the part of the government.

4. Improved information dissemination with electronic procurement

“The Local Government Units alone number more than a thousand. Government agencies are asking for observers, but there are no warm bodies, not even for the Bureau of Customs which is a graft-prone agency.”

The Philippine Government Electronic Procurement System (PhilGEPS) has also improved transparency and efficiency and is being used by more agencies. The Asian Development Bank recently approved a technical assistance that would allow the implementation of the second to the fifth phases of the electronic procurement plan. Under the new IRR, all agencies are mandated to use electronic procurement for their biddings.

Many government agencies adopted e-procurement and have benefited from the transparency and competitiveness it fosters. The town of Lo-on in Bohol, for example, does all its buying online. Using competitive bidding, the Department of Education’s bulk purchases of textbooks for all schools nationwide saved 50 percent compared to previous practice, a substantial saving to the education sector. One textbook that was being purchased for an average of Php100 came down to Php45 in competitive bidding. Such examples have encouraged others to try the system.

The GPPB has also established a help desk that provides technical support to users of the PhilGEPS. Government agencies, bidders and CSO observers have increasingly called this number to seek clarification on various matters pertaining to the GPRA and how they can comply with it.

PhilGEPS Compliance, as of 2006	Total Number	Total Registered	Level of Compliance
Government Procuring Entities			
National Government Agencies (NGA's)	1,702	1,456	85.55%
Government Own and Controlled Corporations (GOCCs)	1,041	575	55.24%
State Universities and Colleges (SUC's)	190	180	94.7
Local Government Units (LGU's)			
City	117	113	96.58
Provincial	79	71	89.87
Municipal	1501	818	54.5
Barangay	41995	2136	5.09

Source: Philippines Country Procurement Assessment Report, GoP, ADB, World Bank, October 2008

5. Greater efficiency

Efficiency also increased following the imposition of deadlines for each procurement step. According to the World Bank, alignment with international practice improved, and the national procurement system became more widely used following the increase in the National Competitive Bidding (NCB) thresholds to US\$1million for goods and US\$5 million for works. From 2004 to 2006, a total of Php 400 billion in contracts, or about US\$8.7 billion, went through the NCB system, including government-funded and foreign-funded contracts.

B. Tales of Shortcomings

While the procurement process looks straightforward on paper, it has met many difficulties and problems on the ground and in actual practice.

However good the new public procurement system, noted the World Bank, the GPRA can, like any system, “fall prey to deliberate abuse through inappropriate use of power.” It added that “by themselves, the law and the new procurement system alone may not be sufficient to control either the grand corruption—the theft of large sums by high-level politicians or officials—or political corruption—misuse of state power by officials who shape the rules of the game to benefit them and those who pay them—that prevailed prior to procurement reform, and that are reportedly continuing.”

It took a keen observer to note that in the bidding for school furniture in Makati, three bidders submitted bids for the same number and design of chairs despite the absence of a floor plan. The bidder pointed out that three entities could not, out of sheer coincidence, come to this same conclusion. The bidder turned out to be the same entity using three dummy companies.

Corruption, inefficiency, ignorance, and disorganization, said the World Bank, have resulted in the “effective loss of many billions of pesos and in the procurement of substandard materials and services. By one estimate, an average of 20 percent to 30 percent of every contract goes to leakages, or about Php30 billion annually.” Leakages continue to occur at different levels, aided largely by political interference. CSOs directly involved in procurement monitoring echo the same observations.

1. Lack of Observers

Observers, for instance, are lacking. There are less than 20 active observers posted in key government offices such as the Department of National Defense, the Department of Public Works and Highways, the Department of Education, the Department of Health and the Office of the President, all of which are active buyers. Several other agencies are without any observers.

Atty. Pat Menzon, chairman of the Procurement Transparency Group, said CSOs have barely scratched the surface. “The LGUs alone number more than a thousand. Government agencies are asking for observers, but there are no warm bodies, not even for the Bureau of Customs which is a graft-prone agency.”

Under the GPRA, observers should come from organizations registered with the Securities and Exchange Commission or the Cooperative Development Authority, but there are not enough of these organizations. Besides, CSOs also have their own priorities.

Cordova described the situation in Iloilo, an island province in the Visayas, where People’s GraftWatch is based. “Iloilo has 1,901 barangays. So, that’s 1,901 procuring entities. We have 42 municipalities. That’s plus 42 procuring entities, not to mention Iloilo City and province of Iloilo. In all, we have a total of 1,942 procuring entities, excluding national line agencies. Imagine how many observers you need to monitor procurement activities within Iloilo alone.”

Observers are mostly volunteers, who do not always have the means to observe biddings and procurement-related transactions. Cordero related that in Negros Occidental observers have to attend biddings that could be 20 kilometers away from the city. "To go there, volunteers will be spending their own money, which is very difficult especially if that volunteer also is a government employee or working in a private company. That means that they have to be absent from their work. That's why we work with retired employees."

The second problem pertains to the quality of observers. Biddings for public works and infrastructure projects, for example, are highly technical.

"It would be best if we have volunteers who are engineers or civil engineers who would understand the process being used there, or if we could have accountants. But what happens is we only send observers who are available, but may not necessarily be capable or technically knowledgeable," noted Cordero.

In the provinces, some LGUs require the accreditation of CSOs before they can sit as observers. Others have pre-selected CSOs that are their dummies. There are also deliberate errors in the bid specifications in published ads.

