Governance in Action

East Asia and Pacific Journal

**WORLD BANK GROUP**

Governance Global Practice

The Governance Agenda in East Asia and Pacific

Officials in the East Asia and Pacific region have long recognized that good governance is essential for reducing poverty and building prosperity. The World Bank Group's EAP regional strategy for 2014 includes "Governance and Institutions" as one of five strategic pillars, focusing on public financial management, fiscal decentralization, and service delivery.

EAP also developed a Governance and Anti-Corruption (GAC) Implementation Plan for FY15-17 in response to the WBG's 2012 "Strengthening Governance" corporate strategy. EAP's GAC plan is based on three principles: (1) clear government ownership of reforms; (2) bottom-up prioritization; and (3) country partnership frameworks.

The EAP region and the Governance Global Practice are helping clients to:

- strengthen public institutions through governance-related sectorial engagements, support for decentralization of service provision, and collaboration on measures to enhance accountability;
- enhance transparency through expanded sharing of knowledge and information, and innovative uses of information and communications technology (ICT); and
- improve public resource management through support for core public resource management systems and support for more robust natural resource management.
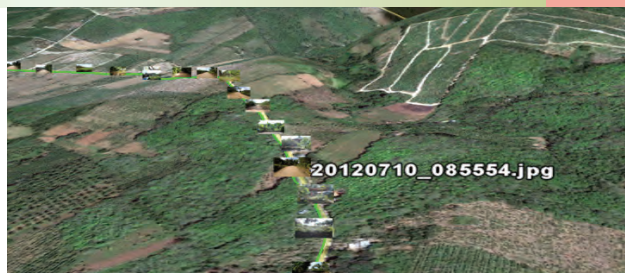
Geo-tagging for Good Governance

Geo-tagging is an innovative and inexpensive approach in using ICT, Global Positioning System (GPS) technology. It is a freely available, web-based mapping service that can be used as a project visualization tool to aid project supervision and to share information with various stakeholders, including both government officials and private citizens. It is a versatile asset verification tool that can readily provide an answer to an important question: Is the right activity being implemented in the right place?

Through geo-tagging, details of projects can be easily and accurately located on a map, enabling government authorities, Bank staff, and citizen participants to "virtually" monitor and evaluate project work and progress. This can result in a reduced need for physical visits to hard-to-reach areas.

Geo-tagging was first introduced to aid procurement supervision in remote areas. Greater transparency was among the first results. Citizens can now monitor the contract implementation process as all geo-tagged images are publicly available and can be accessed from anywhere. The Philippines' e-procurement system (PhilGEPS) maintains a "dashboard" with comprehensive procurement information which has been recently upgraded to include geo-tagged photos and feedback from citizens on contracts. The

public can use the dashboard to view the location and actual progress of works contracts, comment and send additional geo-tagged photos as part of their feedback.

Geo-tagging is also helping to control fraud in project implementation and has stimulated greater competition increasing the average number of bidders in the conflict-affected area of Mindanao from three to about ten, with a resulting reduction in bid prices. Contract management and quality control also greatly benefited from Geo-tagging as contractors must submit geo-tagged photos showing they have actually completed the work in order to receive payment.

Geo-tagged data in a project, such as base and progress photos (both still and 360 degree), tracks, and polygons of locations, such as farms, are collected primarily by government staff, but they can then be accessed by non-engineers such as teachers, accountants, lawyers, and other citizens. Briefly, a geographical coordinate (latitude and longitude) plus elevation is assigned to the collected data, which is then easily and accurately overlaid on a map, in a geographical context, by using the free version of Google Earth. The result is an accurate and robust monitoring system.

Geo-tagging use in the Philippines had demonstrated how project monitoring can be effective without the use of costly proprietary software, high-definition imagery or highly skilled engineers and technicians. Experience has shown that Geo-tagging is

easily replicable for mainstreaming to both government and civil society organizations. It is particularly important in engaging citizen participation through enhanced participation, transparency and accountability.

It is an effective tool for planning, monitoring and managing site-specific projects such as farms, reforestation, mari-culture areas, farm-to-market roads, bridges, irrigation and water supply systems, school buildings, reforestation projects, marine sanctuaries, materials recovery facilities, landfills, and post-harvest facilities, among others.

The essential elements for geo-tagging include: basic training, inexpensive GPS-enabled Android cellphones, and access to free web-based applications. In this case the GPS-enabled android cellphone is used as a data receiver. It is significant that rather than just providing, manually-recorded geographical coordinates, as is currently the practice in many countries, all the data collected by the device, including tracks, polygons, and photos, can be electronically imprinted with geographical data, and therefore can show specific locations where the data-like photos were taken.

