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Abbreviations

ADB	- Asian Development Bank (or "the Bank")
ANGOC	- Asian NGO Coalition for Agrarian Reform and Rural Development
ANIAD	- Antique Integrated Area Development
AF	- Associations of Foundations
AFTA	- ASEAN Free Trade Area
APEC	- Asia Pacific Economic Cooperation
BARC	- Barangay Agrarian Reform Council
BIR	- Bureau of Internal Revenue
CARL	- Comprehensive Agrarian Reform Law
CDA	- Cooperative Development Authority
CIDA	- Canadian International Development Agency
CMP	- Community Mortgage Program
COA	- Commission on Audit
CODE-NGO	- Caucus of Development NGO Networks
CPAR	- Congress for a People's Agrarian Reform
DA	- Department of Agriculture
DAR	- Department of Agrarian Reform
DENR	- Department of Environment and Natural Resources
DMC	- Developing Member Country
DOF	- Department of Finance
DOH	- Department of Health
DOLE	- Department of Labor and Employment
DSWD	- Department of Social Welfare and Development
DTI	- Department of Trade and Industry
FDC	- Freedom from Debt Coalition
FFF	- Federation of Free Farmers
FMLA	- Forest Management Lease Agreement
FPE	- Foundation for the Philippine Environment
GATT	- General Agreement on Tarriffs and Trade
HUDCC	- Housing and Urban Development Coordinating Council
IFAD	- International Fund for Agricultural Development
LGC	- Local Government Code
LGU	- Local Government Unit
LRC/KSK	- Legal Rights and Natural Resources Center
MCIHDC	- Multisectoral Committee on International Human Development Commitments

MOA	- Memorandum of Agreement
MTPDP	- Medium-term Philippine Development Plan
NACFAR	- National Coalition for Fisheries and Aquatic Reform
NAFC	- National Agriculture and Fisheries Council
NASSA	- National Secretariat for Social Action
NATCCO	- National Confederation of Cooperatives
NCRFW	- National Commission on the Role of Filipino Women
NCSD	- National Council for Social Development
NEDA	- National Economic and Development Authority
NGO	- Nongovernmental Organization
NGOWG	- NGO Working Group on the Asian Development Bank
NHMFC	- National Home Mortgage and Finance Corporation
ODA	- Official Development Assistance
OECD	- Organisation for Economic Co-operation and Development
PACAP	- Philippine-Australian Community Assistance Programme
PARC	- Presidential Agrarian Reform Council
PBSP	- Philippine Business for Social Progress
PCHRD	- Philippines-Canada Human Resource Development Programme
PCSD	- Philippine Council on Sustainable Development
PDAP	- Philippine Development Assistance Programme
PHILDHRRRA	- Philippine Partnership for the Development of Human Resources in Rural Areas
PHILSSA	- Partnership of Philippine Support Service Agencies
PMO	- Project Management Office
PO	- People's Organization
POPCOM	- Population Commission
PRRM	- Philippine Rural Reconstruction Movement
RA	- Republic Act
RDC	- Regional Development Council
SDC	- Social Development Committee
SEC	- Securities and Exchange Commission
SOCDD	- Social Development Division
SRA	- Social Reform Agenda
TRIPARRD	- Tripartite Partnership for Agrarian Reform and Rural Development
UNAC	- Upland NGO Assistance Committee
UNCED	- United Nations Conference on Environment and Development
UNDP	- United Nations Development Programme

ADB

A Study of NGOs

Philippines

1999

INTRODUCTION

After the "People Power" Revolution of 1986, nongovernment organizations (NGOs) in the Philippines began to emerge from society's margins and carve a distinct niche in the political life of the country. NGOs have assumed various roles that have gained increasing recognition by both the Government and multilateral agencies. But since NGOs continue to be defined in terms of what they are **not**—i.e., **nongovernment**—the picture is often confused. Also, recent studies of NGOs by external funding agencies tend to examine NGOs only in their functional roles, i.e., as implementing agencies or service delivery agents. By failing to examine the opportunities for cooperation that are not based on projects, they miss the larger picture.

Overview of NGOs

Number and Composition

The records of the Securities and Exchange Commission (SEC) show a total of some 60,000 registered non-stock, nongovernment institutions in 1995. Of this total, 50,000 were NGOs, while the remaining 10,000 were people's organizations (POs). There also are reportedly 35,000 cooperatives registered with the Cooperative Development Authority (CDA).

The above SEC figure, however, includes all registered organizations loosely defined as "nonprofit" and operating outside the government structure. The figure thus includes civic clubs and professional associations, which hardly can be termed as "development-oriented." Estimates of development-oriented NGOs place the figure at 3,000-5,000.

The most comprehensive current listing perhaps is the directory prepared by the Association of Foundations (AF), containing some 1,800 entries. The Caucus of Development NGO Networks (CODE-NGO) is also currently in the process of developing a database of profiles of some 3,000 development NGOs, focused on their project capacities, fields of operation, and mapping by sector and operations. There is a sizeable labor resource (estimated at over 100,000 workers) within the Philippine NGO community.

NGOs vs. POs

POs are grassroots organizations—unions, community associations, primary cooperatives—that function as primary groups, coming together largely on a voluntary basis, although full-time secretariats tend to emerge as POs expand in scope and size. On the other hand, NGOs are intermediate agencies or institutions that tend to operate with a full-time staff complement and provide a wide range of services and programs to POs.

The interaction between NGOs and POs is particularly significant, in that NGOs often see their primary role as building strong, viable, and autonomous POs. NGOs help POs organize for self-reliance by providing various support services, including developing access to resources (organizational, technical, logistic, and managerial), establishing linkages, and advocacy. There is a deep NGO tradition in the Philippines of organizing disadvantaged sectors and communities toward developing greater self-reliance and empowerment. Indeed, the life and evolution of development NGOs are inextricably entwined with POs and people's movements, through providing support functions and professional services within the context of the assumed primacy of POs.

Significant Impact Areas

Development NGOs in the Philippines today find themselves performing a broad range of roles and providing a wide variety of expertise. NGOs focus not only on addressing issues of poverty and governance, but also on building up alternative practices and paradigms of the development visions they advocate. Thus, given the wide range of NGO involvements and differences in perspective, as well as the overall lack of impact evaluations of their work, it is difficult to analyze the specific sectoral areas where NGOs have made their greatest impact.

Table 1 lists those areas in which NGOs have gained public recognition. Column 1 (NGO influence of public policy) refers to government policy areas that NGOs/POs have been able to influence. Column 2 (NGO implementation of public programs) refers to those sectors where NGOs have been tapped by central government agencies, local government units (LGUs), and multilateral and bilateral agencies. The listing is by no means exhaustive.

Table 1: Significant NGO Impact Areas

Public Policy	Public Program
Agrarian Reform Law, Department of Agrarian Reform policies and procedures on beneficiary monitoring, Department of Agriculture pesticides policy	Organization of agrarian reform communities, documentation of land cases, agricultural extension, promotion of integrated pest management, support for postharvest and off-farm activities, agricultural credit
Land tenure systems for the uplands (Integrated Social Forestry, Ancestral Land Domain, Forest Land Management Agreement), indigenous people's rights, Fisheries Code, development of community based approaches for protection of upland and coastal resources.	Integrated social forestry, reforestation, integrated protected area systems management, coastal resources management, wild life conservation, patrolling and enforcement of laws against illegal logging and fishing, sloping agricultural land technology
Environmental impact assessment	Anti-pollution campaigns, pollution cleanup, environmental monitoring
Community Mortgage Program, urban land reform, repeal of anti-squatting law	Delivery of community-based, low-cost housing, organization of urban poor communities, emergency relief operations and rehabilitation, resettlement, post-disaster planning
Children's rights, policies on child labor and prostitution, maternal and child care	Delivery of a variety of social services; operation of hospitals, clinics, orphanages, special schools, centers for the aged, battered children, and disabled; arranging for adoptions
Local Government Code, electoral reforms	Training for local governments, assistance in provincial and municipal-level planning, joint projects with local government units

Table 1: Significant NGO Impact Areas (cont'd.)

Public Policy	Public Programs
Cooperative Code	Microcredit, livelihood, training for entrepreneurship, setting up of small enterprises, formation of self-help groups
Generic Drugs Law, Department of Health strategies/policies on community-based health and primary care	Community-based health programs; training on nutrition; health, and family planning; extension of health and social services; conduct of medical missions; drinking water systems; training of health workers; immunization
Women's rights in various legislation and policies: anti-rape bill, sexual harassment laws, maternal and child care, migrant workers' rights, representation, etc.	Gender awareness workshops, women-in-development programs, operation of centers for women
Policies for the protection of migrant workers	Assistance centers for migrant workers
Peace process, Non-extension of US Bases Agreement, non-nuclear policy	Creation of peace zones, participation in ceasefire and peace negotiations, rehabilitation programs for rebel returnees
Social reform agenda, NGO policies	Public consultation and consensus-building

It should be noted that Table I does not include other significant NGO impact areas where government generally has not been responsive. Prime examples are the various NGO pilot projects on sustainable agriculture, and the community-based preservation, testing, and promotion of traditional rice varieties under the Masipag Rice Program.

Funding

NGOs are predominantly dependent on external (mainly foreign) funding. However, no records or estimates are available regarding the aggregate amount of funding coursed to NGOs. Limited studies, however, suggest that most NGOs operate on relatively small budgets (\$80,000 and below). At the other end of the spectrum are the larger NGOs that operate on annual budgets of \$1.2 million and up.

Grants are the main source of funding, covering 70-100 percent of administrative and program budgets. NGOs may tap several funding agencies, but most rely on one or two external funding agencies for the bulk of their funding. As the funding cycles of these agencies and the assurance of future funding often determine the ability of NGOs to plan future activities, most NGOs tend to engage in planning on yearly basis. Funding tends to be short-term (less than three years) and more often is result-oriented.

International NGOs and bilateral aid agencies are the main sources of funding, followed by government agencies, other Philippine NGOs, multilateral agencies, and churches, in that order. Internally generated funds come in the process of the work itself through training fees, domestic donations, and loans.

Staffing

NGOs vary in size and reach, from less than 10 staff members, to more than 50, in what are known as "bingos" (big NGOs). On average, NGOs tend to be small, with the majority employing fewer than 25 persons. The Philippine Business for Social Progress (PBSP) and the Philippine Rural Reconstruction Movement (PRRM) are among the largest NGOs, with more than 300 staff each. Current NGO thinking, however, tends to shun "bigness" and instead favors networking with other small, autonomous groups as their primary means to scale-up their development impact. Because NGOs view their highly motivated and committed staff as their most important asset, they tend to enhance collective management, capacity, and performance.

Key Characteristics and Attitudes

NGOs tend to be small, flexible, and process-oriented. Their staff is highly committed and motivated and continue to work despite the low remuneration and risks involved.

Operational NGOs (also referred to as service delivery NGOs) are known for their direct involvement with poor, marginalized communities. Their knowledge of local conditions, sensitivity to local cultures, and participatory approaches in dealing with communities makes them ideal for community organizing and resolving local conflicts.

NGOs are sources of innovation and experimentation, and can adopt programs to local conditions in ways that centrally designed programs cannot. They also have been cited for their capacity for rapid response. Thus, many NGOs have developed particular skills and expertise based on their actual work experience. These range from community organizing approaches, local participatory planning systems, and training methodologies to technologies in agriculture, resource management, health, legal assistance, and policy reforms. Some NGOs specialize in training community organizers. Invariably, NGOs jealously guard their independence and autonomy and resist any efforts perceived as cooption.

Table 2: A Summary of Strengths, Characteristics, and Weaknesses of Philippine NGOs

Strength/Capability	Underlying Characteristic	Weakness/Limitation
Ability to reach, organize, and mobilize the poor and neglected sectors of society	Proximity to beneficiaries	Understanding macro-level issues
	Basic knowledge of conditions and culture of poverty sectors	Building POs with ability to sustain themselves independently
	Track record of involvement with the poor	Inadequate presence in ultra-marginalized areas
	NGO workers' deep commitment to development work	Lack of focus, work overload, diffusion of impact
Ability to deliver a broad scope of services	Diversity and multiplicity of interests and involvement	Unhealthy competition among NGOs
		Failure and refusal to coordinate, complement programs
		Attitude towards Government
Ability to articulate and popularize the sentiments of the poor	Sustained immersion in, or contact with the lives of the poor	Unfamiliarity with workings of Government
		Critical stance towards Government

Table 2: A Summary of Strengths, Characteristics, and Weaknesses of Philippine NGOs (cont'd.)

Strength/Capability	Underlying Characteristic	Weakness/Limitation
Ability to innovate development approaches and processes	Small-scale and flexible operations Culture of simplicity, activism, and service-orientation	Lack of documentation Lack of skills in scaling up and replication Lack of synthesizing, conceptualizing
Ability to harness voluntary energy and resources for development work	Expertise and credibility of leaders	Difficulty in professionalizing NGO work Inadequacy of managerial and organizational capabilities Difficulty in sustaining voluntary spirit due to livelihood and career concerns; fast turnover rate of staff
Ability to build and sustain partnership with international development agencies	Relatively advanced level of skills and experience in leadership, organizing, networking, facilitating	Difficulty in balancing task and process orientation Dependence on foreign funding support
Ability to influence and lead global and regional initiatives	Relatively advanced level of skills and experience in leadership, organizing, networking, facilitating Ability to form networks and consortium arrangements	Dependence on leaders for resource-accessing; inadequate second-line leadership capability
Capacity to produce professionals and public servants dedicated to development	Strong formative nature of NGO work	Lack of preparedness for and understanding of dynamics and culture of bureaucracy

Source: San Juan, K. 1996. "An Analysis of the Internal and External Environments of Philippine NGOs"

NGO Categories

Existing literature classifies Philippine NGOs in a number of ways, depending on their target sectors (agricultural development, environment, agrarian reform, credit, etc.); primary target group (farmers, fisherfolk, women, etc.); levels of operation (*barangay* [local community], municipal, provincial, national); and composition (servicing intermediaries vs. primary grassroots or self-help organizations). The same categories define their networks.

External funding agencies such as the ADB and the World Bank find it useful to categorize NGOs in terms of their target sectors and by their primary orientation (advocacy-oriented vs. service delivery-oriented). While these categories of advocacy and service delivery may be applicable to NGOs and networks operating at national (sometimes provincial) level, local NGOs are so close to daily realities that they are usually obliged to undertake both functions. Also, while upstream advocacy (i.e., influencing public policy) is the most visible, much of NGO advocacy work is actually directed downstream (i.e., informing people of their rights, and mobilizing people to action).