It took a keen observer to note, for instance, that in the bidding for furniture for a school project in Makati, three bidders submitted different bids for the same number and design of chairs and tables despite the absence of a floor plan. The observer pointed out that three different entities could not, out of sheer coincidence, come to the same conclusion in the absence of any other information. As it turned out, the bidder was the same person using three different companies.

Under the Implementing Rules and Regulations (IRR) of the GPRA, observers should come from the COA and another from a duly requested private group with the expertise to

comment on the procurement. For infrastructure projects, for instance, the observers could be from the National Construction Association or from the Philippine Institute of Civil Engineers.


Cordero said that in his entire monitoring experience, he has not seen an observer from any of these groups. The representative of the COA is also not always present. "Usually, the observer comes only from an NGO. Sometimes, two of us attend but that is only counted as one. We lack that observer from a professional group whom we could confer with and we could discuss with so we can make a very good and very meaningful analysis of what's being done there. "

Representatives from professional groups, he added, would rather not observe biddings for fear of "repercussions" – meaning, getting the ire of public officials that they have to deal with.

Recognizing their technical limitations, some CSOs have forged ties with professional groups. The Coalition Against Corruption, for example, signed a Memorandum of Agreement with the Philippine Institute for Certified Public Accountants, which has more than 12,000 active CPA members. It also inked a second MOA the Personnel Management Association of the Philippines, to harness their retired members.

2. Limited access to biddings

For many observers, access to biddings is an area of concern. A number of government agencies invite observers with whom they have cordial relations. CSOs perceived to be "unfriendly" are most often excluded from the invitation list. "We cannot force government agencies to invite us, probably because they are afraid of us. If we make a report that they do not like, for



sure, they will not invite us to witness their biddings again,” said Gabasa. Some government agencies have also taken liberties on how to interpret the rule on inviting observers. Some agencies choose who to invite and would be whimsical about when to send out the invitations. Cordova cited how the DPWH in Region 6 sent out its invitation to a bidding conference just one day before it was held. On being questioned why it was not sent two days before, the official said that a verbal notice was sent out ahead, and that should suffice. Gabasa pointed out that the law does not require the attendance of observer groups. All the law mandates is that observers should be invited, regardless of how this is done.

Menzon received calls and visits from Cabinet officials when he questioned why one bidder submitted its documents to the Office of the Chairman, which was in another building, instead of the BAC. The P1.4-billion contract was cancelled when Menzon threatened to expose the deal to the public through media.

In the provinces, LGUs are known to require the accreditation of CSOs before they are allowed to sit as observers. The accreditation is to be dispensed by the same officials who may have an interest in the procurement process. Some of these LGUs use their autonomy to declare their procurement entity as a special body, thereby exempting them from the GPRA.

Others have pre-selected CSO representatives who are actually their dummies. On checking, these CSOs do not exist or if they do, they are actually consultants of local officials or politicians.

Even the advertisement of notices for bids is an avenue that some LGUs can be creative with. Some choose to put their ads for projects in their jurisdictions in newspapers with small or no circulation bases in their locality. Others buy all the newspapers carrying their ads from the dealer so that these do not reach

readers. In this manner, they are able to comply with the law but are still able to elude the notice of other bidders.

Deliberate errors in the bid specifications or amount are another way by which other bidders are excluded. The error could be very small, yet it is enough to disqualify many bidders and pave the way for the awarding of the contract to a chosen one.

This, of course, is not true for all government agencies. Citing the CNGG’s experiences in Negros Occidental, Cordero observed a pattern: “We are not invited by an agency if this is an agency that has something to hide. But the rest of the agencies that we are attending, they are giving us the documents that we are requesting, because they are saying, ‘there’s nothing for us to hide.’”

This concern is not limited to CSOs alone. Government Procurement Board Executive Director Ruby Alvarez noted that several government agencies have complained that no observers from CSO groups attend biddings even if invitations are issued.

3. Limited access to documents

More difficult than gaining physical access to biddings is gaining access to documents. Alvarez acknowledged as much, noting that most government agencies are guarded in releasing documents, especially since in many instances, media has been unkind to them.

For most government officials, keeping information under guard is a mindset that is difficult to change overnight. Vincent Lazatin, chairman of the Transparency and

Accountability Network, noted that in many cases, the documents or information needed by CSOs are simply not available or may be lodged elsewhere in the bureaucracy. Some CSOs may be requesting for documents from the wrong entities.

Vincent Lazatin, chairman of the Transparency and Accountability Network, noted that some documents or information needed by CSOs are not available or are lodged elsewhere in the bureaucracy. Some CSOs may be requesting for documents from the wrong entities. Familiarity with the bureaucracy's operations and strong relationships with its people help facilitate access to information, as proven by the Concerned Citizens of Abra for Good Governance, among other CSOs.

Some government agencies are also wary that confidential information may be leaked, which is why under the new IRR, observers are required to sign a confidentiality agreement before they are given the documents. This, said Alvarez, helps ease the concerns of government agencies. Carole Belisario, Supervising Technical Officer of Procurement Watch, Inc. added that this also protects bidders from industrial spies posing as observers following several cases of leaked technical specifications. She added that the confidentiality agreement should not limit CSOs' access to information, but should serve as proof of their integrity. "We need to show them that the accountability needs to start

from us, that we are being accountable, that if we get these, we are not leaking it to the media unless it is an awarded contract."

