

ASIAN DEVELOPMENT BANK

TAR: PHI 34088

TECHNICAL ASSISTANCE

TO THE

REPUBLIC OF THE PHILIPPINES

FOR

**REGIONAL CAPABILITY BUILDING AND GOVERNANCE FOR AN
EXPANDED AUTONOMOUS REGION OF MUSLIM MINDANAO**

November 2002

CURRENCY EQUIVALENTS

(as of 22 October 2002)

Currency Unit	–	Peso (₱)
₱1.00	=	\$0.18
\$1.00	=	₱53.13

ABBREVIATIONS

ADB	–	Asian Development Bank
ARMM	–	Autonomous Region of Muslim Mindanao
CIDA	–	Canadian International Development Agency
LGSP	–	Local Government Support Program
LGU	–	Local Government Unit
MMA	–	Muslim Mindanao Act
ODA	–	overseas development assistance
ORG	–	Office of the Regional Governor
RA	–	Republic Act
REA	–	regional executive agenda
RLA	–	Regional Legislative Assembly
RPDO	–	Regional Planning and Development Office

NOTES

- (i) The fiscal year (FY) of the Government and its agencies ends on 31 December.
- (ii) In this report, "\$" refers to US dollars.

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I. INTRODUCTION

1. The Autonomous Region of Muslim Mindanao (ARMM) is midway into its fourth administration since being created by Republic Act (RA) 6734 in 1989. The current administration recently released the Regional Executive Agenda for Peace and Development, based on fundamental political, economic, and institutional reforms. Subsequently, the Government of the Philippines requested Asian Development Bank (ADB) assistance during the 2002 Country Programming Mission for supporting advisory technical assistance (TA) for regional capability building and governance in the ARMM. A fact-finding mission was fielded in September 2002 and reached broad understanding with the Government on the goal, purpose, scope, implementing arrangements, cost estimates, financing plan, and terms of reference for the TA. The TA framework is attached as Appendix 1.¹

II. ISSUES

2. The ARMM continues to be plagued by a high incidence of poverty, underdevelopment, and inefficient and ineffective service delivery to constituents. The five provinces of the ARMM were among the six lowest ranking provinces in the country in terms of the human development index, measured in 1997.² The incidence of poverty in ARMM was 68.6% in 2000, compared to 42.2% for the rest of Mindanao and 34.2% for the country as a whole. The ARMM performs worse on component measures such as literacy rate, infant mortality, maternal mortality and access to safe water. The ARMM has underdeveloped infrastructure, with only 50% of villages having access to electricity and only 62% with access to potable water. The ability of the region to generate investment has been falling since 1997, as has agricultural production, which is the mainstay of the rural economy. Continued security concerns arising from the activities of terrorist groups and unpredictable peace negotiations between Government and the Moro-Islamic Liberation Front have further dampened investment and trade.

3. Although the ARMM remains an integral part of the Philippines, and the President exercises supervision over the regional governor, RA 6734 (1989), as amended by RA 9054 (2000), provides the basis for autonomy and governance in the region giving wide-ranging powers and functions to the ARMM regional government. These include its own executive, legislative, and judicial powers to impose and collect certain taxes and to exercise powers for the proper governance and development of the ARMM. In line with this, the ARMM government enacted a regional local government code (1993) to further define and enhance autonomy and governance within the region, particularly by local government units. Neither of these founding laws is well understood by LGU officials or citizens, nor fully implemented. For example, service delivery responsibilities have not been fully devolved and powers and functions remain vested in the regional government. The local government code has not been updated to reflect RA 9054, nor is it widely implemented, with most LGUs still using the national Local Government Code of 1991. One reason cited for the incomplete implementation of the legal framework is the inexperience of officials in both the regional government and the Regional Legislative Assembly (RLA) in translating the framework into policies and enabling regional legislation. The ARMM regional government is constrained in implementing its mandates under these laws by insufficient financial resources, weak institutions and processes, and limited human resource capacity.

¹ The TA first appeared in *ADB Business Opportunities* (Internet edition) on 24 August 2002.

² Presentation on the Regional Executive Agenda, by Executive Secretary Nabil Tan, at the Donor Forum on Capacity Building for ARMM 31 July 2002. Statistics are drawn from the National Statistics Office.

