

# **ADB RETA 6445: Strengthening Citizens Involvement in Mitigating Governance Risks in Local Government Units in the Philippines**

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## **Sub-Project Completion Report**

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### **Piloting the DBM Handbook on Civil Society Organization's Participation in the Budgeting Process thru a Tripartite Approach in Participatory Governance in Surigao City**

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**Surigao Economic Development Foundation, Inc.**



**PARTNERSHIP FOR  
TRANSPARENCY FUND**



**Asian Development Bank**



## ADB RETA 6445 Subproject Completion Report

**Implementer: Surigao Economic Development Foundation, Inc.**

**Project Title : *Piloting the DBM Handbook on Civil Society Organization's Participation in the Budgeting Process thru a Tripartite Approach in Participatory Governance in Surigao City***

Project Duration: *June 14, 2014 – December, 2015*

- a. ***The realism of the subproject's original objectives and design.*** Were the objectives appropriate to the governance risk being addressed? Were they within the CSO's capacity to implement? Were the components realistic and consistent with the objectives?

*Objectively, the project is appropriate in addressing the governance risk related to the use and allocation of public funds especially, that as practiced, CSOs Participation in the LGU annual budgeting is limited only to the planning and monitoring of PPAs.*

*By piloting the DBM's Handbook, CSOs thru the CSO Network had able to participate in the Preparation and Authorization of the 2016 Annual Budget of the City and the 2 Pilot Barangays, Sukailang and Taft. CSOs have become members (expanded members) of the Local Finance Committee and had participated in the by department budget hearing with the Sangguniang Panglunsod Committee on Budget and Appropriation.*

*With the presence and inputs of the CSOs in the Preparation and Authorization of the said LGU Budget, LGUs have become more motivated to present and discuss openly their budget and to consult the CSOs' opinions/comments and, with the awareness of the community on the process, citizens have become interested to track down its implementation via the reports/documents posted on the designated area of their community. Also, CSOs have become more motivated to participate in the Project Monitoring Committee initiated by the LGU and to monitor further, the LGU compliance in the budget process.*

*As to project components, it is designed in consistent with the project objectives and, activities are further enhanced based on the outputs of the Project Reviews with the PTF Project Director and on the suggestions during the Project Peer Learning Session with the other sub-projects.*

*Participating CSOs' involvement in local governance is already apparent even before the project. Networks and Partnerships to various LGUs and Government Line Agencies are*



*already established. Moreover, CSOs are actively participating in different LSBs and LDC not only in the city but also in the province and the CARAGA region.*

*Though, the project is soideal for a certain CSO to implement since, its involvement and knowledge in LGU budgeting is limited to planning and sometimes in monitoring of projects only but, with its diverse engagement/linkages with the LGU and its line agencies and, with its expertise in networking, alliance/partnership building and lobbying, the said project objectives are successfully implemented.*

- b. **The implementation experience.** Was the subproject carried out as planned? Were there significant changes? Did they affect the outcome?

*As planned, the handbook will be translated and illustrated and will serve as a guide of the CSOs' actual participation in the local budget process in the Pilot LGUs.*

*But, at start of the implementation of the project, only the First Draft of the DBM Handbook on CSO Participation in the local budget process is the available document received from the PTF and, with the recommendation and approval from the PTF, SEDFI, the project proponent immediately started the illustration and translation of the handbook.*

*Then, the project staff conducted series of Project Orientations to all of the City-Accredited CSOs and the Three (3) Selected Pilot LGUs. But at the end of the orientation, both commented thatthe handbook cannot be implemented if it's still in the First Draft.*

*By October 2014, the project staffs received the copy of the 2nd Draft of the said DBM Handbook and then, proceed to the Budget Cycle and Handbook Review with the CSO Network and Pilot LGUs representatives; participation of the CSO in the budget process as well as the role of the Pilot LGUs are clearly understood and defined.*

