

# Bayukay

Bagong Yugto ng Buhay



*Millennium Challenge Account - Philippines (MCA-P)*

MILLENNIUM CHALLENGE ACCEPTED, PROMISE DELIVERED



# TABLE OF CONTENTS

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## **About the Title**

## **Foreword**

## **Acknowledgements**

## **Introduction**

About MCC

About MCAP

Leading by example : How MCAP governed over the 5-year grant

The Integrity Policy and Action Plan

Social and Gender Integration Plan

## **Chapter I : KALAHI-CIDSS – Unleashing a transformative social consciousness**

I.A Roads and Bridges – Giving access to education and economic freedom

I.B Energy and Water Sources – Building the engines of development

I.C Training and Health - Empowering communities

I.D Women’s Voices – Recognizing the role of women in development

## **Chapter II : SNRDP – Building a solid foundation of values**

II.A Building with professionalism and competence – The Way of Good Governance

II.B Integrity as a path out of poverty -- Access to Education and Economic Freedom

II.C Facing gender issues – Anti-Trafficking Education Campaign

II.D The right thing to do – Protecting the Project-Affected-Entities and the Environment

## **Chapter III : RARP – Changing the future today**

III.A Courage to make changes -- Electronic Tax Information System

III.B Fighting poverty by fighting corruption – Revenue Integrity Protection Service

III.C Building a nation and raising patriots – Public Awareness Campaign

## **Appendices**

A. Board of Trustees and Management Units

B. Complete list of KALAHI-CIDSS Projects

C. Compact Timeline

# ABOUT THE TITLE



# LETTERS FROM KEY PEOPLE

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## ***Benigno Simeon Cojuangco Aquino III***

*The 15<sup>th</sup> President  
Republic of the Philippines*

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# FOREWORD





# ACKNOWLEDGEMENTS



# ABOUT MCC



## The Millennium Challenge Corporation

The Millennium Challenge Corporation (MCC) is an innovative and independent U.S. foreign aid agency that is helping lead the fight against global poverty.

Created by the U.S. Congress in January 2004 with strong bipartisan support, MCC is changing the conversation on how best to deliver smart U.S. foreign assistance by focusing on good policies, country ownership, and results.

MCC is a prime example of smart U.S. Government assistance in action, benefiting both developing countries and U.S. taxpayers through:

**Competitive selection:** Before a country can become eligible to receive assistance, MCC's Board examines its performance on independent and transparent policy indicators and selects compact-eligible countries based on policy performance.

**Country-led solutions:** MCC requires selected countries to identify their priorities for achieving sustainable economic growth and poverty reduction. Countries develop their MCC proposals in broad consultation within their society. MCC teams then work in close partnership to help countries refine a program.

**Country-led implementation:** MCC administers the Millennium Challenge Account (MCA). When a country is awarded a compact, it sets up its own local MCA accountable entity to manage and oversee all aspects of implementation. Monitoring of funds is rigorous and transparent, often through independent fiscal agents.

MCC forms partnerships with some of the world's poorest countries, but only those committed to:

- good governance,
- economic freedom,
- and investments in their citizens.

MCC provides these well-performing countries with large-scale grants to fund country-led solutions for reducing poverty through sustainable economic growth. MCC grants complement other U.S. and international development programs. There are two primary types of MCC grants: compacts and threshold programs.

**Compacts** are large, five-year grants for countries that pass MCC's eligibility criteria.

**Threshold Programs** are smaller grants awarded to countries that come close to passing these criteria and are firmly committed to improving their policy

## About MCA-P

The Philippines first brush with the Millennium Challenge Corporation (MCC) was in 2006, when it was granted \$21 million for the Threshold Program, which was aimed at assisting the country to fully meet the selection criteria of MCC and consequently qualify for a Compact Program, a large-scale funding extended by MCC to qualified country to fight against global poverty.

The Philippines' Threshold Program focused on improving revenue administration and anti-corruption efforts. Particular attention was given to strengthening the Office of the Ombudsman, the Revenue Integrity Protection Service of the Department of Finance, Bureau of Internal Revenue, and Bureau of Customs.

The Philippines met performance targets, and also passed the stringent selection criteria of MCC. In March 2008, the Philippines was declared eligible to receive Compact funding by MCC.

Compact Development was headed by Dr. Dante Canlas, who authored a study called "Philippines: Critical Development Constraints". This provided focus for project selection, and, together with various oversight government agencies, the study identified the constraints to the country's development as follows:

1. Tight fiscal situation;
2. Inadequate infrastructure, particularly on electricity and transport;
3. Weak investor confidence due to governance constraints, in particular, corruption and political instability; and
4. Inability to address market failures leading to a small and narrow industrial base.
5. Government agencies were then encouraged to submit their project proposals, screened as to the extent to which the projects proposed would address the constraints identified and would comply with MCC requirements.

After a series of evaluations done by the team of Dr. Canlas, in coordination with MCC technical experts and in consultation with the private sector and civil society groups within the Philippines and in the U.S., submissions were trimmed down to six projects of which four made it to the medium list, and three as standby projects.

Finally, after a rigorous process of review and refinement and approval by the Investment Coordination Committee, the following projects were selected:

1. The Kapit-Bisig Laban sa Kahirapan – Comprehensive and Integrated Delivery of Social Services (KALAHI-CIDSS) Project of the Department of Social Welfare and



*Women of Barangay Bagtayan, Pasil, Kalinga greet visitors with a traditional welcome dance. Their village was recipient of an energization sub-project from MCC and KALAHI-CIDSS.*



Development (DSWD). Small scale grants to support community-driven projects in communities with poverty incidence below the national average.

2. Secondary National Roads Development Project of the Department of Public Works and Highways. Reconstruction and rehabilitation of a total of about 220km road in the Province of Western and Eastern Samar
3. Revenue Administration and Reform Project of BIR and RIPS.

Redesigning of policies and practices in the Bureau of Internal Revenue (BIR) and supporting the Revenue Integrity Program Service (RIPS), an investigation unit of the Department of Finance.

The Philippine Compact was signed on September 23, 2010. The signing was presided by President Benigno Simeon Aquino III and US Secretary of State and Chair of the MCC Board Hillary Rodham Clinton, signed by Secretary Cesar V. Purisima of the Department of Finance and MCC Chief Executive Officer Daniel W. Yohannes.

The Millennium Challenge Account – Philippines was established as the central point of contact for Compact Implementation by virtue of Executive Order 849 issued on December 15, 2009. It was incorporated with the Securities and Exchange Commission on January 10, 2010 as a subsidiary of the Development Bank of the Philippines Management Corporation.

Comprising the MCA-Philippines is the Board of Trustees that set the policy direction, a Management Unit to manage the day-to-day implementation activities, and a Stakeholders Committee composed of Citizen's representatives to ensure transparency and accountability throughout the Compact implementation period.

## ***MCA-P Vision – Mission***

### **Vision**

We will be the global Millennium Challenge Account model, demonstrating replicable best practices in the implementation of sustainable projects by professionals with proven competence and integrity, contributing to economic growth for the upliftment of the lives of the Filipino people.

### **Mission**

As an organization composed of results-oriented professionals, driven by moral and ethical values and accountable to various stakeholders, we commit to manage the Millennium Challenge Corporation grant judiciously and efficiently to implement projects with the highest standards of excellence and transparency.

Core Values  
Transparency  
Quality and Excellence  
Honesty and Integrity  
Service  
Professionalism  
Teamwork

## **How MCAP governed over the 5-year grant**

**M**CC places accountability at the core of its model. Confronting corruption, therefore, becomes a priority for ensuring that U.S. taxpayers' money are used properly and judiciously to serve intended beneficiaries.

As the former MCC CEO Daniel W. Yohannes said at the Compact's formal signing ceremony: "The success of our partnership depends on good governance, local leadership, and tangible results... The people of the Philippines deserve the successful implementation of the MCC compact that they designed to reduce poverty, promote sustainable economic growth, and increase prosperity. Let us remain vigilant, steadfast, and unwavering in achieving these goals for them. "

Guarding against the insidious tentacles of corruption is a daunting task. And unfortunately, the Philippines suffered from a dismal cloud of suspicion over the misuse of foreign aid as reports of corruption have tainted its reputation in the past.

Cognizant of this, MCA-P worked doubly hard to prove that with committed leadership and proper institutional mechanisms, the Philippine Compact could be implemented with integrity, professionalism and excellence.

Not only did the organization implement all guidelines in the MCC model (such as using independent Procurement Agents and Fiscal Agents, using multiple levels of review, monitoring, approval and audits, hiring an internal auditor, and having proper documentation and protocols), but moreover, it undertook its own initiatives to pro-actively curb corruption.

First, MCA-P "sent a clear message from the top of our zero tolerance for fraud, waste and abuse," says Managing Director and CEO Ma. Victoria Añonuevo. "We all took an Integrity Pledge and we made sure that each one kept to their word," she reiterates.

All MCA-P leaders and staff, along with its partner agencies signed this Integrity Pledge as a commitment to ethical business practices and good corporate governance. It also required all its contractors and sub-contractors to sign integrity pacts as part of standard procedure for the bidding and procurement of supplies, materials, equipment and construction.

At the same time, MCA-P promulgated an Integrity Policy to promote ethical conduct among its staff, contractors, and consultants. It also set clear guidelines on allowable and prohibited conduct with the adoption of a No-Gift Policy and the MCA-P Employee Code of Conduct.

MCA-P then created effective mechanisms for acting on fraud and corruption issues. It instituted secure procedures for reporting issues and enhanced protocols for handling these reports. Aside from all these, MCA-P formed an Integrity Team composed of the General Counsel, the Deputy General Counsel, the Internal Auditor, the RARP Director, and the Human Resource group head.

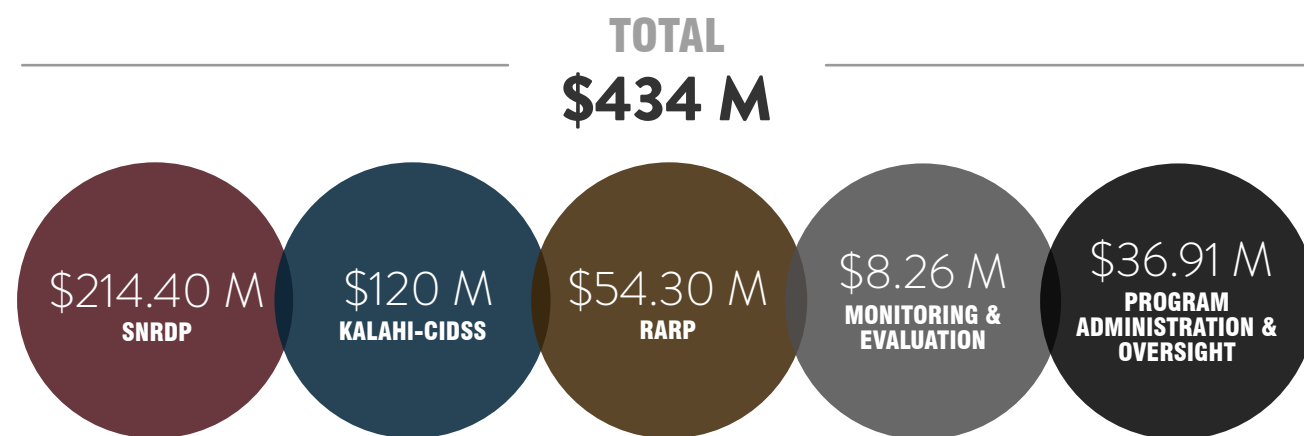
Further, it operationalized the process through an Integrity Action Plan which trained people, assessed risks, planned mitigation strategies, and implemented the approved action. With this, the high priority risks were effectively neutralized. The Integrity Team monitored and reported regularly on the progress of the Plan.

MCA-P campaigned against fraud, waste and abuse in every project and actively informed stakeholders on how to report complaints. The Integrity Policy, along with the Integrity Action Plan, the No-Gift Policy and the reporting mechanisms were also made public through the company website.

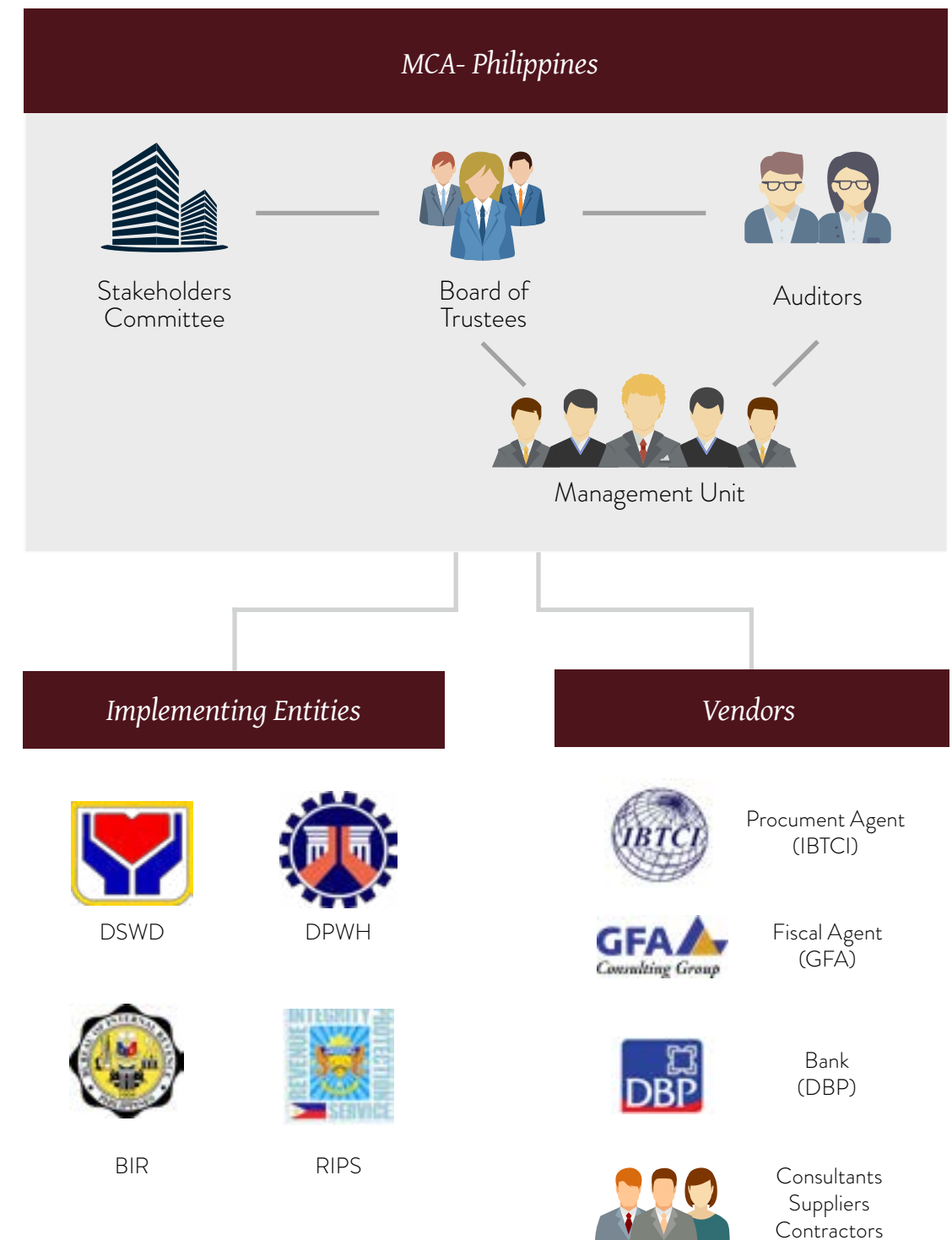
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## COMPACT COMPONENTS