4. The regional government currently allocates 86% of its budget to cover personnel costs, squeezing out much needed development expenditures. However, this expenditure does not translate into service delivery owing to inefficiencies in systems and procedures for human resource management, insufficient focus on performance, and a tendency for appointments to be politically influenced. In addition, the functions, responsibilities, and capacity building needs of staff should be determined against a revised organizational structure, based on the mandated responsibilities of the regional government under law. The regional agencies have limited skills and experience in project identification, planning, project implementation, and monitoring and evaluation, which also limits their ability to absorb overseas development assistance (ODA). Linkages between regional agencies and local government units and with national agency counterparts are weak, hindering efficient service delivery and coordination on policies and programs. Consequently the regional executive agenda emphasizes the need to professionalize the regional bureaucracy, introduce a more performance-oriented public administration, and enhance capacity to enable true autonomy and more efficient service delivery.

5. The regional government receives approximately 97% of its budget as national government transfers, despite the generous provisions under RA 9054 for revenue sharing. These provisions include the retention of 70% of internal revenue taxes generated in the region, plus an additional proportion of the national Government share of taxes on natural resources and increases in value added tax collections. The regional government enacted its own local revenue code to operationalize these powers, but it is not fully implemented. Most LGUs fall into the lowest two income classes and depend on national government transfers for 90-95% of their revenues. A primary source of local government revenue is the real property tax, but a thorough assessment of this has not been carried out for the past 8 years. The ability of local government to generate other sources of income, and to attract investment, is limited by security concerns, low economic development, and weak institutional systems and processes. In addition, low awareness and compliance with tax laws limits collections.

6. The regional executive agenda has peace and confidence building at its core, and identifies clear strategic directions and policy priorities for the regional government. These include (i) the delivery of basic services, notably education, health, and nutrition and social protection; (ii) livelihood projects for marginalized communities; (iii) modernization of agriculture and fisheries; (iv) the provision of strategic infrastructure; (v) the restructuring and reorganization of the ARMM bureaucracy to create a more development-oriented, results-driven government machinery; (vi) sustainable fiscal administration through strengthened revenue policies and administration; (vii) acceleration and improvement of implementation of ODA projects focused on institutional and capacity building, human resource development, and governance; and (viii) building effective partnerships.

7. The ARMM is receiving significant assistance from international development partners to implement priority reforms for institutional strengthening and capacity building. The second phase of the ARMM Social Fund for Peace and Development is expected to commence early in 2003, for 5 years funded by the World Bank (\$34million) and Canadian International Development Agency (CIDA) (\$10 million). It focuses on sustaining peace-building through community-driven development. CIDA-LGSP is providing further capacity building assistance to 23 LGUs within the ARMM. Extensive consultations have been held between ADB, the ARMM government, the World Bank, and CIDA-LGSP to ensure that assistance is complementary. This TA will focus on capability building at the regional level to enhance governance. Other ADB assistance in the ARMM focuses on enhancing service delivery in specific sectors, such as education.

III. THE TECHNICAL ASSISTANCE

A. Purpose and Output

8. The long-term goal of ADB's assistance is to enhance decentralization and good governance in the ARMM through institutional strengthening, capacity building, and increased public participation. The purpose of the TA is to raise the capability of the ARMM in public administration, revenue generation, and good governance. This will contribute ultimately to the enhancement of service delivery in this impoverished region.

9. The TA consists of four components: (i) policy and legislative review, (ii) human resource development, (iii) revenue analysis and enhancement, and (iv) public awareness and communications.

B. Methodology and Key Activities

10. **Component 1: Policy and Legislative Review.** The legal framework within the ARMM has not been reviewed or amended to take account of the expansion of the region and other new provisions under the revised RA 9054. Likewise, a thorough assessment of the implementation experience of the regional local government code has not been conducted. A comprehensive review of both laws is necessary to (i) evaluate if the provisions adequately support the regional autonomy of ARMM, (ii) ensure consistency between the two laws, (iii) identify provisions of the regional local government code that require amendment, (iv) provide the basis for clarifying the roles and functions of regional government, and (iv) help assess capacity within the regional government to meet its mandates. Assistance will be given in drafting necessary amendments. The policy and legislative review phase will precede other activities as it sets the framework for other TA activities, although drafting of legal amendments will be undertaken after completion of component 3.

