

# **CONFERENCE DOCUMENTATION**

## ***National Conference on the State of Reform Agenda under President Benigno Aquino***

**5 - 6 November 2013  
Hyatt Regency Hotel & Casino Manila**

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State of Reform Agenda under Aquino”  
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**Day 01 (05 November 2013)**

**A. Preliminaries (12:00-2:00 P.M.)**

1. Registration and Check in of Provincial Participants
2. Lunch
3. Prayer and National Anthem

**B. Program Proper (2:00 P.M.)**

The hosts for the event, Mr. Leloy Claudio and Ms. Grace Santos, first welcomed the participants then thanked the partner of the Ateneo School of Government in presenting the event, Friedrich Ebert Stiftung and the co-convenors, namely: Incitegov, CodeNGO, PhilDHRRRA, IPER, GZO and Greenpeace.

**1. Welcome Remarks:**

**Antonio G.M. La Viña, JSD  
Dean, Ateneo School of Government**

Dean La Viña briefly welcomed the guests of the conference, among them are: Sec. Mar Roxas (DILG), Sec. Joel Rocamora (NAPC) Usec. Richard Moya (DBM) Prof. Ronald Mendoza (AIM), and Dir. Sixto Macasaet (Code NGO) and the participants from different organizations.

He said that the conference aims to identify what is the state of reform agenda of the reform constituency which was formed in 2010, what are the critical reforms done and what are the ways to sustain these reforms.

He added that the discussion is timely despite the present toxic situation in Philippine politics about the Presidential Development Assistance Fund (PDAF) and Disbursement Acceleration Program (DAP). He endorsed the discussion of the elephant in the room, the PDAF and DAP, during the conference.

It is very important to acknowledge critical reform areas and these areas can be included. But the challenge is to go beyond the moment and see where we are going to do in the long term. It is also important to identify allies and be steadfast on fulfilling the reform agenda, despite and in spite of the issues and challenges.

He said that the most important thing that can be done now is to reach out to allies of the reform constituency and discuss how to sustain

reforms. In summary, he said that the conference seeks to answer the following:

1. What is the state of the reform agenda?
2. What still needs to be done?
3. How to sustain reform efforts?

## **2. Opening Remarks**

**Mr. Berthold Leimbach**

**Friedrich Ebert Stiftung (FES) Resident Representative**

Mr. Leimbach said that the following considerations made it easy for FES to partner with ASOG and other co-conveners, despite the huge task of doing the reform audit:

1. As an organization committed to the social democratic core values of liberty, justice and solidarity, FES widely supports the Reform Agenda of President Aquino.

2. FES' main objective is to contribute to the consolidation of bureaucracy, and it considers that these reforms are able to deepen and further consolidate democracy.

3. FES thinks that a conference like this can help to sharpen the focus of the actors and the project, and to find ways to sustain it in the future.

4. FES is already working almost half a century in the Philippines. Next year, FES will celebrate its 50th Anniversary in the country.

Mr. Leimbach said that conference is one of the three connected steps of:

1. A more specific stock taking
2. The debates in the conference would produce more concrete audit
3. Integrating the two in a document which will be published early next

year

He added that the conference aims at bringing together the two main reform forces:

1. The ones from below – the societal forces
2. The ones from above – the actors of President Aquino's administration

By this process, there is better convergence to assess, to audit, or better, to take stock of what has been achieved at the middle of the term of the term, which has to be done and how to sustain this process, and how the forces from above and below act together.

He further said that the audit process is interesting from a scientific or academic point of view because it comprises how de jure and de facto political power act together in trying to change or preserve political and economic institutions. And it is FES' hope to learn from the state of art

of the political and economic science, represented by the Theory of Social Conflict: how to make this process of institutional change more secure and sustainable.

Finally, Mr. Leimbach said that the conference should consider the following:

First:

“When we say “we will take stock what has been achieved”, we basically have in mind what the administration has done. This is not wrong, but it is not enough.

We should be more “inclusive” and also looking at what the societal forces have done in accompanying the administration to do its job right; as many of the champions and leaders in Government are those who have been part of the societal forces before.

In this sense, this conference is also a chance for us in the civil society to look into the mirror and be self-critical. This might help us to answer the question:

Who now engages who?

Civil society to administration

Administration to Civil society”

Second:

“Regarding the challenge can or, should be done to sustain the reform process:

- Overcome the collective action problems and set up more de facto political power in the societal forces;
- Care for a pluralistic composition of the reform forces; and
- Concentrate in changing the political institutions and foster inclusive institutions and get away with extractive ones.”

### **3. Introduction to the Conference**

**Ms. Joy G. Aceron**

**Director, Political Democracy and Reforms (PODER)**

**Ateneo School of Government**

Ms. Joy Aceron delivered her introduction after a video on the 2010 Reform Agenda was presented. The following is her introduction to the conference as delivered:

“This conference was conceptualized late last year. The idea was just to have a sober and rational accounting of the reforms. I am not sure if I should be happy that it got moved and moved until we finally got to convene it today under a condition that is highly politicized. I was asked: what should be the mood of the conference then? I am not so sure. I guess, honest, which means I am not sure.

Yet, we convene this conference now with a renewed sense of purpose. Never under this administration that the reaffirmation of our anchor becomes most imperative. By and large accidental, but also perhaps providential, this conference seeks that anchor, which we believe lies still in the reform agenda—the change that we want to see in politics and governance of our country.

The video we just showed is based on the processes facilitated by PODER in 2009 for the 2010 elections involving around 100 civil society organizations from diverse background. CODE-NGO also had an agenda-setting process and has also produced its own set of reform agenda. Other groups also initiated similar processes.

And arguably, these inputs from civil society found its way to the Social Contract of President Noynoy Aquino to the Filipino people.

The Social Contract that we are accounting states this:

A country with...

1. A re-awakened sense of right and wrong, through the living examples of our highest leaders;
2. An organized and widely-shared rapid expansion of our economy through a government dedicated to honing and mobilizing our people's skills and energies as well as the responsible harnessing of our natural resources;
3. A collective belief that doing the right thing does not only make sense morally, but translates into economic value as well;
4. Public institutions rebuilt on the strong solidarity of our society and its communities.

The said Social Contract states this mission:

We will start to make these changes first in ourselves—by doing the right things, by giving value to excellence and integrity and rejecting mediocrity and dishonesty, and by giving priority to others over ourselves.

We will make these changes across many aspects of our national life.

The same Social Contract presents a platform on: transformational leadership, economy, government services, gender equality, environment and peace and order, which emphasizes reform or change from the old ways to what the Social Contract claims as “a commitment to change the Filipinos can depend on.”

Having such a solid commitment for change from a government who is composed of those who have discoursed and have engaged the politics of reform for a relatively long time is by itself a success.

But more importantly, such commitment and leadership has delivered results. It is important to remember this. And we will only appreciate this if we take stock of the difference of today and the past administration. What are the reforms that have been achieved so far? We will talk about it in this Conference.

Yet, we know reform won't come easy in the land that political scientist David Timberman describes as a "changeless land." Even changes at an individual and group levels are hard; how much more a nation whose development has been captured by strong particularistic interests from the moment of its birth.

We may have set up mechanisms. We may have started providing services more effectively. We may have made public decisions more responsive. We may have even improved development outcomes and economic performance. But is there really a significant change?

When do we say reforms are significant? What parameters do we use to gauge reforms? What frameworks do we mobilize to know what are lacking and what do we need to continue pursuing these reforms? We will also talk about this.

And such is critical not only because it provides direction. More importantly, talking about this will enhance our common understanding of what are the changes we want to see and where are we vis-à-vis those changes. Deepening our common understanding will provide hold and focus.

Hold and focus is critical in politics because politics is messy. It is easy to get lost in the compromises, in the race for the limelight, in the bickering, in the unending and confusing discourses. Hold and focus will allow us to go deeper and persistently accomplish more amidst the mess. Where do we exactly stand? What do we stand for?

This becomes particularly crucial now that the body politic is being stirred to confusion, when once again we are hearing laments like "all politicians are the same," "politics is dirty" and "nothing has changed," which we all know perpetuates status quo. All the more that we should be clear: in the issue at hand, where do we stand? Whether we want to see a change, what change do we want to see and how?

Yet, despite the hold and focus, change will still not come easy. It won't because it will be challenged. It doesn't require a genius to expect this will be challenged by those whose power lies in keeping the status quo of patronage, corruption and disempowerment.

It is critical to be most discerning about this. For the ugliest aspect of our politics is that these forces are faceless. We feel the forces that keep and defend the status quo, yet everybody mouths change. These forces are hidden like puppeteers making their captured machineries

both in the public and private spheres do the dirty work and tricks for them. They are everywhere even in our own circles, even within us and could be anything even the means we thought are for change.

How do we deal with the attacks to the reforms that we want to see? How do we instead sustain the momentum of reforms? How do we ensure that we as individuals and as a group remain faithful to the reforms that we want to see? What lasting measures and mechanisms can we set up to sustain the reform gains? We will also be talking about this in this conference. The reform agenda do not exist in a vacuum. It exists in a highly politicized, even violent environment. We will have to deal with this reality to pursue our ideals.

Time to bring back the focus, passion and faith in the changes that we want to see, which are the reasons we are in the business of power in the first place. For what truly spells the difference between and among the players in politics of this country is that on one hand, you have those who want the system to stay the same for it has benefitted them; while on the other hand, there are those who have painstakingly fought to effect change towards a more just, democratic and peaceful Philippines. And yes, for the latter to succeed—given that seemingly impossible task compounded by the strong resistance of the former—these forces with similar focus, passion and faith for change have to get their acts together.

But how do we know who is who? Fortunately now we can. The politics of reform in the Philippines had produced many stories that we can learn from—both positive and negative. And those stories are told and written. The politics of reform has paved the way for the development of many frameworks and strategies: bibingka strategy of Saturnino Borras, contested democracy of Nathan Quimpo, Politics-Development-Governance Framework of InciteGov.

The politics of reforms has a rich history that traces its roots from those who fought for this country's independence, speaks of great sacrifices for the love of country and involves engagements and bonds of individuals, groups and networks that have been here continuously posing a challenge to the status quo—the alternative stride of this country's nation-building. The politics of reforms is now by itself a tradition that rests on the values of solidarity, participation, inclusivity, empowerment, discourse and dialogue. Arguably, the politics of reform has given birth to the government we have now.

