

## PROJECT COMPLETION ASSESSMENT

CSO Name:	Concerned Citizens of Abra for Good Government, Inc. (CCAGG)
Project Title:	Abra Water and Irrigation Systems (AWIS) Watch
Grant Amount:	\$ 24,775 (original grant of \$19,000; Addendum 1, \$3,500; Addendum 2, \$2,275)
Dates Implemented:	September 2009 to October 2011
PTF Project Adviser:	Gerry van der Linden
PCA Author:	Dante de los Angeles Nancy Leon-Baillet (PTF-Philippines)
Date of PCA:	June 19, 2012

### 1.0 Project Overview

1.1 The AWIS Watch was a community-led anti-corruption initiative aimed at preventing and eradicating corruption of public funds in the domestic water supply and irrigation projects in the province of Abra. The extent of this problem was best described by CCAGG studies estimating that corruption in infrastructure projects in Abra would typically amount to about 30% of the total worth of the projects. CCAGG wanted this problem addressed in a comprehensive manner, intending to achieve the following Objectives for the various stakeholder groups: (a) strengthening transparency and the ethical standards of implementing agencies, (b) empowering local CSOs and community-beneficiaries to participate in planning, implementation and monitoring of these projects, and (c) mobilizing the general public thru public awareness in the fight against corruption in these sectors. Situational analysis of factors driving corruption in the province pointed to the necessity of establishing the above as critical to long-term solution to corruption problems in the water supply and irrigation systems in Abra.<sup>1/</sup>

1.2 The most important project achievement was the organization, capacity building and mobilization of volunteers as community-based Local Monitors, and the documentation by these Local Monitors of widespread irregularities and corruption in the implementation specifically of Department of Health's *Water For Waterless*

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<sup>1/</sup> PTF fielded Paul Gangoso, CEO of ECOLINK and Project Officer of SK Watch and Vehicle Monitoring projects, to CCAGG in Abra to provide assistance in finalizing the AWIS Watch design and project document, including the preparation of the "corruption problem tree" and the project log-frame. This was perhaps the first manifestation of cross-fertilization of certain anti-corruption technologies among PTF-assisted NGOs in the Philippines.

*Communities Program* by the Local Water Utilities Administration (LWUA). This was an important first step toward the attainment of AWIS Watch goal of establishing the social and institutional arrangements that would sustain compliance of the water sector with procurement laws and ethical standards, and constrict opportunities for corruption in this sector to flourish.

## 2.0 Approach & Project Design

2.1 AWIS Watch used field-tested approaches that CCAGG has found effective in similar projects, and these involved: (a) *building capacities* of both the implementing institutions [on the new procurement system as well as on transparency and ethical standards], and the local NGOs and beneficiary communities [on participatory monitoring and evaluation of domestic water supply and communal irrigation projects]; (b) *mounting public awareness*, education campaigns and advocacies on corruption issues affecting these projects; and (c) most importantly, *engaging the communities into action* through public monitoring of 8 water supply projects and 4 communal irrigation projects.<sup>2/</sup>

2.2 To begin with, was the choice of irrigation and water supply projects relevant from development perspective? Being an upland province with mountainous terrain, the sustenance of the communities and their livelihoods from farmlands, croplands, and animal production has always been heavily dependent on government investments in municipal water development and its irrigation system. Yet CCAGG knew that the social and economic development of Abra would continue to be stunted unless corruption (estimated at 30% of project cost) in these sectors is controlled.

2.3 Thus AWIS Watch was a well-targeted project; it was also well designed, except for the caveat in para 2.4 below. Furthermore, its implementation was guided by a detailed project log-frame, complete with performance indicators that served CCAGG's needs in tracking progress. However the absence of quantitative performance targets had rendered the log-frame of limited use to the PCA.

