Country and Government Context

The Republic of the Philippines is an archipelago of more than 7,000 islands in Southeast Asia. Its population in 2010 was estimated at 94 million.^a

The country was a Spanish colony from 1521 to 1898. Following the Philippine Revolution, independence was declared on 12 June 1898 and the First Philippine Republic was established. It was then claimed by the United States and, after the Philippine–American War (1899–1902), became an American colony for nearly half a century. After a brief Japanese Occupation during World War II, the Philippines regained independence on 4 July 1946. The country was placed under martial law from 1972 to 1981 and formal political democracy was reestablished only after the 1986 People Power Revolution.

The president serves for a single 6-year term and is chief executive, head of state, and commander-in-chief. The country has a bicameral legislature—a Senate with 24 members elected nationally and a 280-member House of Representatives with district and party-list representatives. The current president, Benigno S. Aquino III, was elected in May 2010.

There are two official languages, Filipino and English, as well as eight other major languages and about 80 lesser-spoken languages and dialects. The Philippines is a lower-middle-income country^b with "medium human development" ranking in 112th (of 187 countries) in the world on the United Nations 2011 Human Development Index.

The adult literacy rate as of 2008 stands at 98.5% for females and 97.0% for males. The poverty incidence as of 2009 is 26.5% of the population. Life expectancy at birth is 69 years for males and 74 years for females as of 2007.

- ^a Based on the 2000 Census on Population and Housing by the Inter-Agency Working Group on Population Projections.
- b ADB. 2011. Country Partnership Strategy: Philippines, 2011–2016. Manila. The country's per capita gross domestic product was \$2,007 in 2010.
- ^c See note b.

Civil Society: An Overview

The basis for civil society in the Philippines comes from the Filipino concepts of *pakikipagkapwa* (holistic interaction with others) and *kapwa* (shared inner self). Voluntary assistance or charity connotes for Filipinos an equal status between the provider of assistance and the recipient, which is embodied in the terms *damayan* (assistance of peers in periods of crisis) and *pagtutulungan* (mutual self-help). The Western notion of *kawanggawa* (charity) may have been introduced to the Philippines by Catholic missionaries.¹

During the Spanish colonial period, the Roman Catholic Church and the religious orders established the first welfare organizations in the Philippines. They founded parochial schools, orphanages, and hospitals that were mostly reserved for the local elite. The church also established foundations and *cofradias* (brotherhoods), which encouraged neighborly behavior, such as visiting the sick and helping with town fiesta preparations.

The American colonial government delineated the boundaries between state provision of public goods, religious philanthropy, and private philanthropy. The Philippine Corporation Law of 1906 recognized the right to create private nonprofit organizations, and the government subsidized the operation of some of these organizations. The American Red Cross and the Anti-Tuberculosis Society set up branches in the country. The American Methodist and Protestant churches as well as the Church of England established schools and hospitals.

With support from the government, hundreds of farmer credit cooperatives were created in the 1920s and 1930s, soon claiming more than 100,000 farmers as members. At the same time, dissatisfaction among peasants fueled growth in membership of the Congress of Labor Organizations, a labor federation linked to the communist movement. The communist movement stimulated a counterreaction from the government, religious organizations, and non-communist organizations. The Catholic Church expanded its social agenda to direct engagement with workers and peasants and the Jesuits. Protestant and other non-Catholic churches expanded their services into rural development, cooperatives, and credit unions or cooperatives, as well as agricultural development.

Asian Development Bank

Then-President Ferdinand Marcos declared martial law in 1972 when there was little space for civil society and almost no tolerance for advocacy nongovernment organizations (NGOs) during his rule. In areas where the government bureaucracy could not deliver necessary social services, other development stakeholders, particularly NGOs, had to step into that role. However, some organizations either fled underground by joining the armed struggle of the Communist Party of the Philippines, or sought shelter by affiliating with a university or religious institutions. During the Marcos dictatorship, many civil society organizations (CSOs) built up strong relationships with poor communities. The activism of CSOs eventually contributed to the People Power Revolution of 1986 that ousted Marcos and brought Corazon Aquino to power.

President Corazon Aquino restored democracy to the Philippines, and several pieces of legislation favorable to civil society's development were passed soon after, including the Cooperative Code of 1990 and the Women in Development and Nation Building Act of 1992. Government line agencies opened NGO liaison offices, and NGOs were permitted to negotiate directly with bilateral funding institutions for financing. Many in the Philippine development community began to welcome CSO management of overseas development assistance (ODA) funds, recognizing CSOs as effective channels for funneling support to needy communities.

Owing to the favorable legal environment and the inflow of ODA funds to the country, the number of CSOs mushroomed during the administration of President Aquino from 1986 to 1992. The rapid growth of CSOs during the period may also be attributed to the government's move to institutionalize civil society participation in national and regional development planning. However, in addition to those with good intentions, organizations of dubious integrity engaged in guestionable practices. Some of these were established by politicians, businesspersons, and bureaucrats to advance personal, rather than public, welfare. In response, 10 of the largest NGO networks formed the Caucus of Development NGO Networks (CODE-NGO) in 1991 to promote professionalism as well as to expand the reach of CSOs and increase their effectiveness.2

Today, Philippine civil society organizations are widely seen as some of the most vibrant and advanced in the world. The Philippines has the largest number of NGOs per capita in Asia, and many believe that if civil society has contributed to democratization anywhere, it is in the Philippines³. Many of the key international NGOs and networks are based in the Philippines and headed by Filipinos.