We know who we are in this cause if we only remember and acknowledge that as we more deeply engage and use power, our only way to stay the course and remain faithful to the cause that brought us where we are in the first place, are the people and the spaces that have been familiar, that share with us common values, common history and common aspirations. We cannot forget this.

In LOTR, the ring-bearer was only able to withstand the power of the ring with a Samwise Gamgee, along with the fellowship of the ring who have shared the tradition of fighting the menace of the One Ring and its creator.

Let's continue to build bonds of fellowship and nurture the discourse that will give us the focus, passion and faith to continue the struggle for change and usher a new tomorrow for Filipinos. We in PODER of ASoG humbly offer this space to be one of the venues for such a worthy and necessary endeavor.

And since it is the fifth of November today, the ideas we will talk about here will be the strongest force that we can use to advance the change we want to see. For as V beautifully puts it: "ideas are bullet proof."

### **Panel 1: State of Reform under PNoy (Report of Reform Champions)**

#### *Objective:*

To provide a platform for the key reform champions to give their own account of the achievement of the PNoy Administration vis-à-vis the reform agenda

Speakers:

#### **A. Hon. Mar Roxas Secretary, Department of Interior and Local Government (DILG)**

#### **The following are the key points in the speech of Sec. Roxas:**

- The DILG has engaged the reform constituency from the start of the Pnoy Administration through the efforts of Sec. Jesse Robredo and continues to do so until now.
- The Pnoy government has delivered on the promises it made at the start of the campaign, in the subjective sense. It is possible that it delivered a lot more than what the people expected.
- The Pnoy government has delivered across a broad spectrum but it will not rest its laurels. It is important that we compare what we have become from what it was before, when there was no clear distinction between right or wrong.
- The exceptional and unprecedented performance of the economy is due mainly to the fact that the people has installed a President whom they trust. The President was able to unleash the individual passion of the people for the development of the economy.
- An indicia that the Pnoy government is doing good is that in the past three years, only one revenue measure was passed, the Sin Tax Law. Despite this, the government budget has doubled and the debt



payments have increased. In 2010 the budget was P1.3 trillion but in three years it has ballooned to P2 trillion. Where did the government find the P700 billion while also reducing debt load? Through the efforts of the government to raise revenue and identify sources, other than raising taxes.

- The reform agenda today is under threat. The threat comes from those with vested interests and those who want the old ways to remain, those who make money from the old system, those who find their importance in the old system, those unable to modernize, those who prefer the old ways to continue. That is where they find the easiest way to exist.
- It is important for the reform constituency to be more engaged now than before because of this threat. Let us identify where we are, where we go, how to go and move forward. The Pnoy government is more committed today than it was during the campaign, despite the rough and tumbles.
- It is the norm in intellectual discussions to put into objective form/norm things that are otherwise personalistic. Everything good that has happened, happened because we put an honest man as President. Without an honest man as President, there would not have been political will and political protection to enable the reforms to have come about.
- At the end of the day, I would like to see you at the trenches in this battle doing the good fight, pursuing reform and change.

**Key points during the Question & Answer:**

- ***On the concerns of the government budget for PWDs and their participation in governance:***

-Concerns on the PWDs should be prioritized. The Seal of Good Housekeeping will be expanded. The SGH is very much finance and procurement oriented under RA 9184. It will be expanded so that it will have individual legs, possibly to include criteria on being friendly and nurturing to PWDS, elderly, infants and mothers.

- ***On the efforts of the government to institutionalize reforms:***

-Efforts to make the reforms institutionalized are done. But it can still be subverted if not the right people are put into office.

- ***On the interest of the environment sector regarding the commitment of the President to environment sustainability, the lack of biosafety program of the country and the lack of engagement of the President with environmentalists:***

-Various interests have to be weighed in making decisions. Example, mining and environment. Local mining will destroy the land. If it's

possible that the energy sources will come from the oceanic energy, wind, we will push with that. We are number one in geothermal energy production in the world. It is easy to say that coal is bad for the environment. But European countries still use that. The simple fact is that coal is cheaper than renewable energy. Maybe because there is not enough volume of renewable energy produced to reduce the price. It is still cheaper to pay the generators using coal than solar. In California, they give subsidy for the use of renewable energy. But we cannot subsidize yet. We want renewable, no doubt about that. I even fought for some provisions in the Clean Air Act, because some standards were imposed that were not present in my district. The standards were California standard. The law should not penalize those in the province who contribute less pollution.

- ***On the issue of those from Bicol regarding CASURECO's inaction to their proposals for reform in the electric distribution in Camarines and the inclusion of 'people's participation' as criteria in the Seal of Good Housekeeping:***

-Sec. Roxas said that he will look into the issue and ask the recommendation of Energy Secretary Petilla. He said that the DILG is also studying the inclusion of people's participation and other criteria in the SGH Program. He added that in terms of energy reform, the number of households connected with electricity has exceeded the target. If there are issues on corruption and inefficiencies, these should be addressed.

**B. Hon. Jose Eliseo "Joel" M. Rocamora  
Secretary, National Anti-Poverty Commission (NAPC)**

**The following are the key points in the speech of Sec. Rocamora:**

- Sec. Rocamora said that "Reforma hindi pwedeng idaan sa matuwid na daan." Reform cannot follow a straight line. Reform has to be undertaken in a political system which precisely needs reform.
- We have no choice but to acknowledge the elephant in the room (PDAF, DAP). We can learn many lessons from what is happening now. The massive public interest, we owe to a very specific, concrete and well considered decision by the administration to take advantage of the revelations of Napoles to take a very important step in the reform process.
- When was the last time when three powerful Senators were charged with plunder at the same time? What is happening now is going to be seen as a crucial milestone in the path of reform. Other elements, people from the media are branding the President as the ling of pork, academics make use of the issue to raise their own agenda.

- Some lawyers contest what the President has said that it abolished the pork barrel. Some say that the pork barrel is unconstitutional. The cases are now in the Supreme Court. The President has certain powers which he has taken advantage of, which has changed the nature of the pork barrel. Pork barrel has been there for the longest time. It has been abused because of the absolute discretion on the use of the fund by the Congressmen.
- The House reacted to the people's outrage. The House passed the P25 billion PDAF funds to 5 government agencies. With the new scheme the House will not have absolute discretion. The line agencies now have to process requests for funds. There will be processes to be observed for the usage of the pork barrel funds.
- The reality of the reform process is the result of efforts of convergence of government and non-government entities. The reform process has to be two steps forward and one step back.
- There have been a number of reforms in this administration like in education and in health for example. 5.2 million families now get Philhealth benefits, which is massive. Next year, the next quintile is going to be added in the Philhealth members. At the end of 2014, more than 11 million families will have free Philhealth coverage.
- The problem with this government, which I am a member of, is it lacks effective communication of the reforms it has been able to make. The President has done more to limit his discretion on his use than any other President has done on the past. Compared with GMA, Pnoy has less discretion of his funds.
- I have not yet heard of any single accusation of corruption on the part of the President. The use of the DAP passed the ethical consideration. Constitutional, leave it to the Supreme Court.
- Reform is not done by one person. Reform process is a coordination of different entities.
- Pork barrel exists in patronage politics. Local government positions are dependent on Congressmen on their financial and infrastructure projects. There are studies done before that says 90% of development projects came from the pork barrel of the House of Representative. More money went to the LGUs after decentralization, but more functions and expenses were devolved to them. Actually, LG became more dependent to the National Government.
- The decision of the President to lift the use of pork barrel will result to lesser resources for these politicians to use. But mayors have more resources not dependent on the congressmen. This results to major weakening of politicians which lessens patronage.

- Academics, journalists, years from now will study the reform process. But by then many things have been changed. It is important to study reforms now while they are ongoing. We can learn more while reforms ongoing.
- The conference may even identify proposals and suggestions to craft better reform initiative.
- It is clear that not a single accusation of corruption against the Pnoy administration, Pnoy and his cabinet. If the reforms are not institutionalized, like legislation, then it will be a challenge in the next terms. There have been many reforms in the public finance sphere, but most of them are result of executive actions. At the end of the day, look at budget reforms as requiring necessary legislation. The administration should seriously support these bills.

**C. Usec. Richard Moya – Chief Information Officer  
Undersecretary, Department of Budget and Management (DBM)**

Usec. Moya started his speech with the news that the Philippines won the Bright Spot contest in the Open Government Partnership in London. He said that the success is more important because a non-governmental organization submitted the nomination of the Commission on Audit. He added that outside our country, they admire us more than we admire ourselves.

He expressed the apology of Secretary Abad for not making it on time to speak due to an urgent task he had to address. But Sec. Abad will try his best to make it later. He then delivered the speech personally written by Sec. Abad.

The following is the speech of Usec. Moya, as delivered:

“The reform audit could not have come at a perfect time, now that the country faces another critical crossroad in our struggle for reform. Our people are once again standing up for bold, meaningful and substantial change. The current turn of events gives us a great opportunity that we must not let pass: an opportunity to hasten and deepen our journey along the Daang Matuwid.

He added that we would not be having this great chance under a business-as-usual government. The unique presidency of Noynoy Aquino—installed to power by a people thirsting for change—has brought us a great opportunity to make fundamental choices to truly transform our government and society. As we continue into the remaining years of the administration, we must take stock of our gains and lessons learned, as we seek to leverage this historic moment.

Usec. Moya said that the Pnoy administration faced an uphill battle in the reforms it wished to pursue. Three years ago, as soon as President

Aquino took his oath, we were thrown into an uphill battle against old traditions and entrenched interests in public institutions, who fought so hard to keep the status quo intact.

Yet we persevered, for we have always been driven not by narrow vendetta, but by a clear view of the systemic problem that has arguably been the root cause of our country's under-development: the weakening of the state and its institutions due to the entrenched political culture of patronage, which has bred relations of inequity and dependence.

As we combat this systemic problem, the national budget process continues to be a primary arena of struggle. It is central to setting the pace and quality of governance and of development; moreover, it has through the years been the playground of vested patronage interests, more so in the nine years of the previous regime, when we witnessed the many ways of pillaging the budget.

For example: frequent budget re-enactment. In no instance from 2001 to 2009 was the Budget passed on time; and no new budget was enacted for three years. This gave the previous President full discretion to slice-and-dice budgets from non-recurring programs and projects. A total of P2.46 trillion was released from re-enacted budgets from 2001 to 2009. We estimate that more than P500 billion of this could have been released at the full discretion of the previous President. We put an end to this old tradition by making sure that we pass the annual Budget on time. Simple as it may sound, this has closed a lot of leakages, not to mention systemic bottlenecks, in the implementation of the Budget.