*Unfortunately, the 2<sup>nd</sup> Draft is far different with the First Draft Handbook thus, the First Draft translation and illustration of the Handbook, which was based on the DBM's First Draft Copy, is very much different also. So, SEDFI decided to discontinue the illustration and translation of the handbook and to wait for the DBM's Final Draft Copy.*

*Still, the project team continues to lobby the participation of the CSO Network in the 2015 LGU Budgeting. However, the LGU, especially the City LGU, insisted to wait for the Final Draft of the Handbook to further ensure the legitimacy of the CSO participation in the said LGU budgeting.*

*On March 2015, the project team received from PTF the Handbook's final draft copy. Immediately, the translation and illustration of the said handbook commenced. And, while*



*waiting for the completion of the translation and illustration of the handbook, the project team initiated the second round Budget Cycle and Handbook Review which was conducted on April, 2015 to facilitate the participation of the CSO Network in the 2016 Annual Budgeting. Finally, the E.O for the participation of the CSO Network in the LFC as expanded members was issued on May, 2015; (3) CSOs duly selected by its co-members in CSO Network namely, the Surigao Chambers of Commerce and Industry, Mabua Fish Vendors and House Keepers Multi-Purpose Cooperative and the Surigao City Federation of Tricycle Drivers and Operators, are able to participate in the Presentation and Critiquing of every Department's Budget for 2016, during the Local Finance Committee Meeting on July, 2015. But beforehand, CSO Network thru its member CSOs in the City Development Council had participated also in the Preparation of the City 2016 AIP.*

*Then follows, the Review of the handbook's illustration and translation; Series of review was conducted thru the members of the CSO Network to ensure the quality of the said translation and illustration of the handbook. And, thru the recommendations from the other sub-projects during the Peer learning Sessions last July 2015, several Focus Group Discussions on the illustrations and translations are also made at the community of the (2) Pilot BLGUs; this is to check if the said translation and illustration of the handbook is understandable and acceptable at the community level at the same time, to popularize the handbook.*

*The translated/illustrated handbook was then piloted in the pilot BLGUs. Barangay Budget Process Review vis-a vis the translated handbook and the actual practice of the said BLGU was conducted with the participation of the Purok Presidents, CSO network members, and the Barangay Officials; Guidelines (draft) on the Participation of the CSO at the barangay level budgeting was crafted and, Barangay Resolution for the CSO Participation in the 2016 Annual Budgeting was issued. Hence, the CSO Network was able to participate in the Preparation of the 2016 AIP and Budget of the Pilot BLGUs.*

*However, last October 15, 2015, on the onset of the printing of the translated handbook, the project staff had found the released copy of the DBM's Handbook. Again, some changes are being observed in the aforesaid released copy of the handbook when compared to its Final Draft Copy. So, through the CSO network, these revisions in the final copy of the handbook was translated and illustrated and, incorporated in the Final Draft Translation/illustration of the handbook.*

*The handbook was then presented to the Sangguniang Panlungsod to lobby for its adoption and the Actual Participation of the CSOs particularly in the Authorization Phase of the City Annual Budget for the 2016 calendar year. And, on the 29<sup>th</sup> of October 2015, the handbook was adopted thru the SP Resolution- no.323-2015. CSOs, particularly the members of the CSO Network, was able to participate in the series of Budget Hearings conducted by the*



*Sangguniang Panglungsod Committee on Budget and Appropriation and, observed the Authorization of the 2016 Annual Budget.*

*Finally, the Bisaya Translated Handbook: Partisipasyon sa mga Organisasyon sa Sibil nga Katilingban diha sa Proseso sa Lokal nga Pag-badyet, was formally launched on November 13, 2015 with the participation of the 88 CSOs, Punong Barangays, CSO Network members and Department heads. And, Orientation on the DBM's handbook on the Participation of the Local Budget Process was conducted after the launching with the same individuals/participants mentioned in the above.*