There are many types of CSOs in the country, but the more important types are people's organizations, development NGOs, and cooperatives. People's organizations are membership organizations representing marginalized groups and often organized based on sector, issue, or geographical area. Development NGOs act as intermediate agencies and institutions that typically operate with a full-time staff complement and provide a wide range of services to primary organizations, communities, and individuals. A cooperative is an association of persons who have voluntarily joined together to make "equitable contributions to the capital required, patronizing their products and services and accepting a fair share of the risks and benefits of the undertaking in accordance with universally accepted cooperative principles."4

It is difficult to put a definite number to all the CSOs in the country, partly because many are unregistered, but also because there is no single official and updated database on those that register with government agencies. In addition, studies that attempt to count civil society groups use various definitions and may therefore include or exclude various types of CSOs. However, one of the latest and most comprehensive studies puts the range of registered and non-registered CSOs at 249,000–497,000.⁵ It was estimated that 40% of these organizations were non-registered.

CSOs in the Philippines engage in a broad range of activities, the most common being in (i) education, training, and human resource development; (ii) community development; (iii) enterprise development and employment generation; (iv) health and nutrition; (v) law, advocacy, and politics; and (vi) sustainable development. It is worth noting that political activism takes on a larger role for Filipino CSOs than elsewhere. Indeed, CSOs played major roles in achieving Filipino independence from the Spanish and the Americans, in toppling the Marcos regime, and in ending the administration of President Joseph Estrada.

Government–Civil Society Relations

Since the 1986 People Power Revolution, the government has always maintained some openness to civil society. However, the democratic space for CSOs has been expanded or constricted through the years depending on the inclinations of those in power (both elected and appointed leaders and bureaucrats), the general political conditions, and the positioning of CSOs with the incumbent political leaders, among other factors.

President Fidel V. Ramos, who served from 1992 to 1998, won the presidency by a slim margin and

thereafter sought to expand his base of support among various sectors of society, including CSOs. He advanced the Social Reform Agenda to engage CSOs in national policy development processes.

A section of the CSO sector campaigned for Joseph Estrada in 1998, and some of the leaders were appointed to Cabinet positions. However, many other CSOs soon became disenchanted with President Estrada over various issues, including cronyism, corruption, inept governance, poor economic performance, and limitations on press freedom.

This pattern repeated itself with President Gloria Macapagal-Arroyo who came to power in 2001 with strong civil society backing. Government–CSO relations, however, soured after she was accused in 2005 of electoral fraud in her victory in the May 2004 presidential election. Her declaration of a state of emergency in February 2006 amid strong opposition to her administration raised concerns about a threat to civil liberties.

Benigno Simeon C. Aquino was elected president in May 2010 with strong support from CSOs and volunteer groups who were mobilized through the anticorruption and antipoverty focus of his campaign platform and the legacy of his parents, the martyred Ninoy Aquino, and former President Corazon Aquino. The assumption to office of President Aquino marked improvements in the openness of the government to CSOs based on constructive engagement —both as watchdogs to help ensure that government policies and guidelines are followed and as support groups helping to implement government projects and deliver public services.

During this period, CSOs have clamored for increased accountability and transparency in government.⁶ For its part, the Aquino Administration promoted governance and anticorruption as the core priorities of its development agenda and introduced reform measures which included the creation of a Cabinet Cluster on Good Governance and Anti-Corruption chaired by the president himself. Under the president's leadership, the country also became a founding member of the Open Government Partnership, a global multilateral initiative that aims to secure more transparent, effective, and accountable governments.

In 2011, President Aquino approved the Good Governance and Anti-Corruption Plan 2012–2016 that includes a program to help strengthen the Department of the Interior and Local Government's partnership with CSOs. Projects under the cluster plan include the Citizen Satisfaction Index System, which institutionalizes

citizen assessment of local governments' performance; and the Electronic Watch, which creates a mechanism for citizens to provide feedback on the performance of their local government units (LGUs) through the internet. The Government of the Philippines has partnered with various CSOs for its Full Disclosure Policy, Seal of Good Housekeeping for LGUs, and other programs aimed at promoting good governance. CSOs are also monitoring the government's road and other infrastructure projects, and closely watching and participating in the implementation of the Conditional Cash Transfer (CCT) Program.

The government continues to open its doors to CSO participation not only in national and local planning processes, but now also in budget preparation and execution and in audit. The Department of Budget and Management (DBM) issued National Budget Memorandum No. 109 in 2011 to require six national government agencies and three government-owned and controlled corporations to partner with CSOs in undertaking a participatory process for the formulation of the national budget for 2012.

The following year, National Budget Memorandum No. 112 implemented the bottom–up approach in budgeting and further expanded CSO engagement in budget preparation for 2013. The DBM also created a CSO Desk that will monitor CSO participation in budget preparations.

The government also promotes a system of public procurement that standardizes procedures and increases transparency. The current procurement system allows civil society to attend meetings of bids and awards committees and to be given access to relevant documents.