11. Both the regional government and local government units are advocating greater devolution of service delivery functions within the ARMM. This is supported by executive order 125 (2002) of the national Government, which enhances the devolution of powers and functions of national Government agencies to the ARMM, particularly those related to implementation of ODA projects. Policy recommendations on enhancing devolution and service delivery will be based on (i) an assessment of implementation of the local government code in ARMM; and (ii) case studies of Basilan and the City of Marawi, which were operating under the national local government code, before joining the ARMM in 2000.

12. The Office of the Regional Governor (ORG) produced the Executive Agenda for Peace and Development, which sets the strategic directions of the administration and identifies priority reforms. However, to give life to these priorities they need to be translated into a comprehensive action plan, that sets policy priorities, identifies an appropriate sequencing of reforms, and sets interim and long-term performance targets. Assistance will be given to prepare the action plan and to draft enabling laws. The ORG's capacity for policy analysis, policy formulation, and advocacy will be strengthened through this process. Assistance will be provided to both ORG and permanent RLA staff to draft priority bills.

13. **Component 2: Human Resource Development.** The regional government in conjunction with other development partners is reviewing its organizational structures, processes, and procedures to enhance its ability to meet its mandates under RA 9054 and to increase transparency and accountability. To complement this, a thorough assessment will be done of the current human resource capacity including the systems and procedures for recruitment, promotion, personnel management, and capacity building. The TA will provide recommendations on (i) a comprehensive human resource development plan, taking into consideration the legal mandates clarified in component 1; (ii) organizational restructuring; (iii) the priorities of the Regional Executive Agenda; and (iv) measures to reduce personnel costs. Recommendations will focus on measures to enhance the professionalism and performance orientation of the bureaucracy. The capacity of the RLA to draft enabling legislation will also be assessed, as many members of the RLA are newly elected.

14. An essential component of the human resource development plan will be an assessment of the capacity building requirements of all regional agencies and RLA legal staff. In particular capacity building will focus on (i) building capacity within ORG to formulate, analyze, and advocate policies; (ii) building capacity in the proposed ODA unit within ORG to coordinate, manage, and monitor ODA projects; (iii) strengthening regional agencies' capacity for project identification, planning, implementation, and evaluation; and (iii) strengthening RLA's capacity for drafting legislation. Training programs and materials will be designed, taking into account programs available through other training providers such as the Local Government Academy of the Philippines and local academic institutions, in order to enhance sustainability.

15. **Component 3: Revenue Policy and Administration.** As highlighted, RA 9054 provides significant opportunities for the ARMM to generate revenues, but these are not being fully exploited. Policy studies will be undertaken to evaluate the revenue generation capacity of the ARMM and to identify new avenues for enhancing revenue mobilization. The scope of the studies will be based on information from component 1, but will include taxes, borrowing, issuing bonds, and other revenue sources. The studies should also identify the costs associated with revenue-raising measures, the effectiveness of each revenue source, and sustainability. Current procedures and systems for revenue administration will be reviewed to identify weaknesses and gaps. These reviews will serve as inputs to the review of the local revenue code. A comprehensive assessment of the ARMM Local Revenue Code is required to make it consistent with RA 9054, strengthen provisions on revenue administration, and incorporate newly devolved and soon-to-be devolved revenue generating agencies such as the Regional Port Management Authority.

16. The primary tax source of LGUs is the real property tax, yet real property assessments in the ARMM were last updated about 8 years ago. An assessment of the real property tax and its administration will be conducted, and recommendations made as to how the calculation and administration can be improved.

17. **Component 4: Public Awareness, Communications and Dissemination.** There is a low level of awareness by officials and the public of RA 9054, the regional local government code, and the Local Revenue Code, and consequently of the rights and responsibilities of all stakeholders in terms of these laws. The regional executive agenda should be widely disseminated to generate public support for the reforms being advocated. The TA will develop accessible information materials for the public regarding their rights and responsibilities and will undertake consultation and dissemination activities with stakeholders. These activities will assist in the development of a strategy for enhancing public awareness and consultation on policy

issues. Assistance will be given to the regional government to develop a taxpayer education campaign, to encourage the payment of correct taxes.