2.4 The scope of this project did not include aggressive post-monitoring actions, such as the filing of charges against erring officials -- as it ought to be. PTF would not likely fund that type of activity, being inconsistent with its the principle of constructive engagement. For its part, CCAGG wanted the *oversight agencies* to take up that responsibility by executing their mandate.<sup>3/</sup> The big risk for this project would lie in these *oversight agencies* not performing their responsibilities -- then the full impact of AWIS Watch would not be fully realized.

## 2.5 **Rating for Relevance and Design: 4**

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<sup>2/</sup> The list of irrigation projects monitored, not completely named in the Terminal Report, consisted of (a) Abra River Irrigation Project, (b) Malanas Left Irrigation Project, (c) Cautit Communal Irrigation System, and (d) Ballasiang Communal Irrigation.

<sup>3/</sup> In Abra, the culture of corruption has always been exacerbated by political violence that it breeds. CCAGG Chairperson/CEO, Ms Pura C. Sumangil, or Manang Pura as she is more widely known, would not like her staff targeted for violence that could result from filing corruption cases.

### 3.0 Project Implementation

3.1 This project had to make major adjustment during implementation. AWIS Watch started with a list of 6 projects for monitoring: 4 communal irrigation projects and 2 potable municipal water supply projects. However during the initial field work, CCAGG discovered that (a) contract costs of water supply projects, which ranged from P21 million to P33 million, are substantially larger than the corresponding investment in communal irrigation projects, (b) irregularities in procurement and construction of water supply projects are very pronounced and widespread, and (c) secrecy or absence of transparency and documentation at LGU and Water District levels would require CCAGG to deploy more resources (funds and CCAGG staff) to the water supply projects than initially planned. CCAGG then decided, after securing approval from PTF/MBC, to shift the focus of AWIS Watch to water supply projects, a move that the PCA also considered justified in consideration, additionally, of the significance of the *Water for Waterless Communities Program* being a commitment of the Philippine government under the United Nations Millennium Development Goals.<sup>4/</sup> Corruption in the implementation of this program would conceivably have impact beyond the country's border.

3.2 In these LWUA projects, CCAGG encountered a system so unlike its previous experiences in monitoring roads, bridges, irrigation canals and school buildings. Implementing agencies' lack of transparency was a big hurdle; they resisted giving CCAGG documents and information essential to effective monitoring, such as the documentation of the bidding procedures used, the winning contractors, the program of work and schematic design, even such simple information as the membership of the Board of Directors of the water districts. CCAGG eventually secured these documents from the LWUA main office, but only after repeated follow-up and travel to Manila. Delayed project implementation also prevented monitoring and evaluation of all activities and results through the entire project cycle. Only 2 of 8 water supply projects are now operating near full capacity, while most are now more than 1 year overdue.

3.3 Despite these obstacles, CCAGG was able to accomplish AWIS Watch objectives and most of its major targeted outputs and results. These are summarized below:

- Capacity building, organization and mentoring/coaching of 40 volunteers as community-based Local Monitors in 8 municipalities to carry out public monitoring and evaluation (M&E) of projects;
- Training workshops on M&E for irrigation projects with 42 participants from different irrigators associations;
- Training seminar on M&E for water supply projects with 49 participants (General Managers, BOD Members, Municipal Engineers, Municipal Planning and

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<sup>4/</sup>The MDG commits the Philippine government to reduce by half the proportion of Filipino households without sustainable access to safe potable water and basic sanitation.

Development Coordinators, NGOs and Media Practitioners) from municipalities implementing water projects;

- Training workshop on Government Procurement Reform Act with 70 participants from LGUs and provincial-based offices of national agencies, particularly members of the Bids & Awards Committees, as well as the BOD members of water districts and local NGOs;
- Training on public service ethics and accountability with 24 participants from local agencies, irrigators associations and water supply management offices;
- Conduct of community monitoring and preparation of monitoring reports on 8 water supply projects and 4 communal irrigation projects;
- Launching of IEC/Advocacy campaign to draw attention to implementation and corruption issues water supply projects thru radio program airing twice weekly (or double the targeted frequency) and publication of 6 newspaper articles over the 6-month project duration (versus original plan of weekly news releases);
- Production of 2 monitoring manuals based on actual monitoring experiences in the municipalities: *Monitoring Manual for Domestic Water Supply Projects* and *Irrigation System Watch (A Guide)*;
- Public Presentation of AWIS Watch Monitoring Report with 50 participants from government *oversight agencies* in the region (Department of Health, National Development Authority, Civil Service Commission and Commission on Audit), as well as representatives from municipal and provincial LGUs, water districts, and NGOs. **Abra Governor Eustaquio Bersamin** attended the Forum and participated actively in the discussion.