The Legal Framework for Civil Society

The 1987 Constitution of the Philippines, forged and shaped in the aftermath of the 1986 People Power Revolution, clearly recognizes participation and empowerment, including the important role of CSOs. This may be seen in several provisions of the Constitution, most prominently in the following:

- Article II, Section 23: "The State shall encourage non-governmental, community-based, or sector organizations that promote the welfare of the nation."
- Article XIII, 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. [...]"
- Article XIII, 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."

Many laws also recognize and promote CSOs and their role in the development of the country. Among the most important is the Local Government Code (LGC) of 1991. The LGC devolves authority, assets, and personnel of various national government agencies to LGUs to provide primary responsibility for basic services and facilities. It further provides for the participation of CSOs in local government planning and policy making and in the delivery of social services. The code mandates the formation of local development councils, which play a role in local planning, and it also provides for the formation of other local special bodies, including the local health and school boards, all of which must also have CSO members. In addition, several administrative orders of the central government, implementing the constitutional provisions and the LGC regarding public participation, require that all local councils in all levels should be represented by various NGOs and people's organizations such as farmers' cooperatives and fishers' associations.

Another important law for CSOs is the Social Reform and Poverty Alleviation Act of 1997, which created the National Anti-Poverty Commission (NAPC), a coordination and oversight body headed by the president of the country to ensure that social reform addresses the basic inequities in Philippine society. It is composed of the heads of 14 major government departments, the presidents of local government leagues, and 14 basic sector representatives. The 14 sector representatives are elected by and accountable to assemblies of sector CSOs and their elected sector council.

Self-regulation has long been seen by many as a necessary ingredient to promoting accountability and good governance among CSOs. Philippine CSOs have been at the cutting edge of CSO self-regulation. CODE-NGO, the largest coalition of development CSOs in the country, established the Code of Conduct for Development NGOs in 1991. It was the first CSO coalition to adopt a code of conduct in Asia, and probably one of the first in the world.

It is not legally mandatory for CSOs in the Philippines to register with the government, and many people's organizations and other small organizations do not do so. However, only registered organizations gain a legal status that permits them to enter into contracts and open a bank account. There are four government agencies that provide primary registration, which gives a legal or juridical personality to a CSO: the Securities and Exchange Commission (SEC), the Cooperative Development Authority (CDA), the Department of Labor and Employment (DOLE), and the Housing and Land Use Regulatory Board (HLURB).

Many types of CSOs register with the SEC, including development NGOs, people's organizations, farmers' associations, athletic and sports associations, social welfare organizations, and civic clubs. On the other hand, the CDA registers various types of cooperatives that may include savings and credit cooperatives, consumer cooperatives, marketing cooperatives, and multipurpose cooperatives. The DOLE registers labor unions, labor federations, and rural workers' associations in accordance with the Labor Code of the Philippines. The HLURB registers homeowners' associations (HOAs) based on the Magna Carta for Homeowners and Homeowners' Associations. At least five incorporators may organize and register a HOA.

In addition to their primary registration with these agencies, CSOs wishing to take on particular activities need secondary registration or licenses or permits from other government agencies. For example, CSOs that would like to perform social work or social welfare roles, such as operating orphanages or children's institutions, or nonprofit health institutions, need to obtain licenses from the Department of Social Welfare and Development and the Department of Health, respectively, while nonprofit educational institutions must have permits to operate from the Department of Education, the Commission on Higher Education, or the Technical Education and Skills Development Authority.

Registered CSOs are required to submit annual reports, including audited financial statements, to their registration agency. However, in general, these agencies are not able to effectively monitor the numerous organizations registered with them. Due to the lack of resources, they can only investigate CSOs when complaints are filed against these organizations or when they are involved in irregularities frequently reported by the media. Certain tax incentives have long been given to various types of CSOs in recognition of their nonprofit nature and their contribution to the general welfare and to national development. They are exempted from income tax on revenues from donations, grants, gifts, and other sources, provided that their net income does not benefit any private individual.

In 1998, six of the largest NGO coalitions in the country established the Philippine Council for NGO Certification (PCNC). Through a memorandum of agreement, the

Government of the Philippines has given PCNC the authority to certify NGOs based on specific standards. The PCNC certification process was envisaged to encourage local donations to NGOs, which were considered highly significant, especially at a time when resources channeled to social development projects, particularly from foreign donors, were diminishing. From 1998 to March 2010, PCNC received 1,311 applications for certification and certified 1,071 CSOs.⁸

Umbrella and Coordinating Bodies

There are many umbrella groups of CSOs in the country, most of which are organized according to sector, such as federations or alliances of organizations of workers or trade unions, farmers, fishers, urban poor, women, indigenous peoples, and youths. Umbrella groups may also be formed based on geographical area (provincial/city or regional alliances) or on issues and causes.⁹

The more established national networks and coalitions of CSOs include the following:

Association of Foundations (AF)

AF was created in 1972 as a network of foundations and NGOs. Its focus is on education, culture, science and technology, governance, social development, environment, and sustainable development.