CSOs underscore that the early release of bidding documents is critical to effective monitoring. The bidding documents usually contain the red flags that observers watch out for. "If observers do not read these documents and do not know the rules of the game, they could spend an entire afternoon monitoring biddings without being effective. Even if you have a battalion of monitors, if they do not know what to look out for, they will not be able to pick up the

red flags and cannot make a dent on the procurement process," said Belisario.



Among documents, the Annual Procurement Plan (APP) is among the most important. This, of course, is also among the most tightly held among some agencies. Cordero recounted receiving documents for a bidding that was supposed to take place in March 2008 the year after.

It is worth mentioning, however, that access to information and documents is not always a problem for some CSOs, especially those who know the exact documents they need and are familiar with how the bureaucracy works. The CCAGG, for example, is able to access project documents because the terms of its engagement with the government agencies it monitors stipulates the exact documents that it should be given.

Similarly, GWatch spells out the documents it needs from the start, including the outlines of the books it will be monitoring. Procurement Watch, on the other hand, is able to get the purchase requests, disbursement vouchers, contracts including bill of quantities and costings, bid evaluation and post-qualification reports, cheques and payment and transaction records for various projects. NAMFREL and Bantay Eskwela have also accessed the documents they needed using formal channels. Definitely, relationships play a part in a CSO's ability to gain access to documents, but familiarity with procedures and the bureaucracy play a major part as well.

4. Political interference

Political interference remains one of the raging concerns of CSOs. Many politicians – from town mayors to congressmen



all the way to those occupying the highest executive offices – have made their presence felt to CSOs. Cordova shared that the entire BAC, including its chairman, went to see his group of servers, hoping to quiet them down. For others, such as Eco-Link, a group based in Mindanao, political interference comes in the form of death threats.

Menzon, on the other hand, received calls and visits from Cabinet officials when he questioned why one company submitted its bid documents to the Office of the Chairman, which was located in a different building, instead of the BAC. Two members of the Philippine Cabinet met with him, sent by very high ranking officials, convincing him to let the incident pass. The P1.4-billion contract was cancelled when Menzon threatened to expose the deal to the public through the media.

In some cases, the pressure on observers is downright personal. In provinces with smaller populations, communities are tight-knit, extended families where people know each other. It is not unusual for a BAC member or a bidder to be a close relation or a family member of an observer. Gangoso, for example, went up against his own uncle. Given the Filipinos' close family ties, observers face enormous social pressures which may affect their ability and effectiveness to do their tasks.

5. Collusion

Collusion remains a problem and may involve politicians, government officials and suppliers. The basis of the bidding is the Approved Budget Ceiling, set by management of the agency or the local government unit which, in most cases, involves politicians. Legislators sit in the Local Development Councils which dictate which projects will be undertaken and the budget

for these. LGU officials can also influence the ABC of these projects to suit the requirements of the bidders that they are backing.

In one case, the ABC for cell phone cards, which retail for P300 a piece and which can easily be bought wholesale for P260 per piece, was set by the LGU at P360. The LGU reasoned that this is to cover the bidder's costs since government takes long to pay its dues. As a result, the overpricing was legalized by the procurement process.

Clearly, observers have to be present at the pre-procurement conference which is attended by the end user. For construction projects, for example, it is at the pre-procurement conference when the design of a project is discussed and its feasibility determined. This is also when collusion can take place. Observers are only allowed to step in at the pre-bidding conference. Of course, observers would not be able to see all the shadow conferences but their presence and questioning can be a deterrent to habitual colluders.

In one celebrated case, the Department of Education was taken to task for its purchase of fortified noodles at four times the usual cost. Investigation revealed that procurement processes were, in fact, followed. However, the ABC for a pack of noodles, which sells for P5 in groceries, was set at P22. The supposed justification for the price differential was that these noodles were fortified. Following extensive public criticism after media reported on the scandal, the deal was cancelled.

The end-user of a project or a service may also be part of the collusion process. Some end-users can choose not to be specific about their requirements or project description. After bidders submit their bids, the end user would then say that no entity has met its requirements and call for a negotiated bidding.

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6. Weak competitive environment

A key concern of observers is that the number of bidders for government projects is limited and usually involves the same players. This could be indicative of the weakness of the market itself. The World Bank noted, however, that this could point to the private sector's need for better information and tools in order to participate more actively and compete on a level playing field.

7. Lack of public awareness

The general public, too, is not aware of the existence of the GPRA and efforts to improve procurement processes in the Philippines. Its appreciation of the importance of the procurement process is wanting and the need for vigilance in its implementation has to be stressed. By building ownership, the community will be able to play a greater role in effectively safeguarding the public interest.

V. Tools and Techniques

A. What helps:

An enabling environment with government champions

Government agencies' willingness to start reform. CSOs who want immediate results may do well to choose which government


agencies they can work with. Belisario noted that just as there are agencies that resist reform, there is an equal number that welcomes help in the name of governance and transparency. Gangoso noted that in general, national agencies are more receptive to CSO participation than LGUs. The DepEd, Department of Health, Philippine Ports Authority, Department of Budget and Management, to name a few, have displayed eagerness to improve their procurement systems with the help of observers.