Networks

Significant in the evolution of Philippine NGOs is the marked growth of NGO networks that may be issue-, area-, or sector-based. NGO networks are of two basic types.

- associations (having formal membership)
- coalitions (built around common issues or agendas)

Although NGO networks are set up for different concerns, activities tend to be similar—mutual support, sharing of resources and expertise, joint advocacy, lobbying and negotiations, and information sharing. Thus, networking has increasingly become the primary means and vehicle for NGOs to mainstream their alternative approaches, to scale-up their activities, and to implement varying degrees of mutual accountability and self-regulation.

However, NGO networks have evolved with unique features not apparent to external funding agencies. They are defined by horizontal relationships, rather than by hierarchies. They are not monolithic decision-making structures; decisions are usually made through consultation and consensus, with member NGOs and POs maintaining their basic autonomy and independence. Thus, while decision making may take time, the process assures the active involvement and commitment of members in follow-up actions. This has practical implications on the means by which external agencies relate with networks.

CODE-NGO is a tertiary network of ten groups:

- one national NGO:
 - Philippine Business for Social Programs (PBSP)

- seven national networks:
 - Philippine Partnership for the Development of Human Resources in Rural Areas (PHILDHRRRA)
 - Partnership of Philippine Support Service Agencies (PHILSSA)
 - National Confederation of Cooperatives (NATCCO)
 - Association of Foundations (AF)
 - National Council for Social Development (NCSO)
 - National Secretariat for Social Action (NASSA)

- and two regional networks:
 - Visayas Network of NGOs
 - Mindanao Coalition of Development NGOs

All are formal associations with membership rosters. CODE-NGO includes an estimated total of 3,000 NGOs (including cooperatives) throughout the country, and focuses on capability building, acting as a self-regulating mechanism, assisting in building networks, and working in development policy-related work.

Despite overlaps, CODE-NGO member-networks cover particular sectors, and there are informal arrangements on each member's focus and particular area of expertise. Examples:

- PHILDHRRRA: agrarian reform, rural development, aquatic reform and fisheries, upland development, social forestry
- NCSO: social welfare and development, relief and rehabilitation
- PHILSSA: urban land reform, urban poor organizing, housing
- NATCCO: cooperatives, credit, livelihood

There are several other national networks and bingos, many of which overlap. These include:

- Green Forum Philippines
- Institute for Popular Democracy
- Council for People's Development

- NGO Council for Cooperative Development
- Partnership for Agrarian Reform and Rural Development Studies
- Convergence for Community-Centered Area Development
- PRRM

Many other sectoral networks are more loosely organized around special themes, and have a more policy-oriented focus. These are:

- Philippine Sustainable Agriculture Coalition
- Group of Ten (focused on women's issues)
- Philippine Development NGOs for International Concerns
- Upland NGO Assistance Committee
- Freedom from Debt Coalition (FDC)

FDC is unique because of its focus on debt and macroeconomic policies, as well as its multisectoral constituency. Seen from a broader perspective, the existence of networks in particular issues or sectors not only defines current NGO concerns or interest areas, but also specific technical and institutional capacities in the NGO movement as well.

Issue-based alliances (informal coalitions, working committees, and task forces) are also often organized around specific issues (electoral reforms, oil price increases, environmentally destructive projects), or events (elections, World Food Day, Earth Day). They are often unregistered and have their secretariat work provided by another member agency.

There has also been a growing trend towards area-based networks, discussed in the later section of this study.

Finally, a number of Philippine NGOs/POs and networks are affiliated with international networks and campaigns. Some Asian international initiatives are not only Philippine-based, but decidedly Filipino-led, such as the Asian NGO Coalition for Agrarian Reform and Rural Development (ANGOC) and the NGO Working Group on the ADB (NGOWG), whose secretariat is composed of ANGOC, FDC, PRRM, and the Legal Rights and Natural Resources Center (LRC/KSK), which houses the Secretariat. Since 1988, NGOWG has been engaged in international NGO efforts to dialogue with ADB and to push for Bank reforms.

Meanwhile, coalitions among POs tend to be more sector-based, with full-time secretariats. Peasants first formed the Congress for a People's Agrarian Reform (CPAR) in 1987, which disbanded in 1991 after the passage of the Agrarian Reform Law. At present, fisherfolk organizations have the National Coalition for Fisheries and Aquatic

Reform (NACFAR); other coalitions are the Labor Advisory Consultative Council and the Urban Land Reform Task Force. Each sector may have several national apex federations. In the farmers sector alone, for example, there are some ten national federations.

Many NGOs and POs at the field level have multiple affiliations with national and local networks, and involvement in different task forces. Network affiliation helps local NGOs access information and resources, gain recognition, and link up with other initiatives. This contributes to the overall dynamism within the NGO/PO movement.

Cooperatives

Because of their history and limited focus of operations, cooperatives have evolved as a distinct sector within the larger Philippine NGO community.

Primary cooperatives (with individuals as members) are POs, while secondary and tertiary cooperatives (which provide education and training, audit, consultancy programs, and policy support to primary cooperatives) are NGOs and frequently members of mainstream NGO networks.

Profiles and financial data of 361 reporting (out of the 1,268 total) primary cooperatives affiliated with NATCCO—as analyzed in 1996 by the Center for Community Services—indicate certain strengths and potentials for the cooperative movement.

NGO/PO Networks

One notable recent trend is the rise of provincial NGO networks. A 1996 study of NGO/PO provincial networks found that 50 of the country's 77 provinces have at least one provincial level NGO or PO coalition, in varying stages of organization and integration. It noted that provincial level NGO/PO coalitions first emerged in 1986 as spontaneous responses to the need to have parallel counterparts to the Government's organization of People's Economic Councils and Agriculture and Fisheries Councils.

Other provincial coalitions emerged as responses to disasters, notably in the aftermaths of the Baguio City earthquake, the Mt. Pinatubo eruption, and the Ormoc floods in 1990 and 1991. These coalitions were initiated by national NGO networks such as PHILDHARRA, PBSP, AF, and the Philippines-Canada Human Resource Development Programme (PCHRD).

Sometimes the coalitions were initiated by local NGOs in response to the Government's decentralization efforts under the Local Government Code (LGC) of 1991. Because the LGC devolves significant powers, services, and resources to the provincial governments, networking at the provincial level has become both a practical and a strategic NGO response.

Many recent local networks are multisectoral and focused on environment-related issues. There is growing public awareness that, more and more, environmental issues demand local responses. Environmental issues tend to be perceived as nonpartisan, nonpolitical issues affecting everyone, and thus tend to attract the interest of different sectors.

NGO Presence and Area Coverage

Several significant observations can be made regarding the distribution of NGOs in the Philippines:

- the large number of NGOs in Metro Manila
- strong NGO presence in the Bicol Region and Central Luzon, the Visayas, Western Mindanao, Northern Mindanao, and Southern Mindanao (Davao City area)
- weak NGO presence in the two autonomous regions of the Cordilleras and Muslim Mindanao
- absence or near absence of NGOs in at least seven provinces, five of which are in the Social Reform Agenda of the Government
- significant levels of PO/NGO networks in 50 of 77 provinces, with POs (primarily cooperatives) dominating the networks in at least six provinces

A few articles in the literature suggest that NGOs tend to be urban-based or clustered around urban areas, and that there is a lack of NGO presence in marginalized areas. However, there are inherent limitations in these data. One limitation of the data is that NGOs are tabulated based on office location, rather than on actual sites of field operations. Nevertheless, NGOs do acknowledge their weak presence in the two autonomous regions, and they attribute this to the fact that the regions were battlegrounds of insurgent armed conflicts. On the other hand, the strong NGO presence in some of the poorest provinces like Negros Occidental was also due to a major NGO effort to assist in the plight of poor sugar workers.

The NGO Movement: A Historical Perspective

A clearer understanding of the historical evolution of the NGO community will help better explain the dynamics and trends within the movement.

Historical accounts of the NGO movement have been written only recently. In the review of literature, three major works stand out.

- *Trends and Traditions, Challenges and Choices* (1996), edited by Alan C. Alegre, provides the most comprehensive account.
- *Singing the Same Song: Reflections of Two Generations of NGO Workers in the Philippines* (1995), edited by Margarita Lopa and published by ANGOC and PHILDHARRA, chronicles personalized, firsthand accounts of the past 30 years by NGO leaders.
- A series of articles by Karina Constantino-David, particularly *Community Organizing in the Philippines: The Experience of Development NGOs*. It is worth noting that most accounts link the evolution of modern NGOs to the history of social movements.

Pre-1965: Roots of the Modern NGOs

Trade unions and peasant organizations first emerged during the American occupation, giving rise to nationalist movement and self-help groups. Religious organizations played a leading role in the emergence of middle-class involvement in social welfare activities. Later, well-meaning individuals engaged in voluntary action, which then evolved into clear organizational expressions of development work.

The first NGOs emerged from various welfare groups involved in social work and rural cooperatives in the 1950s. Because of growing agrarian unrest (specifically, the Huk rebellion), which grew into an issue of national proportion, anticommunist-inspired social reform initiatives emerged, focused on rural reconstruction and community development. Pioneers included the Jesuit-led Institute of Social Order in 1947, the Federation of Free Workers in 1950, PRRM in 1952, and the Federation of Free Farmers (FFF) in 1959. In 1957, President Magsaysay adopted the rural reconstruction scheme by setting up the Presidential Arm on Community Development as a counterinsurgency measure. Cooperatives, credit unions, and self-help groups were spread mainly by foreign missionaries, starting in the 1950s, and took root in rural areas in Northern Luzon and Central Visayas.

Western-style private foundations also emerged in the late 1950s, induced by new laws allowing the formation of foundations and scientific and research organizations under the National Science and Development Board. This led to the emergence of the Filipinas/Ayala Foundation, the Mother Rosa Memorial Foundation, the Mt. Apo Science Foundation, and the Economic Development Foundation in the 1960s. The Ramon Aboitiz Foundation, the SGF Foundation, and the Xavier Science Foundation were founded in the 1970s. These nonpolitical organizations would later constitute a distinct stream in NGO history.

1965-1972: Social Crisis and Social Movements

The deepening social crisis in the early 1960s, combined with a more progressive stance of both Catholic and Protestant Churches, gave rise to new social movements and influenced a whole new generation of youth who engaged in social activism. Philippine bishops set up NASSA in 1967, later appending the theme of "justice and peace" to its name. Urban poor organizations started under the Philippine Ecumenical Council for Community Organizing, founded in 1971, which pioneered the development and testing of community organizing techniques. Mindanao became a fertile frontier for church-related activism and rural organizing.

The agrarian reform lobby peaked, and FFF in particular became the center of peasant unionism, giving rise to generations of peasant, NGO, and social movement leaders. Even the business sector was drawn into discussions of social responsibility, giving rise to the creation of PBSP in 1972 by 50 founding corporations.

1972-1978: Martial Law

With the imposition of Martial Law in 1972 and the clampdown on all forms of social movement and dissent, NGOs became a viable option for continuing social change for activists who refused to be coopted by the regime and did not want to join the underground. NGOs, or "institutional work" became a third alternative for continuing political involvement.

Community organizing became more sophisticated in the midst of repression, and expanded rapidly in areas such as Tatalon in Quezon City, Tondo in Manila, Quezon, Bicol, Cebu City, Bukidnon, Cagayan de Oro, Butuan, Lanao, and South Leyte. POs were sustained under the protective umbrella of church-based programs. Key church groups—the Share and Care Apostolate for Poor Settlers, the Association of Major Religious Superior of the Philippines, Task Force Detainees, and the Episcopal Commission for Tribal Filipinos—tested the Martial Law waters for continuing organizing and advocacy.

Secular social development agencies carved their own niches both inside the constricted political space and outside the institutional church. Organizations such as typhoon relief task forces and campus organizations evolved, providing a steady stream of committed youth. These included the Agency for Community Services, the Participatory Research Organization of Communities, Education Towards Struggle for Self-Reliance, the Institute for Primary Health Care, and many others. Creative energies were released in open and legal mass movement. Thus began experiments in sectoral organizing and service delivery.

NGO networking first emerged during the period as a form of collective protection. In 1972, ten foundations initially formed the Association of Foundations in order to

advance the interests of its constituents (such as lobbying for tax-exempt status for foundations, and against legislation meant to regulate foundations). As the government-imposed *Samahang Nasyon* cooperative program succeeded in destroying many local initiatives, independent cooperatives formed NATCCO in 1977 as a common front against increasing government regulations. In 1979, the Government set up the Cooperative Union of the Philippines as the apex body for cooperatives, in an attempt to control the cooperative movement.

1978-1986: Rising Opposition

The "noise barrage" on the eve of the fraudulent 1978 local elections exposed massive opposition to the Marcos dictatorship, signaling the start of the regime's international isolation. NGOs prospered as a sector distinct from (but not completely independent of) churches and political movements.

International support gave rise to environmental activism and ecological awareness, and a new understanding of the issues facing indigenous peoples. Church-based groups such as Misereor and Cebemo, along with Christian Aid, and progressive European political parties and trade unions, channeled development funds into the Philippines. Even the United States Agency for International Development began funding NGOs. NGO networking increased at national, regional, and provincial levels, initially as a form of collective protection. PHILDHRA was established in 1983.

The 1983 assassination of Benigno Aquino marked the lowest point in the Marcos regime's credibility, and brought forth the "parliament of the streets" in unprecedented numbers. Multisectoral coalitions with colorful names like JAJA, KOMPIL, ATOM, BAYAN, and BANDILA mushroomed, until basic ideological differences again manifested themselves. The NGO community was literally swept along by this massive wave of politicization. Organized groups found protection in numbers and launched a national civil disobedience campaign.

Meanwhile, new NGO-funding agency partnerships were formed, even with bilateral sources. Canada, for example, supported the Philippine Development Assistance Programme (PDAP), and Australia supported the Philippine-Australian Community Assistance Program (PACAP) .

1986-Present: The Post-EDSA Period

The 1986 snap elections and the EDSA* revolt saw the NGO community participate in the spontaneous expressions of people's power. While the main bulk of NGOs joined the anti-dictatorship movement, NGOs identified with the Catholic Church

* Epifanio de los Santos Avenue (EDSA) was the site of People Power revolution of 1986.

and business like NASSA and PBSP threw their support behind the National Movement for Free Elections.