Room 1102, 11th Floor, Aurora Tower Araneta Center, Cubao 1135 Quezon City Tel +63 2 913 7231 and 911 9792 Fax +63 2 911 9792 afonline@info.com.ph www.afonline.org

Affiliated Network for Social Accountability in East Asia and the Pacific (ANSA-EAP)

Launched in February 2008, ANSA-EAP is a regional network promoting the practice of social accountability that capitalizes on existing in-country networks working in governance reform. These country networks are collectively known as a "conveners group" and are typically led by a coordinating organization.

Pacifico Ortiz Hall
Fr. Arrupe Road, Social Development Complex
Ateneo de Manila University
Loyola Heights, Katipunan Avenue
1105 Quezon City, Metro Manila
Tel +63 2 426 6062 and 426 6002 ext 4627
Fax +63 2 426 6062
info@ansa-eap.net
www.ansa-eap.net

Bagong Alyansang Makabayan (Bayan)

Bayan was created in 1985 by more than 1,000 mass organizations. It fights for national and social liberation against imperialism, feudalism, and bureaucrat capitalism. Bayan fights for the nationalistic and democratic needs of the people through legal and militant forms of struggle, and, though it does not participate in armed struggle, Bayan respects the right of others to take such an option.

No. 1 Maaralin corner Matatag Street Brgy. Central, Diliman 1100 Quezon City Tel/Fax +63 2 435 6930 bayan_national@yahoo.com www.bayan.ph

Caucus of Development NGO Networks (CODE-NGO)

CODE-NGO was formed in 1991 by the 10 largest NGO networks in the Philippines. It now comprises 6 national and 6 regional member networks, representing more than 1,600 development NGOs, people's organizations, and cooperatives nationwide.

69 Esteban Abada Street, Loyola Heights 1108 Quezon City Tel +63 2 920 2595 and 435 6616 Fax +63 2 435 6616 loc. 103 caucus@code-ngo.org www.code-ngo.org

League of Corporate Foundations (LCF)

LCF was created in 1991 as a subsector of AF. It was formally registered as a nonprofit association in 1996. LCF aims to promote the strategic practice of corporate social responsibility among its more than 70 member foundations and the broader business community.

Unit 305, Midland Mansions Condominium 839 Arnaiz Avenue, Legazpi Village 1226 Makati City Tel +63 2 892 9189 Fax +63 2 892 9084 www.lcf.org.ph

National Confederation of Cooperatives (NATCCO)

NATCCO was founded in 1977 and is composed of around 1.6 million individual members coming from several co-op federations and around 406 rural and urban-based co-ops.

227 JP Rizal Street, Project 4 1109 Quezon City Tel +63 2 913 7011 to 14 ceo@natcco.coop www.natcco.coop

National Council of Social Development (NCSD)

NCSD was established in 1949 as the first social development network in the Philippines. It was then known as the Council of Welfare Agencies, Inc. (CWAPI) and is the first NGO network given license and accreditation by the government for community-based programs for children and families.

4/F United Methodist Church Headquarters Building 900 United Nations Avenue, Ermita 1000 Manila Tel +63 2 523 4846 Fax +63 2 524 8043 ncsdphils@yahoo.com

National Secretariat of Social Action–Justice and Peace (NASSA)

NASSA was created by the Catholic Bishops' Conference of the Philippines (CBCP) in 1966. It focuses on poverty alleviation, democratic governance, ecology and integrity of creation, peace, and development.

CBCP Building 470 Gen. Luna Street, Intramuros 1002 Manila Tel +63 2 527 4147 www.nassa.org.ph

Partnership of Philippine Support Service Agencies (PHILSSA)

PHILSSA was established on 31 May 1988 and registered with the SEC on 14 February 1990. It focuses on programs for the sustainable development and empowerment of urban sectors, namely the slum dwellers, the formal and informal labor force, the youth, women, children, and the development workers themselves. PHILSSA has 43 partner NGOs engaged in education and training, research and documentation, legal services, socioeconomic and other technical support, and issue and policy advocacy.

3/F Hoffner Building, Social Development Complex Ateneo de Manila University Loyola Heights 1108 Quezon City Tel +63 2 426 4328/0811 Fax +63 2 426 4327 philssanc@pldtdsl.net

Philippine Business for Social Progress (PBSP)

PBSP was established in 1970 as a corporate-led social development foundation. It now has over 230 member corporations and aims to strengthen corporate involvement in social development activities.

PSDC Building Magallanes corner Real Streets, Intramuros 1002 Manila Tel +63 2 527 7741 to 48 Fax +63 2 5273743 www.pbsp.org.ph

Philippine NGO Council on Population, Health and Welfare (PNGOC)

PNGOC was founded on 24 June 1987. It is composed of 97 member NGOs focused on different development concerns of the population such as reproductive health, gender equity and equality, women and development, nonformal education, sustainable development, and HIV/AIDS prevention and care.

Unit 305 Diplomat Condominium Building Russel Avenue, Roxas Boulevard 1305 Pasay City Tel +63 2 852 1898 Fax +63 2 853 4345 info@pngoc.org www.pngoc.org

Philippine Partnership for the Development of Human Resources in Rural Areas (PHILDHRRA)

PHILDHRRA was formally created in 1983 and is now a network of more than 70 NGOs involved in various development activities in rural communities all over the country. It is mainly involved in community organization and the provision of health, education, and livelihood services to marginalized groups in the countryside.

