

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division: SEGF

<b>TA No. and Name</b> 3966-PHI: Regional Capability Building and Governance for an Expanded Autonomous Region of Muslim Mindanao			<b>Amount Approved:</b> \$600,000 <b>Revised Amount:</b> \$600,000	
<b>Executing Agency</b> Autonomous Region of Muslim Mindanao (ARMM) Regional Government		<b>Source of Funding:</b> ABD's TA Funding Program		<b>TA Amount Undisbursed</b> \$190,691
<b>TA Amount Utilized</b> \$456,240				
<b>Date</b>			<b>Completion Date</b>	
<b>Approval</b>	<b>Signing</b>	<b>Fielding of Consultants</b>	<b>Original</b>	<b>Actual</b>
4 November 2002	22 April 2003	1 December 2003	31 December 2003	31 May 2005
			<b>Closing Date</b>	
			<b>Original</b>	<b>Actual</b>
			31 December 2003	To be determined
<b>Description</b> The Autonomous Region of Muslim Mindanao (ARMM) was given autonomy by Republic Act (RA) 6734 (1989), as amended by RA 9054 (2000). However, wide-ranging powers and functions were not devolved to the ARMM regional government from the national government due to the regional government's constraints in financial resources, institutions and processes, and human resource capacity. The TA was formulated in response to the Government request to strengthen regional capability building and governance in the ARMM. It aimed to help ARMM Regional Government achieve fundamental political, economic, and institutional reforms in line with the Regional Executive Agenda for Peace and Development.				
<b>Objective and Scope</b> The TA's objective was to strengthen the capability of ARMM in public administration, revenue generation, and good governance. It would help enhance public service delivery in this impoverished region, where the incidence of poverty was 69% in 2000, compared to 42% for the rest of Mindanao and 34% for the whole country. The TA scope was to conduct a review and study on four areas in ARMM: (i) policy and legislation, (ii) human resource development, (iii) revenue enhancement of ARMM, and (iv) public awareness and communications on the legislative framework. The study results would be disseminated to the regional government and citizens for the future reforms in ARMM.				
<b>Evaluation of Inputs</b> The 4 TA components required a total of 43 person-months of consulting services, including 8 person-months of international consultants, and 35 person-months of domestic consultants over a period of 12 months. In cooperation with the Regional Legislative Assembly (RLA), consultations were undertaken with a cross section of concerned government officials and personnel in the ARMM for legislative review and draft production. The human resource development component focused on training the stakeholders in participatory techniques; developing and testing training designs and manuals; and conducting training courses to the focus agencies. Gathering data on national and regional government and revenue assessment were conducted under the revenue analysis component. The public awareness component supported reform through social marketing activities, surveys, and the development of accessible information materials. The Asia Foundation made adequate inputs in line with the terms of reference. The consultant firms' performance was rated satisfactory. EA had good coordination with the consultants and ADB in closely monitoring TA activities. The performance of EA is rated satisfactory. Having closely assisted TA activities, the performance of ADB is rated satisfactory. ADB input helped the consultant team finalize a number of draft laws including the draft Administrative Code for consideration of the RLA.				
<b>Evaluation of Outputs</b> The outputs from TA activities included quality reports, workshops, training, and information dissemination. They met the original terms of reference of the TA and provided a critical starting point for building capacity and reforming governance structure in the ARMM in a sustainable manner. TA outputs are rated satisfactory.				
(i) Policy and legislation review and legislative drafts The TA produced a proposed legislative amendment and 4 legislative drafts, namely, (a) Proposed Amendments to Muslim Mindanao Act No. 25, otherwise known as the Local Government Code of the ARMM, (b) Administrative Code of the ARMM, (c) Shari'ah Courts Act of the ARMM, (d) Code of Muslim Personal Laws of the ARMM, and (e) Code of Muslim Commercial Laws of the ARMM. These legislative amendments and drafts are consistent with Republic Act (RA) 9054 – the organic act creating the ARMM as a corporate entity with jurisdiction over all matters devolved to it by the Constitution, and would make operational vital regional powers that will enhance autonomy and effective self rule, hence are valuable outputs for the future legislative reforms in the ARMM.				
Focusing on the issues relating to the devolution of powers from national government to the ARMM, and down to local government units, the TA also produced several background reports including Basilan and Marawi City Case Studies, The Implementation of Republic Act 9054, and the Status of Devolution in the Regional Government of ARMM.				