## IMPLEMENTING STRUCTURE



## Driven by ethics and values

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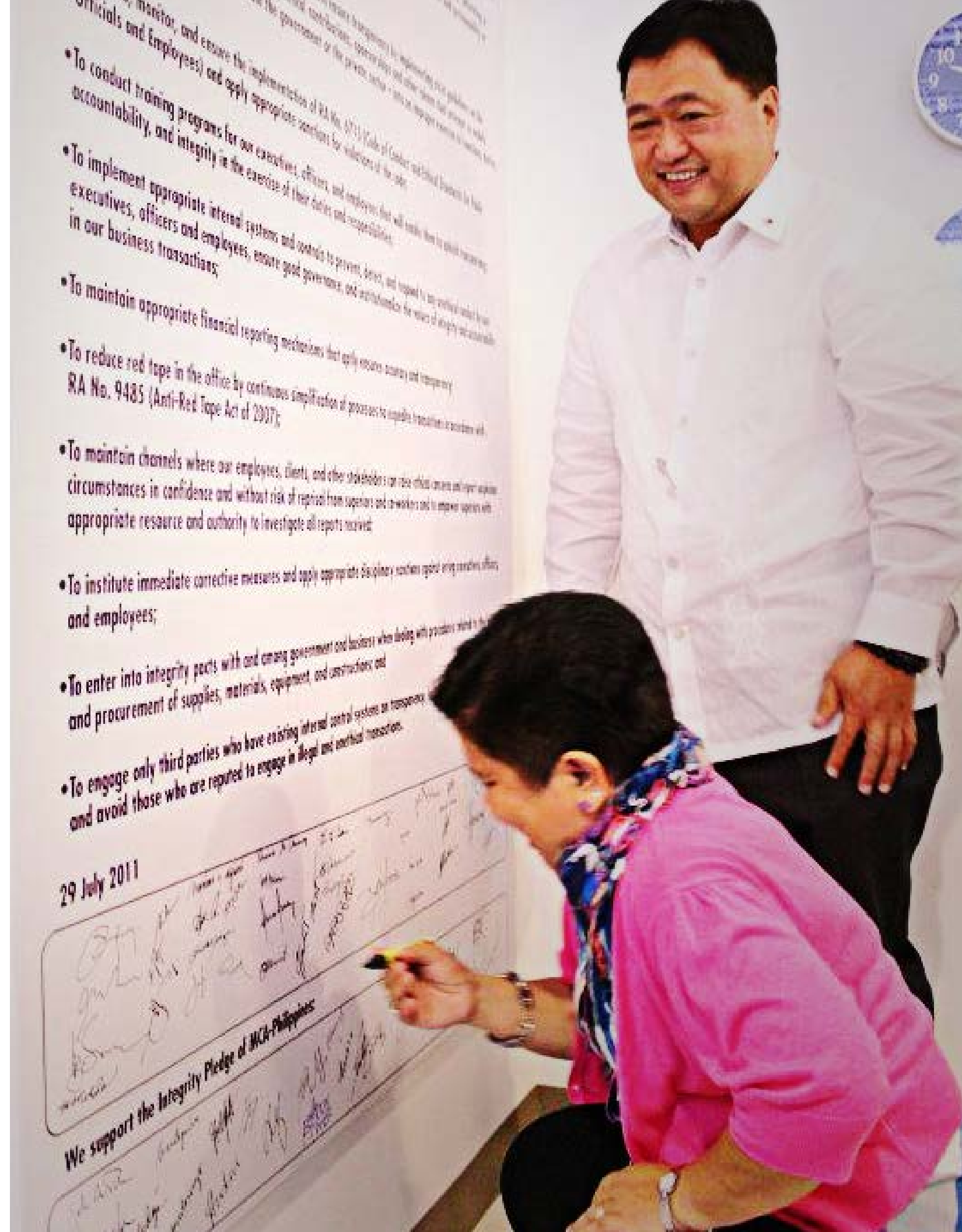
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*Farmers in Dahilig, Gainza, Camarines Sur taking a break on the 370-meter long concrete pathway, a sub-project their community pitched for and implemented in 2013.*

# KALAHI-CIDSS



Unleashing a transformative social consciousness



## One's own reward

**K**ALAHÍ-CIDSS is an acronym for Kapit-Bisig Laban sa Kahirapan-Comprehensive Integrated Delivery of Social Service. While the first part of the name literally means “United fight against poverty,” the word *kalahi* in Filipino means “blood of my blood,” or “one of my own.” Of one race, or one tribe. This honor is bestowed on anyone who has done one’s family a great deed, a favor so heartfelt it is almost unrequitable.

In KALAHÍ-CIDSS—the program implemented by the Department of Social Welfare and Development—however, there is always the opportunity for requite, and the return of that reward goes directly to the community served.

“A key ingredient in the implementation of KALAHÍ-CIDSS is the active participation of the members of the community themselves, through a process called the community empowerment activity cycle,” says Department of Social Welfare and Development (DSWD) Secretary Corazon “Dinky” Soliman. “The community empowerment activity cycle is a process that DSWD has been engaged in since the start of KALAHÍ-CIDSS, where the people themselves determine through a process of analysis the most urgent problems that confront them, and what may turn the key towards the development of the community.”

KALAHÍ-CIDSS isn’t a simple dole-out program; it’s a training, design, implementation, and monitoring program rolled into one.

Initially funded by the World Bank from 2003 to 2010, the Millennium Challenge Corporation’s grant came just at a time when invaluable lessons had been learned about communities’ deeper needs and improved skill sets.



*Children in Kagbana, Burauen, Leyte no longer have to trek four to five hours to the nearest clinic, thanks to a MCC-KALAHÍ CIDSS funded health station in their village.*



.....  
 A cemented foottrail makes the walk to Bagtayan, Pasil, Kalinga easier.  
 This, plus the electrification project in the village, was funded by MCC.

“What we have learned in the years before, we applied in the Millennium Challenge Corporation-MCA-P partnership,” Soliman says. “Inputs such as monitoring and evaluation that came in from other partners of MCC have also helped us enhance what we have been doing.”

She singles out the inputs on gender. Among the refinements of the best practices was the creation of gender staff positions and gender-focused activities, including the provision of a Gender Incentive Grant. “The MCA-P has been able to support our efforts to develop a manual that made the process gender-conscious and gender-responsive. Another input is working on themes, especially themes on standards, and on the environment, particularly because of the impacts climate change brought when Haiyan happened in the Philippines.”

Even the most intrepid of travellers will marvel at the reach and depth of the MCC-enabled KALAHI-CIDSS projects. From the far flung mountains of the north, to the remotest plains in the south, KALAHI-CIDSS powerfully exhibits what happens when a people is truly empowered with the future of their community.

From identifying the most urgent problems, the people themselves make proposals for the project. They plan what to do, and present those plans in the municipal assembly to go through a voting process. “All are present, all the *barangays*,” Soliman continues. “What I think is an important ingredient in the the process is the ownership of the project itself. It is so engraved in the community because people really work on it together.”

The pride that swells from deep within the participants, that grows and suffuses their choices and actions thereafter, is priceless. Finally, they have a say. They have a voice. It is a great source of pride for Soliman, as well.

“Winning the bid,’ so to speak, to have their project funded, is already a big step towards the awareness of the power that they have. That, in fact, as ordinary citizens, they can reverse what they have known always as a process—where the local authorities are the ones who define the project and

who say ‘this is what we should do.’ Now it’s the reverse. It’s the people themselves saying this is the urgent problem we face. ‘We need a third level portable water system.’ ‘We need that access road so that we have by-way of products, a road children can walk through, a road that will be safe.’ ‘We need a sea wall to protect us.’ It’s really from their own experience as citizens of a community.”

The community empowerment activity cycle also promotes transparency and accountability. All the processes involved, from procurement to implementation, to maintenance, are discussed by the community. Members are assigned committees.

“Training is another key element in this process. They learn how to do procurement, how to do shopping, how to measure standards on access roads, on buildings—especially in the areas that were hit by Haiyan, where buildings are now required to be able to withstand a 230-kilometer-per-hour wind.” Soliman remembers a woman who told her, proudly: “I did not finish high school, but I know how to measure the content of cement as well as the thickness. I can do this.” That woman, she says, quoted her the specifications needed. “Multiply that by a thousand times of so many other women and men who now feel that they not only can call authorities accountable, but themselves accountable. They will not cheat themselves. It’s their children who will use the daycare centers, the health centers. They are the ones who will walk the roads. It will be their tricycles that will go through it.”

It will be their *kalahi* who will benefit most and the longest from their efforts, and being secure in that knowledge, is its own reward.



*For men in Kagbana, Buraen, Leyte, life remains almost the same as how their forefathers lived it generations before. The difference is that now, they have their own health station, thanks to MCC and KALAHI-CIDSS.*

## Summary of Compact Funding for KALAHI-CIDSS (in U.S. dollars)

Capacity-building &  
implementing support



**10.62 M**

Grants for  
community projects



**95.51 M**

Project  
Management



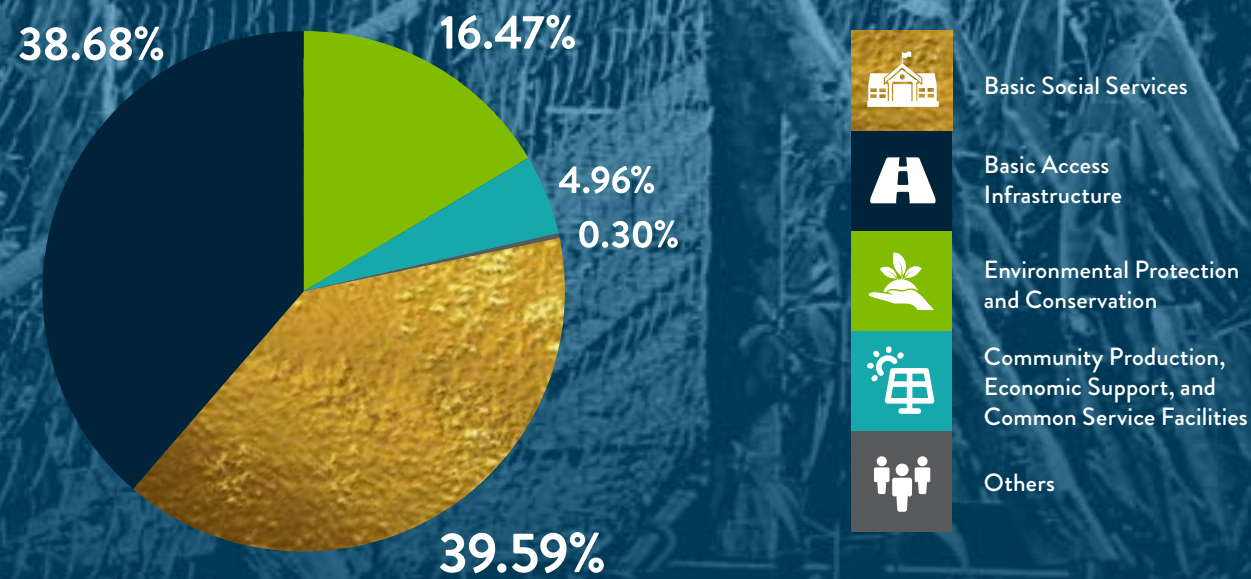
**13.87 M**

TOTAL:  
**120**  
MILLION

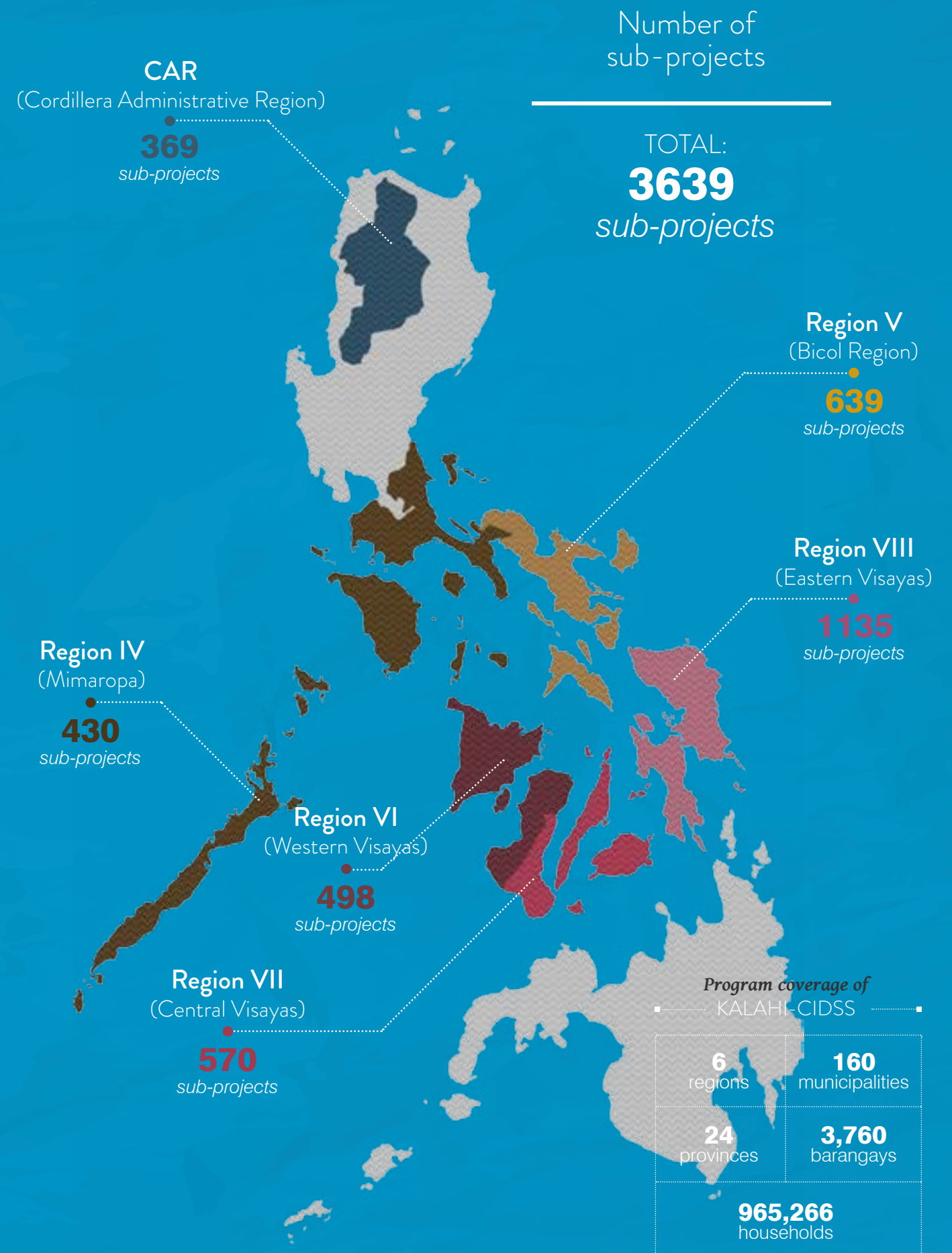
*This generation of children in Bagtayan, Pasil, Kalinga, is the first to ever experience electric power in their homes.*



**3,188 COMPLETED SUB-PROJECTS, BY TYPE**  
as of January 31, 2016



-  Basic Social Services
-  Basic Access Infrastructure
-  Environmental Protection and Conservation
-  Community Production, Economic Support, and Common Service Facilities
-  Others



Road  
(821)



School Building  
(551)



Footpath/Access Trail  
(435)



Day Care Center  
(272)



Health Station  
(213)



# TOP 10 SUB-PROJECTS

## IMPLEMENTED SUB-PROJECTS BY TYPE

Total Sub-Projects: **3639**  
Project Costs: **PhP 4.88B**  
Household Beneficiaries: **793,439**

Water System  
(369)



Drainage  
(314)



Foot/Small Bridge  
(110)



Soil Protection/Riprap  
(86)



River/Flood Control  
(86)



## Secretary Soliman on Democracy and Dignity

There was a very good, interactive relationship with MCC and MCA-P. MCA-P was our direct partner in the field, specifically looking at how the project is being implemented, in monitoring and evaluation; and MCC is the funder, who was very interested not only in how the funds are used but also in terms of what the project objectives and their progress were. We even set up specialized project management offices from the KALAHI-CIDSS and DSWD sites that directly interact with MCA-P, to ensure that everything that we agreed on the national level gets implemented at the regional, provincial, and all the way to the municipal levels—that we are accomplishing not just infrastructure development, but more importantly, the empowerment agenda which strengthens democracy.’

“There are three key ingredients that made the implementation of MCC-KALAHI-CIDSS successful: the active participation of the community themselves—the process of the community empowerment activity cycle; the training—and how they learned accountability through that; and the third, most important element I think, is our collaboration with other government agencies (such as the Department of Public Works and Highways for the Secondary National Roads Development Project in Eastern Samar), and several local government units who were very responsive to this process. We have made them our champions, so much so that they are the ones articulating to the mayors and local government officials that this is really effective and can work politically for them, too. With a small financial counterpart, they can get so many projects done and—and this is why they see that it not only makes political sense, it also helps them develop their areas—if you are a local chief executive whose vision is a develop municipality, or a city, this can work for you.