59 C. Salvador Street, Loyola Heights 1108 Quezon City Tel +63 2 436 0702/426 6740 Fax +63 2 426 0385 national@phildhrra.net www.phildhrra.net

Philippine Rural Reconstruction Movement (PRRM)

PRRM was founded in 1952 as a movement committed to the cause of the Filipino peasant. The organization's mission is "to enhance the capacity in the planning, advocacy and implementation of sustainable development, through an integrated program of education, livelihood, health, habitat, environment, and self-governance."

PRRM Building 56 Mother Ignacia Avenue corner Dr. Lazcano Street 1103 Quezon City Tel +63 2 372 4991 www.prrm.org There are also many regional and international civil society networks with offices or secretariats in the country. These include the following:

Asian NGO Coalition for Agrarian Reform and Rural Development (ANGOC)

ANGOC was founded in 1979 and is a regional association of 20 national and regional networks of NGOs in 14 Asian countries. They are focused on food security, agrarian reform, sustainable agriculture, participatory governance, and rural development.

73-K Dr. Lazcano Street Brgy. Laging Handa 1103 Quezon City Tel +63 2 351 0581/0011 angoc@angoc.org www.angoc.org

Asian Partnership for the Development of Human Resources in Rural Asia (AsiaDHRRA)

AsiaDHRRA was founded in 1974. It is a regional partnership of 11 social development networks and organizations in 10 Asian nations. AsiaDHRRA focuses on helping rural communities become self-reliant through their five program areas: leadership development, regional policy and advocacy, constituency building and resource development and management, management information system, and organization development and management.

Room 201 Partnership Center 59 C. Salvador Street, Loyola Heights 1108 Quezon City Tel +63 2 426 6739 and 436 4706 Fax +63 2 426 6739 asiadhrra@asiadhrra.org www.asiadhrra.org

NGO Forum on ADB

The NGO Forum on ADB was established in 1991 by 20 NGOs from 16 countries. Its goal is to make the Asian Development Bank responsible and accountable for the impacts of its projects and policies.

85-A Masikap Extension Brgy. Central, Diliman 1100 Quezon City Tel +63 2 436 1858 Fax +63 2 921 4412 secretariat@forum-adb.org www.forum-adb.org

Southeast Asian Committee for Advocacy (SEACA)
SEACA was founded in September 1999. It is
composed of national networks of NGOs and people's

organizations from eight countries in the region. SEACA focuses on advocacy capacity building of CSOs.

29-D Mayaman Street UP Village, Diliman 1101 Quezon City Tel +63 2 920 6228 info@seaca.net www.seaca.net

Civil Society Directories

Several CSOs and government agencies have directories or databases of CSOs.

AF maintains databases of NGOs and foundations at www.pfconline.org/database/ngoquery.html and www.pfconline.org/database/donorquery.html.

PCNC publishes a list of the CSOs that are currently certified at http://www.pcnc.com.ph/ngo-list.php CODE-NGO has a database of affiliated organizations at http://code-ngo.org/codedb.

The Department of Social Welfare and Development has a directory of CSOs with valid registration, license to operate and accreditation as social welfare and development agencies as well as those with expired validity and with revoked registrations and licenses at www.dswd.gov.ph/index.php/downloads/

The Bureau of Labor Relations of the Department of Labor and Employment maintains directories of labor federations and other labor organizations at http://blr.dole.gov.ph/downloadable%20forms/DIRECTORY-National%20Trade%20Union%20Centers.pdf

The SEC allows the public to access basic corporate information about nonstock, nonprofit corporations (e.g., the general information sheet that contains the organization name, contact information, board members and officers, and number of employees) through the website https://ireport.sec.gov.ph/iview/index.html, but requires a fee for viewing and printing such documents.

NGO Principles, Mandates, and Standards

The large number of NGOs has given rise to concerns about the ability of the government to regulate all these organizations and to ensure that resources channeled to them are actually being used for their declared goals and objectives. CODE-NGO's Code of Conduct for Development NGOs is a manifestation of the CSO community's commitment to promote professionalism and accountability in its operations. The Code of Conduct has since been signed by over 1,000 NGOs and was recently updated to provide for clearer enforcement mechanisms. ¹⁰ It further calls on the Philippine development NGO community to adopt the principles, goals, and provisions embodied in the Code of Conduct.

The PCNC's certification process is one of the very few government-recognized NGO certification systems in the world and has been the subject of discussion and possible replication by NGOs in different countries. It ensures professionalism, accountability, and transparency within the NGO and nonprofit sector in the Philippines by providing a Seal of Good Housekeeping, which will hopefully also help identify NGOs of good standing for funding agencies and partners.

Civil Society Capacity

The strength of Philippine CSOs lies in their number, the extensive networking with the sector and with other sectors or society, the experience and skills from many years of development work, the dedication and creativity of CSO leaders and workers, and the flexibility that is linked to the small size of most CSOs. A survey conducted for the Civil Society Index¹¹ (CSI) in the Philippines found that 46% of the population considered themselves as active members of at least one CSO, 37% were inactive members, and only 17% said that they do not belong to any CSO.¹² Complementing this, most CSOs, especially NGOs, sector organizations, and cooperatives, are linked together through provincial, regional, and national networks or federations or coalitions.13 This may also pose difficulties in selecting the appropriate CSOs with which to engage and could hinder having a unified constructive voice from civil society.