We had a clear view of the problems we had to address, and a clear vision of what should be done: to plant the seeds for empowerment, where the relationship between the governor and the governed is rooted in trust; where the dividends of good governance are delivered; and where citizens claim a deep stake and ownership in statecraft and national development.

Guided by the Aquino Social Contract, we pursued unprecedented and game-changing reforms in public institutions, especially in how these manage our people's hard-earned taxes. Our journey began with the Zero-Based Budgeting, through which we reviewed programs and projects, and terminated those which were found to be ineffective and anomalous. This signalled the start of a new budgeting tradition of "spending within means, spending on the right priorities and spending with measurable results."

Through prudent expenditure management, coupled with stronger revenue collection and smarter debt management, we were able to reduce the fiscal deficit from 3.5 percent of GDP in 2010, towards the optimal level of 2 percent by this year and up to 2016. Our policy of

fiscal consolidation was our response to the old tradition of excess and waste.

“Spending on the right priorities:” We implemented important reforms which eschewed the old tradition of spreading funds thinly, and which sought to focus scarce government resources on the priority areas of the Aquino Social Contract, as shown on the screen.

President Aquino issued Executive Order No. 43 which directed the focusing public funds on the five Social Contract priorities. To complement this, we introduced the Program Budgeting approach and the Budget Priorities Framework to deepen the prioritization and tighten the coordination of agencies along socio-economic priorities.

Through reform, were able to reshape our budget. Ten years ago, the share of the Social Services sector in the budget was only 28.8 percent; by next year it would reach 37.2 percent. Same with the Economic Services sector: from 21-percent in 2003, to 26 by 2014.

As we pursue a new tradition of “spending with measurable results,” we grappled with two broad systemic problems afflicting public institutions which prevent them from executing their budgets with impact. First, the weak capacity of agencies to spend and deliver services.

Next year, the Budget-as-Release Document system takes place, through which we can inject greater speed and predictability. Under this policy, budgets of agencies—except for those in a negative list—are considered as released to them the moment the GAA takes effect. Agencies will no longer need to wait for allotment releases from DBM.

This game-changing policy could not have happened without the other reforms we introduced in our first three years. These include the policy against lump-sum funds that have been key bottlenecks in budget execution; as well as the one-year validity of all appropriations, which eschews the old tradition of procrastination via carry-over budgets.

We made bold interventions to unearth and uproot bottlenecks to implementation in order to speed-up public spending: Among these are the deployment of Account Management Teams in agencies with the largest budgets; the early procurement of infrastructure projects; and the Disbursement Acceleration Program, which I’ll discuss more later.

Our results, in the first place, must be measurable, and here lies the other systemic issue we have to grapple with: the weak performance monitoring and delivery systems in government.

Through the proposed budget for 2014 that we filed before Congress, we are introducing another game-changer: the Performance Informed Budget. Now, our budget contains performance information alongside the financial allocations. This is more than cosmetic: with PIB, we are

clearly showing the link between budgets, the outputs that agencies must deliver, and the outcomes we want to achieve.

This would not have been possible without other reforms we installed to strengthen performance management systems in government. For one, we reviewed and refined the major final outputs and performance indicators of departments and agencies.

We have also been building a harmonized Results-Based Performance Management System for the whole of government. We have already launched a key component: the Performance-Based Incentive System, through which we rewarded good performers in the bureaucracy.

Game-changing as these reforms may be, all of this could be for naught if we do not open the process of governance to citizens. This is why open government is important to the Administration; and why open budgeting is central to our budget reform agenda.

We sought to make budget information publicly available, through reforms such as mandating the Transparency Seal standard on all agencies; the disclosure of new budget data, particularly the releases from the Priority Development Assistance Fund; among others. We also sought to make budget information more understandable to citizens, through the People's Budget and BudgetNgBayan.Com.

As we sought to engage citizens in the budget process, we introduced a formal mechanism of Budget Partnerships between government agencies and civil society organizations in the crafting of agency budget proposals as well as the monitoring and evaluation of program and project implementation. After introducing this, we took a further step by introducing the Bottom-Up Budgeting process to give communities and local CSOs a direct voice in crafting the National Budget.

The reforms we have pursued helped us achieve new heights previously unimagined: robust economic growth; investment-grade credit ratings; upgrades on our competitiveness; all largely due to improved governance. As Secretary Purisima often says, good governance is good economics.

But don't take our word for it. He said that Philippines have climbed on the Global Competitiveness Index: by 28 places from being 87th among countries in 2009, to 59th this year. In the ease of doing business, the Philippines has jumped 30 steps ahead. During the same period, our ranking in the state of public institutions has leapfrogged by 35 places to 81st this year; and our macroeconomic environment continues to be a bright spot in our performance, where we are at 40th place. And also winning the bright spots in London.

By no means is our reform journey complete and already victorious. We must build on our gains and stay on course. We must also stay

vigilant: those who oppose reform will fight tooth and nail to prevent us from succeeding. What they're selling is that we are just as guilty—*pare-pareho lang kami*. But as the President said, "*hindi tayo pareho*." They want to escape accountability and retain the crooked system which they benefitted from. We, with all of you here, are only after the interests of our people.

They have said that the Disbursement Acceleration Plan is just like the Priority Development Assistance Fund. That, I must say, is far from the truth. There is a whole world of a difference between DAP and PDAF.

First of all, DAP is not a fund. It is a mechanism that we used to boost the economy that was affected by the sluggishness of public spending. It was the label that we used to refer to the President's Constitutional power to realign savings to augment programs and projects that mobilized quicker; and to deploy unprogrammed funds sourced from windfall revenues.

I also dare say that DAP is a reform. It stands for the exercise of good governance that is a requisite of sustained economic growth and social development. As I mentioned earlier, DAP and other reforms allowed us to surface and decisively address bottlenecks and leakages that hampered the timely implementation of priority programs and projects.

In contrast, the PDAF is the very symbol of the patronage system that is driven by entitlement, arbitrariness and opacity. PDAF is a lump sum fund designed to sustain patronage. PDAF, I dare say, corrupts the Filipino virtue of "*utang na loob*" for the sake of narrow political interests. It also exacerbates the sense of entitlement by the elite: *yung tipong tingin nila na yung PDAF ay pera nila, para sa proyekto nila; at kasunod noon, dapat yung kontratista nila yung magpapatupad*. PDAF breeds patronage which breeds leakages; DAP, on the other hand was introduced precisely to plug those leakages for the sake of faster, higher-impact spending.

From its genesis, DAP has proven to be an effective tool in boosting public spending and, as an effect, the economy.

In the first three quarters of 2011 before we introduced DAP, national government disbursements shrank by 7.3 percent year-on-year, and were below program by a huge 16.1 percent. When we introduced DAP, public spending in the fourth quarter increased year-on-year by 32.5 percent, pushing full-year disbursements to register a 2.3-percent growth. By the end of 2011, underspending was whittled down to 9 percent.

As a result, as shown on this slide, public spending—measured as government final consumption expenditure as well as private construction—has significantly contributed to economic growth since the fourth quarter of 2011. And I must note, we were able to do this, as



Sec. Mar has pointed out, without the need to raise new taxes save for the Sin Tax Reform.

Beyond this, let me echo what the President has said recently through Secretary Coloma: we are always open to have a dialogue with the people, with you, and even including the critics, so that we can find ways to intensify our work together to ensure the success of our reform agenda.

The Aquino Social Contract will not succeed without the citizens' deep stake in governance. Without the people's outrage against abuses in the past and their unrelenting quest for change, we would not have reached this new point in our journey. *Tuloy-tuloy na ito. Tulad nga ng sabi ni Pangulong Noynoy, habang nandiyang kayo ay patuloy kaming maninindigan.*

Today, we have a great opportunity not only to truly erase the PDAF from the National Budget and to unrelentingly run after high public officials who broke our trust; but more important, to install bold, meaningful and substantial change: to inject greater transparency and accountability in government operations, to strengthen public institutions along clearly defined roles and functions; and to deepen our people's stake in the reform process.

In his professorial chair lecture earlier this year at ASOG, Secretary Abad proposed this framework on the irreversibility of reform, and perhaps it is a good time to bring this up again as we determine our steps moving forward. How do we continue deeply installing reforms in the systems, processes and even practices of public institutions? How do we ensure that reforms lead to tangible benefits to the people? How do we strengthen our constituencies for reform? How do we combine these elements to reach that point where major reversals become politically and economically costly?

As President Aquino's victory in 2010 has been due to our people's will and desire for societal transformation, so will the irreversibility of our reforms beyond 2016 depend on how we are able to deepen our people's stake in statecraft and national development, and empower them to truly take ownership of their government."

**Question and Answer with Sec. Joel Rocamora and Usec. Moya**

- ***On the concern of the alarming status of the DAP, despite all the explanation of the National Government and that it could not be denied that the questions on the DAP and PDAF are on more on the abuse of the funds. That the DAP is based solely on discretion and the Executive has monopoly on who could receive the funds. The person who asked the question shared that the formula on corruption includes a monopoly of number, it is discretion without accountability There is also a need to clarify why in the DAP***

***allocation, there are allocation for legislator and how to accelerate spending for government expenditures:***

- Sec. Rocamora: The issue on the DAP should be returned to the issue which is stealing and corruption. Are there any accusations that any DAP allocation were corrupted by the Pnoy? In the end, that should be the question. The definition given on corruption – absolute discretion and lack of accountability, cannot apply in the case of Pnoy. In my knowledge, the DAP is not purely discretionary. It is important for us to be very careful about what is in effect the institutional reforms that we want done and not limit the processes in the government. The DAP is just temporary. The amount allocated to DAP are going down by 2013. The capacity of the bureaucracy to absorb the money has caught up with the available revenue. So the issue of discretion, it cannot be evaded that the President will have no discretion and that the demand will be down in the last detail. There is no getting around the fact that the President has discretion. Some reforms in the power of the President to impound items in the national budget should be discussed seriously by the DBM and the Office of the President. But what is more important now is that there are no accusation of corruption on the use of the DAP.

Usec. Moya – DAP is a temporary intervention. As the year passed by, DAP will go down. Capitalization requirement of BSP has been supplied. Despite sterling performance. Question on constitutionality of DAP, SC is the best person to decide. There is no money given to the legislators. The legislators were just asked on which projects. 7-9% of suggestion on the use came from the legislators. Not true if to conclude that all the DAP is allocated from recommendations from legislators.