“The partnership with MCC and MCA-P is really about beyond getting the projects done. The agenda of strengthening democracy and ensuring that the citizens owned the development of their community was the most important aspect of this partnership.

“The world can only be peaceful if no one is left behind in the development. And that I think is what the MCC is all about too, making sure that in different parts of the world, democracy is strengthened, and when that happens, development is felt by all—not just by a few.

“With the compact ending, we are assured that the youth and a significant number of communities in the Philippines will continue to stand for a transparent and accountable government. There will be communities who will be very strong in ensuring that what they need will be responded to by the local authorities. That they’ll be given back their dignity.”



Members of the Mamanwa tribe in Kagbana, Burauen, Leyte.



# ROADS AND BRIDGES

Giving access to education and economic freedom



.....  
*Beneficiaries of the footbridge in Baslay, Dauin, Negros Occidental all take part in maintaining their prized sub-project.*



My eldest daughter is growing up, she will have to go to high school soon,” says Condense Baldo, a member of the *Alangan* tribe, a *Mangyan* (indigenous people) from Sablayan, Occidental Mindoro.

The Alangan, who live in a remote part of the island, want to make sure their children will be able to get an education. This was among the reasons why this Baldo volunteered his time and energy to help build the KALAHI-CIDSS access road to the island’s main road network.

For many remote communities, reaching the nearest town means hours of walking on rocky, muddy, or dangerous paths for the young and old alike. It is not a simple problem, but a complex and expensive one. The lack of basic infrastructure such as roads and bridges is a major hurdle to a community’s economic growth and is identified as one of the root causes of extreme poverty.

Proper roads and bridges not only ease the passage for people, goods and services, they create ripples of development that reach deep into people’s lives and long into the future—it means access to education, access to markets, access to social services.

In their KALAHI-CIDSS consultative meetings, a large number of communities identified much needed roads and bridges as priority projects. In the past, these have always been the costly big-ticket projects that their municipalities simply

had no budget for.

Many generations have dreamt about such infrastructure for their communities. The people wanted it for the good of all, says Efigenia Diaz Alam, Municipal Social Welfare Development (MSWD) Officer in Dauin, Negros Occidental. The people saw their situation clearly: “This is what we need. This is what we can do. But we need others to help us do it,” she states.

The Philippine Compact was a beacon of change that transformed their despair into renewed motivation. With the funding model introduced by MCC, people took ownership of the needed change and actively participated in ensuring their sub-projects would be successful.

The MCC grant not only gave them funding, it also taught them effective project implementation, accountable fiscal stewardship, and transparent procurement processes.

Within its five year run, the Philippine Compact has helped build a total of 821 roads, 435 footpaths and access trails, and 110 bridges, connecting 290,762 families to a more hopeful future.

The roads and bridges built are tangible steps towards reducing poverty and winning economic freedom by hardworking people who have proven themselves capable of working together and charting their course away from the clutches of poverty.



The farm-to-market road in Cabra, Lubang, Mindoro.



## Building Hope and Inspiration

Cabra, Lubang, Occidental Mindoro

Cabra is one of four islands that form the municipality of Lubang in Occidental Mindoro. Those who know of this small remote island may have heard of it for two things—the Blessed Mary apparition of 1966-1972, and the historic Isla de Cabra lighthouse built by the Spaniards in 1889.

For the most part, this beautiful impoverished spot is forgotten. Being remote, it requires dogged attention from anyone who cares about its future. Nature makes it available only to the adventurous—both locals and visitors have to brave the dangerous waves of the three-kilometer channel between Cabra and mainland Lubang.

The island itself is only about 4.5 kilometers long and about 2.9 kilometers at its widest, with white sand beaches and pristine emerald waters. But living in this island-barangay is far from romantic; rather, it is mostly pragmatic. The residents here live a hard life, far from the everyday comforts that are much simpler to get in the mainland.

For over five hundred families, though, it is a beloved home. Here, they raise their children, educate their young, and eke out a living from land and sea. They work hard and are willing to work together to improve their

lot. This they proved with the completion of their KALAHI-CIDSS sub-project—the improvement of a farm to market road from *Sitio Kalsada* to *Sitio Libis*.

Their roads were once too narrow that vehicles had to negotiate with an oncoming one so they could both safely pass, says *Barangay Kagawad* Bayani Villas. Such a road made travel difficult, especially for students who had to get to school and farmers who needed to transport produce and supplies.

Understanding how important access is for their barangay's development, the community made this their top priority project. Not that they expected the project to be easy—even with the MCC grant, logistics clearly presented the biggest challenge for any infrastructure project in a remote island. Carolyn dela Cruz, Barangay Sup-Project Management

Committee (BSPMC) chairman, recounts how the community faced all the challenges: they discussed the problems and solved them together, coming up with solutions that they all supported.

In essence, the Compact grant “has given hope to people,” says Municipal Mayor Col. Juan M. Sanchez. “This shows us that we have not been forgotten. And with the completion of the project, we have shown that we do not just sit around but we ourselves act, we are doing something for our future.”

Today, the completed road stands as testament to this community's faith in each other and their vision for a better future. The people are very happy, says Kagawad Villas, and they never thought they would see the day that they would have such a good road for their small island community.

The maintain the cleanliness of the road, a group called Islanders Association was formed. These community volunteers went through capacity-building workshops, which had them feeling empowered, they say. Through these trainings, even the average person who had no experience in project management nor in road building and maintenance was able to contribute to the project's success.

"This road is such a blessing for us," says a resident, "and it's really beautiful."

It is this renewed pride in their community that can be palpably felt after the completion of their sub-project. The community is inspired to look forward.

"The road leads to the lighthouse," said Mayor Sanchez. "We plan to turn our historic lighthouse, which is one of the two oldest lighthouses in the Philippines, as a tourism centerpiece. We have a vision and we are moving together to reach our vision."

“

The Compact grant has given hope to people, This shows us that we have not been forgotten. And with the completion of the project, we have shown that we do not just sit around but we ourselves act, we are doing something for our future.”

*Municipal Mayor Col. Juan M. Sanchez*



*The improvement of 0.60-kilometer farm to market road with 1200 square meters of PCCP has also made Abra's famous lighthouse more accessible to tourists.*



## The road now traveled

Barangay Panipiason, Madalag, Aklan

**I**n their pitch to KALAHI-CIDSS for a road improvement and footbridge project, Panipiason Barangay Captain Armando Gregorio and his team chose to portray an incident close to his heart: the day when he and his children almost lost their lives due to the treacherous trail that separated their village from the town proper.

“We fell off our motorbike, my two kids and I,” Gregorio relates. “The bridge we were crossing was made of coconut lumber; I fell and hit my head on a rock. My son, who was driving, was trapped under the motorcycle and had lost consciousness. I helped my daughter lift it off him, but I fainted. She had to run for help in the next village.”

They were on their way back to Panipiason after selling their abaca products in town, and gathering precious grocery supplies. “You couldn’t ride a motorcycle the whole way,” Gregorio explains in the local dialect. “There were parts when you had to get off, push the bike up or down. We dramatized the whole thing, including us falling off.”

Before MCC and KALAHI-CIDSS entered the picture, Gregorio, who was first elected Barangay Captain from 1994 to 2007, used to set aside P20,000 of his yearly budget to slowly improve the 26 kilometers between his village up in the mountains and the town of Madalag. “The community would work for 20 or 30 pesos each person a day just to clear the paths. We’re very grateful that KALAHI-CIDSS and MCA-P came to us in 2011 and chose us to implement this project.”

Even the women participated in the construction of the road, says Jinabelle Terrano, a volunteer and abaca craftswoman. “We helped clear the rocks and carried the sand for the mixed cement so that the roads could be built faster.”

What used to be a three to four hour walk (some say six hours, depending what way you took)—not

including crossing the river by bamboo raft or waiting for the waters to subside if it was too high—to the town of Madalag, is now only a one and a half hour motorcycle ride.

Sometimes, the abaca would get wet and damaged while crossing the river. This would drive their prices down, resulting in loss of income.

The road has not only given ease of travel, but boosted the economy and standard of living in Panipiason. The residents now have easier access to consumer goods due to the mushrooming of *sari-sari* stores, a proper school building, and better housing. “Average income has increased by 50 percent,” surmises Gregorio. “We can now sell and transport our abaca faster. Some of the residents have even bought their own motorbikes. Aside from abaca, we

also make and sell bamboo and rattan products. We bring these to bigger cities like Kalibo.”

They are also now able to enjoy having fish. “Before, you were lucky if you got to eat it once a year,” Gregorio says. “Now, we have a weekly market in the basketball court where you can get fish.”

The people of Panipiason are all too aware of the benefits the road and footbridge have given them, and so they take great pains to fix any problem at once, no matter how small.

Mirabon Laging, a motorcycle driver says, “When there’s a landslide or branches blocking the way, we

attend to it immediately so the roads will stay safe and we don’t have a hard time driving through them. We don’t wait for help from the town or anybody else.”

It’s called *dinagyan*, adds Jinabelle, the Aklanon term for *bayanihan*. A unique Filipino trait, bayanihan is best translated to mean “community spirit,” often interpreted in pictures as a group of men carrying a bamboo hut to help one resident move house. “We all help each other, even without pay,” she explains. “If we help each other, we all win in the end.”



*Abaca is Panipiason's primary source of livelihood. Before the road was constructed, it took up to six hours to get to the town of Madalag. Sometimes, the precious abaca would even get wet while crossing the river, driving its price down and resulting in loss of income.*



“

Average income (of our villagers) has increased by 50 percent. We can now sell and transport our abaca faster. Some of the residents have even bought their own motorbikes. Aside from abaca, we also make and sell bamboo and rattan products. We bring these to bigger cities like Kalibo.”

*Panipiason Barangay Captain Armando Gregorio*



## Footbridge in the Sky

Baslay, Dauin, Negros Oriental

**T**his form of aid was different from the very start—this time they were being asked what they needed. The community made a list of their top ten concerns, and number one on their list was a footbridge.

Their homes and farms were on the other side of the next hill. For them to go to town, or to the market, or to school, or to anywhere else for that matter, they needed to pass through a treacherous gorge. This meant going down one hill, crossing an unpredictable rocky river, and then going uphill again. This they have done since the time of their forefathers.

A pie in the sky dream for a small community, it seems, but one that they did not let go of until it finally came to pass.

With their KALAHI-CIDSS sub-project approved, the community was galvanized to make sure that it would be completed. They didn't think twice about volunteering for the project, says volunteer Rosario Elloren, because they believed in it.

Their commitment was greatly tested throughout the project's implementation as it faced huge challenges which caused many stressful days and sleepless nights. Even the government engineers admitted to shedding frustrated tears.

The difficulties were plenty: There was no easy access to the project site, and materials had to be brought up by foot. Upon seeing how difficult the project was, the original contractor withdrew from the project. Many of the bamboo needed for the scaffoldings were damaged in storage, of which they needed almost 2,000 pieces. Some of the construction materials that arrived were of different specifications from what they needed.

But we did not surrender, recalls Rosario. Instead, everyone pulled themselves by the bootstraps to see it through.

Municipal Mayor Neil Credo, whom some people thought would be indifferent to the project, gave it his full support and helped provide an access road through government land. Farmers around the area donated as many pieces of bamboos needed for the project. The

engineers tweaked the design to use the materials they had. And the people—men, women, young and old alike—labored to finish that footbridge.

And once it was completed, Mayor Credo proudly called it their “Footbridge in the Sky”. Visitors tend to agree with this description, as the footbridge hovers picturesquely over the gorge, with the sky and mountains as its background.

The people were truly committed because they owned the project, notes MSWD Officer Efigenia Diaz Alam. “This was an infrastructure project that responds to real needs,” she said, “so what was impossible could be made possible with determination.”

And *bayanihan*. This Filipino practice of a community pulling together towards a common good has helped complete the project, she says, and now

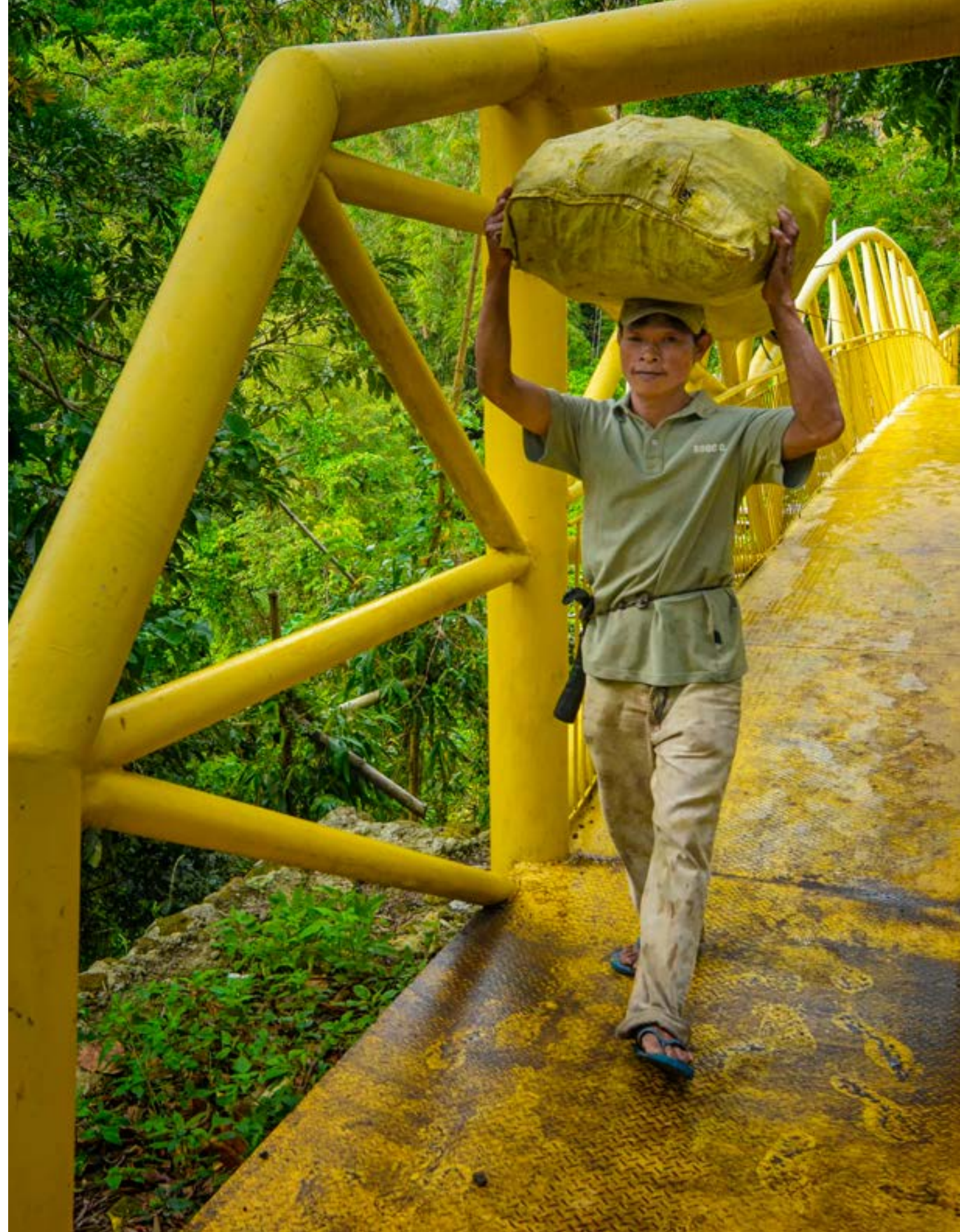
helps in sustaining the maintenance for the footbridge as community members have promised to each donate regularly for the upkeep of the footbridge.

The volunteers say they were also inspired by MCC. They have never been trusted with such a large budget before, says volunteer Filomina Morte, who—along with her husband Danny—was very active in the project.

They learned so much from their experience, Filomina said, as they were given workshops on project

implementation and monitoring, as well as budget and procurement management. They also learned that they have a voice in decision-making for their community.

Today, even with the project finished, the once shy and timid Filomina continues to actively volunteer and lead in other community activities. She just had her fourth child, now several months old, who they named “Divine” but who everyone in the community fondly calls “KC”—for KALAHI-CIDSS.