As a matter of strategy, CSOs would be more effective in helping out those agencies that need the most help and are most willing to embrace it rather than focusing on those who would rather keep CSOs at bay. "You might as well move on to the agency that is willing to accept help and where you can be effective," said Belisario.

Identifying government champions. In most instances, reforms in an agency are driven by a personality. Agencies headed by individuals who are reform-oriented will likely be reform-minded as well.

Key to the success of CSO participation is the identification of the right government champions who can get the work done. There are some reform-minded officials such as those in the DPWH who are not able to make substantial policy changes because their senior officers and the bureaucracy as a whole are averse to it. In contrast, the DepEd and the DOH have achieved more gains because the most senior officers have embraced reform.

Some CSOs are able to institutionalize their participation in the governance process. Eco-Link sits in the project monitoring committee of the Local Development Council and in the Regional Development Council of NEDA.



The support of the Office of the Ombudsman is also key to the success of CSOs. The Office of the Ombudsman accredits CSOs that can monitor the procurement process, and its letter to LGUs and government agencies carries a lot of weight, especially for CSOs that have written negative diagnostic reports against the monitored agency. Gangoso sees the Ombudsman's support as a bargaining chip especially for Ombudsman. Needless to say, the choice of Ombudsman is also critical to ensuring the success of CSOs. CSOs were most active in filing reports when Simeon Marcelo sat as Ombudsman.

2. Organized citizen groups

Partnerships with other CSOs and government agencies. CSOs are more effective when they have allies that can make their work easier. The PTG, for instance, facilitates the invitation of CSOs by LGUs or agencies that refuse to do so.

Some CSOs are able to formalize or institutionalize their participation by making themselves part of the government process. Eco-Link, for instance, sits in the project monitoring committee of the Local Development Council in Misamis. It also sits in the Regional Development Council of the National Economic Development Authority and in the Bids and Awards Committee.

The Department of Budget and Management consults with observers before making decisions, knowing that they have something meaningful to contribute.

CSOs have to proactively network among themselves and LGUs to ensure their access. Naga City People's Council actively engages newly elected local officials, presenting their credentials and their knowledge of the procurement law. By strategically placing their organizations, they are able to sustain their procurement monitoring activities.

Needless to say, these partnerships can only be built through sheer hard work and dedication to one's cause. These partnerships could not be limited to the highest echelons of office, but should include partnerships even at the community level. CCAGG, for instance, has memoranda inked with the regional and national offices of the agencies it monitors, yet its deep understanding of these agencies' operations enable it to access the information that it needs for its monitoring work.

Credibility of CSOs and observers. For the partnership to truly work, CSOs have to be credible and worthy of respect. They have to be able to contribute sound ideas in their interactions with the BAC and earn respect. Some government agencies have requested CSOs to pull out their observers because these observers were unnecessarily impeding the bidding process with their ignorance of the law. Sheer intimidation does not work if it is not backed up by substance.

In contrast, observers who have established their credibility and reliability are bound to enjoy the respect of government officials. The Secretary of the Department of National Defense and officials of the Department of Budget and Management, for instance, consult with their observers before making decisions, knowing that they have something meaningful to contribute.

GraftWatch and ProcurementWatch, to name a few, can take their cases to the courts or the Office of the Ombudsman, confident in the knowledge that they have studied the details of their complaints thoroughly.

Continuous training and mentoring. Considering the great number of observers that the Philippine agencies need, as well as the high attrition rate among trainees,

continuous training is necessary. Trainings are being undertaken by ProcurementWatch and the GPPB but efforts to ensure the continuous flow of knowledge should be stepped up.

Belisario noted that training observers en masse may not be sufficient to meet the country's needs. Most of the time, continuous coaching is necessary. PWI has started the process of hand holding and mentoring observers in order to build their confidence. CAC, on the other hand, employs the buddy system to ensure that new observers are able to slide into their new roles with confidence and competence.

For its part, the GPPB is working with the Asian Institute of Management to develop training modules that will be used for the training of procurement specialists in the government bureaucracy.

3. Access to information

Immediate feedback and unimpeded flow of communication.

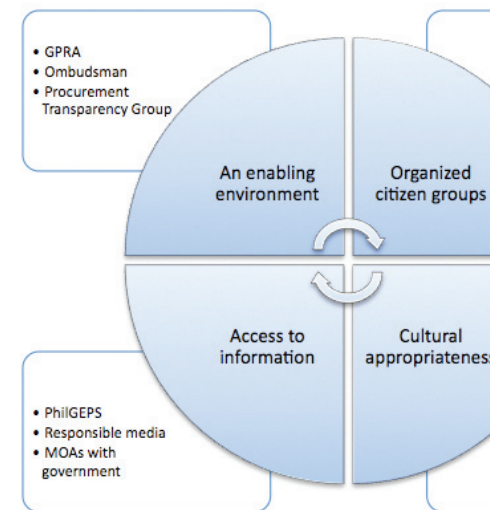
Feedback is always crucial to ensure the effectiveness of entities involved in procurement monitoring. CSOs have to fill up diagnostic reports accurately and submit these expeditiously. If not, they should provide verbal feedback immediately so that the involved officials may take the necessary remedies.

However, some CSOs have difficulty filling up reports and have complained that the pro-forma reports are too long and complicated. On the other hand, Belisario pointed out that the devil is usually in the details, and observers can pinpoint more red flags when presented with more information.