C. Cost and Financing

18. The total cost of the TA is estimated at \$860,000 equivalent, comprising \$225,000 in foreign exchange and \$635,000 equivalent in local currency. ADB will provide a grant of \$600,000 to cover the entire foreign exchange cost and \$375,000 equivalent of the local currency costs. The TA will be financed on a grant basis by ADB's TA funding program. The Government will finance \$260,000 equivalent of the local costs, through the provision of office accommodation and facilities, use of equipment, administrative support, remuneration and per diem of counterpart staff, counterpart staff travel, and staff training. A detailed cost estimate is provided in Appendix 2.

D. Implementation Arrangements

19. The Executing Agency will be the ARMM Regional Government. The Regional Planning and Development Office (RPDO) will be the implementing agency for day-to-day supervision of the TA, under the supervision of the Director, RPDO. RPDO will provide logistical support to the consultants and facilitate access to information. Relevant national government agencies, specifically the Department of Finance, the National Economic Development Authority, the Department of Budget and Management and Department of Interior and Local Government, will be consulted as necessary to address inter-agency issues and to ensure policy consistency.

20. The TA is expected to commence in January 2003 and be implemented over 12 months. It will require inputs of approximately 8 person-months of international and 35 person-months of domestic consultants with expertise in public administration, local government, taxation and fiscal policy, communications, human resource development, and legislation drafting. Using the simplified technical proposal format and quality and cost-based selection, the consultants will be engaged by ADB as a team in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of domestic consultants. The TA consultants will be based in Cotabato City and will be required to travel to other parts of the ARMM as necessary. Equipment for use of the consultants will be purchased in accordance with ADB's *Guidelines for Procurement*, and transferred to RPDO on completion of the TA. The proposed outline terms of reference for the TA consultants are included in Appendix 3.

IV. THE PRESIDENT'S DECISION

21. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$600,000 on a grant basis to the Government of the Philippines for Regional Capacity Building and Governance for an Expanded Autonomous Region of Muslim Mindanao, and hereby reports this action to the Board.

TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<p>Goal</p> <p>To enhance decentralization and good governance in the Autonomous Region of Muslim Mindanao (ARMM) through institutional strengthening, capacity building, and increased public participation.</p>	<ul style="list-style-type: none"> ▪ Incidence of poverty reduced in line with millennium development goals ▪ Pro-poor economic and social policies enacted ▪ Enhanced devolution of service delivery mandates to local government units (LGUs) ▪ Improved human development index ranking for all 5 provinces ▪ Proportion of overseas development assistance for basic social services increases from 2000 baseline 	<ul style="list-style-type: none"> ▪ National Statistics Office of the Philippines' poverty data ▪ Copies of policies prepared by the Office of the Regional Governor ▪ ADB project performance audit ▪ Copy of regional development plan 	
<p>Purpose</p> <p>To raise the capability of the ARMM in public administration, revenue generation, service delivery, and good governance.</p>	<ul style="list-style-type: none"> ▪ Regional government dependence on national Government transfers reduced by 10% in 5 years ▪ LGU revenue collections from own sources increases by 10% in 5 years ▪ Proportion of budget allocated to personnel decreases by 15% in 5 years ▪ Access to services at village level increases from 2000 baseline 	<ul style="list-style-type: none"> ▪ Copies of executive orders, circulars, and Muslim Mindanao Autonomy Act ▪ Reports of the Regional Planning and Development Office ▪ Commission on Audit reports or audited financial statements ▪ Reports from Departments of Budget and Management, and Finance ▪ Copy of LGU development plans ▪ Asian Development Bank (ADB) project completion report 	<ul style="list-style-type: none"> ▪ Continued commitment and support of national government agencies ▪ Participation by civil society and other stakeholders ▪ The peace and order situation is stabilized