“

The world can only be peaceful if no one is left behind in the development. And that I think is what the MCC is all about too, making sure that in different parts of the world, democracy is strengthened, and when that happens, development is felt by all—not just by a few.”

*DSWD Secretary Corazon “Dinky” Soliman*



# Ask, and you shall receive

Barangay Dahilig, Gainza, Camarines Sur

One will never know the relief that a mere 370 meters of solid, concrete path can bring if one has yet to experience transporting a sack of rice on their head—yes, their head—through muddy patches of earth, in the scorching heat of the sun, or on a soggy, sad day.

“We always had a hard time transporting *palay* (unmilled rice) and equipment,” says Reynaldo Razonable, BSPMC chairman of the concrete pathway sub-project recently built in Barangay Dahilig in Gainza, Camarines Sur. Though Gainza is mostly flat, lying on the lower plains of Camarines Sur, its ricefields are difficult to traverse. The pathway itself isn’t one straight line, cutting across the wide plains—it swerves in imperfect angles, following a natural track and careful not to interrupt the swathes of rice paddies already established by generations of farmers before this.

Before the pathway was laid, it took the farmers up to a good two days to transport their harvest to the market. Sometimes, the trail itself would be washed away by the rain. Valuable time, money, and energy would be wasted. Each sack weighs up to 40 to 50 kilograms; the more hardy and penny-pinching farmers would carry these on their heads. The ones with a bit more cash would pay a farmhand a 10 pesos a sack to help them. To make sure their harvest wouldn’t be stolen, they’d sleep beside them on the way.

The pathway—which was built wide enough to accommodate a *padyak*, a bicycle with a sidecar—has given ease to these hardships. “Now it just takes a couple of hours. The farmer takes his rice to the pathway, loads them on the *padyak*, and he’s back home in time for lunch. He has time to attend to other matters, and there is lesser risk for theft,” continues Reynaldo in Filipino. Not only has the project contributed to ease of transport, it’s also reinforced a sense of security among the residents of Dahilig.

The benefits of the pathway are so great, Reynaldo says, that arguments even arose about its proximity to their houses. “They all wanted it near their homes,” he adds with a laugh. “They know that the nearer it is, they easier they’d have it.”

Another project funded by MCC is the drainage system in the village center. What used to be an open

canal of stagnant water is a properly covered and fitted drainage, eliminating the health hazards of disease-carrying mosquitoes.

“It used to stink,” says Reynaldo. And since the canal was located near the school, the kids tended to avoid it, and instead walked along the periphery of the road, which increased the danger of them being hit by errant drivers. “Now it’s much better; people even planted flowers on the side.”

“The pathway and drainage made a lot of things much easier,” Reynaldo’s wife, Visitacion says. Member of the all-female volunteer team headed by Reynaldo, she adds: “We never knew that we could work like this with the government. We now realize all we had to do was ask.”

“

We never knew that we could work like this with the government. We now realize all we had to do was ask.”

*Visitacion Razonable, volunteer*





## A Path to Dreams Fulfilled

### San Agustin, Sablayan, Occidental Mindoro

**M**y father, and his father, could only dream of it,” the elder Alangan tribal chief Onyo Calamita wistfully recounts when asked about the 1.2 km access road that now stretches across their *sitio*.

The Alangan tribe in Barangay San Agustin lives a quiet life away from the more urbanized towns in Sablayan, Occidental Mindoro. One of the indigenous tribes in Mindoro collectively referred to as Mangyan, the Alangan people are known to be the first inhabitants of the island.

The various Mangyan tribes occupy two of the seven zones in Barangay San Agustin, according to Barangay Captain Yolanda Patingan, and they comprise almost half of the population of the entire barangay.

The Mangyans are proud of their heritage and are intent on preserving their peaceful culture and simple way of life. Their dreams are simple too—such as a proper access road for the Mangyan communities residing in the more remote parts of the island.

Their only path then was a foot trail that was often overrun by the river whenever the rains came. They used this trail to fetch water, to go to school, to bring their products to town, to buy supplies from town, to bring their sick to a

hospital, to connect to the rest of the municipality.

So when Barangay San Agustin was named one of the eight barangays to get a project from KALAHI-CIDSS under the MCC grant, the IP community acted as one in ensuring that their dream road would be built.

They actively participated in all the barangay assemblies and meetings, attended workshops and became project volunteers. They did not have to be reminded, and they did not mind walking long distances to attend the assemblies.

It is really their culture, says Municipal Mayor Eduardo Gadiano, to work together for the common good.

This was their road, and upon the completion of the 1.2 kilometer access road, the community named it “Inawa Panay Nep”, an Alangan term which means “a

dream that has come true.”

With the access road built, it became possible for them to work on fulfilling their other dreams—such as a water system and their own elementary school—with the help of their local and national government. Because of the municipality’s good governance rating, they were further awarded a school building project and a Salintubig water system project from the Department of Interior and Local Government (DILG).

It was because they had the road that they could then bring in supplies and materials to build the school and the water system, says Lourdes Magan, an IP teacher who also volunteered in the projects.

They are now looking for ways to further improve their road and protect it from storms and overflowing river.

With every development that comes, the overwhelming cycle of poverty can gradually be broken. With their water system, for instance, “the children who used to take so much time fetching water could now spend more time and energy in studying,” she adds.

The shackles of poverty are dismantled in an even deeper way as the children saw how their parents took

part in bringing in positive change to their community, notes Brgy. Capt. Patingan. They witnessed how their mothers and fathers had a voice and a hand in building the road, the school and the water system. They have witnessed what changes can be made when they use their voice in community building.

“Now we are happy,” says tribal chief Onyo. “And now, we can dream even higher.”



Upon the completion of the 1.2 kilometers access road, the community named it “Inawa Panay Nep”, an Alangan term with means “a dream that has come true.”

The image is a composite of three horizontal panels. The top panel shows a sunset over a village on a hillside, with the sun low on the horizon and rays of light. The middle panel shows a river valley with mountains in the background. The bottom panel shows a rice paddy field with green rice plants. The text is overlaid on the middle panel.

# ENERGY AND WATER SOURCES

Building the engines of development

There are many things developed countries take for granted: potable water, comfortable and accessible public transport, and even the most basic of utilities, such as electricity.

Modern man's dependence on electricity is staggering. The thought of not being able to charge one's mobile phone, heat up a microwave meal, or read at night with a simple flick of a switch is enough to make some break out into a cold sweat. It's hard to imagine that places in Africa, South Asia, or even a more accessible or relatively developing country such as the Philippines are still without electric power, and still go only by kerosene lamps or even the light of the moon, when nighttime falls.

With energy—be it in traditional or renewable form—comes development. It may not be as palpable at first, but a community given new wings to fly by way of electricity is bound to soar.

It can be brought by a simple experience as watching a basketball game on television, as 15-year-old Jason Baluga can attest. The game had always fascinated him, but he never had the chance to watch it being played by pros—until MCC and KALAHI-CIDSS funded a sub-project that brought electricity to his village up in the mountains. It's invigorated his dreams of playing in the big leagues—and indeed, Jason is one step closer, being the first and only boy from his village to represent his district in a basketball team.

On the other side of the archipelago, in the seaside village of Himokilan in Hindang, Leyte, having electricity means the island is no longer, literally, invisible. With their solar-powered homes, fishermen and mat weavers can now ply their trade deep into the

night. Productivity has increased, and incomes are doubled.

Certainly, having access to energy precludes economic development.

Business and tourism can grow; education is improved, public health can also be better addressed. According to research by the Graduate Institute of Geneva, “supplying electricity to villages...can make a significant indirect contribution towards cutting infant malnutrition, most notably through its impact on female labor.”

Development in all sectors is given a boost where energy infrastructure is sound and reliable. In the case of renewable

energy systems, their positive impacts on a community can also mean better policies shaped towards the green energy agenda. More implementation and investment schemes for more small villages and partner investors can be formed, causing waves of social and human development.

Generational progress is guaranteed. “My daughter won't have to experience what we went through,” says Nora Dangiwan, 42, recalling how she only had the light of a gas lamp to study by when she was growing up, and who never experienced electricity until it came to Kalinga. “She will be able to make a better life.”



*The village of Bagtayan in Pasil, Kalinga is beneficiary to an energization sub-project by MCC and KALAHI-CIDSS.*



Children in Himokilan Island in Hindang, Leyet can now walk and play safely in the streets after sundown, thanks to a solar energization project.

“

There are three key ingredients that made the implementation of MCC-KALAHI-CIDSS successful: the active participation of the community themselves—the process of the community empowerment activity cycle; the training—and how they learned accountability through that; and the third, most important element I think, is our collaboration with other government agencies, and several local government units who were very responsive to this process.”

*DSWD Secretary Corazon “Dinky” Soliman*





## Let there be light

Barangay Bagtayan, Pasil, Kalinga

**T**he zigzag road to Pasil town in Kalinga province is almost empty, save for public utility vehicles sometimes overloaded with passengers and produce, piled high and seemingly willy-nilly, indicating the long distances between one commercial point to another.

The hike affords a breathtaking view: mountains and river systems are visible on either side of the road. Those unused to walking on such a terrain will walk a good take three to four hours up and down the mountainside to reach the village of Bagtayan in Pasil, even with the cemented foot trail funded by MCC.

What else is relatively new heareabouts? Electricity. The effects of the development brought about by MCC and KALAHY-CIDSS' energization project is palpable—there is a verve in the air, a heightened sense of hope.

Ben M. Dappog, current and two-term *barangay* captain, says that before, men would need to go to the forest six kilometers away to gather *saleng* (pine tree branches) for firewood. A family of five would need 25 kilograms of *saleng* for five months for their cooking and lighting needs; all transported on the men's backs.

The literally back-breaking work is a thing of the past now, and up with electricity. Nora believes this will enable Ganayo to pursue her studies more dutifully and diversify her options in life, a stark contrast to when she was growing up and her study time depended on daylight, and, when the sun dipped, how much light the lamps could produce. “She won't have to experience using gas-powered lamps and *saleng*,” says Nora in the local dialect. “She will be able to do work easier. She will find other sources of living.”

For Melody Dupali, this means longer business hours for her small store. A former overseas foreign worker (OFW), Melody spent two years in Singapore and another two years in Hong Kong as a household

service worker. Having saved up enough earnings, she came back to Bagtayan in August 2015.

Her small business is one of the new businesses that cropped up due to the energization project. Other businesses include selling meat (thanks to refrigeration), welding steel windows, and other mobile phone loading stations like Dupali's – all signs of progress in Bagtayan.

Prior to the energization project, locals had to travel to Tabuk City, three hours away, to buy mobile phone credits.

“The advantage for a store owner is that before, people in Bagtayan used to sleep early. Now that there is electricity, the store closes at a much later time, around 10 p.m. or 10:30 p.m., and there are still

buyers,” Melody says in Filipino.

Those into handicrafts (baskets, brooms, rattan backpacks, mats) also enjoy longer and increased productivity, as workers no longer have to wait till the next morning to continue their weaving.

Communication is also now much easier. Melody Dupali’s sister Fredalyne Dupali, also an OFW, is able to reach out to her anytime she wishes.

John Dulawen Ya-o, municipal councilor, adds that the energization project also made the last elections much easier. Before that, a hydropower generator was used during the 2010 automated elections. The energization project allowed for a smooth automation of the polls in Bagtayan in 2013, providing ease in the exercise of the locals’ right to suffrage, better ensuring their votes are counted.

Many will also mention the boon due to access to different forms of entertainment and recreation, such as being able to charge MP3 players and watching television, but for 15-year-old Jason Baluga, the energization project has given him a new dream: to one day be a professional basketball player.

He first saw a basketball game on his neighbor’s TV and has since then been enchanted by the sport. He started playing, and, after his teacher saw his potential, encouraged him to practice and play some more.

Jason was chosen to join the district meet, the only student from Bagtayan in the league.

Today, the district, tomorrow, the regionals? Once the light of hope and possibility is kindled, who knows what one may achieve?



*Boy Bola Caption here*



## Here comes the sun

Himokilan, Hindang, Leyte

**F**or many years, the island *barangay* of Himokilan in Hindang, Leyte was—in the hours of night—literally invisible.

Fishermen did not dare venture out, as there was no light to guide them back home. Women made sure supper was ready way before the sun set. While some households used *gasera*, or gas lamps, the whole island still seemed to be cloaked in darkness. Studying was difficult, labor productivity halted, and recreational activity ceased, all to resume again the next morning.

Then, the village received a huge generator set from a private donor. For a brief period, the villagers had electricity from 6 p.m. to 10 p.m. The power came with a steep price, however: a week's worth of diesel fuel cost 100 pesos on the average. This would increase depending on the household's needs.

So when the opportunity came for them to pitch for a solar energization system, the people were unanimous in its support. Alona C. Alberio, BSMPC, says in Filipino: “We chose solar because it’s better than a generator. Before we were told about solar energy in a seminar by an engineer, all we knew was the diesel generator. We learned solar is more for the long term and easier to maintain. A generator uses crude oil, which is expensive, and when it breaks down, you have to shell out a lot for the parts. Also, solar energy systems doesn’t make a racket, and they don’t cause harm to the environment.”

Having only finished high school, Alberio is quite proud of the leadership role she and other women played in the procurement process for the solar panels, controllers, and batteries. Her team was made of 101 women and 43 men. “At the start, we had a difficult time with procurement—canvassing and bidding—because we had to go all the way to (neighboring provinces) Ormoc and Cebu. The transporting of materials also took a while, because they came during the rainy season and they couldn’t be transported over rough waves,” she relates.

The solar panels power all 144 households in Himokilan with 20 watts of electricity each. Each small benefit of having power anytime, when they need it, brings about a host of more advantages.

“So many!” villager Maureen Serdenio says. “The children are now able to study for longer hours. And us mothers can cook at our leisure. We don’t have to scrimp on gas for our *gasera* anymore.”

Remedio Dumalaog, whose mother is a weaver of the vibrant mats the province is known for, adds: “My mother used to earn 800 pesos a week, and we had to spend 50 pesos a week to buy petrol so she could work at night. Her income has doubled since we got solar energy.”

Fishermen can now also go further into the water where the fish are more abundant, without fear of getting lost in the dark on their way home.

To make sure that the solar energization project continues to be enjoyed in every home, a group called

Himokilan Electric Solar System Association (HESSA) was formed. HESSA President Laurencito Cavite says that every household contributes 30 pesos a month for maintenance. So far, they've collected P39,554 for the period of March 2015 to March 2016.

"We take the maintenance very seriously," says Alberio. "Our lives have become better; everything

is much easier now. We've also come to realize how valuable renewable is in taking care of the environment. We're going to pass this on to our children, and to the generations after that."



*Lourdes Constantino, 83 years old, the oldest mat weaver in the island of Himokilan, has doubled her production since the solar energy system was installed in her home.*

“

We take the maintenance (or our solar energy system) very seriously. Our lives have become better; everything is much easier now. We've also come to realize how valuable renewable is in taking care of the environment. We're going to pass this on to our children, and to the generations after that.”

*Alona C. Alberio, BSMPC, Himokilan, Hindang, Leyte*



# When water truly means life

Water system, Barangay Malitbog and Formon,  
Bongabong Oriental Mindoro

**P**ara kaming yumaman simula nang magkatubig kami (We feel wealthier since the time we had access to water),” enthused Victoria Padullo, barangay captain of Malitbog, a poor village in the second-class town of Bongabong in Oriental Mindoro.

She continues in Filipino, “We thought having our own water would remain just a dream.”

Barangay Malitbog’s water system sub-project was the largest, in terms of value, among the 12 MCC-funded community infrastructure projects in the municipality. It services 576 of the total 689 households in the barangay and had total project cost of P4.2 million.

With 23 tap stands in strategic locations in the barangay in addition to the 40 households with their own water meter, residents no longer have to go to neighboring towns to fetch drinking water at P5 per gallon. Some even have built toilets inside their homes.

Some enterprising residents have also ventured into small-scale swine production that generates an additional income of P5,000 to P12,000 every three or four months, depending on the number of heads.

A few others have begun vegetable gardening, giving them additional food on the table and, in some cases, additional income.

But it’s not only economics. Water has also improved social behavior in the barangay. Whereas before, young kids would either be late or not attend school at all to help fetch water at the neighboring town, or would go to school without having bathed at all, they now go to school every day and on time, fresh and clean. Personal hygiene, cleanliness, and sanitation in school have likewise improved as children now have flowing water in their classroom toilets.