The immediacy with which feedback through the diagnostic report is given is very important, said Belisario. The diagnostic report

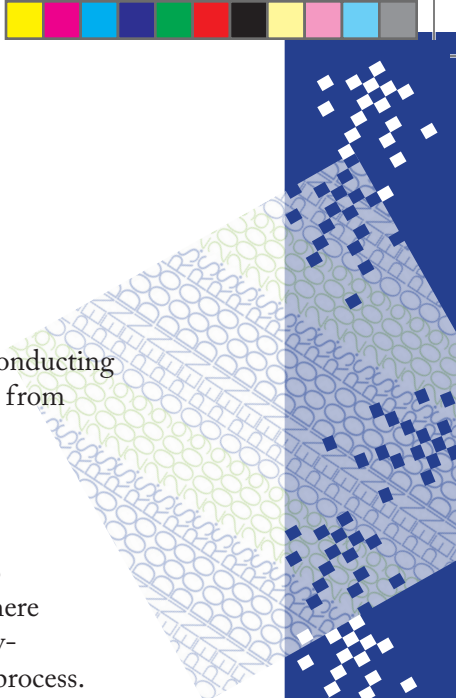

should contain both good and adverse findings. When findings are negative, they should be specific and pinpoint the exact provisions of the GPRA that have been violated.

Alvarez emphasized that CSO observers should not dwell on technical violations pertaining to such matters as quorum and related violations. Instead, they should focus on performance indicators. She enumerated the more important matters to look out for: How are prices? Are they competitive? Are funds utilized efficiently?



Eco-Link has its own radio program, Bantay Korupsyon, in Misamis. Private citizens' observations and complaints are aired. Gangoso believes the program has increased anti-corruption sentiments and has helped mobilize volunteers against corruption.

Engaging media meaningfully. The role of media can also not be overemphasized. Media is one of the most trusted institutions of the public, and CSOs and government agencies need to learn how to effectively engage media in order to achieve meaningful results. Media can, for example, pressure government agencies to open up their doors and disclose relevant information.



It also increases the awareness of citizens and connect with them emotionally. Unfortunately, most media entities are not interested in stories that are not sensational. Their critical news releases may also foment enmity between CSO observers and government agencies.

Recognizing that media was the most effective tool to push its advocacy, Eco-Link has its very own radio program, Bantay Korupsyon, airing in three provinces in Mindanao. Private citizens report their observations and complaints, which are broadcast on air. Gangoso believes that the radio program has increased awareness for Eco-Link's anti-corruption efforts, and has helped mobilize people for various programs. It has also kept government officials double think their plans to go around the law, knowing that there is a radio program monitoring their moves.

4. Cultural appropriateness

Localization of materials. To facilitate the involvement of the community, it is essential to create versions of the training modules in their dialects and languages. Eco-Link not only translates the training modules, it also modifies these for specific uses. As a result, checklists on the monitoring of vehicle procurement and LGU buying have been created. All these, said Gangoso, were accomplished despite the absence of a budget.

The CCAGG, for its part, has produced its own monitoring manual for laymen. The manual provides laymen with the tools they need to become effective monitors, the materials they need, the measurements they have to do, and the documents that they should ask for. The manual contains detailed information on how they should answer questions asked of them, gives details on their rights as provided by the Philippine Constitution, and

provides details on how they should behave while conducting monitoring work (e.g. they should not accept meals from the contractors).

5. Accountability

Community participation and grassroots support. To ensure that procurement monitoring is sustained, there should also be an effort to make it more community-based. Communities should gain ownership of the process. Its importance should be stressed to common folk, the grassroots, who are going to be the end users of the projects themselves. By building awareness and ownership among the community members, procurement monitoring can be carried out 24/7. "When you engage the community, you have eyes and ears all the time, way after the observers have left," said Pura Sumangil, chair of the Concerned Citizens of Abra for Good Governance (CCAGG) and Bantay Lansangan and an advocate of community-based monitoring. "The community knows what is happening because they are there all the time." To illustrate, people would know what kind of cement mix was used in construction projects.

CCAGG is a champion of community based monitoring. Sumangil emphasized that community participation should be an integral part of problem-solving and decision-making. CCAGG has, in fact, worked with the Commission on audit to conduct joint audits of community projects undertaken by the Department of Environment and Natural Resources and the Public Works and Highways in Abra.

"When you engage the community, you have eyes and ears on the ground, long after the observers have left. The community is the real stakeholder, and they have the power to monitor projects."

CCAGG uses the value-for-money (VFM) or performance audit, a concept that focuses on determining the efficiency, effectiveness, and economy in the use of public funds and resources vis-à-vis accomplishing program or project objectives. In essence, it means that every peso allotted for the program or project has been appropriately spent for its purpose. This entailed a very crucial partnership between COA-Cordillera Autonomous Region (CAR) and CCAGG.

CCAGG has long been engaged in the monitoring of government projects in Abra. Their members are professionals (i.e., teachers, engineers, doctors, sociologists, etc.) trained on project monitoring by the National Economic Development Authority. They have been in the mainstream of community organizing for almost two decades. The years of experience and good track record have earned them trust among their partners. The team identified deficiencies and made recommendations based on actual observations, participatory analysis and validation. COA undertook post-auditing.

"We don't just do things for a few people. We do things with the community because the community is the real stakeholder. *Sila ang may kakayahang magbantay ng proyekto,*" said Sumangil.