- ***One the shrinking of the GDP and one of the contributory factors on the shrinking of public spending during the Aquino Administration is that there were several supposedly public infrastructures that were subjected for review by the DOF even if approved at the local level.***

Usec. Moya: It is the mandate of the DOF to review the projects with GFIs. Growth rate Philippines, best performing economy but there is no appreciation from different groups.

- ***On the update on the Bangsamoro Basic Law and what will happen to the promise of Pnoy on the peace agreement in Mindanao:***

- Sec. Rocamora: On the MILF negotiation, it is not that easy. It is not only the question on ending the arms struggle. There are many considerations like the rights of the new entity, the form of government in new Bangsamoro government. There are different proposals. All I can say that there is a greater chance that an agreement will be

worked out between NG and MILF, this is more important. This has not been implemented in the last 60 years.

- ***On what is the difference between CBMS and the NHTS and why is it that the 1% was removed in the GAA for PWDs without consultation:***

- Sec. Rocamora: On the CBMS and NHTS, NHTS was designed to identify who will receive CCT. The means testing method in NHTS is not on income, but on some other indicators. CBMS has wider coverage. The design is for planning anti-poverty reduction planning. NAPC helps in unifying CBMS-NHTS survey instrument. The problem is there is not enough money given to support the project because DSWD wants the NHTS be updated as soon as possible. The unified system will eventually be implemented. NSO also has a lot of work and the unified system will be added burden. NAPC does not design poverty reduction strategy. NAPC is only an oversight agency.

Usec. Moya: GAD is not removed. There is still allocated. There is no policy to remove 1% for PWDs. According to the law, it is attributable. There are projects where the PWDs are already beneficiaries. So budget for PWDs are attributable. Just like the gender budget, it is not needed that there is specific budget. The National Expenditure Program is published in the website so citizens can check. The same is true with all the budgets of the NG. By November, machine readable format of the budget shall be published and citizens can just slice and dice their needed parts in the budget.

#### **D. Question and Answer with Sec. Butch Abad**

- ***On the question on institutionalization of the reforms done and whether or not the DAP is a creation in the present administration:***

-Sec. Abad said that the DAP has been done in the Ramos, Estrada, and Arroyo administrations. It has been abused in the previous administration. It is what past administrations do in dealing with fiscal challenges, for example there is lack of budget or there is need to refocus priorities. The President exercises the power to declare savings and use in other priorities. But the Pnoy administration is different. The Pnoy administration did more to improve and foolproof the system. The Philippines faced 9.5 years of serious fiscal mismanagement. The Pnoy administration put together a package of reforms and was called in DAP. With a bureaucracy that was resisting change, the Pnoy administration put together a package of reforms and called that DAP. It is an economic intervention, more than anything.

- ***On the concern that different sectors side-tracked the issue and that the objection is on discretion. If the same opportunities if***

***used by people opposite to those who are honest and trustworthy, who are now in power, then the funds can be abused:***

-Sec. Abad said that in the case of the DBM, there is no more need for disbursement acceleration in the second semester of 2013. In the coming years, there will be none. They have improved radically the capacity of the economy to absorb economic activities. He said that when they initiated reforms, initially, the economy contracted. The Administration was severely criticized as GDP went down 3.6%. But when the effects of the reforms that they did are seen finally, the economy began to expand and performed better. We now have an average of 7.6% GDP. What the government did were the following, two items to look: consumption and expenditure.

Sec. Abad said: "We have plugged the leakages not completely but dramatically. We were able to introduce reforms in the budget process. We did reforms in three things:

1. Spend within our means, as proved by the declining budget deficit. We kept it at 2%.
2. Spend on priorities. Ron talked about social protection. Next year, we are going to spend P52 billion on social protections alone. The big change that was introduced by the President was to extend CCT to include HS students, not just elementary. We have spent hugely in education and health. The Philhealth system to cover 14.3 million poor households. We spend on the right things.
3. Third, we spent our money on measurable results. Next year, it will be unprecedented that the government will have a budget that is performance-informed. Budget will be based on performance: Budget will be based on fire department's response to fire, DFA's time to process forms, LTO's issuance of license. By introducing those reform measures, we were able to achieve those results. Remember that expenditures in social protection, on basic services like education, health, infrastructure, housing, rural electrification were made possible by not raising taxes, except Sin Tax. It was also done by not borrowing more, thus borrowing as percentage of GDP is falling and that is why interest rates are also falling. But simply on improving collection and focusing on right priorities.

- ***On the steps in institutionalization of the reforms and transparency mechanism on the disbursement of the DAP:***

-Sec. Abad said that there were certain schemes that allowed the previous President to have full discretion on the disbursement of government funds. He explained: "The first scheme was the re-enactment of the budget, which is really a bad practice. She had full discretion of the budget. We made sure that we have submitted the budget early and approved early. The second one has to do with budget insertions. We have completely stopped that also by stopping the practice of manipulation of the foreign exchange assumption so that interest payments will increase."

He said that the Pnoy administration will hold accountable those who are accused in the pork barrel scandal. He said that Pnoy has abolished the pork barrel system. The pork barrel system is a symbol of deeply embedded cultural political patronage in our country, started by our history of colonization and taken over by few families who have become patrons in this country. He further stated: "Apart from the collective outrage that we have to express, we also have to think how we transform the situation so that it is something that can lead us away from patronage. Patronage promotes dependency which brings on poverty. We should move from a culture of political patronage to a culture of people who more empowered. I am happy to see that people are outraged. We want the violators jailed, but eventually we have to be able to translate the outrage into something constructive so that the people will truly own the reforms. The President is an accident President. You wanted him to run."

"If there is no PDAF, how do we make sure that the people will have a voice in the budget? We have the bottom-up budgeting, in this project, we engaged municipalities. It is a huge undertaking because it needs communication. The challenge lies with NGO and PO to make it go about. The whole idea is to make the process owned by the people. I think this is something that we should study about, on how we engage people in government so that the outrage can have positive expression. We realize that this can be addressed by inclusive development thru focusing on social protection, social justice, by investments in key industries like agriculture and tourism. I think that is the real challenge and a great opportunity.

Sec. Abad added that there was confusion on the DAP and PDAF. Both involves exercise of discretion but the public was misled to the difference if the two. The Pnoy administration followed prudence in the disbursements. The DAP was an economic response and the disbursements are reduced as the need does not anymore exist. In 2013 second semester, there was no more need for disbursement acceleration.

Sec. Abad added that Pnoy administration is resolved in plugging the holes in the system. The institutionalization process is a commitment by Pnoy. "We have removed the schemes that allowed the misuse of the funds and the practice of re-enactment of the budget which perpetuated insertions. The crisis on pork barrel was brought about by the past practice of re-enactment of the budget, among others. We are committed in holding accountable those who misused the funds and send them to jail.

We have started bottom-up budgeting in 900 municipalities, then 1200 next year. To engage municipalities is a huge undertaking. The whole idea of making economic development inclusive rests in the idea to promote entrepreneurship. The Pnoy administration wants the people

to be productive and participate in the higher value chain of production and processes. This is something we should start thinking about.

The outrage/indignation are positive expressions of moving away from patronage politics and something more empowering. We want inclusive development in the next three years. These will be done by identifying and putting in investments in certain key industries

The bottom up budgeting is an effective means of bringing to the people participation in governance. The citizens need to know what they need and that they propose the budget to meet those needs.

Some departments do not accept BUB as a process. We need to educate these departments. Some do not accept the new system and say that the BUB is laborious. We need to inform them that the process is very important. What we are doing now is we inform those on the ground that the current process is not correct, we need to go down to the community to know what are the important needs especially the basic services. That is the struggle in the bottom to top budgeting. But we in the Cabinet help in giving information to the departments, for them to accept that it is important that the people has to have a voice not only on the budget but also a vote on what projects to accept. It is very important that NGOs and CSOs help the local officials in formulating the budget, reflective of the actual needs of the people. We have practices that we need to correct, on the community level and in the national government.

As we reform, we also have to perform. While changing the processes, we also have to be working. That is the difficult challenge that this administration faces. The process is difficult for all of us but the sacrifices result to the real change that we want.”

- ***On the advice to the reform constituency on tackling the present issues despite the toxic political environment now and with those threatened by reforms are trying to counter-attack, how to discern better to respond better and how can the reform constituency concretely help in our push for changes?***

-Sec Abad said that this is the challenge. “In DBM, at any one time, we actually do three budgets, we implement the existing budget, we engage Congress in authorizing the budget the next year. Right now we are preparing for 2015. We wanted to be participatory.

What we just want is for the reform constituency to be very discerning. Our situation now is that there is convergence of many interests. Those involved in the issues are trying to divert the attention away from themselves. They have done it so well. Maybe we should ask how they did it. They are fighting against those who want them to be really held accountable. There are also those who are taking advantage of the

confusion to resist the changes. People who have benefitted from the present system are resisting change.

There are also elements that are now looking into 2016. The President may be able to choose his successor to continue the reforms. There are forces that try to undermine the trustworthiness of the President. The ability to tell you who is best to replace him is that powerful that people interested in power are in the works. You put them all together, that is the situation that we are in now.

The President has done what no President has ever done. The President is committed to reform but unfortunately has gone unnoticed. He has generated a lot of resistance. For example: changes in the Bureau of Customs.

We have this situation that we find ourselves. There are those who genuinely want change. There are also those who can get easily swayed by general accusations on the budget. The challenge is to understand what these issues are.

That is not to say that the general outrage has no bases. We acknowledge the anger. We condemn the abuse to steal money from you. We want the people involved to be held accountable. We will go after those leaders that abused their authority. At the same time, ensure that what is the process. It will be easy to get impatient.

We want to see blood right away. But we have not yet started the most important process. The preliminary investigation has not yet been done yet whether there is probable cause. Due process should still be observed. Fact-finding has to be made by DOJ. We have to accord due process to those involved. We are still in the beginning of the process of determining whether in fact there is probable cause. It will take 6 months to a year. That is not the final decision yet. A case is yet to be filed. We have to be conscious with these processes.

We have to maintain the interest and make sure that the outrage does not die down. What we all fear is that there will be no result from the cases. But we have to face these processes. These processes are not necessarily the kind that we want but the Constitution and laws provide that.”

Sec. Abad said that the government is open to engage the reform constituency. “In fact, the President has given instructions to engage you not just the issue on DAP, but on how can we take advantage to introduce more transparency and accountability. This is one of the best things that happened in the Philippine budget process. Today, we have discussion on the dailies. People want to know more about how budgeting is done. Citizens are now more involved in the budget process. We want to be able to capture that so that you remain to be interested in the budget process.