Health has improved, too. Barangay Kagawad (Councilwoman) Precy Almarez, who heads the committee on health, says no cases of diarrhea or other

water-borne diseases have been reported since the water system was installed.

These positive changes in the lives of community people brought about by the water system sub-project are not unique to Barangay Malitbog.

A few kilometres away, in Barangay Formon, residents have the same good stories to share.

Barangay Captain Miguel Joco points out that “our people are living a better life now.” With additional income from livelihood and less expenses for their drinking water, parents can afford to buy more food or new clothes for their children.

Crisanto Cordero Jr., president of the Formon Barangay Water System Association (BAWASA), says residents of Formon have become more responsible

in ensuring continuous water supply and the proper maintenance of the water system.

He says residents welcomed the move of BAWASA to regulate the use of water to 10 cubic meters per household. “Now that we have water, people are aware that we should not waste it,” Cordero adds.

To maintain the water system, every household pays P5 per cubic meter or a total of P50 per month per household. The funds are used for maintenance and management, including salaries of the meter reader, maintenance person, and collector.

Cordero says BAWASA funds were initially in the red because of collection problems. However, collection has improved as residents already learned to set aside payment for water use after a short period of adjustment.

10-day allowance within which they should pay their overdue water fee.

Malitbog Barangay Captain Padullo says, “We learned a lot, not only the barangay officials but the residents as well. We have more self-confidence now. There’s better cooperation and unity among the people.”



*Crisanto Cordero Jr., president of the Formon Barangay Water System Association (BAWASA), says residents of Formon have become more responsible in ensuring continuous water supply and the proper maintenance of the water system. He says residents have also welcomed the move of BAWASA to regulate the use of water to 10 cubic meters per household.*



# HEALTH AND TRAINING

Empowering Communities

*Adelina Calucer, a Barangay Nutrition Scholar from Kagbana, Buraeun, Leyte, with a little 'un and her mother during a routine check-up.*



Sometimes, when people put other's interests ahead of their own, they get something greater.

Case in point: the efforts of the team leaders of MCC and KALAHI-CIDSS-funded health stations and production center in Leyte and Camarines Sur.

The proponents of the health stations may have not been aware of it, but there is a direct link between good health and transforming lives for the better.

A single illness or injury in the family can affect it so that everyone suffers due to loss of income and higher health costs. A lack of awareness of proper nutrition and healthy habits, or careless use of medication can also cost a family time and energy. If not managed, these can have detrimental effects on a whole community.

Kagbana, Burauen, Leyte is a mountain village so remote and bare that it can only be reached by a four-hour hike; there, the villagers consider rice a luxury. When the community opted to propose a health station to ease the difficulty of travel for their expectant mothers, children, and elderly, they were not aware that they were bringing in a better awareness about well-being and living healthier lifestyles.

Distance and convenience were also on the minds of the people in Barangay Sampalok, Gainza, Camarines Sur, who lobbied for a health station so their impoverished neighbors don't have to spend precious pesos for a trip to a clinic in

town or the city. Little did they know that later on, their health center would symbolize something else: more community involvement and action.

The link between skills training and the transformation of a community is clearer to see and understand: when one learns to be productive, whether through informal or formal methods, he or she can adapt these skills according to what the market needs, or what opportunities are presented to him or her.

This is what the people of Malbong village—99 percent of whom live below the poverty line—put

forth when they proposed a production center for their unemployed women and out-of-school youth. By asking for, and eventually, implementing a space where livelihood trainings could be carried out, they believed they could help cease the cycle of poverty, early pregnancies, and illiteracy.

But benefits like these gave birth to other positive outcomes: an appreciation of hard work, a sense of purpose, and a realization that better tomorrows could, literally, be crafted by hands that would have otherwise remained idle.





## Health and hope

Barangay Kagbana, Burauen, Leyte

**T**hough it is five hours from Tacloban, Leyte, which was hit hardest by Typhoon Haiyan in 2013, Barangay Kagbana in the municipality of Burauen was not spared from the ravages of that superstorm.

Lolita Marbibí, a resident of Barangay Kagbana, almost lost her daughter: “We had evacuated to the public school. The wind tore the roof off. I wasn’t aware my daughter Jillian had been pinned down by the steel trusses. I thought she was dead. Someone pulled her out from under; she was unconscious and throwing up blood. I was so afraid. Her head started to swell. But we couldn’t go anywhere. We had to wait for the river water to recede before we could cross. We left the next morning at eight. The trip was so hard—trees had fallen across the way, and fifteen people took turns to carry Jillian in a stretcher,” she says in the local dialect.

“We reached the hospital in Burauen at twelve midnight. We were so tired. We hadn’t eaten. It’s like that every time an emergency like that happened around here. I thought Jillian wouldn’t make it, but thank God she did. Now that we have a health center, first aid or first response will be available. The nearest clinic is just too far from where we live!”

This story may illustrate the extreme, but Haiyan was the proverbial straw that broke the camel’s back, according to Barangay Chairman Rovelio Gloria. “Things were already hard, especially for pregnant women, what they had to go through just for a routine check-up. But we only realized how much we needed a health center when Yolanda struck.”

The MCC-KALAHÍ-CIDSS Health Center is the first in the history of Kagbana, a village that is as bare as it gets. The people hunt for wild boar for food, weave baskets as a livelihood, and plant rootcrops as an alternative to rice. *Kamote* (sweet potato) is their main source of starch; rice there costs three times more than usual, which makes it a luxury to all. Electricity only came to the village in 2014, and people are still so enamored and overjoyed with this basic service that they’d rather

save money to pay the electric bill than to buy food to broaden their diets.

Having a health center in Kagbana saves time, energy, and money. From San Vicente, the neighboring village—which can only be reached by foot—a ride on a motorcycle to the town center is P100 (almost USD2), a fortune for residents like Jaime Banagbanag. A father of six and member of the Mamanwa tribe, the indigenous people who live in the mountains of Burauen, he says that the health center brings many solutions at once. “Before, the sick got even sicker just because of the trip. We even had to take out loans just to pay the motorcycle drivers so that people could get to the hospital in time. We don’t have to do that anymore.”

Now, children and expectant mothers can get their immunizations and check-ups without having to hike

for hours and cross three streams and a river. People can get their blood sugar and blood pressure tested. Volunteers have also been trained to insert CVACs (Central Venous Access Catheters) when needed. There are regular trainings on health, and visits by health workers and NGOs.

Adelina Calucer, a Barangay Nutrition Scholar, says the Health Center has also given her a formal space to carry out her duties. “I used to weigh the infants and measure them in my house. Now I do that here, and I’ve also created a record of the kids.”

While his tribe still relies on traditional herbal remedies, Jaime says the presence of the Health Center

made them realize the value of Western medicine, especially when it concerns the kids. “Health is very important,” he says. “We also use herbal medicines, but you also have to listen to a doctor, and follow his prescription.”

Rovelio Gloria adds that the community has become more health-conscious; it’s like the structure has become a symbol of the commitment to well-being itself.

“We will take care of this health center,” continues Jaime Banagbanag. “This isn’t just for the good and health of our children, but for us old timers as well.”

“

Before, the sick got even sicker just because of the trip. We even had to take out loans just to pay the motorcycle drivers so that people could get to the hospital in time. We don’t have to do that anymore.”

*Jaime Banagbanag, father of six and member of the Mamanwa tribe*







## Wellness for all

Barangay Sampalok, Gainza, Camarines Sur

**T**he MCC-KALAHY-CIDSS health station in Barangay Sampalok, Gainza, stands in the middle of a sea of rice paddies. It is an odd sight, a small, sturdy building amidst a fragile carpet of green. It's a tidy space, the size of a small home, but stocked with basic medical equipment. Nurses are available for check ups all throughout the week.

“This was our most urgent need,” KALAHY-CIDSS volunteer and project treasurer Amelia Collantes says in Filipino. “Among all the barangays in Gainza, we have the highest population. A lot of the health station’s beneficiaries are 4Ps, and before we had this, they would have to spend 26 pesos to go to the town center and back.”

The 4Ps are what they call recipients of the government’s *Pantawid Pamilyang Pilipino* Program (“Making ends meet for Filipino Families”), considered the poorest of the poor in the country. A 4P family earns an average of 200 pesos daily—that is, if they have work lined up for them, which means mostly field labor and manual

work. When harvest time is done, or when there is no need of an extra hand, their already-meager income stops.

Most of the children in Barangay Sampalok suffer from malnutrition due to poverty, or lack of guidance. Many women also tend to go into premature labor, and contract infections during childbirth, which is the leading cause of infant death in the Sampalok.

“Now they have somewhere near to go if they need pre-natal care, immunizations, or if their children get sick. They don’t have to wait for complications to set in. They don’t have to spend to go to town or to Naga (City). It is really a huge help to them,” she adds. Individuals who suspect they might

be getting diabetes can also get their blood sugar checked.

They not only have a brick and mortar place to go for medical care, but a place where they can convene for talks and trainings on proper nutrition, hygiene and sanitation, maternal and child care, supplemental feeding, and family development.

The health center has also served as more than its original purpose—already, its been used as an evacuation center during two storms.

The volunteers of the project—an all-woman team of 21 eager mothers—cannot contain their excitement when talking about their “baby”. Though they are not involved in health care per se, they maintain a presence in the health center, cleaning,

fixing things up, welcoming patients.

“Even the elderly appreciate it, because they can get their blood pressure monitored,” adds Amelia.

Cyrel Darma, another volunteer, adds that the community has experienced a spike in the way they view health since the health station was constructed.

“They’ve become more careful with their diet and lifestyle,” she says in Filipino. “And since this was put up, we’ve noticed that everyone has become more involved. When there are assemblies, everyone comes.”

“

Now they (the 4Ps) have somewhere near to go if they need pre-natal care, immunizations, or if their children get sick. They don’t have to wait for complications to set in. They don’t have to spend to go to town or to Naga (City). It is really a huge help to them.”

*Amelia Collantes, volunteer*





## Crafting better lives

Barangay Malbong, Gainza, Camarines Sur

**T**he residents of Barangay Malbong in Gainza, Camarines Sur are aware of two things going for them: first, that their village is enclosed by the Bicol River on all sides, blessing them with soil ideal for agriculture and vegetable farming. The second, is that Malbong has been “adopted” by the two most prestigious universities in the province, University of Sta. Isabel and University of Nueva Caceres, giving them unlimited access to all the livelihood training the schools can offer.

However, they are also aware of the downsides of those blessings: very few farmers are able to live decently off what they earn from their lands, or—because not all of them actually own the land—of the lands they merely till; and second, free training is useless if there are no proper venues in which to assemble and receive the education. Aside from farming, the people of Malbong depend on the buri palm for livelihood—the processing and production of its leaves for handicrafts.

“We had to pass up on many opportunities because we didn’t have the space or facilities to hold the livelihood training,” the residents wrote in their project proposal. This would have benefited the barangay residents, 99 percent of whom live below the poverty line, they add. Most are unemployed women, who, because of lack of education, marry or have children earlier in life, perpetuating the cycle of poverty.

Their solution was the construction of a production center, a proper area where trainings can be given by people from the universities, government agencies, and non-government organizations.

Now, the building not only serves as a classroom, but a workspace and showroom for

the residents’ finished products—baskets, bags, utility baskets, mats, table and wall decor. When visitors come to the production center, the items are scooped up and almost always, sold out. The center is not only spacious, it’s comfortable as well, providing a clean and dignified place for workers to practice their skills and earn from it, too.

“Self-sufficiency” was one of the goals mentioned in the proposal, and indeed, the production center has yielded more: now, the residents of Malbong and its neighboring barangay have something to look forward to. Productivity has replaced idleness; women and youth who thought that they would face poverty all their lives, are now empowered with the simple thought that, say, a buri mat, fashioned by their hands, can be deemed

valuable.

Riches may still be a long way coming for the people of Malbong, but they've learned to aspire for and appreciate something more: a sense of

accomplishment, and a realization that even those who have nothing are capable of producing things that bring delight.



*Riches may still be a long way coming for the people of Malbong, but they've learned to aspire for and appreciate something more: a sense of accomplishment, and a realization that even those who have nothing are capable of producing things that bring delight.*



## VOLUNTEERS & TRAINING

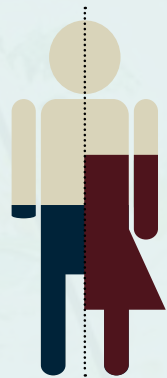


Community  
Volunteers  
Trained

285,936

Male

117,112



Female

168,824



Total  
Trainings  
Conducted

19,134

Municipal Trainings

3,527

Community Trainings

15,588





## Battling poverty through education

NGO education support through collaborative education and teacher trainings

Statistics from the Department of Education reveal that two out of every 10 pupils drop out before finishing their elementary education, the root cause of which is mainly poverty.

Such is the start of the intergenerational transfer of the vicious cycle of poverty. Economists say that about 68 percent of households considered poor are headed by a parent who has at most an elementary education. They noted that poverty incidence decreases with higher educational attainment of the household head.

That is why it is every Filipino parent's dream to ensure that their children go to school and finish their education, so that their future lives may be better than what they've endured in the past. And that is why MCC and MCA-P considers access to quality education as a top priority. MCA-P has partnered with private companies and non-governmental organizations (NGOs) that have local initiatives for improving quality of education. MCA-P's Ma. Victoria Añonuevo said that these partnerships will ensure the sustainability of the benefits for communities from the school facilities built.

One of these partnerships is with Synergeia, a coalition of individuals, institutions, and organizations working together to improve the quality of basic education in the country. It implements programs for nearly 1.5 million schoolchildren in 250 municipalities and engages local governments, socio-civic groups, schools, teachers, parents, and students in its projects.

A major project supported by MCA-P was the first-ever Education Summit for the municipality of Bongabong, Oriental Mindoro held at the Bagong Bayan Central School which was attended by all stakeholders including students, school principals, barangay captains, parents, LGU officials, and the Local School Board members.

The Summit provided everyone a channel to discuss problems in Bongabong and allowed them to find solutions. The stakeholders actively participated by freely expressing their views and concerns. By the end of the event, everyone agreed on a collaborative education program that will benefit the children of Bongabong. It is hoped that the expanded and stronger role of the Local School Board will make implementation of their agreed program efficient and effective.

Another partnership of note is with Felta Multimedia Inc in a project called "Learn N Play for Progress-

Philippines." Through this project, LEGO Charity Boxes from the LEGO Foundation were distributed to Day Care Centers built under the KALAH!-CIDSS program. A total of 97 day care centers received a Lego Charity Box that contained Lego bricks and other quality educational tools from the global toy company.

MCA-P sponsored Learn N' Play for Progress-Philippines seminar-workshops that equipped the day care teacher with skills and strategies on how LEGO Duplo bricks can be used not just for Free Play activities, but with academic objectives in mind for all domains of a child's development. From simple color and shape identification to the more imaginative and complex thinking skills, the use of toys create a learning environment that is fun and creative for early learners.

A woman wearing a red t-shirt and a blue and white striped headscarf is sitting on a wooden bench, focused on weaving a basket. She is surrounded by numerous finished woven baskets of various sizes and colors, including natural brown, green, and red. The background shows a wooden structure with vertical slats.

# WOMEN'S VOICES

Recognizing the role of women in development

A country can only experience true economic growth and progress when there is social and gender inclusion. In a 2015 report by the World Economic Forum, the Philippines ranked seventh out of 145 countries, the highest-ranking Asian country, with regard to closing the gender gap. This made the Philippines—a country that clearly encourages and celebrates gender equality—a perfect partner for the Millennium Challenge Corporation.

Gender equality is a priority in MCC's agenda. As such, MCC has influenced women's participation in the community empowerment activity cycle that was first introduced by the Department of Social Welfare and Development in its KALAHI-CIDSS program. Aside from supporting the projects that are focused on infrastructure—access, construction of brick and mortar spaces for training and health—MCC has infused grants for gender-specific activities, such as livelihood training, non-traditional skills building, and projects to address maternal health and violence against women.

Jinabelle Terrano of Barangay Panipiason in Madalag town, Aklan province, is a beneficiary of one of the Gender Incentive Grants. Soft-spoken and shy, her eyes come alive and her voice becomes more strident when explaining what the grant—a livelihood training grant for abaca products—did for her and the women in her community:

“The selection process for who would undergo the training was tough. They chose only the ones who were really interested. They chose eight women from our village, Panipiason. All in all there were 11 barangays who participated in the training. We took a one week course in Madalag, and taught what we learned to the women back in the barangay,” she says.