Aside from their number, CSOs in the country have the skills, coalition/network building capacity, and links with allies in government that are needed to put forward and successfully advocate social reform laws and policies, including the Anti-Violence against Women and Children Act, the more recent Comprehensive Agrarian Reform Program Extension with Reforms Act, the Urban Development and Housing Act, and the Indigenous Peoples Rights Act, to name a few.

CSOs have also proven themselves to be excellent alternative providers of services to the poor, particularly to those underserved by the government. They are

known to be flexible, adaptable, and capable of innovative approaches to development challenges. Further, CSOs typically incur lower costs under fewer bureaucratic project implementation processes than the government.

Philippine civil society has also been able to tap corporate resources to support poverty alleviation initiatives. Philippine Business for Social Progress (PBSP) is the largest corporate-led social development foundation in the Philippines. Committed to poverty reduction, PBSP is the first of its kind in Asia being the only nonprofit consortium of corporations leading the advocacy on and the practice of corporate social responsibility. It has grown its membership base to over 230 small, medium-sized, and large corporations, raising P1.7 billion (\$41 million) annually from member contributions that go to implementing, monitoring, and evaluating development projects nationwide.

As a result of the experience and expertise of Philippine CSOs many of their capable staff become trainers and mentors for others within the country, regionally, and globally. Foreign NGOs and governments often send staff to the Philippines to learn about civil society and the relationship between the government and CSOs.

However, it has been noted that many CSOs, particularly NGOs, are dependent on external funding and are affected by lack of staff for the successor generation and weak internal governance. Philippine CSOs secure their funding through membership dues, donations, subsidies, and revenue from income-generating activities. The CSI organizational survey showed that traders and business associations, trade and labor unions, and homeowners' associations rely mainly on membership fees and service fees and sales (89%–100%) for their revenues. On the other hand, NGOs obtain 70% of their revenues from foreign donors, corporate donors, and the government. Individual donations and membership fees account for 85% of the revenues of religious and spiritual groups. Dependence on external funding is critical in view of the decline of external or donor support for the country since the 1990s.14

While it is true that many CSOs operate on the basis of volunteerism, the more stable and capable CSOs rely on paid full-time staff to deliver their programs and services. The ability of many CSOs to keep their staff has been affected by the lack of funds. Many local CSOs have also lost many of their high-performing staff to better paying and more stable institutions, including the government and the business sector, but also to corporate foundations, international NGOs, and donor agencies. At the same time, CSOs, particularly

NGOs, have recently not been able to attract as many young graduates and talented youths into their field as they used to. These developments may slow down civil society's sustained constructive engagement with the government.

The increasing number of thriving CSOs is a sign of willingness of the public to engage in development, but their capacity in constructively doing so needs to be developed. Many CSOs may have been missing opportunities currently offered by the government due to their lack of technical knowledge about how government works. CSOs need to be trained in participatory audit, for example, or in understanding published government financial reports. This is particularly true for large development projects, in which only very few CSOs with strong track records are able to participate. CSOs also recognize the need to strengthen their internal governance, starting with a more involved and active Board of Trustees. There have been some reported cases of mismanagement of CSO funds. A survey of 120 CSOs conducted for the CSI showed that 36% perceive that corruption happens frequently (24%) or very frequently (12%) within civil society.

ADB—Civil Society Cooperation in the Philippines

The Philippines is not only a founding member of the Asian Development Bank (ADB) and its 11th largest shareholder,15 it is also ADB's host country. In the Philippines, ADB's development partnership includes a wide range of stakeholders representing government, civil society, donor institutions, the business community, and research and academic institutions.

To increase relevance, ADB is intensifying or creating partnerships outside the national government, with government-owned and -controlled corporations, LGUs, the Supreme Court and other pillars of justice, business groups, and civil society. For instance, ADB takes the preparation of its country partnership strategy for the Philippines as an opportunity for establishing linkages with CSOs and collaborating with other development partners. ADB also engages in other knowledge management activities in pursuit of this goal.

ADB has engaged with various CSOs in the Philippines for many years, partly because its headquarters is in the country. ADB has committed to strengthening partnerships in the implementation of its country partnership strategy in the Philippines through, among others, stakeholder consultations and the establishment

of an advisory board of eminent people, including academics and CSO representatives. Also, as part of its focus on strengthening governance and reducing corruption, ADB continues to support constructive engagement between CSOs and the national and local governments.

ADB Country Partnership Strategy 2011–2016

In consultation with the government and other relevant stakeholders including CSOs, ADB formulated the Country Partnership Strategy for the Philippines. It defines ADB's strategic approach in the Philippines for 2011–2016 aligned with ADB's long-term strategic framework Strategy 2020, the country's own development strategy, ADB's comparative strengths, and complementary efforts by its development partners.