The dilemma in the House of Representatives now is how they will bring to the attention of the government the interest of the people, without being accused of doing pork barrel politics or in patronage politics. We do have allies in the House of Representatives who are with us in the reforms and empowerment, truth and fairness. As we remain angry, we start thinking on what are the alternatives. What are the key alternatives or priorities that we should remain focused on. In DBM, there is more reform to come next year. For example, by the end of the first quarter next year, 80% of payments in government will be cashless and checkless. That is a revolution in disbursements. In every check issued, we pay P8, so we spend millions in check transactions. We want to limit the exposure to corruption by digitalizing it.

Be very vigilant and be very discerning, many players are pushing their own agenda, good or bad. Determine who you should be working with. Let's keep our eye on the ball. Get those guys accountable but at the same time push the reforms that have been presented."

- ***On the issue on party reforms within Liberal Party:***

-Sec. Abad said that the enemy of genuine political party is patronage politics – clan-based, dynastic based politics. "We have a President who recognizes the importance of political and economic institution. Our problem is patronage breeds weak institutions. The patron who wants to expand and deepen influence will always try to find ways how to provide resources. It is important to note that in the judicial, regulatory, political, financial, sectors, these are captured by certain families, by certain interest groups. They want to make sure that they can still give as patrons. That is why our elections are more on who can be the best patrons in our society. That is what we need to address.

We need to make sure that there is strong non-party political movement. Those are breeding grounds later on by activists who are really experienced on political work. In this country there is more future working on those right now than simply working in a political party. You name a political concern, there are political advocates who are trying to influence political decisions in our country. The advocates represent political objections to issues.

We encourage, strong issue-based and platform based politics. In my twelve years in Congress, there is no use debating policies in Congress, because the main concern is what you bring home to your district. The Congress' very preoccupation is its very weakness: constituency service, pork barrel politics.

The challenge is to have more political and ideological based parties and have broader space so that real political parties can grow. There must be focus on solidarity, rather than political nuances where



advocates destroy each other. The challenge is therefore solidarity and cooperation. We, liberals, social democrats and other parties, must nourish fertile grounds for genuine political party reforms.”

- ***On the key institutions’ role in the improvement of services and on the convergence of agencies for them to work better to effect the reform agenda.***

-Sec. Abad said that managing the bureaucracy is a challenge. “Within the Cabinet, you can look at us as spectrum. Some are liberals, some are conservative. The way they relate with change also varies. The way they appreciate other players in the arena also varies. I think in the education field, huge investments have been made. Because of the investments in basic education, resource gaps of teachers will be over by next year. The thing is the education system is very hierarchical and very centralized. You can benefit to have more improved governance in the local level. There is more power coming from division superintendents. I think the next space for reforms will have to do with decentralizing or devolving governance.”

## **Panel 2: Assessing the Reforms**

### **A. Asst. Sec Geronimo Sy, Department of Justice (DOJ)**

Atty. Sy said that the efforts on reforms by the Justice Department are directly correlated with the actions of the Supreme Court. Here are some of the current reforms being pursued by the DOJ:

- Revision of the Revised Penal Code. Book 1 is already with Congress for public consultation. Book 2 is under continuing review. In other countries, criminal reform is done in 30 years. But in the Philippines, we are doing this in 6 years.
- Preparations for the 2014 Revised Rules of Court are on its way, too. Substantial law and procedure should come together.
- There will be a revision of the Immigration Card, arrival and departure cards will be reproduced. The immigration system is also being reformed. There will be reduction in the queuing process at the airport. There will be no more removal of the shoes in the queue. The steps will be reduced. From 11 to 7 steps in queuing process at the airport. E-counter prototypes shall also be rolled out by start of next year. The process will only be in 10 minutes.
- DOJ-DFA link up of database. The two databases should be talking to each other. The NBI Clearance shall be used for accessing passport. If the passenger has clear record, he

should be allowed to travel. This is also the national justice information system.

- There shall also be one clearance for all including the barangay, police, NBI and other clearances. The forms should be reduced to minimum, from the 200 justice forms it should be reduced into one.
- A data center or Justice Exchange Portal shall be but up and will serve as storage for all records i.e. criminal and other records.

The DOJ has foreseen possible cases on corruption. It has created the Inter-Agency Anti Graft and Corruption Council (IAGC) since 2010. This is the kind of institutional set-up where reforms are instituted.

Atty. Sy said that the Justice sector badly needs indicators to assess reforms in the sector. He hopes that indicators will be crafted to be able to use in the justice sector.

#### **Question and Answer:**

- ***On the concerns of the PWDs on what can the justice system do to help the PWDs and if there are any reforms for the deaf, mutes, women, children:***

-Usec. Sy said that from the DOJ perspective, they will do it systems perspective, not the sector perspective. In the courts, there are those who interpret which give different interpretations, this should be addressed. The systemic problem should be addressed like using vernaculars in court, sign language and the like.

- ***On the proposal that the JELAC be convened:***

-Usec. Sy said that this is component of the Justice Sector Reform Program. This is very important for the Justice Department.

- ***On the proposal that the justice system should have a strong bias for the poor on how justice works in the country and that the sectoral lens should be used in approaching issues on justice reform and that there should also be strengthening of the Public Attorney's Office and environment task forced should be further enforced:***

-Usec. Sy said that on the preferential treatment to the poor, the Constitution does not specify such but the DOJ believes in giving easier access to the poor. The DOJ acted on it, now bail charges are waived. The GACC agreed to waive the P2,500 bail fee. This will result to 20% of those in jail being released. This has been approved.

On the environmental task force, there is a strong commitment on environmental justice by the DOJ. But it is important that the issues are broken down like that on anti-mining and fisheries.

Usec. Sy said that sectors are very important. There should be systems approach. If you break down to specific cases, there will individualized case approach and it will burden the agency. At the institutional level, there should be systems design.

He added that the notion that those who have less in life more in law is not in the Constitution. The truest sense of the world, justice should be equal to everyone. We have to break it down and solve one by one. Solve the problems of the system to have lasting and encompassing effect.

**B. Atty. Daniel Nicer**

**Asst. Secretary, Department of Environment and Natural Resources**

Atty. Nicer reported on the following reforms in the DENR:

- A. Logging Moratorium (E.O 23)
- B. National Greening Program (E.O. 26)
- C. Mining Reform (E.O. 79)
- D. Improved environmental quality
- E. Anti-corruption

On the logging moratorium, the hotspot provinces has been drastically reduced by 76% while 84% for hotspot municipalities. The confiscated forest products reached 24.7 million board feet. Since 2010 there have been 1,020 illegal logging cases filed with convicted persons of 144. The confiscated logs are converted into school furniture. Reform was undertaken in the disposition of confiscated forest products. 117,459 armchairs were produced, 9,907 desks and 7,021 other school furniture.

On the National Greening Program, Usec. Nicer said that they are expecting the financial returns of P300 billion from 1.5 billion seedlings compared to the P34.77 Billion investments that the government made since 2010.

On Mining Reforms, as stated in EO 79, the department started institutionalizing and implementing reforms in the Philippine Mining Sector by providing policies and guidelines to ensure environmental protection and responsible mining in the utilization of mineral resources.

The Integrated Map System has also begun with the No-Go Zone Map has clearly showing the areas closed to mining.

On the Creation of One-Stop-Shop (OSS), the DENR has created regional OSS. The Philippine candidacy was accepted in the Extractive Industries Transparency Initiative (EITI)

MGB and other government agencies are for full transparency and disclosure of information on mining. The agency conducted nationwide consultations on drafting of the Small-scale Mining guidelines which was presented to MICC for approval.

There are 15 Mineral Reservations which are targeted to be identified and assessed for this year. There is also a draft bill to be presented to MICC, for final review and submission as draft bill to Congress.

TSP level was reduced by 20% from the 2010 level. Of the 19 priority rivers, 12 rivers are already within the standard based on their classification. 430 MOAs were signed for the adoption of 232 esteros/river nationwide.

On the anti corruption efforts, the DENR has designated an Office of the Assistant Secretary for Internal Audit and Anti-Corruption that will audit DENR offices, programs and projects and investigate corrupt personnel and file appropriate cases. The office shall directly address corruption in the DENR through audit of DENR offices, programs and projects and the investigation of corrupt personnel and the filing of appropriate administrative and criminal cases against them.

On 23 November 2010, Memorandum Circular No. 2010-18 was issued to facilitate resolution of disciplining cases by providing among others, clarity in the jurisdiction of Disciplining Authority within the DENR. Employees below Salary Grade 24 shall be handled and resolved at the Regional Office/Bureau for faster resolution of the complaint. It also clarified jurisdiction among the DENR, Civil Service Commission and the Office of the Ombudsman.

There are also efforts to install close-circuit television cameras in the Central Office and in all field offices and the posting of process flow charts and Citizen's Charter; and publication of DENR Citizen's Charter, and the Code of Conduct and Ethical Standards in all website of the Department, its Bureaus and attached Agencies. The DENR also conducts consultations of annual budget with civil society, academe and other members of the private sector.

The DENR is also in the middle of computerizing land records nationwide, about eighty (80) million documents, for faster, transparent and credible transactions with the public. This will finally greatly reduce, if not eliminate altogether land titling scams and restore credibility of the country's Torrent System.

To establish the role of leadership in ensuring moral recovery and integrity among DENR Officials, the DENR is committed on following

transformational leadership and essentials of performance and productivity management. The DENR is also committed to make full use of available technology for transparency and corruption prevention. There is also continuous improvement in the individual and office performance evaluation system, institutionalizing background check in recruitment and promotion of personnel and creation of integrity office in all regions, bureaus and attached agencies composed of internal affairs and inter audit focal persons

The DENR also worked on the improved multi-sectoral governance for ENR through the institutionalization of third party participation in budgeting and program and project review. There is also improved multi-sectoral monitoring and law enforcement through information sharing and constant coordination (e.g. Snap Plot System, Trainings, joint task forces, pro-active engagement of media)

In closing, Atty. Nicer said that the DENR remains committed to the reform commitment of the Aquino Administration.

**C. Dr. Ronald Mendoza  
Director, Asian Institute of Management (AIM) Policy Center**

Dr. Mendoza presented a macro-picture of the reforms done by the Aquino Administration and presented ways of moving forward using economic tools.