*Furthermore, IEC materials such as flyers and tarpaulin describing the budget cycle and the roles of the CSO per budget phases were produced and distributed to the barangays and members of the CSO Network.*

*Generally, the project was implemented as target. However, its output/outcome is limited to the (2) budget phases only, the Preparation and Authorization Phase since the handbook was still on the crafting stage when the project is implemented. Implementation of other activities was also affected such as*

- *Training on the local Budget Process for the partner CSOs and LGUs, which was supposed to be facilitated by the DBM CARAGA Region on the first quarter of the project implementation, instead, an Orientation on the Handbook was conducted on November 13, 2015 by the Chairperson of the LFC.*
  - *Production of the Translated/Illustrated Handbook, which is supposed to be at the earlier stage of the project implementation to serve as guide to Partner CSOs and Pilot LGUs in its piloting, was delayed.*
- c. **Overall activities and outputs.** Where appropriate, explain the recommendations developed to make systemic changes to enhance good governance addressed by the subproject, summarize discussions held with relevant public officials and describe follow-up actions.

*Enumerated below are the activities conducted to carry – out the objectives of the project and, the corresponding output/s that are summarize in every component of the project.*



## **COMPONENT 1: VERNACULARIZATION AND ILLUSTRATION AND, PRODUCTION OF THE HANDBOOK**

Activities conducted and Output/s:

*Conducted the Bisaya translation and comics type illustration of the handbook, the Focus Group Discussion in the community of the 2 pilot BLGUs and Review of the CSO Network on the translation and illustration of the Handbook and, the Production and distribution of the 200 copies Handbook sa Partisipasyon sa mga Organisasyon sa Sibil nga Katilingban diha sa Proseso sa Lokal nga Pag-badyet to the CSOs, C/BLGUs (54), Department Heads, Local Finance Committee members and other line agencies*

## **COMPONENT 2: PARTNERSHIP AND CAPACITY BUILDING**

Activities Conducted and Output/s:

*Conducted the Selection of the (2) Pilot Barangays based on their economic activity, good performance in the submission of the annual budget and active participation in the city governance related activities criteria;*

*Conducted the Project Orientation to the City LGU thru its LFC members and to the 2 Pilot Barangays; Sukailang and Taft which led to the Signing of the Project Memorandum of Agreement;*

*Conducted the Project Orientation to CSOs (accredited and not accredited) which led to the Formation of the CSO Network;*

*Conducted the Training on Social Accountability, Orientation on the DBM's Handbook on the Participation of the CSO in the Local Budget Process and the Lessons Learned Workshop, with the participation of the CSOs and LGUs and, the CSO Network Institution Building: Visioning and Strategy Formulation and Planning*

*Formation of the CSO Network with a total of (15) CSO members coming from various organizations/sectors namely:*

### **Cooperative**

- *Bilang-bilang Consumers Cooperative*



- *Mabua Fish Vendor & Housekeepers Multi-Purpose Coop.*

**Farmers Association**

- *Brgy. Luna Agricultural Farmers Association*
- *Brgy. Sukailang Bayanihan Farmers Association*

**Organization of Persons with Disability**

- *Surigao City Organization of Persons with Disability*

**Religious Organization**

- *Knights of the Columbus*

**Women's Organization**

- *Brgy. Sukailang Women's Organization*

**Transport Group**

- *Surigao City Federation of Tricycle Drivers & Operators, Inc.*

**Business Organization/NGO**

- *Surigao Chamber of Commerce and Industry*
- SEDFI
- FPOP
- SNPIDA

**Urban Poor Association**

- *Cayutan Settlers Urban Poor Association, Inc.*
- *Federation of Surigao City Urban Poor, Inc.*

**Senior Citizen Association**

- *Senior Citizens of Barangay Taft, Surigao City, Inc.*

*Formation of the Project Team which comprises the representatives of the Partner LGUs, LFC, SCCI and SEDFI;*