With Corazon Aquino's ascension into power, NGOs flourished. But this also had a negative side. Pseudo-NGOs were set up by politicians, entrepreneurs, and government officials to corner funding and concessions and to undercut basic social reforms. In an effort to ensure self-regulation, ten national NGO networks founded CODE-NGO in 1990. The first National Congress of NGOs, convened in December 1991, was attended by 1,500 NGOs and cooperatives, who ratified the *Covenant on Philippine Development*. They also adopted a code of ethics defining desirable relationships with POs, government, foreign partners, and other NGOs.

During the initial years of the new Government, NGOs focused on:

- institutionalizing democratic gains
- advocating alternatives and basic social reforms
- constituting and consolidating a "third force" that would later prove vital to the peace negotiations process

As many saw the need to have allies in government, several NGO and social movement leaders joined the Department of Health (DOH), the Department of Agrarian Reform (DAR), the Department of Environment and Natural Resources (DENR), the Presidential Commission on the Urban Poor, the Commission on Human Rights, and the National Commission on the Role of Filipino Women.

NGOs themselves had to undergo a difficult transition in an unfamiliar political terrain—moving from protest to proaction, from an anti-dictatorship stance to defining policy alternatives. National issue-based coalitions emerged, focused on four basic themes:

- CPAR for agrarian reform
- Coalition for Peace for non-violence
- FDC for debt issues
- Green Forum for the environment

CPAR was a major undertaking, coalescing 13 national farmers' federations with 15 NGOs. The coalition members drafted House Bill 400, later passed in what farmers perceived as a watered-down congressional version as the Comprehensive Agrarian Reform Law (Republic Act 6657). Before disbanding in 1991, CPAR gave birth to NACFAR, which has been lobbying for a new fisheries code ever since. Other cross-sectoral campaigns emerged on issues of women (gender equality, violence against women, reproductive rights), sovereignty (rejection of the Philippines-USA Bases Agreement), children (labor, prostitution), electoral reforms, and human rights.

NGO distrust of government persisted even in new forms of critical collaboration. Following the recognition and mandate given by the 1987 Constitution to NGOs and POs, GO/NGO consultative mechanisms and joint programs emerged at various levels. Active NGO participation in the 1992 national electoral arena, however, had a sobering effect on the NGO community because the so-called "NGO vote" did not muster sufficient numbers for a national elective post. NGOs had underestimated the deep entrenchment of traditional patronage politics. They therefore shifted their focus toward local elections, and scored some meaningful victories at the municipal level.

Today, few NGOs pin their hopes on new political leaders and political parties at the national level, but seek to build more lasting legacies, particularly at the grass roots. The long-term political agenda is to develop a politically concerned and active citizenry, irrespective of the government in power.

Current Trends: Implications for Government/NGO/Bank Relations

Over the past decade, there have been marked changes in NGO attitudes and approaches. Overall, NGO openness to collaboration with government is greater due to the more open political environment since 1986. There has been a collective strategy by NGOs to move away from the margins and into the mainstream of the nation's social and political life with more confident, proactive agendas. This "mainstreaming" has demanded new capacities—policy work, dealing with bureaucracies—that many NGOs had to learn the hard way.

With the passage of the LGC, NGO efforts in advocacy and activities have shifted from the national to the local, and networking mechanisms are becoming increasingly area-based rather than sector-based. Current trends point to increasing NGO interaction with local state officials and bodies. With decentralization and devolution, the NGO comparative advantage is more pronounced—a distinct ability of NGOs lies in their ability to adapt large-scale programs to specific local situations.

New questions come into play at the local level—dealing with traditional patronage politics, the capacity of LGUs, the idiosyncracies of local cultures—all of which require better understanding by the National Government and funding agencies.

NGO advocacy has also shifted from national to global in response to recent developments like Agenda 21, the General Agreement on Tariffs and Trade (GATT), ASEAN Free Trade Area (AFTA), and the Asia Pacific Economic Cooperation (APEC). Internally, this has brought about a dilemma in government/NGO relations. While NGOs may criticize Philippine foreign policy within the country, increasingly they see the need to assist the Government, especially in global negotiations involving "North-South" issues, such as international trade.

The post-EDSA period has brought about an increasing level of maturity to the NGO sector, also marked by a shift from the ideological to the practical. NGOs/POs have learned that their ability to achieve concrete gains lies in their ability to accept incremental reforms. Thus, while NGOs continue to criticize the Comprehensive Agrarian Reform Law (CARL), for example, they found it necessary to actively engage the Government in tripartite programs for land transfer so as to maximize whatever reforms are provided under the existing law.

NGOs have increasingly realized the need to scale-up successful initiatives. At the field level, NGOs are rethinking their social organizing strategies—looking into ecological zones, for example, rather than political boundaries. NGO experiments also are being absorbed into mainstream programs. Examples are the Community Mortgage Program in urban housing, microcredit, salt farming, and social forestry for the uplands, sustainable agriculture technologies, and community-based systems for delivery of social services. What this means to the Bank is that there is a much larger opportunity for building tripartite GO/NGO/Bank cooperation that goes beyond the mere identification of "potential NGO partners" and involving them as "delivery agents" in traditionally designed projects. Current NGO strategies toward scaling-up also require that new capacities be built, focused not only on individual NGOs, but on networks as well.

Internally, there has been a growing sense of professionalization within the NGO community, and NGOs have begun looking at development work as a career. Working conditions are starting to be addressed (social security, health care), an area long neglected. In a larger context, NGOs have begun to open up, strengthening linkages with other sectors such as academia and the media, although linkages with business are just beginning.

Internally, NGOs recognize their own major weaknesses: limited financial resources, lack of technical skills, and lack of documentation. Indeed, their funding patterns tend to be short-term and funding agency pressure is on immediate results, thus limiting long-term research and development. The small size and limited resources tend to focus activity on the applied end of technology development. There is also lack of assured long-term financial viability among most NGOs/POs.

NGOs acknowledge their other weaknesses in financial management and analysis, entrepreneurship, and in specific scientific applications and technical know-how. They point out that due to the low pay and stiff competition, it is difficult to attract certain types of professionals. NGOs also tend to hire on the basis of social commitment rather than on technical skills. With a view to correcting this imbalance, NGOs have made efforts to work more closely with academia.

Reviewed from the perspective of GO/NGO/Bank cooperation, however, a whole range of new requirements arises when NGO work joins the realm of public sector programs. Government programs are usually designed with a standard scale and spread. Involvement in the public sector also requires a level of influence to be able to influence policies. Yet NGOs are marked by their tendency toward diversity, smallness, and localism. Also, most NGOs still lack sufficient understanding of government bureaucracy. Ideally, NGOs should resolve these issues for themselves through their networks and coordinating bodies, and thus the capacity building of networks themselves must be addressed.

Other gaps include the lack of NGO presence in certain government priority areas and limited overall NGO impact on macroeconomic policies.

Three persistent tension points in GO/NGO cooperation are likely to remain thorny issues for some time.

- **Cooperation vs. co-option.** Government funding of NGOs often comes with expectations of a blanket endorsement of government policies, which NGOs feel compromises their autonomy and independence. Tensions also arise when NGOs are asked to fit into rigid, predetermined project roles that compromise their flexibility, and where they have no role in management or policy decisions.
- **Political vs. nonpolitical involvement.** Because of their organizing work, NGOs are necessarily engaged in a form of political action that is often construed by politicians and government functionaries as partisan.
- **Fundamental institutional differences.** NGOs and Government exhibit fundamental differences in their development philosophy and approach, which become more pronounced in joint implementation of projects. There are different tendencies in terms of scale, time frame, design, and success indicators. Thus, while government-led programs tend to focus on the measurable outputs of a project (hectares covered, number of titles transferred, increase in incomes), NGOs tend to look more at qualitative social indicators (strength of POs).

The proliferation of Philippine NGOs over the past decade has been attributed to be the direct result of two main factors:

- the increase in foreign and local funding
- the ferment that developed from the anti-dictatorship struggle, the ensuing victory, and the failed promises of the People Power revolution

There was also the surfacing of a generation of political activists who had struggled under the Marcos years and who decided to pursue careers within development institutions.

The sudden increase in NGO funding, however, had its drawbacks. It also brought about the proliferation of many "quasi-NGOs," for which nicknames have been invented. For example:

- "Gringos" (NGOs inspired or initiated by politicians and government functionaries to corner aid funds)
- "Bongos" (business-organized NGOs set up as tax shelters or for public image)
- "Come 'n go's" (set up by entrepreneurs for one-time projects).

A related issue is that government policies and functionaries often fail to make distinctions between nonprofit NGOs and the private sector, or between public interest groups (consumer and environmental groups) and business associations (producers' associations and chambers of commerce).

GOVERNMENT POLICY TOWARD NGOs

This section examines the legal environment for NGOs, as well as the policy instruments that currently influence GO-NGO relations in the Philippines.

Policy Framework

Shortly after being thrust into public office by the EDSA Revolt of February 1986, President Corazon Aquino, in a major policy pronouncement, called on the citizenry to "institutionalize People Power" and to "establish institutions where they do not exist." This set the tone for subsequent policymaking promoting greater public (and NGO) participation in the affairs of Government.

In the People Power revolution aftermath, NGOs and POs actively engaged both the Cabinet and Congress in pushing for basic social reforms, especially the institutionalization of appropriate mechanisms for popular participation in governance.

The *Policy Agenda for People-Powered Development*, adopted by the Cabinet in June 1986, outlined the general strategy for the Aquino administration for structural reforms:

- decentralization of government structures and minimal government intervention
- an expanded role for the private sector as the prime engine for sustained growth
- greater involvement of people in the decision making, planning, and implementation of programs through community organizations and NGOs

The Policy Agenda further declared free information access, openness, and transparency in government. This agenda formed the backbone for the Medium-Term Philippine Development Plan (1987-1992), which recognized NGOs as partners in development, and called for the establishment of viable working arrangements between government agencies and NGOs.

The Philippine Constitution of 1987 institutionalized the role of NGOs. Section 23, Article II, on State Policies declares:

The State shall encourage non-governmental organizations, community-based or sectoral organizations that promote the welfare of the nation.

Also, Article XIII is devoted to The Roles and Rights of People's Organizations. Here Two pertinent excerpts are:

- **Section 15.** *The State shall respect the role of independent people's organizations to enable the people to pursue and protect, within the democratic framework, their legitimate and collective interests and aspirations through peaceful and lawful means.*
- **Section 16.** *The right of the people and their organizations to effective and reasonable participation at all levels of social, political and economic decision making shall not be abridged. The State shall, by law, facilitate the establishment of adequate consultation mechanisms.*

Interestingly, the 1987 Constitution makes distinctions between NGOs and POs.

- Section 23, Article II characterizes NGOs as "independent private organizations involved in promoting the welfare of majority of the population."
- Section 15, Article XIII states that "people's organizations are bona fide associations of citizens with demonstrated capacity to promote the public interest and with identifiable leadership, membership and structure."

While the constitutional framework defines NGOs as external service providers, POs are referred to as the direct organizations of the target beneficiaries themselves, i.e., self-help groups.

Between 1987 and 1989, at least seven bills were filed in Congress specifically to implement the constitutional provisions on NGOs and POs. But it was a National Economic and Development Authority (NEDA) Board Resolution in 1989 (an administrative rather than a legislative act) that defined the overall policy framework for GO/NGO relations. The resolution stipulates five key points.

- No umbrella organization will be formed to accredit NGOs. Instead, implementing agencies at various levels of government will be made responsible for accrediting NGOs.
- Tax exemptions and duty-free importation will be provided to NGOs, subject to certain procedures and guidelines.
- Government will not control, but rather will enhance direct funding support to NGOs. It will provide for three modes (or windows) through which NGOs can avail of foreign funds. Government budgetary resources will likewise be tapped. Some amount of flexibility will be adopted in the application of

government auditing rules and regulations to NGOs availing of overseas development assistance and participating in the implementation of government projects.

- GO/NGO coordinating mechanisms at various levels of government will be set up, and the respective government departments/agencies/units will be given the authority to collaborate and negotiate with the NGOs. The Social Development Committee (SDC) of the NEDA Board of Directors will take the oversight function for GO/NGO relations at the national level.
- NGOs should be informed of and consulted on all major policy and program decisions, accreditation policies, and proposed legislative programs/agenda that concern them.

For purposes of the NEDA Resolution, cooperatives were first considered as being part of the NGOs. This was superseded barely four months later with the passage by Congress of the Cooperative Code of the Philippines and the creation of an independent Cooperative Development Authority. The passage of both cooperative acts was in line with the mandate of the 1987 Constitution "to create an agency to promote the viability and growth of cooperatives as instruments for social justice and economic development."

Two new features of representative democracy under the 1987 Constitution were the provision for the appointment by the President of sectoral representatives to the House of Representatives of Congress, and the institution of a system for a "people's initiative"—features that would be echoed at the local level under the LGC.

The LGC of 1991 further highlighted the role of NGOs in local governance, and provided for NGO/PO participation in local bodies, development projects, and local legislative bodies. It also entitled NGOs to be recipients of funds and other forms of state assistance.

The 1988 CARL recognized NGOs, farmers' organizations, cooperatives, and rural workers' associations for both their traditional service delivery roles and as public interest groups.

The Medium-Term Philippine Development Plan for 1993-1998 recognizes the role of NGOs primarily within the plan's social development objectives. The Social Reform Agenda (SRA), instituted in September 1994 through consultations between government and basic sectors, forms part of the Updated Plan (1996-1998).

Registration of NGOs

Legal and operational distinctions are made between registration and accreditation.

Registration is an official or legal recognition issued to a person, corporation, entity or organization after having met certain basic requirements under Philippine law. Under Republic Act (RA) 4373, registration and licensing are considered one and the same process. While registration is not required per se for the existence of voluntary associations, it is a requirement for NGOs to obtain a legal personality, i.e., to open bank accounts, to enter into contracts, and to raise public funds. Table 3 summarizes the registration procedures for NGOs and POs.