He said that there are 3 legs of an inclusive country:

1. Economy function
2. Society function
3. Democracy function

In the Philippines, the one that has advanced a lot is social protection. But there are more that need to be done. To give credit to where credit is due, the competitiveness ranking has been improving. The Philippines have been achieving what no other emerging markets have been achieving. The Philippines jumped 30 places to 108th of 189 economies in the WB's "Ease of Doing Business report" – the biggest improvement for any country in the world.

The Philippines showed improvements in 7 out of 10 indicators, notably: 65 places to 100th in Resolving Insolvency Indicator; 43 places to 86th in Getting Credit; 12 places to 131st in Paying Taxes (operational online filing and payment systems for easier tax compliance) and 1 place to 99th in Construction Permits.

However, there is a disconnect with the external view and internal view. With all these improvement, he said that his friends from outside the country wonder why Filipinos are so angry and dissatisfied. "Why are we not happy despite the credit upgrade and economic gains?" He said that the answer lies in inclusiveness of growth.

Dr. Mendoza said that all these improvements in macro and micro must be linked with an economic activity. It is important that people are linked with the economic activity. To make the pie bigger, we need investors. In FDI the Philippines is lagging behind.

He said that reforms get us in the right track. We are right that we actually want more. But right now we lack the thing that connects our people to the right thing.

The question lies now on the policy design: Are the targets sufficiently ambitious? Does the policy meet the challenge at hand? Are adequate resources supporting the policy? Is there a defined multi-year reform agenda? Is there policy coherence with other reforms?

After which, the question on policy execution: Is it evidence-based? Is it sequenced properly? Is there adequate support from local and national stakeholders? Have coalitions been built to support its financing and roll-out, including at the LGU level?

Dr. Mendoza said that when there was a credit upgrade the big corporations have the reason to celebrate. But the people at the bottom are not very well connected. They are wondering why we are celebrating. There is very little reason that the news is extremely positive for them.

This is also reflected in the data on foreign investments in PEZA where bulk of investments is in Luzon. The 60% of Philippines' GDP comes from these three areas. This reflects a highly concentrated type of growth. Therefore, vast majority of countrymen are not yet included in the economic boom. There is barely any investment in any other part of the country. Thus there is non-inclusiveness of the growth. This is where the rubber hits the road. We still have a work to do.

Government should not be alone in playing the role for all of these. Private sector and non-government institutions have roles to play.

In 2012, there are 3 million Filipinos unemployed, 7 million Filipinos underemployed, 21 million Filipinos informally employed, over 1 million youth entering the labor force every year. There is lower productive. This is to be a positive force if we take the right steps or if we pursue the reforms.

Dr. Mendoza also added that one of the things that are missing is that the rules of the game are not so clear. If investors are not clear with rules, they would hesitate to invest. The entire discussion of the mining industry is a classic discussion of unfair rules. Just imagine if these were the communication to all foreign investors that we are difficult to deal with.

He added as competition policy regulator, we should consider concerns on monopolies and cartels, mergers and acquisitions, restrictive and anti-competitive practices, state entry barriers (government monopolies), regulatory conflict of interest, consumer protection (including vs. misleading advertising), levelling the playing field.

There is also an issue on the effort to empower some of sectors to compete externally. This includes issue on lower energy cost and support for exports. The last President who pushed for industry push was Marcos, but it was a failure. If we are to be ambitious, crucial ingredient is credibility in the people who will execute the policy. A crucial ingredient is the people, their credibility and accountability. The pork barrel is a small part of the picture on what we need to reform, there are bigger and more ambitious reforms that are needed to be done.

In terms of social policy, the economy must create work. But currently, it is not yet generating the scenario. There should be clear rules and fair rules. Then business will come in. People will be informed on the rules of the game.

For a more inclusive society, there is a need for robust social protection. We must realize the complexity in executing these types of reforms. There will be many anti-reform forces that will protect their interest. There will be losers who would want to stick to the old ways. The issue then is how we bring more and more people to buy in and support the reform process. This plan goes beyond the present administration.

The key ingredient in social protection is eliminating dependency and patronage politics. Once the citizens are vulnerable, they can be abused by politicians. The citizens will seek for patrons. If they do this, then we will not have a merit-based society. Society that is based on these relationships will diminish our nature as a country. That is what we are up against and that is what we must change. It should begin with our social protection system. We are minimizing the vulnerability of our citizens. It is citizens helping citizens. We should have focus more on social protection. To empower the citizens is a powerful message.

Dr. Mendoza then presented a perspective on the pantawid pamilya program of other countries.

In Bosa Familia program in Brazil, there is aggressive decline in the number of the poor. He said that the Philippine system is inspired by the Latin American model. The coverage has been increased. The number of families in poverty is declining after the coverage is expanded. This is not to say that the CCT was the only solution on poverty in Brazil.

He said that what we are doing in this program is that we are protecting the society and equipping the future President with tools to face challenges in the future. If we fail to make it today, immense challenges await the future.

On the long run, the Pantawid Pamilya Program will see its effects. What we are trying to do here in the long run is to eradicate poverty. Not to reduce but to make it zero. If we actually hold our selves to account, this is what we are looking at.

What we are working at is an economy that is more inclusive – where citizens mutually support each other. We are attacking the root causes of poverty. We are blessed to have been doing these reforms now. We are in the right track. We need to be responsive to possible needs in the future. The population will explode in 25 years and the programs that are set now will be the answer to the problems in the future.

The reason for the success of the Bosa Familia is that the poorer families become smaller. The same is true with Oportunidades in Mexico, a more progressive economy that is benefitting the poor.

The challenge for the Philippines is if it is willing to pay higher taxes to carry on the investment. Some groups are complaining on the budget. But we are talking about an ambitious program and matching it to assure that it will make it succeed. But the success of the program must extend beyond this particular administration.

Another thing that is at stake is that we are going to hit a demographic sweetspot. The peak is 25-30 years. If we make the investments now, that 25 years old will have the fighting chance. If we don't make the investments today, we are going to be faced with a challenged population. If we fail to make the investments today, those challenges, on education and employment will be inherited by the fourth President from now.

All of the social protection by the present administration, the Pantawid Pamilya Program was done by evidence. This program differs from the patronage system. The strength of the program is not going dole outs to poor mothers. It is a completely different way of doing things. It is focused on key investment, the links on breaking free from poverty.

The PPP is a completely different way of trying to help out our countrymen. In patronage system, there is no discipline; this social protection is linked to education and health. The condition is simple: make sure the child goes to school and if you are a mother, secure health service if there is a need. There is no patronage politics involved in the PPP.

The targeting system in PPP is disciplined compared to patronage where it is focused on allies. Our people are confused about the



behaviour of some of our local government official. They expect to line up to mayor or congressman. In patronage, there is no evaluation of impact. The PP has a mechanism to check risk dependency and moral hazard. Reports can be made if there is different behavioural response. The behavioural response can be reported and checked.

The powerful communication is that it is now the taxpayer that sends a child to school. It is not the patrons. This clarifies the true role of the government and our role for each other as citizens. This clarifies our commitment to each other. A more inclusive economy and an inclusive society is that which we mutually support each other. Hopefully the program will continue on or even strengthened and this can be done by a strong political lobby.

**D. Hon. Ibarra “Barry” Guttierrez III  
Representative, Akbayan Partylist**

Rep. Gutierrez said that the reform advocates have been so involved in the reform process even prior to the ascension of the current President. There have been so a list of reform agenda submitted to the President and the President was very positive in recognizing these reforms sectors.

“We have a President operating under the same rules. We can see the difference. That only emphasises the importance or the challenge before us. We should strive for reform while we have a good President; create the institutional framework while we have a good President.

The biggest issue now is the PDAF. But Congress has officially abolished the PDAF. By all accounts, probably the Senate will abolish the same. When DAP issue was thrown on the scene, Jinggoy Estrada suddenly became an advocate of budget transparency. The entire framework that the DAP issue was made known, underscores an inherent weakness in the system. Malacanang over the past weeks is saying that the Constitution allows realignment. That may be true but the current framework should not be left as it is. What has been unsaid is that the same framework was used quite irresponsibly by the previous administration.

The main point that has to be addressed is defining terms and considering what constitutes as savings, what you mean by realignment, what kinds if realignment are allowable.

The heart of the issue is why do we have a DAP in the first place. In the GAA, there is no mention of DAP. But I don't think the DAP itself is illegal. DAP in my view is simply savings crated from the early part of Aquino administration where there is housekeeping going on and was used to boost economic activity.

We have to take the opportunity to institutionalize. We should define what do we mean by 'savings', what kind of augmentation should be allowed and what can we curtail the power of impoundment by the President.

I know there is no allegation of misuse against Pnoy. But Noynoy cannot be President forever. The point is we are not always assured that we have a President, at the minimum, who tries to responsibly exercise powers under the law and under the Constitution. The Constitution framers put safeguard up to declaration martial Law. But as we have seen in the past President, the safeguard can be misused for the President's own benefit.

Is it important for us to try to make use of the loopholes exposed by the past administration to have these issues eliminated or at the very least minimized. By this, we will not have to not to worry too much about the level of abuse that can be perpetrated by future Presidents.

For Akbayan, we filed HB 2256, 2257, 3128 all intended to address the budget process, define savings, provide process of computation and define power of impoundment. These bills are not actually new. The first time we have developed them, they were championed by then Senator Mar Roxas and Noynoy Aquino.

The window provided should be taken advantage for reforms, the clamour and outcry should be captured and taken advantage of to provide cover by the reform advocates.

Let us institutionalize under an environment where it is possible to do so. We have a very active and engaged civil society and a citizenry that is very open to introducing reforms. Now is the best time to keep on with the reforms.

FOI has been long overdue. We should have rules on disclosure on SALN. A lot of other areas institutionalization of agreement of MILF and GRP, initiative to human rights, this admin has not have a sterling record on its agenda.

I supposed I will simply end by saying there are so many possible intervention and initiatives, covering a wide variety of issues. Some of them are directly related to the issues right now, some are not related but equally important like environment. This is the best time to actually do it. This administration is going to be serious in pushing the reform agenda, and it is packaged as reform administration.

The Pnoy administration is open to institutionalization of reforms and the civil society should take advantage of that.”

#### **E. Sixto Donato Macasaet**

## **Executive Director, Caucus of Development NGO Network (CODE-NGO)**

Mr. Macasaet said that the key development agenda submitted by the reform constituency to the Pnoy administration is the right to development of the people. He then relayed the following:

“The development agenda included our Development Principles and Goals for Philippine development. These are parameters that will help us achieve these goals. Reforms are truly reforms if:

1. Lead to empowerment and full participation
2. They address the total well being of individuals and communities
3. Promote equitable distribution and access to sources
4. Ensure sustainable use of resources and the environment.