*Conducted several Partners Meeting and Dialogue which led to the Partnership of CSOs and Partner LGUs and, the resolution of the project issues and concerns during implementation*

**COMPONENT 3: PILOT IMPLEMENTATION OF THE HANDBOOK**

Activities conducted and Output/s

*Conducted the Review of the Budget Process/Cycle vis-à-vis the DBM Handbook on the Participation of the CSO in the Local Budget Process together with the members*



*of the CSO network, Partner LGUs, LFC and the City DILG; common understanding on the Handbook particularly on the Roles of the LGU and CSO was established as well as the mechanism/legal instruments needed to the actual engagement of the CSO in the budget process;*

*Conducted the Barangay Budget Process Review vis-à-vis the Bisaya Translated Handbook together with the Barangay Officials, Purok Chairpersons, CSO network and other stakeholders in the community like the BHW, Day Care Worker; enhanced understanding on Barangay Budgeting especially among the CSO Network members, Purok Chairpersons and other stakeholders and, develop Guidelines (draft) on the Participation of CSO in the Barangay Level Budgeting;*

*Conducted Lobbying activities to Partner LGUs thru presentation of project legislative concerns in/during the LGU Regular Sessions, meetings/consultations which facilitated the passage/issuance of significant legislations related to the participation of the CSO network in the LGU Budgeting;*

*Actual Participation of the CSO Network in the 2016 Annual Budget Preparation and Authorization and, in the Preparation of the AIP; CSO Network presence and inputs in the LGU budgeting particularly, during the Budget Hearings of the SP Committee on Budget and Appropriation, was recognized as important and contributory to effect the budget more transparent and responsive to the community's needs*

#### **COMPONENT 4: IEC AND ADVOCACY ACTIVITIES**

*Conducted the Launching of the Bisaya translated handbook on November, 2015; important features of the handbook are presented/highlighted and advocated to the (88) CSOs, Punong Barangays, Sangguniang Panlungsod, Department Heads and media;*

*Production of the 400 hundred copies flyers and 3 tarpaulin highlighting the budget cycle and the CSO roles per budget phases and distributed to the members of the CSO Network, 54 Barangays and the Participants of the PTF National Workshop;*



*Set-up a Project Gallery highlighting the Outputs of the project and the Budget Process which was presented in the Bisaya Dialect and some budget related documents per*

*budget phases; participants especially, from the community, become more aware of the budget process and the various budgetary documents.*

- d. **Program Impact.** What did the subproject accomplish? Did it have any measurable impact? Is this impact likely to be sustainable? Was any measurement of the impact undertaken? Has there been any follow-up, or is any follow up planned? Was there real value added?

*The project had successfully piloted the handbook though limited to (2) budget phases; Preparation and Authorization but it was able to effect legislative support like the City Resolution adopting the handbook, Barangay Resolution Establishing the Participatory Budgeting and Executive Order for the membership of the (3) CSOs in the LFC as Expanded members, that would possibly sustained the Citizen Engagement in the budget process;*

*The project had successfully localized the handbook in the local dialect and, elicits recognition from the CSOs/citizen of the Pilot Barangays as a good material in understanding the local budget process and the guidelines in engaging the process with their LGUs.*

*Generally, the project has caused significant changes in the budget process of the Pilot LGUs for the CSOs are actually participating in their Preparation and Authorization of the 2016 Annual Budget and, LGUs had recognized the importance of the CSOs involvement in the process.*

- e. **Institutional development.** Did the subproject help the CSO to enhance its capacity to carry out good governance activities or enable it to strengthen the capacities of communities to carry out good governance activities? Did the sub-grant enable the organization to do things that would otherwise not have been possible?

*With the project, SEDFI and its Partner CSOs broaden their understanding on the budget process and the importance of community participation in the process to bring about greater transparency and accountability in the budget.*



They were also able to enhance the awareness of the community on the process of the LGU Budgeting and motivated them to actively involved in the process.