For its part, ProcurementWatch is training communities to understand technical matters. It has developed public bidding checklists for BAC observers to aid them in effectively writing diagnostic reports to submit to government agencies. These are written in popular, easy to understand language. Its modules include tips on resource mobilization, including the identification of companies with CSR programs focusing on education; providing solicitation letter templates; and information on where to find



funding support. The process of empowering communities is an uphill battle, admitted Belisario, but it is the only way to ensure sustainability.

Eco Link, too, has made procurement monitoring a community effort. Even citizens who do not know how to write are allowed to play a part in the monitoring of the procurement process. "The only tool that we use is continuing pressure, a strong demand for participation in the whole procurement process. We use all means to pressure the government to allow us to monitor. This way, it is a citizen-based demand."

A project that demonstrates the effectiveness of the participatory process is the KALAHÍ-CIDSS program, the flagship poverty reduction project of the government, implemented by the Department of Social Welfare and Development (DSWD). With a total project cost of \$182.4 million split between the World Bank, the government, and the local governments, the project is being implemented in four phases in 42 of the country's poorest provinces.

KALAHÍ-CIDSS aims to empower local communities through improved participation in local governance and involvement in the design and implementation of development activities.

Decisions made within villages are participatory in nature. In each participating municipality, the project is implemented in three phases, preparation, funding and implementation. After a municipal introduction, facilitators are sent to all villages in the municipality. A first village assembly is organized in which the facilitator presents KALAHÍ-CIDSS to villages and helps them select volunteers to conduct a participatory situation analysis.



This leads to a village action plan that includes the top priority project to be submitted for KALAHY-CIDSS funding. These results are validated in another village assembly during which the project preparation team and village representative team are elected. The village representatives then attend a municipal meeting during which the rule and subproject ranking criteria are decided. Once those criteria have been agreed upon, the project preparation teams prepare proposals, which are validated in a village meeting.

Once the proposals are ready, a Municipal Inter Barangay Forum (MIBF) is set up. During this forum, preparation teams present the proposals and village representative rank them, prioritizing the proposals to be funded with the budget allocated. The results of the MIBF are presented in village assemblies and, in the prioritized villages, villagers elect the members of various subproject management committees to oversee implementation of the subproject.

Subproject proposals are then finalized by the committee and validated during a village assembly. Following this, another municipal forum validates final proposals. After the necessary training in construction techniques, reporting, procurement, financial management and operations and maintenance), the subproject is implemented by village volunteers.

KALAHY-CIDSS has demonstrated that when empowered, communities can undertake and run projects that will benefit them, while upholding the tenets of transparency and good governance.

6. Transparency

Commitment backed by integrity and expertise. In the end, what differentiates CSOs from merely fulfilling their duties to being downright effective is the way their commitment not only to their cause, but also to their craft. People's Graft Watch, for instance, has filed successfully filed and won cases. Its technical capabilities, honed even before the GPRA was passed, coupled with the passion of its members have definitely worked in its favor.

All CSOs well versed in the nuances of the GPRA and the procurement process, and who are committed to promoting transparency, have reported stories of success and have forged stronger ties with their government agencies which have ceased to view them as mere watchdogs, but true partners in a common cause.

B. What needs to be done?

1. Build more capacity

Both government agencies and CSOs have to build capacity to enable the enforcement of procurement reforms. Procurement specialists have to be developed within government, and there should be enough incentives for career officers to focus on procurement as a specialization.

Similarly, special groups can be tapped to serve as volunteers. Students, in particular, have the passion, stamina and technical knowhow to observe bidding. They can be utilized to observe biddings in their areas of expertise, i.e.,

engineering students for road projects, IT students for IT projects, etc. This ensures there will be a steady pool of observers for all biddings.

2. More CSOs should move towards performance-based monitoring

CSO observers have to be trained to focus more on performance indicators rather than on technical violations during biddings. This makes the exercise more substantive in nature. It should be stressed, however, that technical violations should be monitored in keeping with the law which requires observers to ensure the integrity of the bidding process. Moreover, performance should not be based on indicators³ spelled out by donors alone, but by indicators that show real impact on the ground.

To guide CSOs to make this change, it is imperative for the GPPB to disseminate information on performance indicators that observers should look out for.

3. Strengthen management of procurement-related information and observers' reports

Under the law, the Office of the Ombudsman should be furnished copies of observers' reports. With the passage of the new IRR of the GPRA, the GPPB would also be given a copy of these reports. Few CSOs know, however, that these reports are actually in the possession of the Ombudsman and they may serve as useful reference materials. To date, the wealth of information amassed on the ground is not used to benefit other CSOs and government agencies who can gain insights from the experiences of others.

3 The OECD's performance indicators include the following: risk management, record keeping, provision of a legal framework, etc. The Corruption Perception Index is also one of these.



A knowledge management system would definitely strengthen the foundation for procurement reform in the Philippines. It can also define what actions can be taken and serve as a platform to compare prices and share experiences on difficult situations.

4. Better organize the deployment of CSOs

CSOs have to be organized. A systematic deployment of CSOs is needed to ensure that important organizations are covered. It would help if CSOs develop their own specializations and areas of focus (i.e., medical, pharmaceutical, education, construction, IT, defense). This ensures that observers can intelligently comment on the procurement process.