## (ii) Human resource development

A total of four 3-day workshops on strategic planning and four 2-day workshops on program and performance planning were conducted between July 2000 and February 2005 in Davao and Cotabato, attracting a total of 346 participants, including high ranking officials, directors and trainers of the ARMM government agencies. Through the workshops, training materials were developed and compiled, which were subsequently tested and revised to more effectively improve the capability of government officials. These materials include *Manuals on Participatory Strategic Planning* and *Manuals on Work Program and Performance Planning*, which were developed for trainers and workshop participants. The TA final report recommended further development of human resources of the regional government, while taking advantage of the skills of the people that have been trained under the TA. It also recommended introducing performance-based management with capacity growth indicators.

## (iii) Revenue analysis and enhancement

The TA conducted two revenue assessments leading to legislative and administrative reform recommendations. After the completion of the assessments, information materials were prepared and disseminated as part of the activities under the public awareness and communications component of the TA. The two assessments were Revenue and *Public Expenditure Management Assessment Report*, and *ARMM Local Government Taxation Assessment Report*. The main conclusion of the two assessments is that administrative weaknesses at the regional and national levels are primary constraints to any success in implementing new revenue instruments. The reformulation and simplification of the existing revenue instruments, and the implementation of basic administrative reforms to maximize the collection of the existing instruments, should therefore be prioritized well before the introduction of new revenue instruments. A Public Finance-Revenue Workshop was held in April 2004 in Cotabato City to present the initial results of the assessment and generate further recommendations from the participants, including the representatives from ARMM revenue-generating agencies, Office of Regional Governor, Regional Planning and Development Office, and selected local government units in the region.

## (iv) Public awareness and communications

Major outputs under this component include:

- (a) Citizen survey. The survey was used to identify critical information and formulate appropriate media for information and education materials, which were developed during the latter phase of the project.
- (b) Communication planning workshop. Two workshops were held in April and October and attended by 52 information officers of the different agencies in the regional government. Workshop outputs include development of a communication plan and strategy, content for print materials, and a draft audio visual script.
- (c) Development and production of information education communication materials. Six mini-drama scripts-four on revenue collection, two on general information about the ARMM designed to instill a sense of belonging and pride to be in the ARMM, were produced. A Fact Sheet on taxes and RA 9054 were printed in four dialects.

**Overall Assessment and Rating**

The TA is rated successful. The TA made substantial contributions to help develop future regional capacity building and governance in the ARMM, which was the goal of the TA. It was relevant given the widely recognized needs for strengthening capacity and governance in the ARMM. The TA delivered satisfactory outputs and involved a close collaboration among the EA, TA consultants and ADB. The concrete outputs delivered under the TA are essential for the sustainable improvement in capacity building and governance in the future ARMM.

**Major Lessons Learned**

Well coordinated consultations with various stakeholders are key to successfully raising awareness among diversified interests on issues and challenges in the regional government. Selecting a consulting firm with a deep regional network is also important.

**Recommendations and Follow-Up Actions**

Following the review of the legislative and administrative frameworks and capacity building in the regional government undertaken under this TA, a broader consensus on reform should be discussed as part of the step to improving capacity and governance of the ARMM regional government. There is also a need to widely disseminate TA outputs to the national government and other development partners. ADB should closely monitor the future development of the capacity building, and political, economic and institutional reforms in the ARMM.