Another way is to look, analyze situations, identify stressing problems and what are the causes of problems.

We enumerated four pillars for reform: Ensuring democratization; Reducing poverty inequality; Building Peace; and Sustainable economy.

What inclusive development for us is basically those what will push for and address people empowerment and democratization, poverty reduction, holistic development, stewardship and environmental justice. These are bases for assessing the reforms that have been done by the Aquino Administration

The Pnoy administration has implemented many reforms, especially on accountability and people empowerment.

From a democratic recession in 2009, we moved for empowerment and transparency. We hope that this will remain. In terms of transparency, these were supported and institutionalized. But we still need the FOI Bill to seal the deal. We also have the current outrage on PDAF and DAP, thus there is need for the speedy prosecution and conviction of all those involved. All government funds whether lump sum or itemized are used for public welfare based on criteria set. The disbursement should be clearly and regularly reported to the people

The pork barrel scandal is discrediting the NGOs and resulted to the abolition of support to NGOs. This should be addressed.

There have also been prominent accomplishments in other sectors like: universal healthcare, education, and scaling up social protection.

But the major concern is that there is still poverty despite reforms, despite years of economic growth. Thus there is a need to strengthen the reform agenda in terms of programs in reducing poverty and inequality. To us, this includes agrarian reform and ancestral reform titling, sustainable development, in-city and near-city housing and job

generation. There should also be national employment guarantee for rural and urban. The focus should be on addressing the need of the poor to have access to resources.

The challenge is how to make reforms work for the benefit of the poor and work effectively and efficiently. There should be tangible benefits. The effects should be felt by those below.

One process which is very important is the BUB Grassroots participatory budgeting process. This is important because it brings together the citizens, there is localization of poverty reduction efforts and citizens participate in identifying the budget. The citizens are those involved and asked to identify their needs and participate in the governance process. This is Important because it involves the local and national levels. It involves everyone. But since it is the first year, there are many problems in the implementation. Only 11% of the BUB projects are implemented. The feedback shows that the situation has not improved. We are just two months away from the end of the year. The much needed poverty reduction processes are still not being implemented. The message is that there are reforms, it is important, but we need to benefit the poor. The tangible benefit should be delivered soon.

There must be reforms at the top and throughout the bureaucracy. The champions for reform have to be identified not only at the national level but also at the regional, city municipal levels. All these are part of institutionalizing reforms.

In order to institutionalize, we have to strengthen citizen's demand for reforms. The citizen's demand has to be sustained and has to be effective. On our side, CSO, PO, Cooperatives and NGO, have to strengthen at the national and regional levels, to be able to engage equitable and sustainable development.

Part of strengthening the demand would mean formation of local levels of CSOs. The coordination of these networks and consensus building of their agenda is crucial. There has to be sustained links.

## Day 2

### Panel 3: Sustaining the Reforms Beyond 2016

#### **Objective:**

*To describe the conditions that will sustain the reform momentum and forward the reform gains beyond 2016.*

#### **A. Dir. Ramon Casiple**

##### **Executive Director, Institute for Political and Electoral Reform (IPER)**

“In the discussion of reforms, sustainability question comes into fore. Why? Are these the kind of reforms that will still be there across generations? Second point: reforms can only be sustained if there are champions. There should be those who will time and time again uphold these reforms but the people are the ones who must be involved.

You need institutional reforms in order to make the reforms last. But society is made up of people. No matter how good laws are, who are the people who will do these reforms? From a power politics perspective, we need the power to implement reforms. In a political context, if you don't have power, you should not even think of reforms.

The people can make the reforms. The people need to be organized. And the question lies on having strong political parties.

In politics, the basic unit is a political party. Because of weak political parties, unfortunately, we have the problem now on who will replace President Aquino. Why the question? This is because there is no political party that is basically in a position to sustain reforms done by the present administration. That is called personalistic politics, this is the term use to describe Philippine politics.

The six-year term is defined by the President. If another President comes in power, there is no assurance that reforms are done. We can reorganize the program. If the next program does not need priority, then it will be shelved. If it is recognized, then the name of the program will be replaced. Without a political party there is problem of the sustainability of reforms.

As regards on what can be done to sustain reforms, strengthen political party. Have a party that will propose to sustain the reform of President Aquino. Assure that there is a candidate who will be a banner of reform. The question who will/can replace becomes a personalistic question.

If at present there is no one who can replace the president from among those belonging to the parties, then the reform constituency should find a replacement or someone who can champion the reform causes. Try to develop that person to be a viable presidential candidate in the future. If there is no one there whom you think can be voted by the people, then it is a hard task ahead.

Second suggestion is institutional. We have the political party reform bill that was passed by the House and signed by 18 Senators. We thought it will be passed. But it did not get through the second reading. It was not passed because Malacanang did not exercise political will. The political party reform bill is the required reform crucial to many issues today, even the pork barrel issue today. Having clear and strong political parties will solve this kind of problem. You do not need pork to influence decision, because the party will be deciding. But the reality of the situation, it is money that makes the wheels of Congress move, especially on controversial bills.

The President said it already. Even if he has the commitment to remove the pork barrel, he cannot do it, At least not right now. But he can do it if the people are solidly behind him. That is the challenge in the system. He can do it but the system does not allow him. It is risky, the coalition he built might explode. But if we talk about reform, reform is a risky business.

Where do we start? I think this is the very time to do it. Wala siyang utang na loob sa mga financiers, at least not that much. The challenge is now. It is not post-Aquino. If Aquino is solidly behind the idea of political reform, then he should commit to it. The big question is political will. The answer to that is what we still have to wait.”

**B. Usec. Chito Gascon**  
**Office of Political Affairs, Office of the President**

Usec. Gascon presented his random reflections on the journey to reform:

- The reform process is a marathon. It is not a sprint. Some of us are exuberant and enthusiastic, we may have the feeling or belief that now that we have won, we can change things quickly and overnight. We need to prepare ourselves for a marathon. It is different type to run a sprint compared to that of preparing to run a marathon - which is long, hard and difficult. There are many challenges before you actually finish the race. Take it from that perspective. The marathon may not even be an individual race. Reforms in governance may probably be a relay. At a certain point, that is all we can do, we need to pass it on. Someone else has to run the relay with you. You need to have allies and work

with allies, you need to have a constituency for reform that will continue the race when you fail. Individual champions fail, and sometimes groups also fail. The key is whether in or out of government, at any particular conjuncture, there is a constituency. There should always be dialogue of the advocates outside and the allies within government. The key is preparing the successor generation. Successor generation and promote the principle of constructively engaging with government.

- There will be some agencies that are more receptive and cooperative. It is important to always constructively engage. If the current moment of conjuncture allows for that opportunity for constructive engagement, then engage. Being aware of the political opportunity is key. In the 2010 elections, when the reform government came into power, a larger space for constructive engagement was opened.
- Engage with the government when there is space for engagement, to avoid danger of cooptation like in Marcos and Arroyo regimes where there were those who coopted.
- Credibility is important. We need to be politically conscious and the engagement process must be calibrated with reality. There are those who have a POV of constructive engagement. There are those who are engaging in politics but they are not really interested in reforms. These are those who highlight the contradiction. Expose and oppose. Revolution. Insurrection. If that is the frame, that is not reform. If you decide to participate in a reform agenda, there is an importance of being aware of the situation. There should be maximizing and engaging when the space is there.
- The current moment, post-Napoles scenario. This is a moment where things are possibly changing. It is important to be aware, assess and decide. Is it now the time to give up? Is the reform government character has changed. Some groups have breached the decision point. They have found the Achilles heel, they now strike, oppose and expose. Maybe some of us need to be more sober. There is a sea change on what happened. The greater opportunity is to be more vigorous to pursue the reform agenda.
- The Aquino Administration is not the same as that post 2004. There was opportunity in 2001-2004. There was none after the Garci scandal. Civil society became less engaging and more oppositional. We haven't reached that point under the current scenario. We need to be still engaged. Be mindful of what is happening and be engaging on the reform agenda.
- We need to celebrate our victories. Sometimes in the muddling of things, things are going from mud to worst. There have been many victories. Maybe some are small. But you cannot have big victories if there are no small victories. We need to come together and strengthen each other by celebrating together the victories we have achieved. This

exercise/conference is one such moment. These are necessary steps. Help each other move forward as we try and move on with the more difficult battles ahead.

- We need to break the vicious cycle of boom and bust on reform. The transition to good governance has taken too long in the Philippines. Other Asian countries that have transformed from authoritarian to democracy happened much later but advanced more purposively. We have never really sustained the reforms. Always boom and bust. In Cory Aquino and Ramos, we have twelve years of good governance, then nine years of bad one under Estrada and Arroyo.
- The solidarity we had three years ago is being tested. Maybe we need a long view of things. After twelve years of bad governance, maybe we need 12 – 18 years of good governance. Look at Indonesia, under the Reformasi process in late 90's but they have advanced in political process. They bit the bullet but we didn't.
- After 6 years of Benigno Aquino, maybe we cannot elect a reform government. We failed to prepare for the politics of it. We focused too much on governance, on reforms that we failed to prepare for the politics of it. We won in 2010, but what did we do? We allowed the trapos in. I've been with the Liberal Party for 22 years. I am an old guard of the Liberal Party. We have not invested in the politics. Most of you are not members of political parties. You remain in your comfort zones. To many of you, politics is dirty. You don't want your hands to be soiled. The reason why the trapos were allowed in is because you did not go into the politics. There is this artificial divide.
- We need the political reform bill. But after Napoles scandal, how are we going to sell to the public now that we need a bill that provides state funding to parties. Why will we give money to the corrupt. But we have to bite the bitter pill.
- We need to build on the gains of the movement and translate it by engaging in politics. People from the movement must be involved in the party. So if you want to sustain reforms, grapple with the issue of mainstreaming from protest to politics. We have some opportunity for that. There is still contestation today within the Aquino government. More people like you in joining the process of governance. We need to move away from our single issues, our comfort zones and build the coalitions around. All of us must make that journey. Let us transition from our comfort zones, from protest perspectives to politics and governance, regardless of who wins in 2016.