An increasing number of CSOs, mostly those that take a sectoral approach, have shown greater effectiveness and impact. The tools they have developed for procurement monitoring-- from bid observing to monitoring implementation to analyzing procurement trends and outcomes -- help benchmark agency performance and improvement in procurement systems and processes.

GWatch is a case in point. Its focus on the textbook count has allowed it to understand the procurement process in the education sector. By mobilizing boy scouts and girl scouts, who are present in all schools, it has made Textbook Count sustainable and effective. This has given it longevity and has created a lasting impact for the end-users – the teachers and students.



This was also the experience of Bantay Eskwela Davao which used Parent-Teacher Associations as the platform of their monitoring activities. Eventually, school principals joined in the effort, giving the program the momentum it needs.

Similarly, the CCAGG has focused on the participatory audit tool for the infrastructure sector through the years and has developed the competencies for it, thanks to the support of engineers and other technical people in its fold.

ProcurementWatch, on the other hand, has mastered the Differential Expenditure Efficiency Measurement tool for the health and education sector. All three tools are featured in International Budget Partnership's (IBP) publication "Our Money, Our Responsibility: Citizen's Guide to Monitoring Government Expenditures" as an international best practice for CSO tools for participation.

Moreover, these tools were developed over the years of civil society engagement with government to measure government performance. Although GPPB subscribes to the OECD-DAC indicators which are termed differently from those used by CSOs, the key ingredients of governance such as transparency, accountability, efficiency, and economy are also measured by the tools developed by CSOs. Most importantly, CSO tools also look at government's compliance to its legal framework, the procurement law. However, the GPPB has yet to evaluate the tools CSOs have developed to see how they complement government indicators.

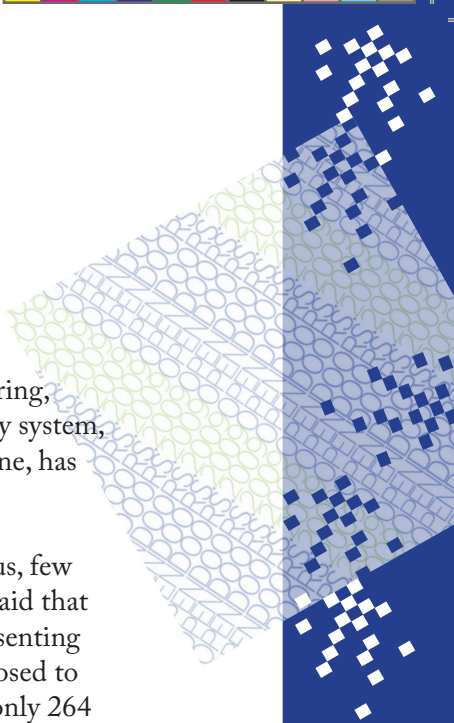
5. Undertake more training

To ensure the sustainability of procurement monitoring, observers have to be continuously trained. The buddy system, wherein an experienced observer mentors a newer one, has been shown to be particularly effective.

Although the training of new observers is continuous, few of the trainees go into active monitoring. Belisario said that more than 1,000 volunteers have been trained representing 26 organizations nationwide. These groups are supposed to train others as well. However, PWI found out that only 264 of the 1,000 who were trained are into active monitoring, meaning they monitor bids once a week.

6. Build trust and encourage continuing dialogue

Continuing dialogue is essential to building trust between the CSOs and the government agencies. CSOs that have established strong ties with government agencies have been able to push for greater reforms, and have made themselves an inherent part of the procurement process, as exemplified by the experience of CSOs covering the Department of Budget and Management, the Department of Education, the Department of Agriculture and the Department of National Defense, to name a few. In these agencies, the observers' inputs have become so valuable that the government agencies regularly confer with them and take their observations into consideration.



Having earned the trust of government officials, Menzon, for example, is able to share more information with them that may not be related to the bidding process, paving the way to investigations and subsequent changes, including the removal of personnel proven to be corrupt.

On the other extreme, there are also government agencies that mistrust the CSO observers. Belisario recalled an instance when a government agency refused to have CSOs join them in procurement training because the latter would know their errors and shortcomings.

Belisario noted that most government agencies prefer not to deal with confrontational CSOs. CSOs invited to sit in the BAC are most often those that give verbal feedback and not written reports. Under the GPRA, these written reports may be taken to the Office of the Ombudsman and can serve as evidence against the BAC. Because of this fear, the agencies would rather have less confrontational CSOs in their BACs.

On other hand, CSOs that are humble, sincere and able to show government agencies that they are their partners in the pursuit of transparency and good governance are able to gain their cooperation. In engaging government agencies, constructive partnerships and non-confrontational dialogues are infinitely more effective than the adversarial, litigious approach.

7. Increase public awareness

For procurement reforms to be sustained, the general public has to appreciate the critical role it plays in the governance process.

A communication plan that highlights successes in procurement reform and stresses the need for vigilance is needed to ensure that the reform process gains momentum and is carried out by all procuring entities in the country.

VI. Recommendations

1. Set up a sustainable whistleblower protection system

To protect its observers, the Philippines has been encouraged by donors to enact a whistleblower protection system, to ensure that they can continually fulfill their roles with the knowledge that they have legal recourse and protection. However, sustaining this should be addressed, considering that the Philippines has limited funds and, under the present set-up, could only extend protection to whistle blowers during litigation. Beyond this, the whistle blowers are not entitled to any form of protection.