3.4 The total project cost of AWIS Watch, including the two Addendums to the Grant Agreements, amounted to Philippine Pesos 1,094,820 (US\$24,775). The Addendums were for conducting additional community trainings, expanding mentoring & coaching of Local Monitors to include other types of infrastructure projects, and funding CCAGG participation to the Jaipur (India) Workshop.

Accounting of the use of the grant had passed audit examination by a licensed independent Auditor. At the time of the PCA, the latest Audit Report was dated November 20, 2010 covering calendar year 2009. This Audit Report showed the following: (a) project funds received from PTF were deposited in a separate project bank account, and expenditures therefrom were recorded using modified cash basis accounting; (b) as a policy, each of the project accounts was audited separately, a policy that goes beyond PTF audit requirement for the grant fund; (c) AWIS Watch account was only 1 of 7 donor-funded projects then operating; (d) this AWIS Watch account had an audited balance of P354,462 from the first tranche release of P435,462.

The PCA Team was also provided copy of the end-of-project financial report (still unaudited) dated January 31, 2012. This report showed a negative ending balance of P13, 402. The Report did not include the grant of \$2,275 under Addendum #2 since this amount was no longer released to CCAGG but used instead by MBC, per agreement, to cover the expenses of CCAGG participation in the Jaipur workshop. Likewise, this

financial statement did not reflect CCAGG's counterpart contribution, which was budgeted at around 20% of the total project cost. Overall, the grant was spent for the purposes intended, although there were realignments of funds across the different expense items.

### 3.5 Rating for Efficiency & Effectiveness: 4

## 4.0 Outcomes, Impact & Sustainability

4.1 AWIS Watch has produced many accomplishments, such as: (a) training and organization of community-based Monitors in 8 Abra municipalities with the tools and skills to monitor and evaluate *by themselves* the implementation of government projects; (b) raising the awareness level of project communities on the issues of corruption in government projects and community's right to participate in planning and management of these projects; (c) enhancing further public understanding of impact of rampant corruption in the province putting into context the on-going high-profile plunder case filed with the Office of the Ombudsman against a powerful political family by a "whistleblower" who is now in hiding under the protection of the church and affiliated CSOs; and finally, (d) highlighting further CCAGG's noted reputation in the province and in the Cordillera Autonomous Region as an anti-corruption crusader and an independent, credible, and government-accredited partner in community monitoring of government projects. CCAGG shared this anti-corruption experience through community monitoring with peers from around Asia during the Jaipur Workshop in 2011.

4.2 AWIS Watch's immediate and most importantly outcome in relation to fighting corruption is the documentation and bringing to public knowledge the widespread irregularities and corruption that occurred in the implementation of UN/MDG-inspired *Water for Waterless Community Program* in 8 municipalities of Abra. With reported instigation from the LWUA Administrator himself, documentation and approval of the projects were rushed, disregarding public hearing and established bidding procedures, to fast track the release of project funds to serve a political purpose in line with the 2009 presidential elections. Thus the monitoring reports for these 8 water supply projects (with combined cost of almost \$5 million) showed many cases of irregularities and corruption, the most notable of which are:

- Failure to comply with prescribed government procurement policy: project bidding reportedly took place at the LWUA Central Office, with winning bidders already predetermined; hence no bidding documents were made available to CCAGG, whether from the 8 LGUs, or 8 Water Districts, or the LWUA Central Office. Same group of laborers were monitored to be working in the 8 projects sites "won" by different contractors, indicating collusion among the bidder-contractors.
- Overpriced Contracts: costs of projects appeared bloated; some materials already delivered to sites were found substandard and of questionable specification; and many defects in constructions were documented. With no storage facilities

constructed in most sites, many of the materials delivered were found to already show heavy deterioration, breakages and misuse;

- No Actual Field Surveys Conducted: for many sites “table surveys” were used as basis in the preparation of program of work and cost estimates, resulting in wastage and excess of materials in some sites, inadequate supply in others; no engineering studies were conducted on water sources, giving rise to poorly and inadequately designed water source facilities some of which may not have the volume capacity to supply the water demand of beneficiaries. In two municipalities (San Juan and Tubo) the program of work and schematic designs were found to be identical.
- Poor Supervision: implementation was delayed; and 6 of 8 projects are now delayed for more than a year, accumulating total liquidated damages estimated at about \$100,000. There is no proper technical supervision for these projects from LWUA and contractors. Progress of work on the ground way behind percent of contract cost already released to contractors.
- Grant or Loan: project fund was designed as 100% grant by Department of Health (which provided the funds), but converted to ‘50% grant, 50% loan’ (other variants of this grant-loan scheme exist) by the LWUA when released to municipalities. This has impact on water rates being charged to beneficiary households.

4.3 As indicated in para 2.4 above, the filing of charges and prosecution of corruption cases were beyond the scope of AWIS Watch. Post-monitoring actions to address the documented irregularities were left to government *oversight agencies* to execute. To push this process forward CCAGG organized a public forum, complete with media coverage, on the findings of the AWIS Watch monitoring with officers of *oversight agencies* in the region, the Governor of Abra, and representatives of municipal LGUs, water districts, and NGOs. In a very encouraging response, Manang Pura, the tireless 70-year old leader of CCAGG, was invited to present the monitoring results to the Regional Development Council in its quarterly meeting immediately following the public forum. Furthermore, CCAGG sent copies of the monitoring report to the Office of the Ombudsman, the Secretary of the Department of Public Works and Highways (which functionally oversees LWUA) and the Secretary of Budget and Management of the Office of the President, with request for meetings to demand action and resolution on the anomalies discovered. CCAGG reiterated during the PCA discussion that changes in policies and systems to correct the flaws highlighted by AWIS Watch is still “work-in-process”.

4.4 The copy of the AWIS Watch monitoring report sent to the Office of the Ombudsman has seen some needed action. A news item published by the Philippine Daily Inquirer on June 2, 2012 showed the following headline: “Pichay sued for misuse of P 2.3 B LWUA funds.” Indeed the graft charge filed with the Office of the Ombudsman against former LWUA Administrator Prospero Pichay included the financing of three water projects in Abra covered by the AWIS Watch project.

4.5 On sustainability, it should be noted that AWIS Watch is just another phase of CCAGG’s very successful anti-corruption initiative that taps communities to

monitor implementation of government projects in their localities. This has been going on, and in this project, through Addendum #1, AWIS Watch Local Monitors were additionally trained, mentored and coached in road infrastructure monitoring resulting in some of these communities also doing road monitoring, as observed during PCA field visit.<sup>5/</sup>

4.6 CCAGG also revealed during PCA discussion that it is planning to implement a Volunteer Resources Management Program that will keep its volunteer resources [total of 78 volunteers trained in AWIS Watch alone] constantly engaged with CCAGG and in developments within their communities. Said program was conceived, among others, as a proactive measure to overcome the typical weakness of volunteer corps – that often they are preoccupied with personal lives and are afraid of engaging with the local authorities individually.<sup>6/</sup>

4.7 The two Monitoring Manuals prepared by AWIS Watch and distributed to organized Local Monitors were designed to guide these Monitors in their monitoring activities, post-AWIS. Since these Manuals were based on their actual experiences in AWIS Watch they will find the manuals easy to use. These Manuals are also being made available as CCAGG publications to other CSOs outside the province for their own use. Per CCAGG, these Manuals have already become standards in Northern Luzon, and in the Cordillera Administrative Region they are being used by indigenous peoples organizations to monitor projects under the Agrarian Reform Beneficiaries program. Groups of NGOs in the Bicol Region and in Mindanao have already benefited from CCAGG's training and mentoring/coaching services in the use of these Manuals.