Table 3: Registration of NGOs and People’s Organizations

Registering Agency	Legal Status Provided	Legislation/Legal Framework
Primary Registration		
Securities and Exchange Commission (SEC)	Non-stock, nonprofit corporations	Corporation Code of the Philippines (Batasang Pambansa 68: 1980)
Cooperatives Development Authority (CDA)	Cooperatives	Cooperative Law of the Philippines (RA 6938: 1989) and Cooperative Development Authority Act (RA 6939: 1989)
Department of Labor and Employment (DOLE)	Labor unions and dederations Rural workers associates	Labor Code of the Philippines
Secondary Registration		
Bureau of Internal Revenue (BIR)	Income tax exemptions for nonprofit corporations Tax deductions from gross income of funding agency when computing tax liability	National Internal Revenue Code; BIR-NEDA Regulations
Department of Finance (DoF)	Special exemption priviledges from customs duties and tariffs of specific importation, as evaluated on case-by-case-basis	Tariff and Customs Code (Sec. 105), National Internal Revenue Code; DoF and NEDA Guidelines
Department of Social Welfare and Development (DSWD)	Endorsement of duty-and tax-free donations to relief organizations License to operate orphanages and similar institutions, and to undertake special social welfare activities such as adoptions	Tariff and Customs Code —

Non-Stock Corporations

Most NGOs obtain their formal registration through SEC. Section 88 of the Corporation Code stipulates that:

Non-stock corporations may be formed or organized for charitable, religious, educational, professional, cultural, fraternal, literary, scientific, social, civic, services, or similar purposes, like trade, industry, agricultural and like chambers, or any combination thereof.

SEC registration under the Corporation Code for non-stock, nonprofit organizations requires submission of the articles of incorporation and constitution and by-laws, as well as a registration fee, similar to that required from private corporations. Non-stock corporations are also granted a life span of 50 years, and are required annually to file copies of their annual reports, minutes of board and membership meetings, and annual financial statements to maintain good standing. They may not engage in business for profit for distribution to members, or declare dividends on surplus, and are governed by provisions on the distribution of assets in the event of dissolution. Any profits obtained incident to one's operations are required to be plowed back into operations.

Failure to comply with SEC regulations could lead to the cancellation of one's registration. Also, non-stock corporations may not utilize more than 30 percent of their funds for administration.

To determine qualification for tax-free privileges, a private foundation is interpreted to mean

... a non-profit foundation organized and operated exclusively for scientific research, education, character building and youth development, health, social welfare, cultural or charitable purpose or a combination thereof, no part of the net income of which accrues to the benefit of any private individual (BIR-NEDA Regulations).

Non-stock corporations must file a secondary registration with BIR to avail of exemptions from payment of income tax, and financial statements must likewise be filed annually with BIR. The National Internal Revenue Code also stipulates that

... contributions or gifts to associations organized exclusively for religious, charitable, scientific, youth and sports development, cultural or educational purposes or for rehabilitation of veterans or to social welfare institutions, of which no part inures to the benefit of any private stockholder or individual, shall be deductible from the donor's gross income in computing his/her tax liability.

Thus, there is tax deductibility for contributions to NGOs and charities.

Cooperatives

While the Corporation Code is a long-standing legislation (last reviewed in 1980), the Cooperative Code and the Cooperative Development Authority Act (RA 6938 and RA 6939) are relatively new (1989), and thus reflect more of the post-EDSA spirit of subsidiarity and noninterference by the Government, self-regulation within and among cooperatives, and government assistance. Cooperatives are defined as voluntary associations, having members making equitable contributions to the capital required, and accepting a fair share of the risks and benefits involved. For registration, cooperatives are required to submit

- articles of cooperation
- by-laws
- bonds of the accountable officers
- a sworn statement that at least 25 percent of the authorized share capital has been subscribed
- a general statement describing the cooperative's structure, purposes, area of operation, economic feasibility, membership size, and other pertinent data
- the registration fee

Registration is valid for 50 years, and cooperatives are required to file audited financial statements annually, as well as general information sheets, with the newly established CDA, the agency mandated for the promotion, registration, development, and evaluation of all types of cooperatives in the country.

Registered cooperatives are granted tax exemptions:

- for all business transactions with members
- for cooperatives with net savings of not more than P10 million
- for all cooperatives from all national, city, provincial, municipal, or barangay taxes of whatever nature
- from customs duties and tariffs on importation of machinery and equipment not locally available
- from taxes on transactions with banks and insurance companies

Cooperatives are also granted other special privileges, such as preferential rights in transacting business with the Government and government corporations, in the allocation of rice and supplies, in the management of public markets/facilities, and in credit lines with government banks/financial institutions.

The Code's special provisions on agrarian reform cooperatives are also granted preferential rights (franchises for public utilities and services, leasing of public lands, construction and maintenance of public infrastructure) and special privileges for undertaking economic activities in agrarian reform and resettlement areas. A certification is needed from DAR to qualify as an agrarian reform cooperative.

Labor Organizations

Labor unions, labor federations, and rural workers' associations register under the Labor Code of the Philippines, for which they acquire a legal personality. Labor organizations, however, are recognized under the law as a more specialized form of voluntary association, organized for activities such as collective bargaining, for which they must undergo a certification of elections. Registration requirements are similar to those required by other registering agencies. Article 243 of the Labor Code declares:

The income and properties of legitimate labor organizations shall be free from taxes and other assessments including gifts or donations they may receive from fraternal and similar organizations, local or foreign.

It is common practice for some unions to seek a second registration, for example, with CDA as cooperatives in order to avail of added privileges.

In Asia, the Philippines has perhaps the most open and liberal written policy with regard to the registration of NGOs and POs. While critics are quick to point out the lack of regulative state mechanisms, and thus question accountability systems for NGOs and POs, NGOs point out that they merely operate under similar registration and regulative procedures as those applied to business corporations under the Corporation Code. The Philippines has no special law for NGOs. As concluded at a 1991 Asian GO/NGO regional dialogue:

The use of government authority to restrict NGO or other voluntary sector activity should not be limited to very specific and clearly identified public concerns relating to the infringement of the rights of others. These would include, for example, protecting the public against fraudulent fund-raising practices, dangers to public health and safety, tax fraud, and infringements of the people's sovereignty by foreign economic and political interests. These concerns are not specific to NGOs, and the laws relating to such practices in general should apply equally to NGOs as to other organizations. Consequently, as a matter of principle there should be few if any instances in which there is need for regulations specific to NGOs. Their functions

should be covered by the normal law of the land such as the civil code, the criminal code, and the tax code—the same laws that apply to individual citizens and other forms of corporations.¹

At the national level, the SDC of the NEDA Board reviews national policies on NGOs. The SDC performs policy reviews, rather than regulatory functions, which are performed by the respective line agencies. The Social Welfare Development Division of NEDA acts as the SDC secretariat.

Accreditation Systems for NGOs

Officially, accreditation is an acknowledgment of the merits of a person, corporation, entity, or organization in meeting the standards of an agency to deliver specific services or to represent its constituency. Accreditation is a usual requirement for specific program or project participation.

Considering the heterogeneity of NGOs, and given the specific requirements of different programs and projects, NEDA Board Resolution 4/89 effectively decentralizes and devolves all NGO accreditation systems to the respective National Government line agencies and local government units. However, the same NEDA policy spells out a minimal set of NGO accreditation criteria:

- broad-based membership
- integrity/commitment
- track record
- complementarity of program goals and objectives
- management capability
- financial viability
- absorptive capacity
- ability to provide local counterpart requirement (in cash or kind)
- share of overhead/administrative expenses to total expenses (in the range of 20-30 percent)

In line with current policy, there is no central government body that monitors NGO accreditation systems or maintains a central database on NGOs.

¹ Recommendation of government and NGO participants of the Asian and Pacific Development Centre/ANGOC Regional Dialogue Meeting on *Government-NGO Relations in Asia: Prospects and Challenges for Improving the Policy Environment for People-Centered Development*, 12 March 1991, Chiangmai, Thailand.

Accreditation systems vary widely across agencies and programs, and serve different agency purposes: to identify program participants, to set up systems of representation and negotiation, to develop lists/rosters for sending general information and invitations to agency-sponsored consultations, to determine eligibility for official development assistance (ODA) or government funding, or to determine groups with special needs or technical expertise. Thus, NGO accreditation systems tend to be stricter and more pronounced in cases where:

- there is accreditation for specific program/project participation (vs. general government agency accreditation)
- government or foreign funding of the NGO is involved
- the representativeness or legitimacy of the NGO/PO to decide/negotiate in behalf of its constituency is in question
- the accreditation involves an evaluation of the NGO's specific technical capacities or expertise

Thus, the Department of Trade and Industry (DTI), whose involvement with NGOs is more consultative than project-based, has developed systems and criteria for recognition instead of accreditation. Two examples of accreditation systems/criteria by government agencies are presented below in Table 4.

Table 4: Accreditation Systems by Selected Government Line Agencies for NGOs

Agency	Program	NGO Accreditation Requirements/Criteria	Comments
Department of Environment and Natural Resources (DENR)	General agency criteria	<p><i>General accreditation criteria:</i></p> <p>(a) Known to be with integrity and commitment to environmental and social issues</p> <p>(b) Reputable and socially acceptable to the concerned and/or affected community</p> <p>(c) Locally based and with adequate basic resources (i.e., manpower)</p> <p>(d) With technical capability or can be trained if there are gaps</p>	<p>NGO involvement is classified into several major activities: monitoring and evaluation; project implementation; planning/policy formulation, information and educational campaigns; law enforcement; community organizing; and training</p> <p>In cases of specific programs, priority is given to locally-based (especially PO) groups; and only when no locally-based NGO is qualified are capable regional-based and national-based NGOs considered.</p>

Table 4: Accreditation Systems by Selected Government Line Agencies for NGOs (cont'd.)

Agency	Program	NGO Accreditation Requirements/Criteria	Comments
		<p>(e) Proven track record</p> <p><i>Requirements:</i></p> <p>Submission of a certificate of good standign from any two of the following: community resolution involving indigenous cultural communities, local LGU leaders, head of local religious organizations, and/or other network organizations accepted by DENR-NGO desks</p> <p>NGO data sheet</p> <p>Securities and Exchange Commission on Audit, or Department of Social Welfare and Development registration</p> <p>Audited financial statement</p> <p>List of community activities undertaken</p> <p>Biodata of key implementing staff</p>	<p>National-based NGOs are evaluated by the DENR National NGO Desk, while provincial and regional-based NGOs are accredited by the respective DENR regional NGO desks</p> <p>NGO accreditation is good for one year</p>
National Home Mortgage Finance Corporation (NHMFC)	Community Mortgage Program (CMP) (Specific project criteria)	<p><i>NHMFC Circular No. CMP 001</i> requires:</p> <p>(a) Submission of a CMP project proposal (evaluated for project viability), SEC Registration, organizational profile, officers, projects</p>	<p>CMP originators may either be LGUs, government line agencies, or non-stock, non-profit NGOs</p>

Table 4: Accreditation Systems by Selected Government Line Agencies for NGOs (cont'd.)

Agency	Program	NGO Accreditation Requirements/Criteria	Comments
		(b) Ability to organize association of target low-cost housing beneficiaries and to assist creation of credit groups for efficient amortization collections	
		(c) Formal memorandum of agreement between the agency (NGO) and the beneficiary (urban poor) association	

Many Government line agencies have created special NGO Desks or have assigned specific units or staff to liaise with NGOs and POs. DENR, Department of Agriculture (DA), DAR, NEDA, DOH, and DTI all have NGO desks to screen and accredit NGOs.

For a growing number of foreign-funded projects, however, it is the project or loan documents that spell out both the selection criteria and the mechanisms for NGO involvement. These criteria are usually drawn up during project formulation missions as part of the terms of reference. Otherwise, the drawing up of NGO criteria and NGO selection are done by the line agency, or through a special project management office (PMO) created for the project in coordination with NEDA and the funding agency.

Financial Policies and Mechanisms

Policies on Foreign Funding

The Government has adopted an open and liberal policy on foreign funding to NGOs. This has been enhanced with the removal by the Central Bank of all restrictions on foreign exchange.

The prevailing view underlying the Government's financial policy is that all forms of foreign assistance constitute additional resources much needed by the Philippine economy, whether such funds are channeled through government or through the NGOs. The prevailing policy prescribes state regulations and control only to the extent that foreign funding comes from bilateral and multilateral sources, and forms part of the ODA to the Philippines.

NEDA Board Resolution No. 2 defines three ways of channeling foreign funding to NGOs. It also paves the way for greater NGO participation in ODA.

Mode 1: Foreign governments provide funds directly to local NGOs through their existing facilities/windows. Examples are PACAP, PDAP, and the NGO/small grants facilities administered by foreign embassies. In the case of such grants, it is common practice for NEDA give a one-time, no-objection response to the full program and amount. Though not required, it is accepted practice (especially for donor governments) to coordinate with NEDA for their NGO assistance programs.

Mode 2: Funds are coursed by the external funding agencies through the Government for the availment of NGOs. Proposals for funding follow the same procedures adopted for the projects of the public sector. Proposals of NGOs are reviewed, prioritized, and endorsed by the Government. Only proposals of accredited NGOs are generally considered for possible external funding.

Mode 3: Foreign NGOs provide funds directly to local NGOs. Government approval is not a prerequisite to foreign NGO approval and funding of NGO projects. To the extent that assistance is part of foreign funding, only proposals of accredited NGOs are considered for funding.

Policies on Loan-Financed Projects

Concerning the funds that are coursed through government (i.e., Mode 2), stricter financial reporting and auditing requirements are generally imposed on loans than on grants, as loans are considered part of the Government's general appropriations and are thus subject to review by the Commission on Audit (COA). This holds true for all ADB- or World Bank-funded loan projects that involve NGOs. Thus, in loan projects, there are stricter qualification and bidding requirements, reporting procedures, and bureaucratic paperwork for NGOs, and this has been a major source of criticism by NGOs. In loan-financed projects, the channeling of resources and the engagement of NGO services is therefore usually done by implementing agencies through formal subcontracting arrangements.

Government Funding and Support to NGOs

Officially, government agencies may not provide grants to NGOs from internal budgetary sources, or to any private entity for that matter, except in the context of procurement or payment for services. Thus, the most common funding channel for NGOs is through service contracts. As an example, DENR contracts NGOs to organize agrarian reform beneficiaries in private lands under its Task Force Sugarlands initiative.

The 1989 General Appropriations Act provides that:

Government agencies are authorized to provide grants-in-aid to socio-civic, nonprofit and other NGOs for operations and activities that are in line with services rendered by the government and within the mandate of the respective government agencies, whenever it is impractical or more expensive for the Government to directly undertake such operations and activities, subject to accounting rules and auditing rules and regulations.

Government funding windows with allocations for NGO projects (mainly livelihood) include the Countryside Development Fund and the National Reconciliation and Development Program.

However, certain special funds created by Congress under the General Appropriations Act, and not constrained by COA procedures, allow for more flexible arrangements. One example is the President's Social Fund, managed by the Office of the President, and created from the earnings derived from the operations of the Philippine Gaming and Amusements Corporation.