- f. **Lessons learned.** What did the CSO feel were the principal lessons of experienced gained? What went well with the project? What were the factors that contributed to the success?

*For a duration of (15) months in the implementation of the project, the following are the major lessons of experienced perceived not only by the project proponent but also by project partners, the CSO network and Pilot LGUs, during the Lessons learned Workshop on November 28, 2015:*

- *LGU's budgeting would become more transparent and receptive to the community's priorities if there are CSO/Citizen involved in the process*
- *For a quality participation of the CSO in the budget process, the CSO must be capacitated of the process and other related concerns and issues.*
- *CSOs must preserve the Non-Partisan Identity and serve as Guardians for Community Development rather than "Fault Finders"*
- *To make the engagement of both parties, LGU and CSO, in the budget process, there should be a Genuine Partnership established among them*
- *To sustain citizen engagement in the budget process, there should be an ordinance and the CSOs must be organized and actively involved in the local governance*

*Also, the implementation of the project was made possible because of the following contributory factors:*

- *The Partnership among the Stakeholders; the CSO Network and the Project team which comprises the following: Representative from the Partner LGU/LFC, SCCI and CSO;*
- *The Openness and Willingness of the LGU to engage in the project;*
- *The Passage of the Significant Legislations*

- g. **Good Practice.** A good/best practice is an initiative, practice or strategy that is innovative and successful. A good practice that is already popular and used in the



field, and has been significantly modified. To demonstrate its success, evidence is provided, including data, summaries of personal experience and anecdotes. It is a technique or methodology that, through experience and research, has reliably led to a desired or optimum result.

*Among the outputs of the project of which we considered as “Good Practice” are the following:*

- The Review of the Handbook and the LGU actual Budgeting Practiced together with the Partner LGUs and the CSO Network, for it established common understanding as to the role of the LGU and CSO in the budget process and, as to what level in the budget cycle that the CSO Network can engage vis-à-vis the current status of the LGU budgeting and the remaining time as to the implementation of the project. Through it also, mechanism and legal instruments identify and defined.*
- The Localization of the Handbook by translating it to the Bisayan Dialect and illustrating it into comics type, for it somehow facilitates easy understanding of the budget process and the role of the CSOs and LGU in the process, especially to the community of the Pilot Barangays where the handbook was piloted.*
- The Actual Participation of the CSO Network in the Preparation of the 2016 AIP and Budget and, in the Authorization of the said budget, for it further promotes the Principles of Good Governance and the importance of the CSO’s participation in the process was somehow recognized by the LGU as contributory to the quality of the budget thru their inputs.*

## ANNEXES

### A. Compilation of Knowledge & learning Products

- The Illustrated and Bisaya Translated Handbook
- Draft Guidelines of the Participation of the CSO in the Barangay Budget Process
- Sample of IEC Materials: Flyers and Tarpulin
- Legislations: Project MOA, City & Barangay Resolutions and E.O



B. Financial Report as of November 30, 2015

ADB RETA 6445 Subproject Quarterly Financial Report

FINANCIAL REPORT as of December 31, 2015

CSO NAME : SURIGAO ECONOMIC DEVELOPMENT FOUNDATION  
 Subproject Title: ADB RETA 6445: Strengthening Citizens Involvement in Mitigating Governance Risks in

Local Government Units in the Philippines

1. PTF Grant Amount: Php 1,590,000.00
2. PTF Grant Received to date:  
 During the Quarter:  
 Cumulative to date: Php 1,493,386.51
3. PTF Grant Spent to date: Php 1,453,341.89
4. PTF Grant Remaining to be Disbursed: Php 40,044.62
5. Expected date PTF will be Requested to make next Tranche Disbursement:
6. Financial Report