4.8 The intermediate impact at community level was immediately felt, and to the extent that it is likely to result in better management of the water delivery system that impact will likely be long-term. This refers to the empowerment of the community to monitor project implementation and demand consultation in future decision-making of the Water District management with regards water service delivery, service fees, and loan repayment. This is the new dynamics starting to take roots in Bucay and San Juan municipalities with 'near complete' water systems.<sup>7/</sup> These two projects were not immuned from the problems that attended the other 6 projects, but because they are

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<sup>5/</sup> During trip to CCAGG Office in Bangued, the PCA Team was shown segments of the national road undergoing 'repeat' construction after the community collected technical evidence during monitoring showing defective road construction. Based on the evidence collected by the community and CCAGG, and validated by DPWH, the agency ordered the construction company to remove and replace the substandard road segments at its own expense.

<sup>6/</sup> Based on conversation with Manang Pura and Nancy Leon-Baillet on November 15, 2011 in Makati, Philippines.

<sup>7/</sup> Before AWIS Watch, the beneficiary communities were not properly consulted and had no knowledge and real understanding of their respective water supply projects - their terms & conditions, for instance - neither did they have the tools and capacity to participate meaningfully in the planning and implementation of their projects.

now functional the beneficiary households are starting to experience the following final impact:

- Water availability 24/7, compared to before where supply was available only for certain number of hours a day: when water is available, households had to line up to secure their supply of water; the water district & NGO interviewed for the PCA estimated time savings of from 1 to 2 hours a day for household with water connection, and 2 to 4 hours a day for those without; households had to hire tricycles at P100 to P 150 per “tricycle load” to augment household water supply;
- Water is safe with monthly testing for presence of bacteria, plus annual chemical and physical testing to ensure safety, cleanliness and potability of water supply; health impact record is not available at the moment;
- Cost-savings: LWUA rate of P150/10 cubic meter/month – with escalating clause for consumption over the first 10 cubic meters - is higher than current rate under old municipal water system (Bucay, P 10/month; San Juan, P50/month), but under the old system individual households had to incur additional cost to augment their water supply – in Bucay, by paying an average of P2,500 a month for tricycle loads; in San Juan, by installing their own water pumps which entailed substantial investment and high maintenance cost.

4.9                These three categories of AWIS Watch impacts/project benefits – water availability, water safety/health impact, and cost savings – are expected to accrue as well to the beneficiaries of the 6 other water supply projects once they are completed and operational. Until then, they can be treated as “foregone benefits” due to corruption and mismanagement in project implementation. Technically, they can be computed and added to the “cost of corruption”. It is expected however that the capacity building and other empowerment interventions which AWIS Watch provided to all 8 beneficiary communities would trigger the remaining 6 communities without water supply system to now demand action from local authorities and LWUA to resolve implementation issues and speed-up completion of the projects.

4.10              Changes in NIA policy and procedures arising from AWIS Watch and through the years of CCAGG monitoring of irrigation projects have already taken place, all to advance the deepening and institutionalization of transparency and community participation in irrigation development in the province:

NIA now solicits community’s participation in project identification and prioritization, as well as in Detailed Engineering activities particularly in the conduct of actual survey. Prior to project implementation, NIA engages the beneficiaries in pre-construction conference/meeting to discuss/agree on the concept and coverage of the project, roles and responsibilities of NIA and beneficiaries, and on the site development plan, including structural details. This is also a venue to tackle all issues and concerns especially the right-of-way. During construction and implementation, there will be closer project supervision and provision of technical assistance, and the presence of the beneficiaries during the test run of the system is now required. Finally, the Irrigation Associations are now aware that they have

the right *not* to accept project if it is not functioning. Power of assertion of their right is increased.<sup>8/</sup>