Government Procurement and Bidding Procedures

Government regulations require agencies to procure consultancy and technical services through competitive bidding. This entails public announcement, prequalification, and rigid evaluation of proposals. For this purpose, each agency establishes a prequalification, evaluation, bidding, and awards committee. The selection process is done using the two-envelope system, wherein the first envelope contains technical data, and the second envelope the costs. Essentially, the two-envelope system gives priority to quality over cost.

This two-envelope system was instituted partly in response to criticisms of NEDA's earlier policies, under which social services were subjected to the same predominantly cost-based bidding procedures that covered infrastructure projects. In some cases, a waiver on bidding is granted by NEDA or the implementing agency.

The Broader Policy Environment

The government's legal framework for NGOs is but one aspect of the broader policy environment for NGOs. Especially for field-based NGOs, the actual democratic space is determined by local realities—the peace and order situation, local patronage politics, economic factors such as local marketing cartels, the impact of development policies on target communities, and the attitudes of beneficiaries in local community relations.

GOVERNMENT/NGO RELATIONS

Relationships between government and NGOs range from mutual distrust and animosity to full and active cooperation. NGOs both complement government development policies and conduct their own development goals independently. NGOs possess a diverse capacity for involvement, ranging from assisting in the delivery of government services to promoting alternative models of development with minimal government interaction. Where GO/NGO interaction takes place, the basic form is through dialogue and consultations.

Power Shifts: The Overall Context of Devolution and Decentralization

GO/NGO relations are better understood within the broader context and pattern of devolution and decentralization that have marked Philippine Government policies since the EDSA Revolution. The emergent thinking is that while central Government provides the broad policy framework and social environment, the LGUs, the private sector, and civil society should act as the prime engines for growth, equity, and sustainability. Such decentralization—as reflected in the various medium-term plans since 1987—can be categorized into three major shifts of responsibility.

- **Shift from national to local.** This is the process by which powers, resources, and responsibilities are transferred from national bodies to LGUs under the LGC. The Code gives LGUs a far greater allocation of internal revenue, and new powers such as control over municipal waters and land-use classification. Also, provincial governments may directly accrue foreign loans. Another type of Revolution of decisions and operations is from central to field offices. The agrarian reform program, for example, gives DAR provincial officers powers to handle land transfer and resolve land disputes. Decentralization aims to bring the Government closer to the people.
- **Shift from State to private sector.** This is the process by which State assets, programs, and services are privatized or contracted to private corporations, under the broader framework of market liberalization. This includes the sale/lease of government assets, the dismantling of monopolies, the privatization of public utilities, build-operate-transfer schemes, private sector subcontracting, and inclusion of the business sector in various government planning and consultative bodies. These have been largely in

response to conditionalities of funding agencies (e.g., World Bank-International Monetary Fund recommendations) and to international agreements (General Agreement on Tariffs and Trade or GATT, APEC, Association of Southeast Asian Nations-East ASEAN Growth Triangle. The assumption here is that market mechanisms will increase overall growth, increase efficiency, and lower the costs of services.

- **Shift from State to civil society.** This refers to the process by which civil society directly participates in government programs and systems of governance, as characterized by the focus on self-organized sectors of civil society, and the mechanisms that go beyond traditional norms like elections. These include provisions for the appointment of sectoral representatives to Congress and LGUs, provisions on recall of legislation and public officials, the contracting of public services to NGOs, the conduct of consultations, and sectoral/NGO/PO representation in various planning and consultative bodies. The intention is to address issues of equity for disadvantaged sectors and to increase direct participation in governance.

Because NGOs are civil society organizations, GO/NGO relations are often covered by policies under the third type of decentralization and devolution. However, it should be noted that GO/NGO relations are also affected by the first two types.

LGUs or NGOs? The 1991 LGC recognized the inability of LGUs to perform the increasing responsibilities delegated to them by decentralization because the LGU's financial and technical resources and the capacity of local government systems and officials were limited, and because an intersectoral convergence approach to development was needed. Thus, the Code decreed that LGUs should enlist the support of POs and NGOs in formulating and implementing development programs and policies. However, the long-term view proposed by some government officials and funding agencies is that NGOs will lose their comparative advantage as alternative delivery systems as LGUs increase their own capacities. Thus, the current debate is whether to strengthen NGOs or LGUs.

Private sector or NGO? As pointed out in the previous section, government policies and personnel continue to confuse the terms "private sector" and "nongovernmental," often using the terms interchangeably.

Why the private sector? Of the three types of devolution listed above, privatization is emphasized most strongly by the Government's overall macroeconomic policies, with far-reaching impacts on local communities. NGOs have therefore emerged with an expanded role as public interest groups, raising issues of environmental pollution and resource allocation, opposing certain development projects for their social and environmental impact on local communities, and questioning certain favored bids and

contracts. This has strained GO/NGO relations because many NGOs/POs note how the Government’s macroeconomic policies and emphasis on the private sector tend to undercut joint efforts at social reform.

Joint GO/NGO Mechanisms and Bodies

As shown in Table 5 below, NGOs have participated directly in governance through mechanisms in:

- LGUs
- national policy and planning agencies
- government line agencies
- sectoral representation in Congress
- follow-up activities to United Nations summits and international covenants

Table 5: Joint GO/NGO Mechanisms and Bodies

Context/Lead Agency	Mechanism	Brief Description	Comments
Local government unit			
Local Government Code (LGC) of 1991/Local Government Units (LGUs)	LGUs	<p>Devolves public service responsibilities (agri-extension, forest management, health care, tertiary roads and welfare programs) and fiscal programs to LGUs, closer to the people, and thus intends to improve the cost-benefit ratio of local services and to increase public sector accountability</p> <p>Recognizes NGO/PO role in local governance through (a) membership in special bodies; and (b) expanded mechanisms for LGU/NGO/PO collaboration in the delivery of basic services, including capacity building, local enterprise development, and livelihood projects</p>	<p>Transitional problems include (a) limited LGU capacity to absorb devolved functions, and (b) ambiguity in the roles and mechanisms needed for coordination of national and local programs</p> <p>Increasing trend among multilateral and bilateral funding agencies toward direct lending to LGUs</p> <p>Varied experiences in terms of actual LGU/NGO relations at the local level, depending on local politics and existing NGO relations with local public officials</p>

Table 5: Joint GO/NGO Mechanisms and Bodies (cont'd.)

Context/Lead Agency	Mechanism	Brief Description	Comments
National policy bodies			
Social Reform Agenda (SRA)/ Office of the President	Social Reform Council (SRC)	<p>Opens channels for LGU provision of financial and other assistance to NGO/ PO projects</p> <p>Gives preferential treatment to marginalized sectors and their cooperatives, especially in fishery rights and franchise awards over local public utilities</p> <p>People empowerment provisions include mandatory consultation, recall of public officials, initiative and referendum, and mandatory public hearings</p> <p>The SRC oversees the implementation of the SRA. The secretariat is managed and housed by the Department of Agrarian Reform (DAR). Parallel GO, NGO, and PO structures are being set up at the local levels. SRC acts as a dialoguing and policy monitoring body at the national level</p>	<p>Increasing awareness and trends among Philippine NGOs now directed towards (a) integrated area development approaches, and (b) formation of provincial and local NGO networks</p> <p>The SRA resembles a joint GO/NGO strategic agenda, although several points of disagreement persist</p>

Table 5: Joint GO/NGO Mechanisms and Bodies (cont'd.)

Context/Lead Agency	Mechanism	Brief Description	Comments
<p>National Economic and Development Authority (NEDA)</p>	<p>R e g i o n a l D e v e l o p m e n t C o u n c i l s (RDCs)</p>	<p>RDCs were established for development planning, policy review, and public consultations. Represented in the RDCs are: local government, national agencies, and the private sector. NGOs fall under the all-inclusive term of private sector. Selection of private sector representatives varies widely among the regions. Some regions have systems of self-selection, while others appoint or invite private sector representatives, usually by NEDA or by provincial governments.</p>	<p>Regions are composed of several adjacent provinces, but they are nonpolitical entities. They are designated areas only for planning purposes, since implementation and resources rest mainly with the provincial governments. NGO participation has been limited to making general comments on RDC plans and programs, and to articulating sectoral interest, since business and civic groups tend to dominate private sector representation.</p>
<p>Department of Environment and Natural Resources (DENR), Department of Agriculture (DA), and Department of Agrarian Reform (DAR)</p>	<p>NGO Desks</p>	<p>Most national line agencies set up NGO desks in direct response to NEDA Resolution No. 2 of 1989. Line agencies have also established their own systems and criteria for NGO/PO accreditation, and have organized various public consultations.</p>	<p>NGO desks have served as useful links between NGOs and line agencies.</p>

Table 5: Joint GO/NGO Mechanism and Bodies (cont'd.)

Context/Lead Agency	Mechanism	Brief Description	Comments
DA	National Agriculture and Fisheries Council (NAFC)	<p>First created during the Marcos administration as a forum between DA and farmers' organizations. It was also used by the Marcos administration to maintain its political base among the ranks of the peasantry.</p> <p>After 1986, there were efforts to establish AFCs at local (provincial and municipal) levels.</p>	<p>Presently ineffective at the national level as representative of the peasants because most NAFC members have clung to their posts over the years.</p>
DAR/ Comprehensive Agrarian Reform Program	Various agrarian reform committees and GO/NGO/PO tripartite programs	<p>The Comprehensive Agrarian Reform Law provides for a whole range of active NGO/PO involvement in agrarian reform implementation.</p> <p>Institutional mechanisms include the Peasants Forum, peasant representation in the Presidential Agrarian Reform Council (PARC) and in PARC Committees and Barangay Agrarian Reform Councils (BARCs) at the provincial and barangay levels, respectively, which serve as policy making and implementing bodies.</p>	<p>NGOs and farmers' organizations have played a vital role in agrarian reform implementation, both within and even outside established GO/NGO/PO mechanisms.</p> <p>Assessments show that majority of the BARCs are not organized properly, and tend to be headed by local officials and landowners.</p> <p>The most effective mechanisms often come in the form of special projects, task forces, and NGO/PO-led (demand-side) initiatives.</p>

Table 5: Joint GO/NGO Mechanisms and Bodies (cont'd.)

Context/Lead Agency	Mechanism	Brief Description	Comments
		<p>There are also joint structures for various joint implementation activities covering training, cooperatives development, land tenure improvement, support services, and beneficiaries development. Two key joint initiatives are the Tripartite Partnership for Agrarian Reform and Rural Development (TRIPARRD) and the Task Force Sugarlands.</p>	
DENR	Various programs	<p>Apart from its NGO Desk, DENR-NGO mechanisms often come in the form of joint management committees and consultative bodies for a variety of special projects, most of which are focused on environmental protection and resource management. These include projects on debt-for-nature swaps, integrated protected areas, social forestry, and upland and coastal resource management.</p> <p>In a few cases, DENR has also recognized/deputized POs/NGOs as forest guards or environmental protection officers.</p>	<p>There is often more NGO/PO awareness and support among national offices, than among field personnel.</p> <p>NGOs have also initiated their own parallel mechanisms/networks (i.e., the Upland NGO Assistance Committee, or UNAC) for engaging the DENR.</p>

Table 5: Joint GO/NGO Mechanisms and Bodies (cont'd.)

Context/Lead Agency	Mechanism	Brief Description	Comments
Department of Trade and Industry (DTI)	People's Economic Councils (PECs) and various programs	<p>PECs were established mainly as forums for DTI's engagement with the private sector to build entrepreneurship and local industries.</p> <p>Other mechanisms include joint management committees for DTI-managed special projects such as micro-credit.</p>	Within the NGO sector, the cooperatives tend to be involved.
National Home Mortgage Finance Corporation (NHMFC)	Trisectoral Committee on Housing	National GO/NGO/PO consultative committee created during the Housing Summit (January 1996).	No assessment available.
Housing and Urban Development Coordinating Council (HUDCC)	Multisectoral Committee on CMP	Policy making body for implementation of the CMP program, with representation from NGOs, POs, and HUDCC	No assessments available.
1987 Philippine Constitution/House of Representatives	House of Representatives	The 1987 Constitution provides for the appointment by the President of sectoral representatives to the Lower House of Congress to represent not political territories, but sectoral interests (i.e., peasants, women).	Some NGOs have been appointed as sectoral representatives, which in general have served as vital links between NGOs and Congress. However, their performance has been limited by other factors, including resistance to their appointment by regular congressional members, and in-house politics.

Table 5: Joint GO/NGO Mechanisms and Bodies (cont'd.)

Context/Lead Agency	Mechanism	Brief Description	Comments
Participation in UN convention and covenants, and country-based follow-ups			
UN summits, conventions and covenants	Department of Foreign Affairs and respective line agencies	Preparatory work for recent UN summits were marked by a diversity of approaches: (a) GO and NGOs conducting joint consultations, (b) GO-NGO undertaking parallel activities and preparing separate country reports/positions, and (c) NGOs advocating for GO positions. NGOs have also been included in some official delegations.	
UN Conference on Environment and Development (UNCED)	Philippine Council on Sustainable Development (PCSD)	PCSD was established in 1992 to pursue the country's commitments under Agenda 21 of UNCED. Although the council is composed of 14 line agency representatives, it grants NGOs "counterparting status" in the council's decision-making structures. Civil organizations (NGOs/POs) elect their own seven representatives, with consideration to sectoral representation, gender, and their environmental work. Decisions are made by consensus by its NGO/PO members. NGOs/POs select their own representatives and counterpart secretariat. On the government side, secretariat support is provided by the NEDA Agricultural and Natural Resources Division. Government provides funding support for PCSD.	Organized mainly for policy formulation and dialogue on issues of environment and development, for incorporation into the Medium-Term Development Plan. PCSD has a formal mandate, and has high-level representation—the Council Chair is the NEDA Director General, and the Vice Chair is the DENR Secretary.

Table 5: Joint GO/NGO Mechanism and Bodies (cont'd.)

Context/Lead Agency	Mechanism	Brief Description	Comments
UN summits on: Women, Social Development, Human Settlements, and Population	Multisectoral Committee on International Human Development Commitments (MCIHDC)	<p>MCIHDC was set up as a policy dialoguing and monitoring body on the country's commitments to four UN summits. The committee has 52 GO/NGO members, working along four sub-committees. The lead government agencies are:</p> <ul style="list-style-type: none"> • Women: National Commission on the Role of Filipino Women (NCRFW) • Population: Population Commission (POPCOM) • Social development: NEDA • Human settlements: HUDCC <p>On the government side, backstopping support for MCIHDC is provided by the NEDA Social Services Division.</p>	

The GO/NGO/PO mechanisms shown in Table 5 have been set up for joint consultations, policy dialogue, or implementation of projects with varying degrees of success. NGO/PO representatives are either appointed by the Government or selected by the sector itself. Assessment studies identify three success factors for GO/NGO mechanisms.