Budget Category	Approved Budget	Actual Expenses	Sources of Funding Used	
			PTF	CSO Counterpart
			(Local Currency)	(Local Currency)
<b>A Personnel Expenses</b>				
1 Project Team Leader	90,000.00	90,000.00		90,000.00
2 Project Officer	292,500.00	303,653.84	303,653.84	
3 Clerk/Encoder	234,000.00	231,400.00	231,400.00	
4 Bookkeeper	108,900.00	111,400.00	90,000.00	21,400.00
<b>Total A</b>	<b>725,400.00</b>	<b>736,453.84</b>	<b>625,053.84</b>	<b>111,400.00</b>
<b>B Operational Expenses</b>				
1 Office Supplies	60,000.00	52,143.50	40,643.50	11,500.00
2 Equipment	80,000.00	79,797.00	79,797.00	
3 Communications	36,000.00	31,530.00	13,530.00	18,000.00
4 Travel	59,000.00	58,949.00	44,097.00	14,852.00
5 Meetings	117,000.00	130,209.50	118,209.50	12,000.00
<b>Total B</b>	<b>352,000.00</b>	<b>352,629.00</b>	<b>296,277.00</b>	<b>56,352.00</b>
<b>C Translator of DBM Handbook</b>				
1 Review of the Translated & Illustrated Handbook	15,000.00	2,707.00	2,707.00	
2 Presentation of the Handbook for endorsement & approval	5,000.00			
3 Translator fee (lumpsum)	100,000.00	100,000.00	100,000.00	
4 Illustrator fee (lumpsum)	100,000.00	105,550.00	105,550.00	
5 Printing of Handbook	60,000.00	52,000.00	52,000.00	
6 Lay-out Artist	10,000.00	10,000.00	10,000.00	
<b>Total C</b>	<b>290,000.00</b>	<b>270,257.00</b>	<b>270,257.00</b>	
<b>D Capability Building Activities</b>				
1 Training on Social Accountability & Constructive	45,000.00	38,462.00	38,462.00	
2 Training on the Local Budget Process/Orientation on the DBM Handbook	74,000.00	50,823.39	50,823.39	
3 Lesson Learned Workshop	12,500.00	9,606.00	9,606.00	
4 CSO Network Institution Building/Development	20,000.00	17,537.00	17,537.00	
5 Production of Handouts	15,000.00	6,953.50	6,953.50	
6 Honorarium/Professional Fee for Resource Person	45,000.00	30,000.00	30,000.00	

	<b>Total D</b>	<b>211,500.00</b>	<b>153,381.89</b>	<b>153,381.89</b>	
<b>E</b>	<b>Pilot Implementation of the Handbook</b>				
1	Public consultation (City & Barangays)	60,000.00	50,643.40	50,643.40	
2	Budget Preparation Workshops/Actual CSOs participation in LGU Budgetting	10,000.00	3,153.00	3,153.00	
	<b>Total E</b>	<b>70,000.00</b>	<b>53,796.40</b>	<b>53,796.40</b>	
<b>F</b>	<b>Advocacy of K and L products</b>				
	Tri-Media Presentation of Handbook	22,000.00	19,160.00	19,160.00	
	Forum/Photo Exhibits of Project Gains	75,000.00	35,415.76	35,415.76	
	<b>Total F</b>	<b>97,000.00</b>	<b>54,575.76</b>	<b>54,575.76</b>	
<b>G</b>	<b>Monitoring Evaluation</b>				
	Monitoring visits	6,000.00	6,000.00		6,000.00
	<b>Total G</b>	<b>6,000.00</b>	<b>6,000.00</b>		<b>6,000.00</b>
<b>TOTAL EXPENSES</b>			<b>1,627,093.89</b>	<b>1,453,341.89</b>	<b>173,752.00</b>
<b>PROJECT TOTAL COST (Amount requested from ADB)</b>		<b>1,590,000.00</b>			
<b>TOTAL PROJECT COST (ADB+CSO Counterpart)</b>		<b>1,751,900.00</b>			

Prepared and Certified by:

  
**GINA T. ESPEJON**  
 Accountant