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
		<ul style="list-style-type: none"> ▪ Household surveys by National Statistics Office 	
<p>Outputs</p> <ul style="list-style-type: none"> ▪ Policies and related legislation on effective devolution developed ▪ Tools and policies for improving human resource capacity of regional government and Regional Legislative Assembly (RLA) staff ▪ Tools and policies for enhancing revenue generation ▪ Improved capacity for policy formulation and dissemination ▪ Communications and dissemination strategy developed 	<ul style="list-style-type: none"> ▪ Relationships between regional government, national agencies, and LGUs clarified ▪ Necessary amendments to the ARMM Local Government Code submitted to RLA ▪ Assessment of capacity building requirements completed by July 2003 ▪ Human resource development plan completed ▪ Training programs and materials designed ▪ Assessment of revenue generating capacity completed ▪ Amendments to the ARMM Local Revenue Code submitted to RLA ▪ Recommendations for improving real property tax completed ▪ Priority bills on regional executive agenda submitted to RLA ▪ Public information materials on rights and responsibilities prepared ▪ Strategy for information dissemination 	<ul style="list-style-type: none"> ▪ Government reports ▪ Draft legislation enacted by RLA ▪ TA quarterly progress reports ▪ ADB review missions ▪ Technical Assistance (TA) draft final report ▪ Attendance by provincial governors and LGUs at regional policy and development board meetings ▪ ARMM planning needs integrated with national planning 	<ul style="list-style-type: none"> ▪ National government agencies will continue to support further devolution to the ARMM ▪ Adequate resources are available to support continued staff development ▪ ADB and other agencies will continue to provide external capacity building assistance for LGUs ▪ Newly trained staff are retained within regional and local government units ▪ LGUs implement revenue generating, and revenue collection activities ▪ LGUs plan to use enhanced revenues to implement infrastructure and social service development projects

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
	developed <ul style="list-style-type: none"> ▪ Taxpayer education campaign conducted 		
Activities <ul style="list-style-type: none"> ▪ Review of framework legislation ▪ Review Local Government Code implementation ▪ Recommend policies and draft amendments to strengthen devolution and implementation of the Local Government Code in ARMM ▪ Identify processes to improve coordination with LGUs and national government authorities ▪ Comprehensive human resource assessment for all ARMM departments ▪ Develop human resource development plan, including systems and procedures to improve performance ▪ Identification of priority capacity building for each department ▪ Assess capacity and performance of the RLA ▪ Develop and implement training program for legal drafting staff 	<ul style="list-style-type: none"> ▪ Enhanced policies for devolution drafted ▪ Draft amendments to local government code ▪ Training plan ▪ Participation in capacity building program ▪ Increased knowledge and skills of staff ▪ improved systems and tools for project implementation ▪ Enhanced knowledge and skills of RLA members and staff ▪ Amendments to Revenue Code drafted ▪ Reports used for revenue policy planning and formulation 	<ul style="list-style-type: none"> ▪ TA inception report ▪ TA quarterly progress reports ▪ ADB review missions, field visits, and workshops ▪ Capacity building plan ▪ Legislation drafted by RLA ▪ Training manuals and materials ▪ Workshop reports 	<ul style="list-style-type: none"> ▪ Resources are available to support ongoing staff development and capacity building ▪ Support from RLA members ▪ Active participation by civil society groups

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<ul style="list-style-type: none"> ▪ Review the ARMM Revenue Code ▪ Conduct policy studies on revenue generation capacities and options ▪ Review real property tax system ▪ Assess tax administration systems and procedures ▪ Conduct consultations on the regional executive agenda ▪ Produce accessible materials on legal framework ▪ Develop taxpayer education program ▪ Develop strategies and systems for public consultation, access to information, and feedback 	<ul style="list-style-type: none"> ▪ Improved generation and collection of own revenue ▪ Public support for regional executive agenda, Civil Society Organization involvement in regional executive agenda implementation and monitoring ▪ RLA and policy support for regional executive agenda ▪ Dissemination reaches 80% of target audience 	<ul style="list-style-type: none"> ▪ Audited financial statements 	<ul style="list-style-type: none"> ▪ Regional government staff actively cooperate with TA consultants ▪ Peace and order situation permits the fielding of consultants
<p>Inputs</p> <ul style="list-style-type: none"> ▪ Consultants <ul style="list-style-type: none"> ▪ International: 8 person-months ▪ Domestic: 35 person-months ▪ Equipment and supplies ▪ Training, capacity building, and dissemination ▪ Administrative and support costs including contingencies ▪ Counterpart funds 	<ul style="list-style-type: none"> ▪ \$420,000 ▪ \$15,000 ▪ \$90,000 ▪ \$75,000 ▪ \$255,000 	<ul style="list-style-type: none"> ▪ TA quarterly progress reports ▪ TA accounts 	<ul style="list-style-type: none"> ▪ Qualified TA consultants are available and willing to undertake assignment ▪ RLA staff will cooperate with TA consultants ▪ LGU counterpart personnel are available and will cooperate with TA consultants