It should be noted that the NIA has been from the beginning far more advanced than LWUA and its Water Districts in terms of *institutional culture* of involving the community in their respective project area. Because of this, AWIS Watch has found more willingness to accept the above policy/procedural changes. During the PCA discussion, CCAGG also attributed to this culture the absence of big-time irregularities unearthed in the monitoring of 4 communal irrigation projects. This is one of the motivating factors for CCAGG's decision, approved by PTF/MBC, to refocus all resources to the monitoring of the LWUA water supply projects.

4.11 On the other hand, the LWUA is a government-owned and controlled corporation, and its local-based Water Districts are far less predisposed to imbibing community participation as an operating philosophy. In some cases, the obligatory public hearing is even ignored, or else done in pro-forma manner. Furthermore AWIS Watch found that most of the Board of Directors and Management of these Water Districts are under the control of local politicians. In this context, changing LWUA policies and procedures to bolster transparency and beneficiary participation beyond the obligatory public hearings will be slower to come by. Similarly, the lack of aggressive and visible action on the part of *oversight agencies* to find cause with the findings of AWIS Watch and exact accountability and reform within LWUA could be understood in that context. The jury is still out on what actions and reforms the Department Secretaries will eventually take in response to the findings of anomalies sent to them by CCAGG. In this sense, the impact of the AWIS Watch on reforming LWUA policies and procedures is still very much a work in progress.

4.12 The virtue of flexible project management for PTF projects is an important lesson demonstrated in this project. Flexible project management was exercised when CCAGG, for reasons described in para 3.1 above, shifted the focus of AWIS Watch to monitoring water supply projects. The gain in trading-off two communal irrigation projects to cover 6 more of the problematic water supply projects is too obvious. This flexibility was good for the project and PTF. The experience of CCAGG made the determination to shift focus more easy to make and to execute.

4.13 Another lesson from this project confirms what PTF has already learned from other projects in the Philippines, Mongolia, Nepal, India and Africa. *Community participation* that leads to transparency and *community monitoring* that bolsters accountability are potent forces in controlling corruption at grassroots level. In the communal irrigation projects these two elements were present, and not surprisingly the Local Monitors did not find corruption even when grassroots participation was still somehow limited. In the LWUA water supply projects there was no real community participation and what prevailed was secrecy instead of transparency. Not surprisingly too, AWIS Watch monitoring revealed many instances of irregularity, waste and

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<sup>8/</sup> Based on post-AWIS Watch Report of CCAGG, June 25, 2012.

mismanagement amounting to widespread corruption. Another aspect of this lesson is that investing to set up a system of prevention for corruption to occur will bring more immediate and effective results than exacting accountability after corruption has occurred.

4.14 Region-based *oversight agencies* still have limited capacity to act forcefully against corruption in their areas of jurisdiction even when they generally have shown the right attitude of cooperation. In Abra, officers of some of these *oversight agencies* were part of the training/capacity building activities as Lecturers or Resource Persons; but when confronted with results of capacity building their actions, if any, did not seem to measure up to the challenge.

4.15 Finally, as far as the communities are concerned the work of AWIS Watch and CCAGG has not yet ended. Stakeholder groups consulted for the PCA have asked CCAGG to pursue necessary actions to resolve the irregularities documented in the monitoring reports and to present these results directly to the beneficiaries themselves, in same manner that they were discussed with the *oversight agencies* and heads of other government agencies and NGOs.

4.16 **Rating for Outcome, Impact and Sustainability: 4**

4.17 **Rating for Replicability of Project: 5**

### OVERALL SCORE

Category	Value	Raw Score	Weighted Score
Approach & Project Design	15%	4	0.6
Project Implementation	20%	4	0.8
Outcome, Impact & Sustainability	45%	4	1.8
Replicability	20%	5	1.0
<b>Overall Score</b>	100%		<b>4.2</b>