“After the training, we learned how to classify the fiber and knot it. Women here didn't do a lot in terms of adding to the family income. We used to sell only the fiber, but it only sold for 50 pesos a kilo. Now, when the kids are

asleep, they're busy knotting. Knotted fiber sells for 350 pesos a kilo.”

On Saturdays, she and the women travel to Kalibo, the big city nearby, to sell their product.

“Selling abaca is nothing new to us. But now, women add to what their husbands earn,” Jinabelle says, with a small, proud smile.

As the following stories will illustrate, more opportunities for women to get productive and contribute positively to their families translates into gains for the community, as well.



A photograph showing three women in a workshop setting, focused on their work with abaca fibers. The woman on the left wears a red shirt and a blue and white patterned headscarf. The woman in the middle wears a red t-shirt with a colorful graphic. The woman on the right is seen from the side, wearing a light-colored top. They are all looking down at their hands as they work with the fibers. The background features a wooden slatted wall.

## Their bigger role

### Gender Incentive Grant in Madalag, Aklan

**A** common sight in Barangay Panipiason in Madalag, Aklan, are the long clumps of golden-white fibers drying in the sun. Hanging from clotheslines, they make a curious yet beautiful sight, resembling long curtains of blond hair shifting in the breeze.

These are abaca fibers, the strong and supple product taken from abaca, a close relative of the banana plant. Otherwise known as Manila hemp, abaca was first used as cords and rope; only later did people realize it could be made into finer, more decorative items, such as paper and home decor.

This is the stuff Jinabelle Terrano and the rest of the women under the MCC and KALAHI-CIDSS Gender Incentive Grant work with. “I am one of the beneficiaries of the training given by DSWD and MCC in Madalag,” she says, introducing herself. “I received training for twine making, fiber classification, macramé, weaving, and knotted fiber.”

It was a week-long session, she says. The Department of Social Welfare and Development brought in experts to teach them how to classify fibers according to quality to make better twine, and to later knot the twine to add to its value. She says the training was designed so that she could pass on this knowledge to other women in her barangay.

“The training was a big help,” she relates in her native dialect. “For those who had aging parents who could no longer work as hard, it helped add to their families’ income. For us housewives, who just stayed at home to take care of the kids, and who were fully dependent on our husbands to bring in the income, it helped as well. Now, we add to what the men earn. Plain abaca fiber doesn’t sell as much as knotted fiber; now that we know how to knot it, we can sell it at a higher price.”

According to Jinabelle, one kilo of plain fiber is 50 pesos. A kilo of knotted abaca fiber is 350 pesos. That price increases if they sell it in Kalibo City. “We’re no longer ‘unemployed,’” she says. “Before, all we did was to take care of the children, cook. Now, when the

kids are asleep, we keep busy with knotting. Come Saturdays, we’re off to Kalibo to sell our products. We’re able to help add to the family coffers for our daily needs, especially for our children’s needs, if our husbands aren’t around.”

Jinabelle is also aware of the bigger impact the training has on the women’s psyche and their role as productive members of their village. “We’re also now able to conduct our own trainings and share what we know with other women. These days, it’s important that women have their independence and that they know they’re somehow contributing to the community. We don’t just earn more for our families, we’re also uplifting the lives of everyone here in Barangay Panipiason.”



## Speaking up and taking control

Dahilig and Sampalok Villages, Gainza, Camarines Sur

**T**he village of Gainza in Camarines Sur is the least populated municipality in the whole of the Bicol region, but its women are not in the least small and silent. They're strong and certain, eager to make their voices heard when it matters.

Though the head of the pathway and drainage projects in Dahilig is a man, all the team leaders and volunteers involved are women.

Yolanda Alinate is in charge of the Procurement Team, and everyone agrees this was the most challenging of all the tasks. "We had to face the suppliers, their managers, my God," Yolanda recalls in Filipino. "None of us knew how to negotiate. We aren't businesswoman. We weren't sure on how to do it because we were going to procure the materials through loans."

Her teammate, Amelita Quidip, adds: "They were hesitant to entertain us because they weren't sure how we were going to pay them back. We didn't have proper guarantors. All we could give was our word."

The women used the powerful Filipino practice of "pakiusap", or "plea", a combination of using the right words, tones, and demeanor to get something done. They assured the suppliers that KALAHY-CIDSS and MCC

were backing them up.

"We weren't sure of what we were doing, but we just went ahead and did it," says Yolanda with a small laugh. "We had a vague idea. That's all."

None of them went to college, and it still brings them great delight to remember how they helped bring the pathway and drainage to fruition. "We never realized we could implement this," says Ydanda. "We don't do much, we have no experience with these things. We just sit around here in the barangay. But we thought how much this could help the people of our village. So that our farmers wouldn't have such a hard time, especially when the ricefields get flooded."

Not too far away, at the KALAHY-CIDSS MCC-funded Health Station in Barangay Sampalok, Amelia

Collantes and the rest of the all-women project team echo almost the same experience.

"Paperwork—that's what we found challenging," she says in a mixture of Filipino and the local dialect "But now, we all know how to fill forms up, and how to have them processed."

Their difficulties with procurement also presented an opportunity to think up unique solutions to a problem, as well as speaking up about their rights as customers.

"The hollow blocks (for the construction of the health station) came all broken. We gave them back and asked for replacements. We also proposed that the hollow blocks be done here, in the barangay, so they wouldn't get damaged on the trip here," Amelia recounts.

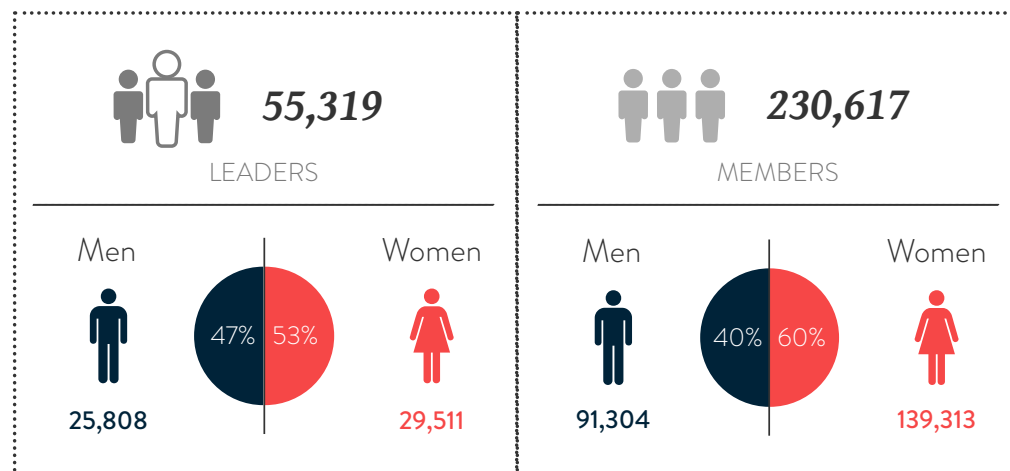
They’ve also learned valuable planning skills, such as organizing schedules of nurses and health workers, so that somebody is always present at the health center. “We thought—what if people came for a consultation, and no one is around? We had to plan. That can’t happen. So we even approached the Regional Health Unit. Now people have become confident that a nurse is always there, so they come at any hour of the day,” she says.

“We’re very proud that we were able to do this. Just us. Who knew? Who knew that we could do it

as a community?” Amelia continues, softly. “Even our children—they’re so proud of us. *‘Sila mama, sila diyang gumagawa, habang si papa, nagtrabaho rin.’* Mom and her friends, they’re the ones running the place, while our papa works, too.

Amelia, Yolanda, and the rest of the womenfolk in Gainza town might not be aware of it, but aside from the projects they worked on, their most powerful legacies will be the messages they pass on to their children: If we can do it, you can do it too.

### KALAHI-CIDSS COMMITTEES



We’re very proud that we were able to do this. Just us. Who knew? Who knew that we could do it as a community? Even our children—they’re so proud of us.”

*Amelia Collantes, Volunteer*





S N R D P



Building a solid foundation of values



## The Road to Transformation

The provinces of Samar and Eastern Samar, which are part of the Eastern Visayas region, have long been in the list of provinces with the highest poverty incidence.

Geography is one reason. Eastern Samar, in particular, sits on the eastern flank of the archipelago that is said to be most storm-exposed country on earth. It faces the Philippine Sea that runs to the Pacific Ocean. At its south border is the Leyte Gulf. Along with the other provinces in Eastern Visayas and Northern Luzon, they usually bear the brunt of the frequent cyclones that enter Philippine territory.

Couple the average of nine tropical storms every year with the fact that coconut farming, fishing, food products, handicrafts and tourism are the major sources of income of the people, and it becomes easy to understand why life in Samar is so hard.

Aiming to improve the living conditions and provide better access to economic opportunities in the area, MCC granted \$214.44 million from the Philippine Compact for the reconstruction/rehabilitation of the 222-km Wright-Taft-Borongon-Guiuan Road in Samar and Eastern Samar. This road segment, which passes through 15 municipalities, is the main passage between the two provinces and improving the infamously rundown road would not only help lower transportation time and costs and but also open up new possibilities and new markets.

MCA-P divided the project into four contract packages with each having their own contractors and timelines. The implementing agency was the Department of Public Works and Highways, led by DPWH Secretary Rogelio L. Singson. Project consultant Katahira Engineers International (KEI) was also put on board to assist in ensuring that the road adheres to





international standards and will be finished on time.

Notably, the collaboration of MCA-P, DPWH, and KEI prudently used the Intergovernmental Panel on Climate Change's model for predicting project risks and put in place climate-proofing measures in planning and designing the SNRDP.

As such, the ongoing project was able to withstand several storms, the biggest of which were Typhoon Yolanda in November 2013 and Typhoon Ruby in December 2014. It also managed to recover from an attack by rebel forces in a project site in CP4, as peace and order was soon restored with the necessary support from local and national government.

The people of Samar and Eastern Samar were grateful and fully supported the project. They reaped significant benefits from its implementation, not least of which is the number of jobs created for both skilled and unskilled labor. Just as significant is MCA-P's introduction of its Social and Gender Integration Plan (SGIP) which encouraged women to also take active part in the project—not only in sieving sand or acting as flag wavers, but even as trained carpenters and welders.

Because making lives better is really the goal, MCA-P took pains to ensure that no one was worse off because of the project's implementation. MCA-P conducted consultations in the 15 municipalities for project-affected entities (PAEs), and made certain that the owners of around 4,000 structures displaced by the project would be justly compensated for the inconvenience.

Impact on the environment was also properly assessed and mitigated by a Tree Replacement Program which entailed planting 100 seedlings for every tree cut—which translates to planting 772,900 tree seedlings around the project sites. For this Program, the DPWH obtained the services of the DSWD's Pantawid Pamilyang Pilipino Program (4Ps) beneficiaries in planting the trees to provide them additional income.

"The Tree Replacement Program as well as the utilization of the 4Ps families in the tree-planting contributes to the government's National Greening Program and the Millennium

Development Goals on the eradication of extreme poverty and hunger, and at the same time ensuring environmental sustainability,” Sec. Singson notes.

The SNRDP also utilized innovations which further stimulated the local coconut industry, as DPWH advocated for the use of indigenous materials for slope protection and put up a common facility for making coco-nets using coconut fiber.

“Samar is coconut country and their biggest waste is coconut husk. They just burn that. What we did was to convert these coconut husks to coconut fibers which were then woven by the older folks into coco nets, and this was used for soil erosion and slope protection instead of cement,” he says.

The use of coco-netting has “helped farmers earn more from the waste products and provided employment to the older folks who can no longer farm, especially women who can now weave using local looms.”

To ensure sustainability and maintenance of the road after the Compact ends, DPWH prepared innovative Community-Based Road Maintenance Program which “trained and capacitated community micro-enterprises for the purpose of road maintenance,” says Sec. Singson.

It is in the best interest of the communities to maintain the road and keep it clear and accessible especially after storms, he says, and with these micro-enterprises they have the organization, the tools and the skills to make it so.

Because the people deeply value the road that MCC has helped to build, it is the empowered communities of Samar and Eastern Samar themselves—hardworking, hopeful people—who shall guarantee that the legacies of SNRDP will last.



## DPWH Secretary Rogelio L. Singson: Roads are the true game-changer

When the Compact started, it was decided that one major component would be roads. We submitted two proposals and what was chosen was Eastern Samar. This has always been one of the poorest provinces for the longest time, for the reason that it has always been vulnerable to typhoons because it is facing the Pacific Coast.

The Secondary National Road Development Project (SNRDP) has become so important to the people of Samar. The eastern side is on the other end of Samar, opposite Tacloban (capitol of Leyte) and major airport areas like Calbayog and Catarman. The 222 kilometers of the SNRDP means bringing the connectivity of Eastern Samar to these major centers.

Working with MCC and MCA-P, we were also able to introduce some innovations in the program. We were advocating the use of indigenous materials for slope protection, so we introduced to MCA-P the possibility of putting up a common facility for making coconets using coconut fiber. Samar's biggest waste is coconut husk. What we did was convert all that coconut husk into coconet fibers which is then woven by the older folks into coconets, which is used for slope protection and soil erosion instead of concrete. For the 222 kilometers of road, we needed the industry. The coco-netting is produced there, and used there. Farmers earned more out of their agricultural waste, and we provided employment to older folks who could no longer farm, and to women.

The other innovation was getting the communities organized in the Community Based Road Maintenance Program. It is in the best interest of the local communities to attend to concerns immediately—a little break in the road here, or some vegetation clogging the canal there—they should not have to wait anymore for national government to come to rescue. They can maintain it themselves. Together with Department of Social Welfare and Development, we organized community micro-enterprises for this purpose. Outside farming, they have nothing else to do, so who is not farming has free time to maintain the roads. We also trained them as equipment operators, carpenters, doing lane markings, and so on. This comes in handy especially when typhoons come—maintaining the roads will ensure that relief goods will be able to get to them faster.

The impact of a good road to a community that has never seen a good transport network is very satisfying. We're always told that moving people and goods (without good roads) is really a struggle. People walk for hours, they cannot go to work during rainy season because of the mud and there are no vehicles who want to go through those routes. The children are not able to go to school, farmers not able to bring goods to the market. But with a good road, a six hour trip can be cut down to 45 minutes. You can imagine the comfort and of having government facilities like hospitals, the town hall, schools, now all accessible. That's how direct the benefits are.

Roads build access to economic freedom, or else the community will never get out of this cycle of poverty.

If there's any game-changer, it's really providing access to schools, hospitals, government services, and markets.



# The Road to Progress





## Reward and rehabilitation

People come first in the SNRDP

**T**wo of the biggest challenges in the reconstruction of the Secondary Nationals Roads Development Project (SNRDP) was the weather, and the resettlements of the Project-Affected Entities (PAEs).

Contractors, officials, and workers alike were caught off guard with the severity of the storms and the damage caused after, particularly when Haiyan pummeled the Visayas region in 2013. Leyte and Eastern Samar—where the SNRDP was being implemented—took the brunt of the storm.

While there were concerns about meeting project targets, first on everyone’s mind was rehabilitation and bringing aid to those most affected.

Mayor Edgar Boco of Hernani, Eastern Samar says that all the highways were blocked. Aid from both the provincial and national government could not reach them; a U.S. chopper arrived only on the third day. But the mere fact that part of the SNRDP was already in place in the area meant that relief could get to them faster. Shortly after that, aid came from MCC and MCA-P, thanks also to two motorcycles and vehicles donated by the organizations.

DSWD Secretary Corazon Soliman shares: “In the places affected by Yolanda, what was the most effective is the immediate response of the MCC and MCA-P work support. They immediately provided us the logistic support to bring in not just the relief but the immediate rehabilitation of the areas, of the infrastructure that were destroyed.”

“If it weren’t for the MCC-funded road project, relief wouldn’t have been able to reach us,” says Boco in Filipino. “If not for the road, our economy would have suffered even more. I don’t think our town would have recovered as fast.”

The asphalt that was washed away by the storm surged was quickly replaced. Bishop Crispin Varquez of Borongan City adds that the clearing of the highway was also swiftly carried out.