- presence of strong local NGOs/POs linked to local and national networks
- favorable attitudes and a common understanding on the need to collaborate
- presence of high-ranking, supportive government officials

GO/NGO Cooperation in the Implementation of Programs

Generally, there are three modes/types of GO/NGO collaboration.

- GO-led programs where NGOs are hired to undertake specific activities (usually community organizing or social preparation) on contractual basis
- Alternative NGO-led programs wherein NGOs retain control over program management and development
- Joint GO/NGO program development of a government project.

GO-Led Programs

The Government controls program management and policy decisions. NGOs are usually tapped by government agencies for: social preparation of target communities; needs assessment, project design, and monitoring; provision of skills training and nonformal education; and field implementation of projects, especially those related to poverty reduction, environmental protection, and delivery of social services. NGO services are covered by contractual arrangements and NGOs are able to access both financial resources and technical assistance from government agencies. NGOs are screened and selected by government implementing agencies through their NGO Desks. Usually, these are foreign-assisted programs. Examples of such arrangements include the DENR Social Forestry Program and the National Livelihood Program.

Alternative NGO-Led Programs

Alternative GO/NGO efforts usually take the form of tripartite arrangements, i.e., GO/NGO/POs. NGOs develop the program, then seek the Government's mandate, commitment, and involvement. Interestingly, such efforts do not significantly differ from GO-led programs in terms of strategies and activities, but only in terms of the degree of NGO participation and control over program management and development. NGO/GO arrangements are usually covered by anMOA, rather than by service contracts. Under this arrangement, NGOs are usually the conduits for funds from external sources of aid. Indeed, a major distinction from GO-led programs

is the degree of resource control by the NGOs. Funding is often from either bilateral or NGO sources, rather than from multilateral agencies. Examples are the Tripartite Partnership for Agrarian Reform and Rural Development (TRIPARRD) and the Tripartite Partnership for Upland Development.

Joint GO-NGO Program Development

Sometimes, NGO participation takes place at the level of program development through joint GO/NGO task forces or working groups. The resulting program is either jointly managed or provides for parallel/complementary efforts between government and NGOs with certain points of convergence. A prime example is the Community Mortgage Program (CMP).

Assessing GO/NGO Collaboration

The lessons to be learned from the broad range of GO/NGO collaborative experiences are difficult to collate. Existing reviews and evaluations utilize very different parameters for analysis. Also, many so-called "lessons" are site- or project-specific, and drawn from specific time frames within programs that are still evolving.

Further, there is need to understand the social and physical environments, and the nature of production strategies critical for each of the program areas. Potential conflicts in agrarian reform implementation are far more pronounced than, for example, a microcredit program. Nevertheless, there are sufficient written materials and testimonies from which one can draw out common occurrences in an effort to map current GO/NGO dynamics.

General Observations

Triggering Mechanisms for GO/NGO Collaboration

The improved overall political environment has brought about increased GO/NGO collaboration, supported by enabling policies on the government side, and emerging efforts towards mainstreaming on the NGO side.

However, the specific decision of whether to collaborate in the context of particular projects tends to be triggered by a degree of GO/NGO convergence in terms of analysis and solutions. Some government-led joint projects have been attempts to replicate successful NGO projects, such as in primary health care, coastal-based resource management, and the setting up of agrarian reform communities. Others have been designed by building on the perceived strengths of NGOs. Others utilize NGOs as alternative service-delivery mechanisms to the poor.

On the NGO side, through involvement in government-led projects, NGOs see the opportunities for funding and access to policy, resources, and technical assistance. As well, in cooperation, NGOs see the opportunities for gaining increased recognition, legitimacy, and experience.

Many successful GO/NGO collaborations have actually started through an up-front clarification of each other's roles, interests, and expectations. Important factors that must be resolved are:

- a shared acceptance of the need for the project
- a decision to collaborate
- a commitment to common goals

Broad Range of NGO Roles and Services

In the implementation of joint projects, NGOs perform a broad range of functions, which can be summarized as follows.

- **Local service delivery.** There are two areas of significant contribution: actual delivery of services such as providing medical services under the primary health care program (immunization, medical consultations); and institution-building services, such as serving as conduits for loans under a credit program, or organizing agrarian reform beneficiaries for land tenure improvement and for support services.
- **Program development and management.** NGOs undertake three types of functions: actual project management; capacity building, such as conducting team building and skills training for LGUs; and special consultancy engagements such as project evaluations.
- **Policy formulation.** NGOs have participated in policy work inside and outside formally constituted bodies. Thus, NGOs have performed roles as either policy advocates or formal policy consultants.

Lessons from Experience

Inherent Limits of Subcontracting

Subcontracting is the most common mode of NGO involvement in government-led projects. NGO involvement is often limited to just one of the multiple components of a project—usually social activities. The organization is then constrained to work within a limited time frame under a rigid structure, often with little or no involvement in the overall project management or policy decisions. The needs of target communities and program strategies are therefore often predetermined rather than adopted through the community organization process. The perceived strengths of NGOs—their flexibility and ability to adapt projects to local situations—tend to be

compromised, and thus end up being constrained by rigid government bureaucracy and internal weaknesses.

Five common problems are cited by NGOs under subcontracting arrangements.

- **Delays in fund releases**, especially in government-led projects. Such delays negatively affect project quality and implementation. Delays often take a month to a year. Many times, funds come in the form of reimbursement, and NGOs must cover expenses in advance, thereby jeopardizing their other operations. As an NGO director explained, "An NGO joining a government-led project will need a substantial buffer fund to cover up-front project expenses. This is not possible for smaller, field-based NGOs." This is a perennial source of GO/NGO tension and has caused a number of NGOs to rescind their contracts.
- **NGOs frequently lose key NGO staff to the project**, especially if the work is foreign-assisted, because of better pay and incentives. A related problem NGOs face internally is how to balance salary scales within its staff, especially if contracts are inflexible.
- **Bureaucracy and red tape** involving voluminous paperwork, decisionmaking within the bureaucracy, and need for interagency coordination. Indeed, documentation needs are heightened in GO/NGO contractual arrangements when program management is in the hands of a government bureaucracy (and minimized under NGO-led collaborations).
- **Unsupportive officials**, attitudinal differences, and a tendency to treat NGOs as employees rather than as partners
- **Unending stream** of project visits by external consultants, government officials, funding agencies, central project management staff, or by officials simply eager to showcase field projects to please their superiors. This places undue burdens on local field staff, and is a constant source of tension. Such visits impose varying requirements: meetings, documents, logistics. They draw considerable time and resources away from project implementation. Further, most foreign consultants report to the funding agency rather than to the Government.

Critical NGO Weaknesses

On the government side, problems often cited concerning NGOs pertain to capabilities and resources.

- **Lack of technical skills** to complement community-organizing activities, such as financial management skills in credit programs, basic medical background in community health programs, or some knowledge of agroforestry in upland programs. Many NGOs lack technical skills to complement community organizing activities, such as financial management workers tend to be equipped solely with community organization skills.
- **Lack of financial resources**
- **Inadequate documentation**
- **Networking problems** with POs and LGUs (e.g., differences in expectations, unclear roles)

The Important Role of NGO Networks

Experience has shown that NGOs tend to participate through their networks, allowing them to engage in a full range of simultaneous functions. This confirms the earlier observation on networking as the primary NGO mode for scaling up their operations and impact.

NGOs involved in service delivery may not necessarily be the same NGOs at project management and policymaking level. This is where it may be important to make critical distinctions between secondary/support NGOs (management/policy) and primary NGOs (service delivery).

However, experience also shows that coordination among NGOs may be better handled by NGO networks themselves. As shown by the experience of UNAC, an offshoot of NGO-DENR cooperation in the Integrated Social Forestry program, networks can relieve government line agencies of the tedious work in NGO coordination, accredit NGOs, and encourage NGO participation because they are run by NGOs themselves and NGO autonomy is not threatened.

The Expanding Role of LGUs

The Local Government Code of 1991 effectively devolves vast powers and responsibilities formerly held under central line agencies to LGUs. Most of these devolved powers (e.g., on agricultural extension, land use classification, coastal resources) precisely cover many of those sectors where GO/NGO cooperation has evolved. Thus, the support of LGUs has become increasingly critical for the success of GO/NGO collaborative activities, especially in such areas as fisheries and coastal resource management.

The LGC signals the need for new types of joint project design and management.

Many questions have arisen.

- How can projects between central agencies and a large number of LGUs be coordinated?
- How can the long-term sustainability of local projects be ensured when key decisions are transferred from career bureaucrats at the national level to five-year term local officials?
- What are the emerging roles and structures for involving NGOs?

The NGO community is just beginning to address the new context provided by the LGC. A 1995 study reviewing four case studies of people's participation in local governance identified several success factors on the side of POs and NGOs:

- a decision to participate
- internal organizational stability
- efficient internal decision-making processes and consultation on key issues
- networks and alliance building at both the local and national levels
- familiarity with local political interests and ability to identify potential sympathizers who understand the nature of the bureaucracy
- recognition of existing protocol of the LGU

Also, to a large extent, the study noted that the willingness and capacity of groups to negotiate with the Government and to accept the validity of *incremental* reforms affect their ability to obtain policy gains and political legitimacy.

NGO/FUNDING AGENCY RELATIONS

This section examines current trends in NGO/funding agency relationships in the Philippines. Given the objectives of this study, particular focus is given to external funding sources as defined under NEDA policy, i.e., bilateral and multilateral funding agencies.

Overview and Context

Relations between Philippine NGOs and funding agencies may either take the form of direct (NGO/funding agency) engagements, or in the context of tripartite (GO/NGO/funding agency) arrangements. Relations range from purely contractual arrangements (based on project or service contracts), to development partnerships (based on common agendas), to evolving development pacts (based on people-to-people solidarity).

Types of Funding Agencies

Funding agencies in the Philippine context usually refers to foreign agencies, classified as shown in Table 6.

Table 6 also describes the agencies' particular sources of funding. Foreign NGOs and foundations, for instance, utilize earnings from family or corporate trusts, or else engage in public fundraising with development education. Other sources of aid are church collections, corporate donations, individual contributions, membership fees, government taxes, congressional allocations, or any combination of these. These sources of funding, in turn, shape the agency's particular priorities and conditionalities. Motivations vary by explicit political or ideological considerations or by basic humanitarian concerns. However, priorities and conditionalities are increasingly shaped not just by the agencies themselves, but by evolving public opinion and public pressure within the member countries of the Organisation for Economic Cooperation and Development (OECD).

Table 6: A Typology of External Funding Agencies

Donor Category	Example
Foreign NGOs and foundations	Single country-based: Ford Foundation, Netherlands Organization for International Development Cooperation, Deutsche Welthungerhilfe
Church organizations	Multiple countries/international NGOs: Caritas
Political party foundations	Misereor, ICCO, Christian Aid, Trocaire
Bilateral channels of official development assistance	Friedrich Ebert Stiftung, Konrad Adenauer Stiftung
Multilateral agencies	United States Agency for International Development, Canadian International Development Agency, Swedish International Development Cooperation Agency, Japan International Cooperation Agency, Danish International Development Agency, Australian Agency for International Development
International people's organizations	UN agencies: UNDP, Food and Agriculture Organization
	Multilateral: World Bank, ADB, International Fund for Agricultural Development
	Peace movements, international trade federations, human rights organizations

Bilateral and multilateral funding sources (loans and grants) constitute the country's official designation of ODA as shown by NEDA's January 1997 listing of funding sources. The 1995 ODA Law of the Philippines also stipulates certain concessional lending rates for foreign assistance under the category of ODA. Because of the Government's liberal policies on foreign funding to NGOs, funding from foreign nongovernment sources is not generally considered official aid to the Government.

There are no exact figures on the amount of official ODA coursed through NGOs. However, a 1989 study done by ANGOC of bilateral ODA, based on interviews with the embassies in the Philippines of 13 countries that are major sources of aid, estimated that about 9.1 percent of total bilateral grant assistance was being channeled directly through NGOs.

Trends in NGO/Donor Relations: From Aid to Partnership

There has been a conscious evolution in Philippine NGO/funding agency relations from the recipient relations of the past toward one of development partnerships today. Increasingly, even funding agencies themselves have begun to note that aid is no longer

a one-way street, and that southern NGOs have something to offer the North. Many assistance programs now provide additional resources for research and documentation, development education in the North, and information dissemination—not only for reporting purposes, but also to revitalize public opinion in nations that are major sources of aid, where the phenomenon known as donor or compassion fatigue has become widespread.

NGO/funding agency partnership arrangements take other forms: joint strategy reviews, international networking, and program-based (rather than project-based) financing. Longer-term concerns on mutual learning, authentic cooperation, technical exchange, and people-to-people solidarity are emerging. NGOs themselves are beginning to look beyond one-time project funding arrangements towards more agenda-based commitments.

Although discussion about development partnerships first began between Philippine NGOs and non-ODA sources (i.e., Northern NGOs, church groups, and international organizations), this discussion has influenced Philippine NGO relations with bilateral and multilateral agencies as well. This is due in part to increasing pressures that northern NGOs and public opinion have brought to their own governments.

A mark of the growing legitimacy and recognition of NGOs has been the increased funding and support NGOs receive from the Government and from bilateral and multilateral sources of aid. These funds are generally of three types:

- direct ODA funding to NGOs
- funding windows for NGOs
- NGO participation in ODA-assisted projects

The situation today is markedly different from pre-1987, when the Government considered NGOs subversive organizations, and when most ODA sources shied away from assisting them.

Specifically, among bilateral funding agencies, there are four usual ways by which funds are channeled to NGOs, either directly or indirectly:

- embassy-administered funds or small-grant programs
- co-financing
- special funds carved from within the agency's country assistance program
- NGO access to government-implemented programs financed by ODA

In recent years, however, not only have NGOs been able to access ODA funding, but a number of ODA-assisted projects have been designed specifically with NGOs in key roles. A key example would be ODA-assisted microcredit and small-scale livelihood projects.

In addition to funding, a growing number of initiatives exists within government and among funding agencies to involve NGOs/POs in the programming, country assistance programs, sectoral reviews, and project formulation activities. This has been aided by the fact that many ODA sources are now emphasizing country-driven priorities and country ownership of projects. NGOs are seen not only as important sources of data and information, but also as sources of ideas and as measures of public sentiments, especially of the poor.