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Foreign Exchange	Local Currency	Total Cost
A. Asian Development Bank Financing^a			
1. Consultants			
a. Remuneration and Per Diem			
i. International Consultants	180.0	0.0	180.0
ii. Domestic Consultants	0.0	200.0	200.0
b. International and Local Travel	20.0	10.0	30.0
c. Reports and Communications	0.0	10.0	10.0
2. Equipment	0.0	15.0	15.0
3. Miscellaneous Administration and Support Costs	0.0	10.0	10.0
4. Public awareness and dissemination	0.0	20.0	20.0
5. Training and capacity building	0.0	70.0	70.0
6. Contingencies	25.0	40.0	65.0
Subtotal (A)	225.0	375.0	600.0
B. Government Financing			
1. Office Accommodation and Transport	0.0	90.0	90.0
2. Remuneration and Per Diem of Counterpart Staff	0.0	100.0	100.0
3. Workshops and training	0.0	35.0	35.0
4. Other Administrative Expenses	0.0	35.0	35.0
Subtotal (B)	0.0	260.0	260.0
Total	225.0	635.0	860.0

^a Financed by the TA funding program.
Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. A multidisciplinary team will be engaged to provide 8 person-months of international and 35 person-months of domestic consulting services. The team will provide expertise in human resource development, capacity building, policy formulation, legislation drafting, local government finance, public administration and decentralization, and public relations. In addition to the reports required under each component, the consultants will produce (i) an inception report at the end of the first month, including a detailed workplan for the remainder of the technical assistance (TA); (ii) quarterly progress reports on TA implementation; (iii) draft final report within 2 months of the completion of TA activities; and (iv) a final report incorporating comments of Government and the Asian Development Bank (ADB) thereafter.

A. Policy and Legislative Review

2. This component aims to review the legal and policy framework and to make recommendations for amendments, particularly to strengthen service delivery and implement the local government code. The consultants' responsibilities include

- (i) review of the Republic Act 9054 and the Autonomous Region of Muslim Mindanao (ARMM) local government code, to ensure consistency, clarify the functions and mandates of the regional government and identify and draft priority amendments to strengthen devolution;
- (ii) assess the current implementation of the local government code;
- (iii) undertake case studies of the experiences of Basilan and Marawi City;
- (iv) advise and assist in developing policies to support the regional executive agenda, assisting in establishing a framework for future practice;
- (v) help develop the regional executive agenda into a comprehensive action plan for reforms;
- (vi) advise and assist the proposed overseas development assistance (ODA) unit in developing policies to improve use of ODA;
- (vii) prepare policy recommendations for strengthening effective decentralization in the ARMM; and
- (viii) help draft bills in support of the regional executive agenda, to be presented to the Regional Legislative Assembly.

B. Human Resource Development

3. This component aims to assess the current human resource capacities and constraints of the regional government agencies. It will assess current procedures and practices in personnel recruitment, management, assessment, and capacity building. The human resources plan will be developed based on the organization development review carried out by the ARMM government and other development partners. The consultants' responsibilities will include:

- (i) carrying out a human resource assessment of ARMM government's relevant institutions, against the existing legal framework and the requirements of the regional executive agenda, in close coordination with the Government team;
- (ii) clarifying the mandated functions, authorities, and responsibilities of the regional government as a basis for human resource planning;
- (iii) reviewing current staff functions and procedures in regional agencies, particularly in policy formulation, project planning, implementation, monitoring, and evaluation; and identifying capacity building needs;