Throughout the project implementation, resettlements also had to be addressed. Almost 10,000 entitlements had to be issued for the PAEs along the whole 222 kilometers. One might assume that this might have caused conflicts between the homeowners and the contractors. On the contrary, the resettlements and payouts went quite smoothly, as DPWH took great pains to explain the purpose and benefits for each barangay. As of March 2016, 99.43 percent have received payment.

Armando Pabunan’s family was one of those who were displaced due to the project. The Pabunan’s family home was located along the shoulders of the National Highway, on a lot that measured 20 by 14 square meters. They were told that their whole property had to be removed to give way to the road

construction project.

For his trouble, Armando received 169,000 pesos. The fee, it was explained, depends on the amount of the damage to the property. “We agreed immediately because it was for the good of all, we were going to have a much better road. And it was the government’s land anyway. My family and I moved to

a place further from the road, somewhere safer,” he says in Filipino.

With his payout, he built their new house away from the National Highway. He—and other families formerly situated along the National Highway—feel safer now after their relocation.

“

If it weren’t for the MCC-funded road project, relief wouldn’t have been able to reach us. If not for the road, our economy would have suffered even more. I don’t think our town would have recovered as fast.”

*Hernani Mayor Edgar Boco*









## A path out of poverty

With the new roads came new enterprises, great and small

**T**hat East Samar got busy when the SNRDP came in is an understatement.

Constructing 222 kilometers of road can bring a whole slew of activities, especially in the field of commerce. Small sari-sari stores to cater to the workers and engineers cropped up along the highway while it was being built. As the roads took form and motorists began to use it, vulcanizing and auto repair shops emerged as well.

At Buray junction, economic development came fast and grew just as rapidly. Alongside sari-sari stores came shops selling hardware supplies and dry goods, a gasoline station, pawnshops, eateries, and motor shops. Lorna D. Pineda, who has been selling pasalubong (gifts and souvenirs) for the past 23 years, was witness to the change. “When they opened the Borongan, Dolores, Oras-Catbalogan Road, it became a thoroughfare for bus and vans. Now they stop here all the time. That’s when vendors like me multiplied. A lot of stores too. It’s a more attractive stop because of the nice roads,” she says in Filipino.

Her husband works as an inspector for buses coming from Dolores, Eastern Samar. With four children to support, they barely got by his minimum wage salary and her maximum earnings of 200 pesos a day. When the junction improved, bringing in more people traveling from Eastern Samar to Catbalogan City or to Northern

Samar, her income has doubled. “Now our children are all able to go to school. This road has been such a big help,” she says. “I’m also happy that they don’t have a hard time getting to town because of the better roads. It’s a far cry from the past.”

Vulcanizing and auto repair shop owner Edilberto Babalcon, meanwhile, seized upon the business opportunity even while the construction of SNRDP was still on-going. Aside from the better income, he says that safety is one of the biggest benefits. “There used to be a lot of accidents here because of the bad condition of the road. It was very rocky and uneven,” he says in Filipino. “But when the SNRDP opened, I have not seen a major accident since.”

Small vehicle operators, such as drivers of habal-

habal (passenger motorcycles), have also seen a boost in their trade. Domingo Pabunan Jr., president of the habal-habal drivers’ association in the area, says that because of the better roads, their membership has doubled. There are now 20 habal-habal drivers making a living in the area. They get their income from local and foreign tourists—who have also increased in number—who come to Barangay Tenani for the extreme boat ride called “Torpedo”. Since the roads are smoother, the cost of maintenance for their motorcycles has also gone down while their income has doubled, from 300 to 600 pesos a day during tourist season.

Even those who may not have entrepreneurial chops are able to gain employment. In the Community Based Road Maintenance Program,

DPWH's collaboration with DSWD, farmers and their families are given the opportunity to learn new skills. "We wanted to give them something they could use after they're finished with their Conditional Cash Transfer program from the government," says Secretary Singson. "They can have regular work after, and this is all connected to road maintenance—equipment operators, carpenters, and so on. The wives can also do it, or the children. We needed to train them so that they work as a community, which we call a Community-based Micro Enterprise. We pay the enterprise for the work, and they're very happy with it."

The community is paid according to certain measures, Singson explains, like the length of the

road they're supposed to maintain. "For example, three kilometers of road that needs to be cleaned up. We pay the enterprise, and they decide on how to distribute it to their community. So that also requires capacity-building, organization, and a lot of community work."

These are skills that will surely benefit and empower the individual, and which will extend beyond mere road maintenance. Once a person is given a broader vision of what is possible, there's no saying what he can set his sights on, and where he can go.



*Vulcanizing and auto repair shop owner Edilberto Babalcon says that aside from the better income, safety is one of the biggest benefits of the SNRDP. "There used to be a lot of accidents here because of the bad condition of the road. It was very rocky and uneven," he says. "But when the SNRDP opened, I have not seen a major accident since."*

## SNRDP Progress and Employment Status Per Year

CONTRACT PACKAGE	ACTUAL PROGRESS STATUS PER YEAR				EMPLOYMENT PER YEAR		
	31-Dec-13	31-Dec-14	31-Dec-15	29-Feb-16	31-Dec-13	31-Dec-14	03-Jan-16
CP1	79.12%	100.00%	n/a	n/a	342	n/a	n/a
CP2	1.80%	16.82%	64.11%	72.18%	120	594	1476
CP3	21.76%	65.86%	89.89%	98.55%	524	749	508
CP4	3.70%	30.66%	69.71%	78.68%	431*	537	569

\*As of February 9, 2014

### EMPLOYMENT PER YEAR BREAKDOWN

As of December 2013	CP1		CP2		CP3		CP4*	
	Male	Female	Male	Female	Male	Female	Male	Female
Manila Hired	106						2	
Foreigner			11	2				
Non-Locally Hired					77	8		
Locally Hired	212	24	86	21	379	58		
Total	318	24	97	23	456	68	0	0

\*As of February 9, 2014, no breakdown was provided by PMC. Total employment was 431

As of December 2014	CP1		CP2		CP3		CP4	
	Male	Female	Male	Female	Male	Female	Male	Female
Manila Hired	n/a	n/a	0	0	0	1	0	0
Foreigner	-	-	23	0	0	0	4	0
Non-Locally Hired	-	-	148	10	191	7	215	11
Locally Hired	-	-	359	54	477	73	257	50
Total	0	0	530	64	668	81	476	61

As of December 2016	CP1		CP2		CP3		CP4	
	Male	Female	Male	Female	Male	Female	Male	Female
Manila Hired	n/a	n/a	0	0	0	0	0	0
Foreigner	-	-	32	1	0	0	5	
Non-Locally Hired	-	-	275	12	122	4	159	13
Locally Hired	-	-	1029	127	339	43	353	39
Total	0	0	1336	140	461	47	517	52





## A woman's place is on the road

Valuable trainings through collaborations with DSWD gave the women of Eastern Samar a chance to realize their full potential

**A**sk Corazon Soliman, secretary of Department of Social Welfare and Development, an anecdote that stands out in her heart about working with MCC and MCA-P, and she will zero in on the DSWD's collaboration with DPWH on the SNRDP.

"The women were very, very eager to share with us the stories that they were the ones making sure that the road was up to standard, that they were there to ensure that the roads will be well-maintained. They showed us how they knew to work the instruments," Soliman recalls.

Gladys Y. Osias, a welder, was one of those women and six flag persons chosen to be trained by the MCC. Of the six trainees, only two of them have remained, and to this day is amazed at how much she loves her job, which is fixing and repairing the trucks and other vehicles used for construction. She never thought she'd have much passion for it—after all, it was work traditionally given to men.

"I'm very happy that I was given this chance to make a living, and that I proved to myself that I could actually be a welder. I'm just as good as any man," Gladys says with a smile. "At first there was discrimination, of course, but I got through it. If men can do it, women can do it, too. Words can't express how grateful I am to

MCC and MCA-P. After this project, I plan to put up my own little shop here in Eastern Samar. My own business!" With her salary from SNRDP, Gladys was also able to contribute to the family income and buy her own motorcycle.

Another woman who has broken the glass ceiling in her own estimation is Marilyn Catudio, a carpenter from Maydolong, Eastern Samar. She and Gladys were the only two who remained in the MCC-sponsored training. Now, she makes road signages and other carpentry works for the road project.

"I didn't realize I could do this kind of work, 'man's work'," she says in Filipino. "Because of this job, I was able to help my mother and other relatives with their needs. I want to continue being a carpenter after the road is finished, find work

elsewhere. I feel very lucky that I was chosen by MCC to be part of the training. I never knew I could do this, or do this much."

Women from the DSWD's 4Ps (Pantawid Pamilyang Pilipino Program, or "Making ends meet for Filipino Families") also found work in the SNRDP. Tenani Association for Women and Development (TAWAD) Board Director Marilou G. Gabiana, is one of the 200 members of her group tasked to maintain the cleanliness of the road.

They can easily see the rewards of keeping the roads clean and safe, says Letecia Gabrino, who is fully dedicated to her job. It's a win-win situation for everyone. "We wanted to do a good job because when people see how beautiful the roads are, especially the tourists, they will want to come back."

They are required to work five days out of one month, for which they are paid 1,500 pesos. Though the work is only temporary, the benefits were substantial, as the money was enough to send their children to school.

Aside from earning extra income, the women from the 4Ps also gained valuable social skills, and a boosted sense of self-worth. “The women who were used to just being at home, who didn’t think much of themselves, have gained confidence,” says Marilou. “They don’t think of themselves as ‘small’ anymore. I think our men have come to view us differently, because they’ve seen that we can do their jobs as well

or even better than them. We really take care of the roadsides, we treat it as an extension of our homes. We are also able to discipline people, in a way, to not litter on the road.”

She also observes that the women are now more vocal during meetings. “We learned a lot in our trainings with DSWD and DPWH. And when we have 4Ps meetings, I’ve observed that they now come properly dressed, presentable, and speak up. They no longer see themselves as tied to home and the kids. They’ve become proud of themselves, and because of that, their true selves have surfaced.”

“

I’m very happy that I was given this chance to make a living, and that I proved to myself that I could actually be a welder. I’m just as good as any man. At first there was discrimination, of course, but I got through it. If men can do it, women can do it, too.”

*Gladys Osias, welder*





“

The women who were used to just being at home, who didn't think much of themselves, have gained confidence...I think our men have come to view us differently, because they've seen that we can do their jobs as well or even better than them. We really take care of the roadsides, we treat it as an extension of our homes. We are also able to discipline people, in a way, to not litter on the road.”

*Tenani Association for Women and Development (TAWAD)  
Board Director Marilou G. Gabiana*



## Added value

SNRDP's community-managed road maintenance program imparts new skills and provides important augmented income to 4Ps

**A**side from the actual reconstruction of the 220-kilometer road for the SNRDP, DPWH Secretary Rogelio is especially proud of the innovations his department was able to institutionalize in the project.

The implementation of a community-managed road maintenance program (CMRMP) is one of them. A collaboration of the DPWH, DSWD and Road Board, this initiative involves the participation of poor communities in the localities where National Roads and bridges are situated. The program makes road maintenance a community microenterprise involving organized groups of 4Ps (Programang Pantawid Pamilyang Pilipino) beneficiaries and communities covered by KALAHI-CIDSS, which allows beneficiaries to be formally employed after completing a six-month job order contract under DPWH.

Those involved receive commensurate pay—augmented income to their family livelihoods. The participants received training in road maintenance work such as lane markings, road clearing, and basic upkeep.

CMRMP is funded by the Road Board through DPWH with a total budget of PhP7.04M for its 12-month pilot implementation. Of the total amount, PhP4.18M was transferred to DSWD to defray the labor cost while

PhP2.86M was retained with the DPWH for the procurement of tools and materials needed by the project participants in routine road maintenance activities.

As SNRDP was chosen to pilot the CMRMP, MCA-P exerted all efforts in assisting the parties in creating a model structure for the pakyaw (wholesale buying) system of road maintenance work.

The CMRMP contract was signed on January 30, 2015. Two pakyaw groups were involved in the pilot program: Tenani Association for Women, an all-female People's Organization also working for Tree Replacement Program (TRP), a convergence MOA between DPWH, DSWD and DENR, which is also implemented in SNRDP; and Tour Guide and Boat Operator for River Protection and Environment

Development Organization (TORPEDO), a registered people's organization that works as tour chaperones for visitors in Paranas who wish to explore Samar Island National Park. Their advocacy is to protect the environment by reporting seen abusive act such as illegal quarry and illegal logging within the park.

During the signing, TORPEDO president Eugene Igdalino, remarked that through the CMRMP, Samareños residing in Paranas would be provided a legal source of income and would shy away for illegal acts of quarrying and logging in the area.

The project's first pilot implementation started in May 2015, and covered 16 kilometers of road traversing the six barangays of Buray, Pequit, Patag, Tabucan, Lokilokon and Tenani in Paranas, Samar. About 477 4P family-beneficiaries reside in these six

barangays.

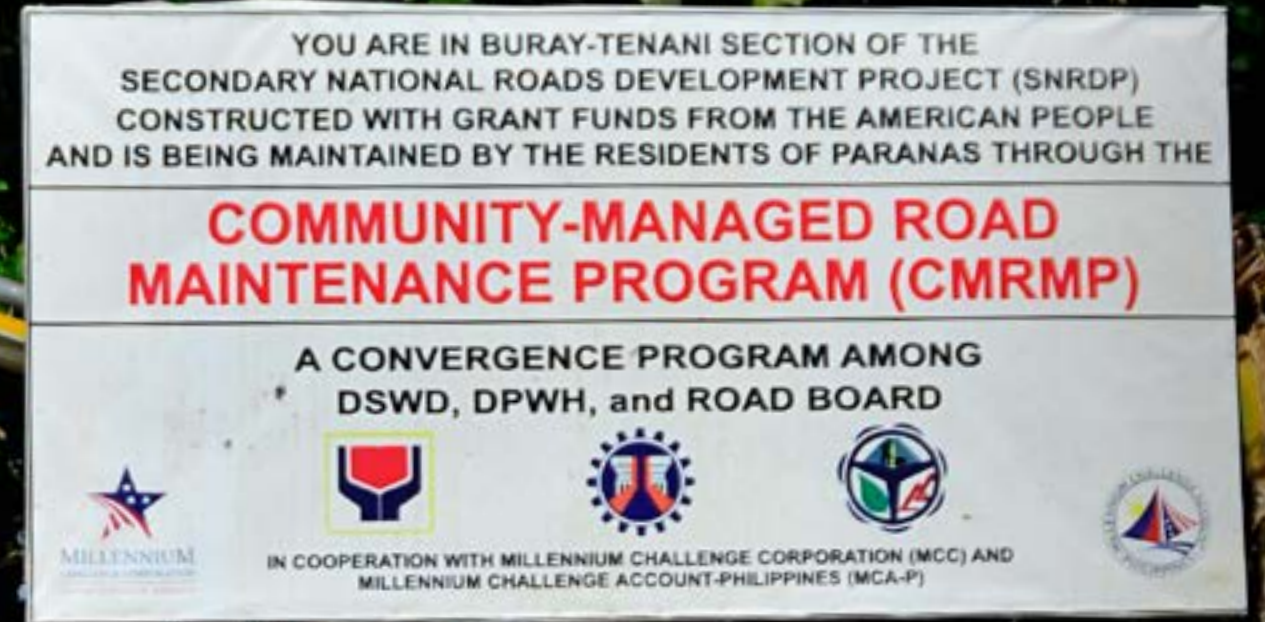
Based on the scope of work designed by the DPWH and the Road Board, each group was contracted to maintain the 16.36km at P348,000 per month.

There were seven organized pakyaw groups contracted from July 2015 to May 2016. Six groups maintained the road traversing in their respective barangays, while the other one served as an oversight:

- Lokilokon Limited Development Association
- Pequit Association for Progress
- Patag-Tabucan Irrigators Association

- Uswag Buray Organization for Development
- Tenani Association for Women and Development
- Tabucan Association for Progress
- TORPEDO Tour Guide and Boat Protection & Environmental Development Association (oversight)

For its second round, the project will cover the MCA-P SNRDP's 60-kilometer road connecting the municipalities of Borongan, Hinabangan and Taft in Eastern Samar before the end of 2016. The third round will cover roads in Dipolog, Zamboanga del Norte in 2017.