The Canadian International Development Agency (CIDA) was perhaps the first agency to use a broadly based participatory and consultative approach to obtain NGO inputs in shaping its country program for the Philippines. CIDA conducted the Tagaytay Conference in 1989 to solicit reviews/comments from a joint assembly of Philippine and Canadian NGOs. The Australian Government has likewise sought NGO comments for its country assistance program.

Among multilateral agencies, the World Bank Resident Mission has ongoing dialogues with Philippine NGOs on its Country Assistance Strategy and World Bank-assisted projects, while the International Fund for Agricultural Development (IFAD) conducted a joint GO/NGO workshop in February 1997 to identify possible projects for a forthcoming project formulation mission.

Funding agencies also occasionally sponsor GO/NGO/funding agency workshops on special themes, such as a recent high-level dialogue on indigenous peoples sponsored by the United Nations Development Programme (UNDP). Some donor agencies invest staff time and resources for visits among NGOs/POs and for conducting joint consultations.

Among the NGOs, concern about ODA programming first emerged during the Marcos era (mid-1970s), over issues raised about foreign debt and the social and environmental impacts of specific ODA-assisted mega-projects. Today, various NGO networks and coalitions have been formed to look into ODA or aspects of ODA, like

- the Freedom from Debt Coalition
- CODE-NGO
- the NGO Working Group on the ADB

Since 1986, there has also been an increasing trend toward setting up NGO-managed ODA funds. The first was PDAP, a funding mechanism set up in April 1986 through a block grant provided by CIDA (with a counterparting arrangement with Canadian NGOs) to support NGO projects in the Philippines. In 1990, following NGO comments on its country program, CIDA expanded its support for the creation of Philippines-Canada Human Resource Development Programme (PCHRD), which is run by a 10-NGO consortium, and of Development Initiatives for Women's Alternatives and Transformative Action to fund women-in-development projects.

Following UNCED in 1992, the Philippines became a priority area for the setting up of new environmental trust funds managed by NGOs. The Foundation for the Philippine Environment (FPE) was set up in 1993 with a USAID block grant and a debt-for-nature swap. FPE has a predominantly nongovernment board, with a representative of the Department of Finance as a nonvoting member. Following this initiative, multilateral bodies such as the World Bank began to support a similar fund committed to environmental initiatives—the NGOs in Integrated Protected Areas, financed by a block grant from its Global Environment Facility, and managed by a 14-member NGO consortium.

The Foundation for a Sustainable Society, on the other hand, was the result of a debt-for-development swap financed by the Swiss Government in 1995/96. The People's Agrarian Reform Fund was established in 1994 to support/sustain local agrarian reform initiatives.

NGO-managed funding mechanisms are a form of capacity building for the NGO sector as a whole. Endowments and assured funding allow NGOs to look into longer-term, strategic concerns, while their autonomy and flexibility also allow NGOs greater scope for rapid response and experimentation.

New forms of funding agency conditionality have recently emerged in the form of affirmative action on gender sensitivity, governance, broad-based consultative and participatory processes, beneficiary selection, NGO/PO participation, and sustainability. These are cross-cutting concerns that may be integrated into projects through project designs, accreditation systems, or reporting procedures. For example, an external funding agency may require their assisted projects to meet specific standards for environmental and social impacts, and levels of social acceptability. It may require gender-segregated data for reporting, or define new project management structures with NGO/PO or community representation. These new value-driven conditionalities seek to define broader aspects of project quality rather than just project outputs.

Sometimes, broader concerns determine the priorities not just of projects, but of the funding agencies themselves—democracy, human rights, social clauses—rooted in a more holistic view of development issues.

Different forms of affirmative action have certainly been brought about by a growing public scrutiny of ODA assistance. These new conditionalities are a far cry from the traditional funding agency-led adjustment programs and conditionalities attached to loans and grants that define interest and repayment rates, or macroeconomic policy prescriptions.

NGOs continue to rely heavily on funding support from external funding agencies, mainly from Europe, North America, and Australia. However, there are increasing efforts

among NGOs/ POs to diversify their fund sources, to generate internal funding, and to develop linkages with domestic funding sources, including local corporations. Emerging linkages with the business sector tend to focus on environmental activities such as "clean and green" activities, tree planting, pollution clean ups, and wildlife conservation, as well as social and cultural activities. An increasing number of NGOs is engaging in business or consultancy work.

NGO dependence on external funds is a trend that is likely to continue, especially in light of the rapid growth of the NGO sector and the global reduction in ODA contributions countries that are major sources of aid.

Tension Points

While many multilateral and bilateral agencies insist on dealing only with governments, NGOs point out the need for funding agencies to engage directly with affected communities, and for agencies to take greater responsibility for the results/impact of their assisted projects.

Most funding agencies continue to stress project-based funding, with increasing demands for measurable indicators within fixed time frames. However, many important NGO initiatives such as community organizing, networking, and advocacy work do not fit neatly into project frameworks. NGOs also point out the need for donor risk-taking-to support experimentation, pilot projects, and response-driven initiatives.

Most consultations are still done on ad hoc basis, or else take place only between NGOs and particular funding agencies. Broader GO/NGO/funding agency consultations may be useful in the context of discussions around the Philippine Aid Plan, the Medium-Term Philippine Development Plan, or even Philippine NGO assemblies.

Emerging Challenges

Global Decline in Funding

With the possible exception of Japan, the major OECD countries have seen drastic cuts in their ODA over recent years. There are also shifting priorities for country assistance toward humanitarian concerns in Africa, Eastern Europe, and the transition economies of Cambodia, Lao, People's Democratic Republic and Viet Nam. Recipient governments, NGOs, and even multilateral agencies have been affected by such global declines in development funding.

Increasing Demands for Transparency and Accountability

Today, public campaigns focusing on governments and funding agencies raise issues of transparency and disclosure, governance, and accountability. Funding agencies, in turn, raise issues about the accountability of NGOs themselves.

Increasing Privatization

Global trends toward more market-oriented economic and trade policies has resulted in the removal of government subsidies for the poor, the privatization of government utilities and services, and increased overall competition that increasingly impact on all facets of development work. One increasing trend noted has been towards the privatization of development work itself. Even multilateral banks, which have been in the forefront of such privatization efforts, are forced to rethink their roles because private sector investments now far outweigh public sector investments in Asia, partly due to the institution of government schemes such as build-operate-transfer to lure private investment into public infrastructure.

POTENTIAL FOR INCREASED NGO/BANK COOPERATION

Review of NGO/Bank Relations

Within the overall NGO community, there continues to be limited awareness or understanding of the Bank. Indeed, by nature, NGOs tend to prioritize their relationships with communities first, government second, and external agencies such as the Bank third. Where there is awareness of the Bank, NGO impressions still tend to be general, for example, "ADB deals directly only with the government."

The Philippine Government and NGOs come into contact with the Bank in two very different ways. The first is advocacy—with NGOs and affected communities raising issues about social and environmental impacts and resource tenure rights in Bank-assisted projects. The second is project implementation—with NGOs tapped to undertake major service delivery roles in Bank-financed, government-managed projects. The first is NGO-initiated, while the second is government/Bank-initiated. Both modes occur after the project is already in place. Between these two modes, there seems to be a lack of institutionalized mechanisms or forums where the Bank systematically engages with NGOs, except for ad hoc efforts to share information or attend each other's forums on invitation basis.

Bank-initiated cooperation with NGOs began in 1987 through a loan extended to the Government of the Philippines for the NGO Microcredit Project. Such cooperation has steadily increased, but still remains limited, with a tendency to look at Philippine NGOs as either a source of information for projects or as implementing agencies of specific project components, mainly through subcontracting arrangements with government agencies, but with no role in project management or policymaking decisions.

NGO-initiated engagements with the Bank, on the other hand, began in 1988 as concerns grew over the environmental impacts of Bank-assisted projects. This later grew into an Asian Regional Campaign now coordinated under the Manila-based NGO Working Group on the ADB.

Within the Bank, the task of relating with NGOs was first based in the then Environment Unit, then later transferred to the Social Dimensions Unit within the Agriculture Division in 1993. It was only in 1995 when a full-time professional post of NGO Coordinator was instituted under the newly-established Office of Environment and Social Development.

Over the past ten years, few Bank-organized initiatives relating to Philippine NGOs have occurred, and most have taken place within a regional context:

- two NGO/Bank Regional Consultations within the Bank's premises (1989 and 1994)
- Four NGO/Bank Symposia during Annual meetings (1996, 1997, and 1998, and 1999)
- a Regional Consultation on Indigenous Peoples (1995)

However, it is noted that interest among Bank staff to relate with Philippine NGOs at country level is emerging. Examples are the initial NGO/Bank meeting on the Bank's Country Operational Strategy and a Bank-organized workshop to review the implications of the LGC.

Policy Context for GO/NGO/Bank Cooperation

The positive trends and rapid growth of GO/NGO/funding agency relations in the Philippines over the past 10 years have been noted, as have the several second-generation issues that have arisen from this collaboration. While positive policies in support of GO/NGO collaboration are in place, however, it is the actual sociopolitical environment that weighs heavily on such collaboration (i.e., the poverty situation, peace and order, traditional politics).

The Bank itself may pursue increased cooperation with NGOs, arising from its own increased targets for social and environmental project lending, emphasis on poverty reduction, and thrust toward country-based assistance and ownership of projects by its developing member countries. From the perspective of Bank staff, however, two recent Philippine laws are likely to affect Bank-assisted projects, in general—the LGC and the new ODA Law.

The LGC devolves substantial powers to LGUs, and most of these powers revolve around social and environmental themes/sectors—agriculture, education, management of municipal waters—also areas of traditional GO/NGO cooperation. The LGC also gives provincial governments the power to negotiate and contract foreign loans directly. Such loans are disbursed and guaranteed by the National Government through the Municipal Development Fund under the Department of Finance, and debt repayments are automatically deducted in the respective shares of internal revenue allocations. In fact, the Bank currently supports an integrated area development project in Bukidnon.

The new modalities under the LGC have affected Bank operations and have thus raised several Bank-related concerns. First is the need to answer questions about the new modes of project formulation, funding, and management:

- What is the relation and the scope of responsibilities between national agencies and LGUs?
- What are the possible mechanisms for building the LGU-to-LGU linkages needed for reaching the required scale for Bank-assisted projects?
- What should be the mechanisms for involving NGOs with both the LGUs and national line agencies?
- How should the Bank, accustomed as it is to dealing with central agencies, adjust to devolution under the LGC?

The need for coordination with LGUs tends to be more pronounced in the Fisheries Sector Program (as coastal resources management has been devolved) than in the Forestry Sector Program, since forests remain under DENR custody and control. Moreover, since NEDA itself has stated its position against the setting up of additional, ad hoc project management offices at national level for ODA-assisted projects, new management structures must be evolved.

Second, questions have been raised about the current capacity of LGUs themselves. For instance, many coastal municipalities may have agricultural officers, but no municipal fisheries officers, thus affecting LGU capacity for development work in this area. LGU capacity building is an area increasingly addressed by Central Government, as well as by the NGOs themselves.

Third is the need to evolve new systems of local governance and accountability due to the deep entrenchment of traditional patronage politics. Studies show that the success of local GO/NGO collaboration is largely dictated by the attitudes of the local officials. Furthermore, because of the lack of a strong civil service bureaucracy at local level, technical positions (e.g., municipal agriculture officer) tend to be filled by political appointees rather than career personnel. This raises issues not only of competence but also of the sustainability of the programs themselves.

Fourth, there is an emerging view among many Bank staff that the LGC itself signals a declining interest in NGOs, because strong LGUs effectively take over many of the traditional service delivery functions of GO/NGO project-based cooperation. NGOs dispute this view, contending that the code merely signals the need to evolve new NGO/LGU partnerships, and for the Bank to recognize the other roles that NGOs play in society, such as in governance and policy work.

Prevailing concerns over the new ODA Law are much more Bank-/GO-related, rather than a direct concern of the NGOs. In fact, questions raised by external funding agencies—on official definitions of ODA based on concessional interest rates, on the preferential choice given to the hiring of local consultants, and on consultants involved in project preparation being restricted from project implementation—tend to be seen favorably by NGOs.

At best, there is a need for further GO/NGO/Bank discussion on the above areas, particularly on the emerging context of the LGC, perhaps as part of a larger multi-agency effort. Since 1993, several workshops on LGC have been conducted, including one by the Bank in April 1997.

General Considerations for Promoting Cooperation with NGOs

Successful collaboration with Philippine NGOs depends on much more than the selection of capable NGOs/POs and the preparation of an acceptable implementation plan. Two underlying facts about NGOs need to be considered.

- Philippine NGOs have evolved in the context of social movements as both critiques as well as alternatives to the traditional top-down approaches of government
- people create or join NGOs precisely to escape the stifling bureaucracy of government

These facts bring about three corollary working principles.

- NGOs will continue to take a critical stance, even within the context of collaboration with government, performing their roles as watchdogs or public interest groups
- NGOs are likely to resist attempts that fit them into pre-determined roles that they feel compromise their flexibility, autonomy, and independence
- the ideal relationship is one of equal partnership

These observations point to the following needs:

- to recognize NGO roles beyond their service delivery functions both within and beyond project cycles
- to encourage open and inclusive processes, such as public dialogues and consultations
- to involve NGOs in all phases of the project cycle, especially during the early phases of project identification, formulation, and design
- to guarantee public access to Bank-related information
- to institute direct feedback mechanisms within the Bank, beyond the normal monitoring reports
- to inform NGOs on how their feedback is addressed

NGO Involvement within the Project Cycle

In identifying the thematic areas for collaboration, one should refer to Table 1, which summarizes the general thematic areas where experiences in GO/NGO collaboration

already exist. In addition, Table 5 gives an overview of existing nationally initiated projects in the Philippines with features of joint GO/NGO implementation.

In addition to the above, other thematic areas for joint cooperation include:

- capacity building for NGOs
- capacity building for LGUs
- themes/sectors with primarily NGO-led initiatives (sustainable agriculture systems, biodiversity conservation)
- law enforcement in specific sectors
- support activities for ongoing peace efforts

Flexibility, independence, staff commitment, and orientation to grassroots participation are NGOs' main sources of strength. The Government and multilateral agencies are quite aware of these qualities and have described them variously as sources of independent feedback, as sources of innovation and experimentation, and as alternative channels for delivery of development services. These are the ways in which NGOs are seen to complement government programs.