2. Communicate reform efforts to the public

Most Filipinos are unaware of the impact of procurement on their daily lives, through the delivery of public services, and of the importance of procurement reform. A recent survey by the Social Weather Stations (SWS) found that only 13 percent of the general public and 30 percent of government employees knew about the 2003 procurement reform act. A communication strategy should be designed and implemented to raise the public profile of procurement so that its stakeholders and beneficiaries can participate more actively and safeguard it.

3. Strengthen procurement law implementation and enforcement

According to the World Bank Group, the following are critical to improving implementation and enforcement:

- Review, revise, and issue a national training program in line with the strategic communication plan to ensure change in behavior of the current crop of procurement practitioners.
- Private sector should also be included to improve competitiveness;
- Hasten the implementation of the career program of professionalizing procurement practitioners in government;
- Improve procurement processes and procedures through the development of simpler bidding documents and procurement manuals for small users, especially local government units, barangays, people's organization and communities;
- Issue policies on record-keeping and public disclosure of documents to provide the public with better access to procurement data and information

VII. Lessons learned

For procurement reform to prosper, procurement should be viewed as a core function of government and a strategic activity, effectively integrated with other public financial management institutions and processes.

In the case of the Philippines, the need for reform was understood by a range of key stakeholders. There was

considerable high level support on the part of responsible agencies and a broad coalition of reformers was built inside and outside government. The process was clearly driven by the government, and supported by donors when required.

For the reform process to succeed, a broad coalition of support is essential—reform-minded officials, donors, civil society, legislators, and other stakeholders. This coalition drives change, taking advantage of opportunities opened by events and riding on the wave of public sentiment. Reform has to be driven internally and externally. At all times, stakeholders should have a sense of ownership of the process, to deepen their commitment and in order to ensure the success of these reforms.

Having a legal framework for procurement is a definite advantage, but it is not enough to ensure transparency in the procurement process. There will always be political entities that will try to use their power or influence to go around the law, which is why the role of civil society is of paramount importance. If well versed with the nuances of procurement and committed to the cause of governance, CSOs can make a big difference in the procurement process.

However, CSOs can be more effective in their roles as observers if they are not antagonistic in their approach but instead reach out to government agencies as partners in governance and transparency. By stressing that its goals are no different from the agency that it is monitoring, the CSO is able to set the stage for greater cooperation and shared learning.

CSOs, too, have to take their roles seriously. Limited resources are a fact of life in the developing world. Thus, CSOs have to explore every option available to them to build their technical capacity, as well as strengthen relationship, that will enable them to access information vital to the performance of their tasks.

To sustain the momentum of reform, capacity has to be built. More reformers have to be brought into the process, and communities have to be empowered to take part not only in procurement monitoring, but starting from project identification all the way to project implementation. At all times, information has to be shared and managed, in order to highlight best practices and areas for improvement. Alongside this, an awareness campaign should be undertaken to provide the social backing for reform, especially at the community level, backstopped by training to ensure that competence keeps apace.

A key challenge for implementation is ensuring compliance. New laws have to be adhered to and courts should be ready to prosecute offenders if necessary. All entities involved in the procurement process have to respect the majesty of the law, and the courts should be ready to show that no entity, especially politicians, can circumvent the law to suit their own purposes.

VIII. Moving forward



Certainly, the Philippines has gone a long way since the enactment of the GRPA. As it explores new avenues towards better governance, it could take a few lessons from the experiences of CSOs that are actively involved in procurement monitoring.

In sifting through the myriad experiences of these CSOs, it should look at the tools they have used and identify how CSOs developed and used these tools to achieve goals. The best tools will be those that have created an impact on the ground, right in the communities.

Impact should also be seen through the lenses of CSOs and communities and not of the government and the donor community alone. The government's performance indicators, taken from the donor community, may be useful for their purposes, but certainly, community impact is just as important. The CSO's independent review of processes and experiences in the communities should count given its richness and depth. In addition, some provisions of the GPRA should be further reviewed to see who they ultimately benefit. The 1% bond is a worthy provision of the law, but given the realities faced by CSOs, it is worth checking if this was incorporated into the GPRA simply to satisfy donors. Donors are, after all, enablers and conduits to make community initiatives come alive. They should be taking the lead from CSOs and communities, and not the other way around.

Government, too, should examine how the procurement law is supposed to benefit the citizenry. It is not just there to catch corrupt bidders and officials, but to ensure that it is able to provide citizens the services it needs in a timely manner.

For it to do so, government needs to learn how to craft technical specifications for projects that will benefit citizens. It cannot copy specifications from brochures or from the submissions



of consultants for other projects, for this will not allow it to maximize its resources and achieve the best services for the citizens. Government agencies have to check and recheck their mandate and find ways to make the best use of their resources for the benefit of the people, with help from the CSOs.

Additionally, government has to address the lack of understanding of its procedures, not only of the citizens, but of government officials as well. By fostering greater understanding, it will speed up the flow of information and foster improved partnerships between government and CSOs.

Procurement reform is a work in progress, and as government and communities evolve, there will be a constant need to revisit it to see if it continues to serve the best interests of the people. Government and CSOs should stay close to communities to understand emergent needs. Continuous citizen monitoring of the procurement process, especially at the community level, will bring governance to the grassroots level and in the end, the sustainability that it needs. With the help of citizens groups and government reformists, the fight for governance could be sustained where it is likely to gain traction – in the communities.