- (iv) preparing, with the assistance of the Government team, a detailed human resource plan that includes new job profiles, a personnel management and career development system, and a capacity-building training plan for strengthening the reorganized ARMM to cope with its tasks and responsibilities;
- (v) providing a comprehensive review of the absorptive capacity for ODA and preparing a detailed human resource assessment and human resource development plan for the proposed ODA unit;
- (vi) assessing the needs and preparing a capacity building plan for the ARMM government, including but not limited to financial and fiscal planning, delivery of services, implementation of development projects, and ODA administration and monitoring.;
- (vii) reviewing and assessing capacities within the Office of the Regional Governor in policy analysis, formulation, and advocacy and recommending how to strengthen this capacity;
- (viii) reviewing of the capacity building needs of the Regional Legislative Assembly and preparing a training program;
- (ix) liaising with local training providers on training programs and implementing priority capacity building; and
- (x) developing appropriate training materials, manuals, and guidelines.

C. Revenue Policy and Administration

4. The component is intended to provide a comprehensive review of revenue policies and administration to recommend policies, tools, and systems for enhancing regional resource mobilization. The consultants' responsibilities will include

- (i) assessing the revenue generation capacity of the ARMM with the focus on its legal basis and mandates, systems, procedures, capabilities, and practices;
- (ii) evaluating the possibility of enhancing revenue collection and identifying alternative long-term sources of financing, including the issuance of bonds, notes, and others;
- (iii) providing an assessment of the costs of proposed revenue raising measures, of tax expenditures, of debt service capacity and other issues;
- (iv) providing a comprehensive review of opportunities to use ODA;
- (v) reviewing the ARMM Revenue Code; preparing amendments taking into consideration the coverage of Marawi City and Basilan into the expanded ARMM, and to be applicable to newly devolved and soon-to-be devolved revenue generating agencies like the Regional Port Management Authority (RPMA);
- (vi) assessing the application and administration of the real property tax (for LGUs); and
- (vii) evaluating systems and procedures for revenue administration and recommending reforms, with particular emphasis on harnessing technology-based solutions.

D. Public Consultation, Awareness Campaign, and Dissemination

5. This component aims to enhance the awareness of LGU officials and the public of the RA 9054, the Local Government Code, and the ARMM revenue code, and the rights and responsibilities of all stakeholders under these laws. It also aims to raise public awareness on the priorities and strategic directions of the regional executive agenda, and to institutionalize

public consultation on priority reforms to be implemented to enhance regional development and sustain peace and order. The consultants' responsibilities will include

- (i) developing and implementing a comprehensive public awareness and education campaign on the objectives and major provisions of the three laws and the regional executive agenda;
- (ii) undertaking a stakeholder analysis to identify the most appropriate strategies for communicating with different stakeholder groups, and developing an appropriate communications and awareness strategy;
- (iii) holding a series of consultation workshops with stakeholders, to pilot test some of the strategies identified in the communications strategy;
- (iv) developing mechanisms to facilitate public participation in monitoring implementation of reforms identified in the regional executive agenda; the consultants will develop a strategy for public consultation;
- (v) preparing dissemination materials that are accessible to the general public; developing materials that provide information on the laws and on the rights and responsibilities of LGUs and the public under these laws that are easily understandable; and developing policy and methods for disseminating the materials and recommending systems for enhancing access to information and facilitating stakeholder feedback; and
- (vi) helping to prepare and implement a tax education campaign to increase tax awareness and create transparency in the use of funds.

E. General Responsibilities of The Consultants

6. The general responsibilities are as follows:

- (i) assist the ADB and the Government with the logistics for TA implementation; coordinate the activities with other development partners and nongovernment organizations; and facilitate the government team and ADB participation and inputs throughout the TA;
- (ii) ensure that adequate input and participation by the government team will be provided; ensure continued dialogue and transfer of expertise to the government team, to help strengthen the team skills and capacity, and to ensure maximum quality of the TA outputs;
- (iii) prepare reports, including but not limit to, the inception report, interim report, draft final and final report, monthly progress report, and reports identified under each component; and
- (iv) organize meetings and workshops, including a wrap-up seminar to be attended by the government TA team, the members of the steering committee, relevant high-level representatives of ministries and agencies concerned, and other funding agencies; the aim of the seminar is to present the overall outcome of the TA and its draft final report, and allow for its dissemination, and for the appropriate recognition of the

efforts undertaken; during the seminar, the progress made and the recommendations presented will be examined and appropriate follow-up discussed.