Consultations during its preparation provided opportunities for CSOs to contribute to ADB's medium-term strategic approach in the Philippines. In 2011, ADB's Philippines Country Office organized CSO consultation meetings in Manila for separate discussions on the following key issues: governance, the social sector, and infrastructure and the environment. Another round of consultations was organized in other parts of the country where key CSOs, as well as representatives from business groups and academia, participated in the discussions. CSO participation in the country partnership strategy formulation demonstrated a bottom-up participatory process with a wide range of stakeholders in Luzon, Visayas, and Mindanao. The process also helped shape the strategic focus of ADB's country program on governance, the social sector, the environment, climate change, and disaster risk management, in particular. Consultations with CSOs also contributed to a better understanding of country priorities and critical development constraints at the national and the local level.

ADB-Supported Activities Involving Civil Society

Civil society has become a much more influential actor in development, demanding greater accountability and transparency as well as engagement on key issues, such as human rights, good governance, and climate change at the national, regional, and global levels. The strength and capacity of CSOs in the Philippines open up more opportunities for ADB to engage with them more effectively, not only in

projects but also in policy dialogue and development. Historically, CSOs in the Philippines have participated in ADB policy reviews, such as for the Safeguard Policy Statement, the Public Communications Policy, and the Accountability Mechanism.

At the project level, ADB directly supports the social protection reform agenda of the Government of the Philippines, including the implementation of its CCT Program. Through CCT, cash grants are extended to eligible poor families for as long as they meet certain agreed conditions that include keeping children in school and bringing them to health centers for basic health care.

The CCT Program promotes various roles of CSOs that include implementation of the subcomponents of the project, monitoring, and support for the grievance redress system, among others. The loan component includes financing of biannual spot checks by a CSO of CCT implementation and system performance. In particular, ADB supports the government and partner agencies to hold policy dialogues among multiple stakeholders, including CSOs, to build consensus around an action plan of priority reforms and to enhance the capacity of people in national and local institutions to implement the CCT Program. CSO consultations organized in Luzon, Visayas, and Mindanao culminated in a consensus statement demonstrating civil society support.

ADB cooperates with Sa Aklat Sisikat Foundation (SAS) under the Computer Access Mentorship Program project to help improve the skills of public school teachers. SAS is an NGO that bridges the education gap in the Philippines by advocating functional literacy and progressive teacher and administrator training. Since 1999, SAS has been upgrading the skills of public elementary schoolteachers in teaching reading. It has developed a culturally sensitive curriculum and a pool of high-quality trainers. The SAS program on face-to-face training of teachers will be expanded into an online training model.

Together with the Partnership for Transparency Fund (PTF), ADB provided technical assistance to strengthen civil society's role in the fight against corruption.

Two projects in the Philippines addressed corruption issues in city administration and the education sector.

The projects highlighted the key roles that CSOs play in building public awareness of anticorruption approaches. The NGO Ecolink used popular mass media formats, such as radio, mobile telephony, poster making, law advocacy, and catalyzing of citizen's coalitions and student "graftwatchers," to heighten awareness among communities in Southern Philippines about

the misuse of government vehicles. The Ateneo School of Government's Textbook Walk project organized volunteers to keep track of public procurement and delivery of school textbooks. ADB support enabled the project to ensure that government-purchased textbooks reach their intended destination.

Japan Fund for Poverty Reduction

The Japan Fund for Poverty Reduction (JFPR) was established in May 2000 to provide grants for poverty reduction initiatives with the direct participation of community groups, NGOs, and other CSOs. It is a tool for local communities and CSOs to actively participate in the development process. Since its founding until December 2010, the Government of Japan has provided \$446 million for the fund.16 The JFPR is widely recognized as one of the primary grant facilities available to NGOs. They are routinely involved in the different stages of the project cycle and play many roles, including as executing and/or implementing agency; as a resource NGO providing information, community organization, or other specialized services; or even as consultants to ADB in the course of the project's supervision.

Since its start, the JFPR has supported 130 projects across Asia and the Pacific, including 9 in the Philippines.¹⁷

Community groups or other CSO may collaborate in conceptualizing and designing the proposed grant with the ADB project officer managing an existing and related ADB-financed project. However, only ADB staff can officially submit JFPR applications. Civil society groups are advised to establish contact with the country teams directly or through the NGO anchors and civil society specialists in ADB resident missions.

Through JFPR, ADB is working to raise the income levels of the poor coastal communities in Berau (East Kalimantan), Indonesia and in Balabac (Palawan), Philippines by pilot-testing support mechanisms for sustainable livelihoods. The initiative aims to develop model alternative livelihoods that will involve women and indigenous people in the development process.

Developing Sustainable Alternative Livelihoods in Coastal Fishing Communities in the Coral Triangle: Indonesia and Philippines, a \$2 million project approved in 2011, was designed in consultation with NGOs including The Nature Conservancy and the World Wide Fund for Nature. ADB will engage the services of local NGOs to help undertake social preparation, mobilization, and empowerment of the

local communities for microenterprise or livelihood development for revenue generation.

ADB also helped increase and diversify the incomegenerating opportunities for the poor in Southern Philippines, leading to decreased poverty incidence in the project areas. The project Supporting the Sustainable Livelihood for the Poor in the Southern Philippines formed livelihood activities in about 250 barangays (the smallest political unit in the Philippines) in Mindanao, Eastern Visayas, Bicol, and the MIMAROPA Region. The project was carried out in partnership with two regional NGO networks— Mindanao Coalition of Development NGO Networks and the Philippine Partnership for the Development of Human Resources in Rural Areas in the Visayas. Proposals for development activities were prepared at the village and municipal levels by selected people's organizations and NGOs through participatory processes that involved beneficiaries.