**C. Ms. Risa Hontiveros**  
**Chairman, Akbayan Partylist**

Ms. Hontiveros delivered the following speech:



“I am glad that my alma mater is asking the important question of the State of Reform Agenda. This means that we are to combat a false sense of security, complacency. I haven't often worn yellow since the campaign this year. But today I wore yellow to remind us on what we have invested and what were we able to do today since we begun the reform campaign.

We have a body politic momentum that we must sustain, accelerate speed, and have an irreversible in velocity of the gains, the startling sustained economic growth, and resurrected expectation of better quality of life.

We must promote inclusive and solid economic services to alleviate poverty. We should sustain the political culture of citizen entitlement and public service. The 2016 elections will be a rear guard action to protect the reforms we have gathered thus far. It will be a springboard for the next generation of reforms.

The sustainability of reform shall be achieved both by the exercise of political power and development and reform of institutions. We have to keep passing the baton forward. An active citizenry must support reform institutions modernize.

The key reform tools include FOI Bill, Budget Reform, Asset Reform, and Political reform. There should be love for the sectors. We should have made these investments in the first years. We are also looking forward to the full implementation of CARPER, the symbolic Hacienda Luisita issue for there should be orderly assignment of the lands, there should be security for laborers, and there should be people's plans by the urban poor, fisher folks settlements, and ancestral domain titling.

There should also be continued reform of accountability institutions: Ombudsman, Commission on Audit and Commission on Human Rights. These are critical to sustain momentum of reforms. We also await for speedy action on plunder cases, push the envelope on prosecution. I deplore the recent Ombudsman website hacking and celebrate the win of COA as bright spots in openness in governance. The CHR should also protect the victories of human rights survivors.

There should also be reforms in the check and balance mechanism, thus the support on Budget Reform Bill which President Aquino supported during the time he was Senator. There should also be continuous reforms of electoral and political system. The Comelec shall serve as advocate, the passage of campaign finance reform accountability standards between the state and all parties and candidates, regulate their fund raising and spending to level the playing field, deepen political reforms and strengthen fighting chance of candidates. Real political party and mature political parties, generate new impetus for citizens will have own the reforms.

We should consider this as a juncture for fresh capital for new reform initiatives. The political capital must be sustained beyond 2016 elections and must be stretched further to make ends meet and invested even more discriminately to supply the demand for that new change.

Our principal political capital is still President Noy. We must protect the principal even better than we have done so far. We must not be afraid to give feed back and give criticisms and not be “yes men”. But we must sustain our support for reforms.

Let others broadcast their messages. The DAP was abused in the past administration. The DAP was not abused by Pnoy. Let the President talk to the people on bigger things. Let him rally us to other important battles, in his remaining 2.5 years. Let him rally the troops in this road tour. If he continues to sound reforms, the majority will rally with him.

The political capital in the private sector is also needed to be sustained. The reform momentum must also be subject critical reflection. Their envisioned trickle down effect has to be reviewed so that we can review terms of engagement on social reforms and electoral reforms.

For CSO, we should put our minds on the critical areas that we still need to address. The reform momentum on electoral and other battles should have been subject of internal maintenance, team and trust building, and conflict resolution. It will be tested again in 2016, many times before that and many times after that. We should continue evaluating and adopting based on assessment on our strengths and weaknesses.

I fervently hope that through our collective effort, we make the 6 years, not like Camelot, but a definite period of permanent reforms for the nation - solid building blocks for broader, victorious and effective reform measures.

**D. Dean Tony La Vina  
Ateneo School of Government**

The following is the speech delivered by Dean Lavina:

“In the real world in governance and politics, we have produced a number of reforms.

In the environment sector, it is upsetting and challenging to listen to Sec. Mar Roxas, speaking on coal plants not based on facts. I have a lot of respect to Sec. Roxas and his overall politics, but if someone who is to discuss the issues, it will be very difficult to agree with what he said. VP Binay is a strong ally on climate change and disaster

mitigation. The balance on the overall politics should focus on the goal on graft and corruption.

I would say that let us distinguish the priorities of the executive branch. Budget has always been the priority. Thus the opportunity for reform with the pork barrel issue.

While we celebrate the successes, the stakes has suddenly become higher. People actually believe that they have abolished it completely. Anything short of that is not acceptable of the people.

Of all the budget reforms, you've actually pushed the envelope a lot, but now we are defending the system. Let us be strategic about what we want to achieve. As I have said in the past, I am happy that the budget is passed every year. The re-enacted budget really breeds a lot of corruption.

The question then to everyone is what can be done. For the legislative and executive, there is a lot. On the pork barrel issue, we all want blood and victory now. A lot of us want to focus on criminal persecution, but any lawyer knows that even if this system works in the right way, you may not get prosecution for quite a time. Just looking at the array of forces involved in the issue makes it very challenging. The three ladies I am cheerer for them but I am also wary on what we are up against.

What are the potential things we should do on the legislative side? The FOI, that's doable. You can win that. That is the more winnable part in this next year or two to fight corruption front. In the judiciary, there is no choice but work in the long-term. It is not easy, it is not a fun track to be in, especially in terms of compensation. We have a judiciary that is continually challenged.

Let me go now to strategies. I think we need to be guided by some principles in strategies to push for the reform agenda. Let us be issue specific to get things done. Of all the environmental issues, the main thing that concerns me now is the coal fired plant proliferation. It will cause economic issues for the next 20 years, but the decision on coal plant cannot be reduced. As far as I am concerned, if we are not able to stop this energy decision that the government is making, it will have tremendous effects.

In the strategies we choose, we should make distinction on what can we do inside the government as well as those in the outside. We need to figure an inside and outside strategy. We have to have technical strategy to create options. While making sure that we have thought of the politics. We should identify long-term strategy and short-term strategy.

On allies, it is very clear who our allies are in the executive and legislative branch. We should make it a point to cheer for them. We owe it to our champions who live very difficult lives, 24 hours, 7 days a week. Our allies may not only be in government, there might be allies that we need to reach out to.

Particularly in 2016. I am going to echo what Mon said. It is important to create options for 2016, if we do not do this, then we will have a very limited sets of choices. We should encourage what Chito said, crossover to create options, within the existing parties and outside.”

#### **Question and Answer:**

- ***On the question on Charter Change as part of the reform agenda, that there is clamor – business, liberal party supporting it. Even in the shift into parliamentary form of government. But under Aquino, there has been a reversal of position. Senate and House have been calling for it, but the President does not want it to happen and on the need to change economic provisions to improve investment climate:***

Usec. Gascon: Charter change is important in the long list of the reform agenda. But it is important to have constituency. There is no traction because all efforts on charter change were suspects. The purpose of past administrations was self perpetuation. Political and electoral party reform bill are essential and important and must be managed differently in a highly politically charged environment. This should be part of the open discussion. But Aquino administration to put it as priority may not be realistic. There are other reforms to be talked about. It is possible to talk about it but not front and center. There are other reforms to prioritize. It is good that there are enough advocates championing it. There are sectors who are serious about it. It is possible that this should be included in the reforms but we have to have priorities.

Mr. Casiple: The number one factor why there is not charter change is Pnoy does not want it. The MILF negotiations are hinting on changing the Constitution. But this has to be tested yet. .

- ***On the sources and drivers of growth, where the source of political development are elite dominated and how can the people organize in order to maximize development drivers for political change:***

Usec. Gascon: On the driver for the economy in the leapfrogging of the economy, reinvest in old industries and tap into human resources. Invest in value added services and new technologies. We need to help create new strategies to political engagement given the realities that our people face.

Mr. Casiple: On the economic source for political development, a concern is the increase of OFW sector. Almost in every local contest, OFW money is a decisive factor. An example is the run of Among Ed Panlilo, it was well funded by OFWs. If there is economic growth or supremacy, it goes after political changes. I hope that can translate into political clout. 2013 Elections showed limits of reform of the political unit.

- ***On the issue of encouraging CSO leaders, activist and advocates to strengthen political parties and at the same time protect independence of from government:***

- Usec. Gascon: I agree to protect the independence of CSOs from possible cooptation. There is a balance between civil society advocates and political party advocates. The Liberal Party is trying to open up to civil society, by organizing Mamayang Liberal. We should fight against chaleco politicians. We encourage citizens to join our party because you see, we must be doing something right. All indications, of the mainstream, Liberal Party has the fewest of those alleged of corruption. We need more activists in our ranks. Most of you from the civil society do not crossover. I understand the misgiving. But consider the journey.

Mr. Casiple: Civil society will have to become political. Whatever you are questioning, it comes down to policies.

Ms. Hontiveros: Joining Akbayan is on individual basis. Operationally, member-organizations have autonomy. Nothing we ever do, even in civil society, is not political. It is an exercise of power of the citizenry.

- ***On the preparations of LP beyond 2016 and the efforts on sustainability and institutionalizing reforms***

Usec. Gascon: The instructions come from the President. We have some constraints as a ruling party. Criteria proceed outside. We need to engage those who will make the decisions. There is a need to participate in a process that will bring you the process where you can make the decisions.

Mr. Casiple: Liberal Party is challenged. There might be no strong showing by the Liberal Party post 2016.

- ***On environmental governance and what happened to CSO participatory governance:***

Dean La Vina: On a personal basis, President Aquino is interested on sustainable development. But it doesn't appear that he can move on that issue. We do know that the President has given decisions on the logging ban and the mining industries. These players have lost their game in the current administration. The only way is to stand up against policies that are wrong is to continually push for reforms on these issues.

Usec. Gascon: It is a good thing the environmentalists are engaging in green politics. I laud the strong green party for their good efforts. The next challenge is to develop the agenda and engage. There are many opportunities and avenues. More generally speaking explore building coalitions for change and institutionalize civil society engagements on the reform agenda.

- ***On celebrating milestones, what are the next milestones we should not miss and what how do we achieve them:***

Dean La Vina: I like to celebrate milestones. Celebrating victories is important But we have to celebrate it at the time it is won. No matter what, see the good things that are happening in government. Issues come up in every year. It is best to celebrate victories while they happen.

Usec. Gascon: Ms. Hontiveros presented a good doable roadmap and the results of the conference must reflect on that. Keep on pushing and working on the process of reform.

- ***On the role of the Political Affairs Office of the President:***

-Usec. Gascon: The mandate of the Political Affairs Office is to keep and maintain coalition of reform for the President. It is involved on liaison and dialogue. We are not an agency, but a support office. We are a support group. We serve as bridge between those on the ground and those who make the decisions in the different areas. Ronald Llamas is a good channel. We just keep reform momentum going. We take advantage of opportunities to pursue reforms.