GPS Status → My Tracks → Camera → DMD Pano Maps
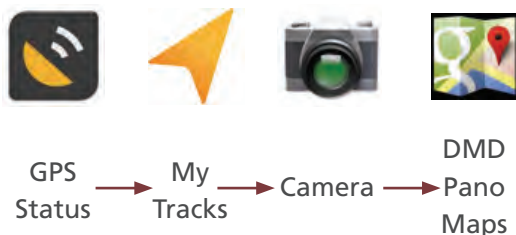
The tool is now in various stages of application in at least 12 Bank financed projects. It is currently being scaled up to be used for the whole Philippines portfolio. The Philippine Country Management Unit (CMU) requires that geo-tagging be included in the design of all new operations. It was adopted in 2012 by the Department of Environment and Natural Resources for the National Greening Program to grow 1.5 billion trees in 1.5 million hectares nationwide. The use of geo-tagging was successfully tested jointly by Philippine financial

Actual data collection using the geo-tagging device which is connecting with the satellites

management and procurement officials in a number of reforestation projects during the last fiscal year. Geo-tagging is also now replicated in several countries, including the Solomon Islands, Papua New Guinea and Samoa. Our work to mainstream and scale up geo-tagging has substantially improved transparency and quality control in project implementation and strengthened the quality of supervision while at the same time reducing its cost.

The Philippine geo-tagging story received the top Science of Delivery Award, an award for the FCS December 2013 Procurement in Complex Situations, and was featured in the GAC's newsletter of April 2014 and the Governance and Public Sector Management (GPSM) newsletter of May 2014.

Philippines Case Study – the Farm-to-Market Road

One example can be shown from the case of the Completed Farm-to-Market Road (FMR) in the Municipality of Titay, Zamboanga Sibugay in the Philippines under the Mindanao Rural Development Project (MRDP2). The application geo-tagging in the various stages of the project was useful in monitoring the quality of work, and eventually led to the removal and replacement of the entire road stretch. In this case, after construction abnormalities were first noticed in geo-tagged progress photos of the project, the Program Support Office (PSO) in Davao

city received a complaint alleging irregularities with construction and materials not meeting specifications requirements. As a result of these "red flags", the Department of Agriculture launched a Joint Assessment with the Quality Assurance Team of the Department of Public Works and Highways (DPWH). In the course of the inspection, samples were taken, marked and geo-tagged. Subsequent laboratory analysis verified that the materials were deficient, resulting in the decision to remove and replace the entire road. The use of the geo-tagging technology played a significant role in both identifying the potential problems, and in speeding up the analysis leading to the decision that the work needed to be done over.

Visualization of reforestation projects including site validation jointly by FM & Procurement team. Polygon / area that is, the number of seedlings planted and cost computed virtually, and ground photos of reforestation subproject.

Philippines Hub

ENGAGEMENT NOTE

The Governance Global Practice's engagement note for the Philippines (FY14-FY16) defines the framework for a three-year programmatic work agenda for the Government and the Bank's partnership in supporting a public sector reform agenda for inclusive growth. The three pillars of this engagement include: (1) strengthening public finances; (2) enhancing public sector delivery performance; and (3) strengthening demand side programs. The programmatic approach is fully aligned with the Country Partnership Strategy.

Let's build a world where people's vulnerability to disasters is no longer determined primarily by their income level.

Jim Yong Kim

Highlights

Disaster Reconstruction:

- **Restructuring of four loan projects.** The team targeted coverage of disaster-affected areas in the Visayas region, providing support in the design of the institutional set-up and funds flow.
- **Joint GGP Mission on Local Government Unit (LGU) Assessment.** Municipalities in northern Cebu that were affected by Typhoon Haiyan were assessed to determine LGU capacity to handle disaster funds and to implement procurement procedures. Outputs included the LGU Rapid FM and Procurement Assessments.
- **Launch of the "Philippines Open Reconstruction Portal."** This portal provides project-level updates on proposals, budget, and implementation for reconstruction spending associated with the 2013 Bohol Earthquake and Typhoon Yolanda.

www.openreconstruction.gov.ph.

Good Governance Summit held in January 2014 – This summit showcased the Government's achievements in pursuit of its campaign platform of "kung walang corrupt, walang mahirap" (When there is no corruption, there is no poverty). The meeting featured two themes: compliance with the Open Government Partnership (OGP) and achievements in Procurement Reform during the last decade. The Bank supported the dis-

closure of government data from various agencies and assisted in developing open data dashboards (data.gov.ph).

In the area of procurement reform, the Government expressed appreciation for the periodic country and agency assessments the Bank is leading through the CPARs (Country Procurement Assessment Reports) in 2002, 2004, 2005, 2008 and 2012. The last two CPARs were joint documents of the Government, ADB, JICA and the World Bank.

Speech of the President Aquino at the Governance Summit

Measuring Performance in Procurement – To measure the efficiency of implementation of infrastructure projects from bidding through contract execution, the Bank collected data from 110,000+ contracts implemented by the Government of the Philippines during 2010-2013.