In Negros Occidental, ADB piloted an innovative community-based approach for the provision of electricity through renewable energy sources, particularly in off-grid areas of the province. The project has set up and operates eight renewable energy systems in off-grid areas and is establishing two sustainable revolving fund mechanisms—one for electricity connection to poor households and one for livelihood development. It promotes the development of renewable energy resources and the management of these resources by the direct beneficiaries—poor communities who gain greater livelihood opportunities through access to modern power supply.

Through the Renewable Energy and Livelihood Development for the Poor in Negros Occidental project, ADB cooperated with Winrock, an international NGO that works together with LGUs and local CSOs, including the Negros Women for Tomorrow Foundation, Alternative Indigenous Development Foundation, and Sustainable Rural Enterprise.

One of the successful projects supported by the JFPR is the Strategic Private Sector Partnerships for Urban Poverty Reduction in Metro Manila implemented by the PBSP from 2002 to 2006. The project targeted 23 poor communities in various Metro Manila cities. It aimed to (i) promote demonstrable strategic business sector involvement in integrated urban poverty reduction programs through a focused, strategic framework; (ii) create a strong multisector coalition capable of advocating urban poverty programs and policies in a sustainable manner; (iii) improve living conditions of 5,823 households, comprising an estimated 35,000 individuals; and (iv) undertake an integrated

urban poverty reduction program that includes a risk reduction and management component.

The PBSP actually worked with 34 HOAs, surpassing the target of 23. More than 2,000 households were provided loans for housing construction and improvement, and legalization of electrical connections. The time spent by corporate employees who volunteered in the communities was valued at \$460,000, and all the HOAs benefited from infrastructure projects, including multipurpose centers, roads, alleys, and drainage.

CSO Concerns about ADB Initiatives

ADB recognizes CSOs as development partners and strives to address issues and concerns raised by CSOs on ADB operations. The following are some of the projects in which CSOs have raised concerns:

- Project sustainability and dependence on fossil fuels under the Philippine Energy Efficiency Project
- Environmental and health impacts under the Visayas
 Base Load Power Development Project
- Need for adequate public consultation in supporting the e-Trikes (electric tricycles) project under the Mitigation of Climate Change through Increased Energy Efficiency and the Use of Clean Energy

ADB's Accountability Mechanism,¹⁸ provides a forum in which people negatively affected by ADB-assisted projects can voice their concerns and report alleged noncompliance of ADB's operational policies and procedures.

Endnotes

- This and the next paragraphs describing the history of CSOs in the country are based mainly on ADB. 2007. *Civil Society Brief: Philippines*. Manila.
- ² ADB. 2007. Civil Society Brief: Philippines. Manila.
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- the International Anti-Corruption Day in December 2011, calling on Filipinos to adopt a zero-tolerance attitude toward corruption in interacting with the government.
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- A listing and description of some of these sector-based umbrella groups, particularly of farmers, urban poor, women, and cooperatives, may be found in L. N. Yu Jose, ed. 2011. *Civil Society Organizations in the Philippines:*A Mapping and Strategic Assessment. Quezon City: Civil Society Resource Institute.
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- See http://civilsocietyindex.wordpress.com/2011/03/23/an-assessment-of-philippine-civil-society/
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- ¹⁷ See note 33.
- See www.adb.org/site/accountability-mechanism/main

For more information about ADB's work in the Philippines, visit www.adb.org/countries/philippines; www.adb.org/publications/philippines-fact-sheet

Definition and Objectives of Civil Society Collaboration

Civil society is an important stakeholder in the operations of the Asian Development Bank (ADB) and its borrowers and clients. It is distinct from the government and the private sector and consists of a diverse range of individuals, groups, and nonprofit organizations. They operate around shared interests, purposes, and values with a varying degree of formality and encompass a diverse range—from informal unorganized community groups to large international labor union organizations. Of particular relevance to ADB are nongovernment organizations, community-based organizations and people's organizations, foundations, professional associations, research institutes and universities, labor unions, mass organizations, social movements, and coalitions and networks of civil society organizations (CSOs) and umbrella organizations.^a

ADB recognizes CSOs as development actors in their own right whose efforts complement those of governments and the private sector, and who play a significant role in development in Asia and the Pacific. ADB has a long tradition of interacting with CSOs in different contexts, through policy- and country strategy-level consultation, and in designing, implementing, and monitoring projects.

In 2008, ADB launched Strategy 2020, which articulates the organization's future direction and vision until 2020.^b Above all, Strategy 2020 presents three complementary strategic agendas to guide ADB operations: inclusive economic growth, environmentally sustainable growth, and regional integration. These agendas reflect the recognition that it is not only the pace of growth but also the pattern of growth matters in reducing poverty in the region. In this new strategic context, partnerships with a range of organizations, including CSOs, will become central to planning, financing, implementing, and evaluating ADB projects.

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The masthead photo is by John Bryan C. Coronado. In this publication, "\$" refers to US dollars.



^a ADB. 2012. Strengthening Participation for Development Results. Manila.

b ADB. 2008. Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020. Manila.