Government-designed programs are necessarily bureaucratic. They are by definition based on general standards—the conditions in a typical community, perceptions of common problems, and the use of standard delivery systems and procedures. Centrally planned programs are designed with all *barangays* in mind, not any single community. This is where NGOs play a major role. Reviews of GO-NGO cooperation across several projects show that the NGO niche lies in two fundamental abilities.

- First, the special ability of NGOs for "nuancing"—that is, their ability to adapt programs to specific local conditions. In the process, NGOs not only implement, but also experiment and innovate.
- Second, NGO participation is crucial when project outcomes or their postintervention sustainability depend mainly on community ownership of a project, as in the case of the Community Forestry Program where upland communities organized to undertake long-term forest protection and resource management.

NGO participation during project identification and formulation may help in identifying target poverty groups, provide insights into local poverty conditions, or provide early warning on a project's potential impacts. Grassroots-based NGOs, POs, and various self-help groups may likewise be potential beneficiaries themselves.

Furthermore, there is scope beyond just visiting NGOs during project identification and formulation missions. Alternative project strategies can be built around perceived NGO strengths and GO/NGO complementarities. The recent experience of IFAD is particularly instructive.

In 1996-97, IFAD commissioned ANGOC to help identify agriculture-related projects for potential IFAD assistance, consisting of GO-proposed projects with NGO involvement and innovative NGO projects with potential for upscaling and replication. ANGOC thus prepared half-page write-ups of 26 potential projects, which were then presented and discussed at a joint GO/NGO workshop around three major themes: alternative project strategies, alternative implementation arrangements, and alternative financing arrangements. Three major development contexts were taken into account: (a) cooperation within the SRA, (b) the involvement of LGUs under the LGC, and (c) a special interest in Mindanao as a priority area.

While ADB's own framework for GO/NGO collaboration tends to mirror specific themes (microcredit, social forestry), the IFAD framework, as drawn up together with NGOs, shows several alternative strategies for project design, as shown in Table 7.

Table 7: Alternative Project-Design Strategies

Strategy	Advantage	Brief Description	Disadvantage
<i>Geographic focus, multi-sectoral</i>	<ul style="list-style-type: none"> • Provides economy of scale • Can include all agencies in joint activity 	<ul style="list-style-type: none"> • Involves identification of target poverty group and needs assessment in a given area • Builds on resources and skills of existing NGOs and LGUs in selected areas/sites 	<ul style="list-style-type: none"> • Selection of precise target community difficult • Limits coverage • Is it replicable/sustainable? • Longer start-up time if no NGOs are present
<i>Enhancement, expansion of existing programs</i>	<ul style="list-style-type: none"> • Builds on proven strategies and/or organizations • Does not need complex management structure • Needs short period before results are achieved • Potential high impact, low-cost project 	<ul style="list-style-type: none"> • Assumes that proponents have developed competence in activities proposed • Provides assistance to NGOs to extend and replicate existing programs to reach target groups and maximize impact 	<ul style="list-style-type: none"> • No existing management structure for this strategy. • Difficult to monitor and evaluate • Fragmentation of resources

Table 7: Alternative Project-Design Strategies (cont'd.)

Strategy	Advantage	Brief Description	Disadvantage
<i>Thematic approach</i>	<ul style="list-style-type: none"> • Concentration of resources • Can develop specific skills in one discipline that can be replicated in future projects 	<ul style="list-style-type: none"> • Involves selection of a particular theme or focus (i.e. agrarian reform), which allows concentration of resources into developing specific skills, and in replicating tried and tested methods 	<ul style="list-style-type: none"> • Each theme likely to be completely stand-alone
<i>Integrated strategy</i>	<ul style="list-style-type: none"> • Better chance of sustainable impact • More participatory approach with the community 	<ul style="list-style-type: none"> • Employs integration of themes in a given area • Intervention focus is on providing additional inputs/support to existing themes, such as providing marketing support, literacy classes, or organizational development to reforestation and livelihood activities 	<ul style="list-style-type: none"> • Needs careful selection of NGOs with relevant skills and experience • Complex to manage and implement • Financing mechanism unclear • Positive organizational linkages and good communication become critical

Source: IFAD, *NGOs, Government and IFAD: A Partnership for Poverty Alleviation II*, 1997.

Note: This author has added the "ecosystems approach," as emanating from the discussions at the above workshop.

NGO Identification for Projects

The identification and selection of NGOs has been the single most important issue raised by project officers in the Bank. Specific concerns raised include:

- where to find available data on Philippine NGOs
- how to develop NGO selection criteria
- how to distinguish between development NGOs and quasi-NGOs
- how to find the right NGO for specific sectors or project areas/sites

In providing answers to these questions, Philippine NGOs often preface their responses with three main observations.

- a working knowledge of the NGO sector requires certain investments of staff and resources over time

- the Bank itself must explore the broader parameters of possible cooperation with NGOs beyond the current subcontracting arrangements
- NGOs themselves often do their own self-selection

At best, proper identification and selection of NGOs requires a combination of approaches. The following practical steps are suggested.

- NGO networks may be consulted as initial sources of information (e.g., for mapping out the sector). Many NGO networks are sector-focused and have field offices or lead contacts at regional or provincial level. Networks are likely to identify potential NGO partners or provide key contacts or leads. However, it is important to know precisely what types of questions to ask.
- There are several existing databases that could be useful as references. Membership-based NGO networks like PHILDHARRA, PHILSSA, and the Association of Foundations, as well as secondary and tertiary cooperatives, often maintain updated information on members. CODE-NGO is currently preparing a database and NGO mapping of its 3,000 affiliates. There are also several published NGO directories. Another source may be the NGO desks within government agencies, although the quality of information has been found to be somewhat limited due to the lack of systematic updating or the shifting of personnel. The quality of NGO listings with regional development councils, however, vary greatly among regions, and may not be generally reliable.
- Identification of specific NGOs/POs in specific geographic areas is best done on site through provincial NGO/PO networks and regional offices of line agencies.
- Where no developmental NGOs/POs exist in a given area, other groups such as academic institutions may be tapped. Many church-based groups have likewise been involved in government-led projects. Another common practice has been to involve NGOs operating in neighboring municipalities, or within the province, using the project as a means to expand their services.

Specific selection and accreditation criteria are usually drawn up based on specific requirements of agencies or projects. One good practice is to include such criteria as part of project design and formulation. However, it is important that NGOs actively participate in the drawing up of such criteria, as well as in negotiating the specific terms of contracts.

Beyond the Bank's own identification and selection of specific NGOs, increasingly it also has been a practice to engage the services of NGO networks themselves. As shown by numerous experiences (United Nations Association in Canada in social forestry, TRIPARRD in agrarian reform), NGO networks could themselves institute and undertake systems of NGO selection and accreditation, project coordination, and monitoring. Even in those cases where NGOs have been contracted on an individual basis, such NGOs have tended to band together to create their own project-based subnetworks. Thus, NGO networking must form part of project designs.

The Bank has adopted the three general criteria suggested by the World Bank in identifying NGOs with whom cooperation is desirable.

- **Skill and capacity:** NGOs with proven track records, necessary administrative and operational capacities, and necessary sectoral or geographical expertise
- **Governance:** NGOs that are reliable and well-managed, well-developed in terms of accountability and transparency, politically acceptable, and free of nepotism
- **Legitimacy and credibility:** NGOs acceptable to government and other partners, with the necessary legal status, and that legitimately represent target beneficiaries or development interests

However, the process is equally important, with the best source of reference being the NGOs themselves. Also, cases of successful GO/NGO collaboration were initiated by an up-front and mutual clarification of each other's roles, interests, and expectations. Important factors to resolve are a shared acceptance of the need for the project, a decision to collaborate, and a commitment to common indicators or outputs.

Monitoring and Evaluation

NGO services could also be tapped for project monitoring and beneficiary monitoring. Under PDAP, for instance, NGOs not only monitor the progress of CIDA-assisted NGO projects, but also provide technical advice and support in the process. Through its experiences with NGO-managed funding mechanisms, the NGO sector has likewise developed skills in project selection, assessment, and evaluation.

Funding/Financial Arrangements

Experience has shown that financial arrangements are crucial for determining the nature of relationships within a GO/NGO collaborative arrangement. Generally, NGOs are wary of funds channeled through government because of delayed disbursements, complex processes, and strenuous accounting and auditing procedures. Also, NGOs become vulnerable to all sorts of political or bureaucratic interventions.

The NEDA Policy on NGOs provides three general modes for channeling external funds to NGOs. Loan-assisted projects (Mode 2), however, are often subjected to more restrictions because they form part of official government budgets, and thus are covered by government bidding and auditing procedures. The Bank should study the range of possibilities/combinations under the three general negotiating instruments (under Mode 2) for loan-assisted projects:

- **Service contract:** to the usual subcontracting arrangements
- **Loan-grant combination:** separate channels for loans and grants, with grant technical assistance coursed through alternative channels for capacity-building activities
- **Memorandum of agreement (MOA):** similar to service contracts, except that MOAs do not go through the bidding process

Similarly, the funding channels for project loans are crucial, whether utilizing:

- line agency as the sponsoring institution
- a line agency with a government financing institution
- an LGU with a government financing institution (like the Municipal Development Fund)
- direct transfer to NGOs/NGO consortium

The choice of funding channel affects the choice of NGO, the terms of contract, and the project's ability for flexibility and rapid response.

In general, the financial mechanism should satisfy the following criteria:

- quick fund disbursements
- flexibility in financial management
- efficiency in project implementation
- full accountability and transparency of project implementors
- legal admissibility and compatibility with general government procedures

Project-based funding arrangements should be designed in a manner that allows NGOs maximum flexibility and mutual GO/NGO accountability. One possible mechanism to follow is the Antique Integrated Area Development (ANIAD) concept wherein ANIAD as an independent institution acts as the lead agency and funding channel with the concurrence of NEDA and the provincial government of Antique.

Access to the Bank's loan-grant combinations, co-financing, counterparting, and other arrangements could be explored. Specifically, it has been suggested that the Bank provide accompanying technical assistance grants for loan-assisted projects, specifically for building capabilities and sustainability within projects.

Cooperation with NGOs beyond the Project Cycle

Country Programming and Consultations

Philippine NGOs have participated in various ways in the formulation of country assistance plans, agendas, and strategies. These have included inputs on CIDA's country assistance programming, inputs into the Medium-Term Development Plan, and participation in the formulation of the government strategy for agrarian reform. The main contributions of NGOs/POs in such consultations have come in the form of providing feedback on local conditions, identifying target poverty groups, examining the practicality of various approaches, and proposing new types of community interventions.

However, experience has shown that successful consultations with NGOs/POs are often based on the following set of good practices:

- sufficient lead time for preparations
- prior circulation of documents in simplified/summarized formats
- involvement of a lead NGO or network in the planning and preparation for the consultation
- prior meetings among NGOs/POs themselves to clarify consultation objectives, the main issues for discussion or resolution, or even to clarify some technical concepts
- adequate funding support for preparatory work
- participatory processes and skilled facilitation
- postconsultation feedback, and the assurance of follow-up work

Capacity-Building for NGOs/POs

Specific projects often determine the types of NGO capabilities that need to be addressed. However, some general areas may be identified in terms of five basic areas.

Financial and technical assistance. Many NGOs still suffer from chronic funding shortages, and feel they could achieve more with a more stable financial base. This has given rise to several NGO-managed funding mechanisms. Similar pooled funds could help NGOs address their own gaps and identified needs, e.g., strengthening linkages with centers or institutions that provide specialized technical support or training.

Training in technical skills and management. Technical and management skills are often limited to the more established NGOs. Thus, the Bank could either support skills-transfer activities or more formalized trainings. Some general areas are:

- area-based planning, rapid appraisals, statistics, and statistical indicators
- social and environmental impact assessments, especially at local level
- legal awareness and legal skills, understanding the bureaucracy
- financial management

Information and communications systems. Support for information and communications systems is one major form of NGO capability and institutional strengthening, with widespread effects. Support could come in the form of technical advice, installation of management and information systems, training, or provision of hardware and communications equipment.

Support for networking activities. Networking is a form of institutional strengthening. NGOs need to set clear, common agendas and integrate their work more as they enter into collaborative arrangements. Although networking is an internal matter that NGOs themselves could address, the Bank could assist by way of providing direct technical assistance to support NGO networking within projects. Another approach would be by supporting alternative sector and policy studies or NGO consultation processes to help define common agendas around which NGOs/POs could coalesce. However, it must be noted that since NGO networking and coalition building is generally seen as politically sensitive, external assistance must be relatively free from conditionalities.

Scholarships and fellowships. Granting scholarships and fellowships for NGO personnel is one way to increase the technical and professional competence within the NGO/PO sector itself. The Bank could offer scholarships for personnel selected by NGOs themselves, based on certain criteria.

Addressing Institutional and Policy Reforms

The NGO Working Group on the ADB (NGOWG) has been at the forefront of NGO regional and national initiatives pushing for institutional and policy reforms within the Bank. The campaign, initiated in 1988, now includes 112 participating NGOs

from 21 countries. It has a Philippine-based secretariat composed of ANGOC, PRRM, LRC-KSK, and FDC. It has assisted both the NGO sector and the Bank through regular dissemination of Bank-related information, monitoring of Bank projects, and providing critical reviews of Bank policies and Bank-assisted projects.

NGOWG has acted as a public-interest pressure group, addressing its concerns not only to the Bank, but to its member governments and to the public. NGOWG has submitted a number of concrete proposals on specific policies and working arrangements to the Bank.

It is important that the Bank see NGOWG and its criticism in a positive light, as useful contributions to the Bank's policy agenda and assistance priorities. Although the Bank has begun to respond through its Inspection Panel, the following are necessary.

- the need to institute systems for receiving and addressing direct public feedback
- regularized joint consultative and review mechanisms
- systems for providing timely and relevant public information on a proactive basis

Financial Arrangements beyond Projects

Possible financial arrangements beyond the context of project-based assistance include the following.

- **Special technical assistance.** Special technical assistance (TA) projects could be instituted to support NGO capacity-building activities, training, joint forums and workshops, pilot initiatives in participatory approaches, and special studies. It is strongly suggested that NGOs participate in the design of such TA projects, and that special TA projects be seen by the Bank not only as assistance to NGOs, but as sources of learning within the Bank.
- **Civil society fund.** The institution of a flexible fund with a large NGO role could help NGOs fill gaps in their specific areas of operation or in undertaking pilot approaches, and largely making use of existing expertise.
- **Debt-for-development swaps.** At least three NGO initiatives have been supported by debt-swaps: the Foundation for Philippine Environment, Haribon Foundation's environmental protection program, and the Swiss-supported Foundation for Sustainable Societies.