As part of this effort, the team designed a new methodology and tool to measure performance in procurement and contract execution that includes eight crucial dimensions: competition, timeliness, effectiveness, efficiency in execution, contract management, transparency, fairness, and quality of works. This tool was presented in May 2014 to the Government Procurement Policy Board (GPPB). The GPPB's Executive Director indicated that the tool may be used to supplement their existing standard agency performance measurement system, the Agency Procurement Compliance and Performance Indicator (APCPI) system, which the Bank

supported earlier through technical and financial assistance

Heads-Up

Learning, Equity and Accountability Program Support Project (US$300M) Launch and Initial Mission – This mission, tentatively scheduled for August 26-29, will be the Philippines' first results-based lending project which aims to improve teaching on reading and math skills, strengthen accountability and improve access to education by disadvantaged groups. This project includes disbursement-linked indicators related to the strengthening of Financial Management processes through the development of an FM Manual and the related training of FM personnel.

Operations & Knowledge Management
Working Together

Advancing Public Participation in the Audit Process: WBI SOUTH ASIA REGION Virtual Learning Series – This event featured Ms. Ma. Gracia M. Pulido Tan, Chairperson of the Philippines' Commission on Audit (COA), as the main speaker, participating via video conference. She shared her views about the Philippine experience in the Citizen Participatory Audit (CPA), including how it was conceptualized, ways in which non-government

Photo from COA website

stakeholders can engage in the audit process, and various joint capacity building activities undertaken by COA.

Representatives of the Supreme Audit Institutions (SAIs) of Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka participated in this learning series.

Public Financial Management

PEFA Update – A Joint project is ongoing between the GGP, Public Sector and Performance and Public Resource Mobilization and Management Teams with cross support from the Indonesia office.

Public Financial Management (PFM) Reform Roadmap – This comprehensive PFM reform agenda aims to clarify, simplify, improve, and harmonize the financial management processes and information systems of the civil service in the Philippines. For the past several years the government has pursued a variety of reforms related to various aspects of public financial management outlined in the PFM Reform Roadmap focusing on budget reporting and performance standards, improvement of treasury cash management operations, development of a government integrated financial management information system, accounting and auditing reforms, liability management, and capacity building.

Treasury Single Account (TSA) – A TSA was rolled out by the Bureau of Treasury and has been implemented for revenue. The Bank conducted an assessment of the newly implemented TSA for use in Bank projects.

Budget Execution Analysis – Our teams focused on sectoral PFM for tourism and farm-to-market roads supported by the national government. The analysis among sectors was designed to support government efforts to strengthen the planning, prioritization, execution, and financial and physical monitoring of public investments to support inclusive growth.

Unified Accounts Code Structure (UACS) – This structure is currently being rolled-out for budget execution, led by the Commission on Audit and the Department of Budget and Management.

Disaster Risk Reduction Management (DRRM) Accounting Guidelines – A manual was developed and rolled-out by the Commission on Audit to provide accounting guidelines related to Disaster Risk Reduction Management Funds and related expenditures.

National CDD Project (US$479M) – This is a scaled-up CDD (Community-Driven Development) program covering the entire country. The project aims to empower communities in targeted municipalities to achieve improved access to services and to participate in more inclusive local planning, budgeting and implementation. The financing will support an estimated 477 poor, rural and typhoon-affected municipalities in the Philippines.

On procurement, the Bank supported the institutionalization of rules covering CDD projects through the issuance by the Government Procurement Policy Board of a Community Participation in Procurement Manual (CPPM). This ensures, for example, the sustainability and irreversibility of the community empowerment approach for procurement in the Barangay or village level.

The Bank led the harmonization of the CPPM with the procurement rules of ADB, JICA and WB. A joint letter on the acceptability of the CPPM in foreign funded procurement is currently being discussed for issuance by the development partners.

Governance Anti-Corruption

Geotagging – refer to Good Practice, page 4.

Citizen Participatory Audit – Through the Citizen Participatory Audit (CPA), audits are conducted with citizen representatives in-

cluded in the team to educate them in the audit process and to encourage vigilant participation in exacting government accountability. The audit is under the direct supervision and control of the Commission on Audit (COA).

The COA already conducted three pilot projects, consisting of a Flood Control Project, a Conditional Cash Transfers (CCT) at the Barangay Health Centers, and a Solid Waste Management Project in the Philippines. The results in these pilot projects, and the lessons learned from them, were used to further improve processes and procedures. This is a priority program, founded on the premise that public accountability can prosper only with a vigilant citizenry.

Corporate Financial Reporting

Quality Assurance Review – The Philippine Institute of Certified Public Accountants (PICPA) began the training for reviewers and participants of the Voluntary Compliance Program for Quality Assurance Review.

Portfolio Performance

FY14 Overall Portfolio by Country

CMU	Country	# Proj	Net Comm Amt $m	Tot Disb $m	Tot Undisb Bal $m	Disb in FY (DPL) $m	Disb in FY (IL only) $m	Undisb Bal at FY (IL only) $m	Disb Ratio* %
EACPF	Philippines	16	3,442.0	1,630.5	1,839.5	401.3	151.1	805.7	18.8

Note: DPLs once disbursed drop out of the portfolio as Commitments.

* Disbursement Ratio includes IL only, not DPLs.   BW Data as of 06/25/2014