## Safe and sound

Better roads lead to better education and awareness

**R**ough. Dangerous. Slippery. Almost impassable especially when there is heavy rain.

These are words that are often repeated when people from Paranas, Western Samar are asked how the roads were, pre-SNRDP. Farmers had an extremely trying time getting to town to sell their produce, as as habal-habal drivers would demand higher fares—100 pesos, double the usual fee—because of the poor roads.

The situation was tougher for children, who could not go to school when it rained. Crossing the road itself and simply standing outside the school building, even on more pleasant days, was tricky. Safety features such as railings and markings were non-existent, and one wrong move by a reckless driver could mean grave injury or even death.

But with the construction of the SNRDP came a renewed sense of hope and optimism among the families of Barangay Binogho, says Binogho Elementary School Principal Rowena Cabangunay. Enrollment and school attendance has increased since the road has been completed, and because the SNRDP also included construction

of two sets of railings in front of the school, the teachers and the parents are now much more at ease regarding the safety of their children.

Where there are school crossings along the 220-kilometer road covered by the SNRDP, road safety management has been strictly enforced to ensure the safety of children. Installing signages (warning, informational, and directional), regulating the speed of vehicles, mounting of railings along road sections at school zones, and regular road safety orientations are conducted by the SNRDP project consultants and contractors to schoolchildren.

Other road safety investments include pedestrian crossings and streetlights.

With safety comes a heightened sense of security and community. The school itself in Binogho has become a convergence point for families for community-driven activities, with the collaboration of DSWD, such as vegetable gardening. Of a visit with the former U.S. Ambassador to the Philippines, Harry K. Thomas, DSWD Secretary Corazon Soliman recalls: “The people in Paranas showed us how very keen they were on this (project), because it was a way of ensuring the education of their children, and their children’s health. So it was a convergence of efforts—the 4Ps, CCT, and DPWH—of people who really wanted to include themselves in the development of their communities.”



## Fighting the scourge of human trafficking

Addressing this dark but all-too-real issue, all agencies involved banded together and created a pioneering program that is now included in all DPWH projects

**T**he activities and human dynamics involved in the SNRDP presented a crisis that the MCC, MCA-P, DPWH, DSWD and concerned stakeholders were quick to address: human trafficking in persons (TIP).

The influx of labor needed by wide-scale construction work, such as that needed in the SNRDP, increased the vulnerability of communities to TIP. Eastern Samar and Samar, where the 222-kilometer road rehabilitation project was undertaken, were identified as TIP hotspots.

“A very important advocacy component that was added into the partnership was the advocacy of ensuring that young children and women are not going to be victims of trafficking,” explains Soliman. “Unfortunately in many of the poor areas of the Philippines, there are also areas where many a significant number of women and young children are prone to being, or have been, victims of trafficking. Actively engaging the community in this was very important.”

As the MCA-P adopted the MCC’s Anti-Trafficking Zero Tolerance Policy, a resolution was signed between the DPWH and MCA-P to “pro-actively assess, categorize, and manage project risks related to trafficking in the SNRDP.” It was agreed that Anti-TIP language would be integrated in the construction-related documents of the SNRDP;

that trainings, programs, and activities would be implemented throughout the project—from planning, design, construction, and maintenance; and that DPWH’s Gender and Development (GAD) office would develop monitoring and evaluation indicators in the implementation and compliance of TIP-related policies.

Dedicated TIP orientations for road and project contractors were mounted. A community outreach campaign, led by Philippines Against Child Trafficking (PACT), covered 14 municipalities and one city in the provinces of Samar and Eastern Samar. Capacity-building was given to TIP service providers and volunteer community educators; Anti-TIP ordinances were passed; Anti-TIP Plans were drawn up; a Local Committee on Anti-Trafficking and Violence Against Women and their Children (LCAT-VAWC) was created;

and information, education and campaign (IEC) materials were produced and distributed through mainstream and radio channels. Nearly 200 service providers and volunteers each were trained on handling TIP victims and as anti-TIP community educators. The campaign culminated in an Anti-TIP Summit in April 2015 in Tacloban, Leyte.

Because of the orientations on TIP, Tenani Association for Women and Development (TAWAD) President Elizabeth M. Doza says that their barangay was fully aware of the issue and made sure they protected their children and women against it.

Borongan City Councilor Jennifer Anacio relates that the seminars started way back in 2012. “I was the chairman of the committee on Protection of Women and Children then. We were taught how to disseminate

information about the issue. MCA-P was with us all the way,” she says in a mix of Filipino and English.

“Then a network was created. I filed a draft with the Sanggunian (the committee composed of different barangays). After the community educators training, it was expected that we would have a local ordinance to institutionalize it. All the information, educational, and campaign materials were provided by MCC. With that, we were able to save on our local budgets.”

Their efforts definitely paid off. “The response of the people was very positive. It wasn’t the first time they heard about human trafficking, but their response this time and their involvement in the campaign was intensified. They’re ecstatic that they know more about it. And I’m happy to share that the number of cases here in Borongan have sharply declined.”

These anti-TIP programs are first of its kind in the country. Collaborative and sweeping, they have since inspired the DPWH to institute the same in all

its future road projects. Now, with the GAD agenda at the forefront, the DPWH has identified the following activities to jumpstart its nationwide anti-TIP program and make it mainstream: (1) adopt a DPWH TIP Policy; (2) integrate anti-TIP sessions and related capacity development initiatives in the DPWH regular GAD training program; and (3) inclusion of anti-TIP language in the DPWH Tool Kit for Making Infrastructure Projects Gender Responsive.

Of this development, MCA-P Managing Director and CEO Ma. Victoria E. Anonuevo says, “I personally have no doubt that if we remain steadfast in fighting TIP, we will eventually break the vicious cycle that robs human beings of their dignity and hinders our growth as a nation. A herculean task but we are optimistic, that our partnership will pave the way to strengthen the DPWH’s resolve to move towards a gender-responsive organization, with utmost consideration on the welfare of every individual affected by infrastructure projects.”



## Road on demand

SNRDP's in-situ asphalt recycling technology answers the need for cost-effective and safe pavement construction

**O**n the 64.58-kilometer stretch from the San Julian in the Sulat Municipality up to the Balangkayan of Llorente Municipality in Eastern Samar, you will find curious looking machinery that appear like hybrids of cement mixers and massive road rollers.

What they are, are facilities for cold in-situ asphalt recycling technology, which was used to rehabilitate that part of the SNRDP, and for the replacement of six bridges and the reconstruction of 17.

This technology was chosen following the considerations for a quick construction turn-around, and as a cost-effective measure to make up for the limited availability of quality materials in the area. The nearest available source for such material is in Leyte, a good five hours away.

Asphalt recycling entails collecting and maximizing existing materials from deteriorated asphalt pavement, and base and the sub-base coarse materials. First, the material collected is assessed to determine soil classification, and to establish a design mix for the stabilizing of the pavement or base foundation. After a design mixture is established, it goes through a trial run to test its quality.

Once the engineers are satisfied with the mix, the area is prepped. A layer of cement is spread evenly throughout the stretch. A recycling machine—attached to a water truck and a tanker truck gradually injected with foamed bitumen—makes its way across the road. Behind the recycling machine is a vibro roller, which compacts the asphalt, and a road grader, which corrects the line and grade elevation of the top surface.

This is repeated until the desired surface elevation is attained and density requirements are

satisfied. Then, the surface with the recycled asphalt is applied with a fog spray of diluted emulsion bitumen. This seals the surface and protect it from any water or moisture that might penetrate through the prepared base foundation.

The road takes several days before it can actually be used. Curing takes three to four days before prime coat or tack coat is applied, which takes at least 24 hours to dry. Last in the process is the laying of a bituminous concrete surface course, or asphalt concrete pavement.



## Trees for tomorrow

The tree replacement program brings environmentally-sound and aesthetic surroundings, and communities working together for a greater good

**A** world-class road means it has to be constructed at par with international standards, and that driving along it has to offer an aesthetically-pleasing view as well. It was for this reason—and more—that a Tree Replacement Program was implemented in the SNRDP.

This pioneering SNRDP-MCA-P initiative is a convergence of three agencies: Department of Environment and Natural Resources (DENR), DSWD, and DPWH. It involved the planting of 100 seedlings for every single tree cut along the Right-of-Way in the SNRDP, as per the Environmental Compliance Certificate issued by DENR.

The sites were surveyed and mapped by the local environmental agency, Community Environment and Natural Resources (CENRO) Offices and Samar Island Natural Park. Tree species were then recommended by the CENRO for the selected project sites. Fourteen people's organizations were engaged for seedling production, tree planting, and maintenance. Thirty seven percent of individuals who participated in the planting were women, and overall, a whopping 931 hectares were planted with new seedlings.

In time, the young trees they planted will rise and create a beautiful canopy of green along this dazzling Samar highway. They will provide better air, guard against erosion, and hopefully stimulate new wildlife and ecosystems for the area. Even when

those who planted them are long gone, the trees will stand for generations after, as symbols of a people who chose to transform their environs—and themselves—for the better.

**TATAY, HINIGUGMA  
KA NAMON  
PAGHINAY HA DALAN**



Road signs do a lot more than warn you of a curve ahead, or of a slippery bend. They act as personal messages and reminders to stay safe, and that someone you love is waiting for you when you get home. Aimed at contributing to improved road safety during construction and after, when the road facility is already in full use, MCA-P initiated the development and installation of Motivational Road Signages along critical sections of SNRDP. This one, written in the local language of Waray, says: "Get home safe, Papa."

**TRONIC**  
**G**

Number

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- f. Local Government Units (LGUs) except Barangays
- g. Entities registered with the National Electrification Administration
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**R A R P**

Changing the Future Today

## Changing the Future Today

Among its many functions of promoting progress and development, a crucial role of government is to come up with programs and infrastructures that address the needs of those who are vulnerable, powerless and trapped in poverty.

If a nation is to combat the scourge of poverty, it is important to have an ethical, rational, and efficient tax administration system that inspires trust and cooperation from taxpayers such that it is enabled to sustainably grow tax revenues through the years. This will allow the government to invest more into its poverty reduction programs such as in healthcare, education and social services.

But public perception of the country's Bureau of Internal Revenue (BIR) has long rated it as among the most corrupt of the nation's agencies. The Philippines's tax effectiveness was among the lowest in the region, mainly because the bureaucracy was plagued with inefficiencies, outdated systems, generous exemption policies and corruption. Non-compliance was rampant, tax evasion and avoidance the norm. Tax audits took too long and the system invited abuse and allowed for shady negotiations.

The country was leaking much needed funds it could not afford to lose. Plugging these leaks and introducing reforms in the bureau would herald a significant impact on the future of Filipino citizens, especially the poorest of the poor who needed it most.

In 2006, MCC awarded a \$20.685 million Threshold Program grant to the Philippines that focused on addressing improved revenue administration and anti-corruption efforts.

Encouraged by the successful results of the Threshold Program, the eventual Philippine Compact earmarked \$54.3







million for a broadened Revenue Administration Reform Project (RARP).

The funds were allocated for two major components: further strengthening the Department of Finance's Revenue Integrity Protection Service (RIPS) and supporting the BIR's Revenue Administration Reform Activities (RARA).

The first focused on detecting and deterring corruption in the whole finance bureaucracy. The RIPS project covered the acquisition and customization of case management software, specialized trainings, as well as the digitization of approximately 3.5 million documents handled by the Department of Finance.

Meanwhile, the RARA covered a host of projects that dealt with different aspects of reform: the Electronic Tax Information System (eTIS), the Automated Auditing Tools (AATs) and the Public Awareness Campaign (PAC). It also included the provision of an International Monetary Fund (IMF) resident advisor and relevant specialists to introduce global best practices in specialized areas. Technical assistance was also acquired from the United States Department of Treasury Office of Technical Assistance (USDT-OTA) for specific needs.

As much as the institution appreciated the resources that the grant funding provided, the BIR ensured that the "process engineering was owned by the process owners" who made certain that the grant would be spent correctly and efficiently and not used for anything that was not needed.

Today, the gratifying success of the RARP can be credited in no small part to the people and the institutions themselves, who took their mission and vision of reform to heart.

"I've always believed that reform should be driven by the institution itself. I think that is the best practice for any reform process," Commissioner of Internal Revenue Kim S. Jacinto-Henares pointed out.

She believed in the school of thought that reform should come from within. "The reform movement within an institution should really be participated by each and everyone in the institution. It cannot be just by a select office or a selective group," she said.

She then brought in people from the field to form the Project Management Implementation Service (PMIS) with oversight on the RARP projects. “Because I believed that they’re the ones who know what’s going on, what needs to be improved. And their peers will listen to them.”

Because the project involved the very essence of the tax administration system, everyone was indeed involved. “Everyone had work to do. I don’t think anyone in the Bureau has even been worked so hard in their life as they had in this past five years.”

Clearly, the RARP has helped to energize the spirit of reform.

Finance Secretary Cesar V. Purisima commended MCC’s contribution beyond providing funds. “I see this relationship as a way not only to transfer best practices and technologies but also as a way to benchmark ourselves against the very best in various fields.”

“It is about giving opportunities to our institutions to learn how to solve constraints, and opportunities to develop our own people so that they can see their true potential while working in the right environment,” he said.

Reform is, of course, always an enormous challenge for any organization -- and not least because there is little instant gratification and the big results may not be immediately apparent.

Still, it is encouraging that surveys on public perception show the BIR’s image improving considerably the past years. Since receiving ratings of “very bad” from 2006 to 2009, ratings jumped 39 points in 2012 and continued to steadily advance. It has managed to reach a rating of “neutral” by 2014/2015. This improved perception of the public was directly proportional to the increase in their voluntary compliance.

Reforms done today are an investment for the future. The ultimate success of the continuing RARP may not yet be fully captured by all the metrics we have today, but the more robust and motivated bureaucracy together with the changing public perception promises the country can hope for bigger and better tax revenues tomorrow.



## Commissioner Henares: Reform by the institution, for the people

“The RARP is one of a kind project of the Millennium Challenge Compact.”

“The MCC does not have any project relating to tax administration. So, if you look at it, this project is really teaching country how to fish, not just giving countries the fish that they need to eat. It’s teaching them how to generate the revenue. So for me, it’s a longer term aid than all the rest. And we have a stake to make it successful because it’s a different kind of process.

“What we have learned is that reform should really be driven by the institution, not by the donor. It would have to be driven by us, the Bureau of Internal Revenue. Also, we’ve learned that information technology is a support. Reform is not driven by IT, it’s driven by the process owner.

“I think that is the best practice of any reform project—it is not driven by the agency or the donor agency. What and how the reform should be undertaken is dictated by the institution. We undertook this reform because we feel there is need for it. MCC and MCA-P made the reform happen faster. I’d just like to assure them that—because I recognize that these are U.S. taxpayers’ money—we did the best that we can to make sure we spent it correctly and efficiently. We didn’t spend anything that we think will just go to waste. We can assure them the reform will continue—if not funded by grant, then by the budget of the people.

“I think the Philippines is so used to having people help them. It’s just that the Filipino are not used to telling aid-givers what we want. We just say yes. Here, the rule is if I don’t need it, I will not ask for it. And even if you give it to me and I don’t need it, I will refuse it. So it was empowering in a way for us, the Filipino to express what we really needed.

“Another difference with this is that this project is the very essence of tax administration. Everyone was involved. If you will come to the Bureau, you will notice that everyone is busy. Everyone has work to do. Everyone is in the meetings. I don’t think anyone in the Bureau has worked so hard in their life except for these past five years.

“I’ve always believed the reform should be driven the people within the institution. There are two school of thought of reform. One, is when you bring other people in. You form a new office staff, new people. I don’t believe that. I believe that it should be staffed by people who are doing the work already. So I brought in people from the field, because I believe that they’re the ones who know what’s going on, what needs to be improved. And when they say these are the systems that need to be improved, their peers will listen to them because these people know what they’re talking about.

“The whole Bureau of Internal Revenue is involved in the reform. The reform movement of an institution should really be participated by each and everyone in it. It cannot be just by a select office or group.”



## Excellence is the standard

### Automated Auditing Tools (AATs)

The Large Taxpayers Service (LTS) accounts for about 65 percent of the BIR’s total annual collections. With the country’s leadership always challenging the bureau with stretch targets, this group is always under extreme pressures to produce more and more every year.

And with the country’s 2015 Millennium Development Goal of bringing down poverty rate to 16.6 percent from 33.1 percent in 1991, every drop of tax revenues needed to fund social services counts.

The LTS’s various Audit Divisions, therefore, play a crucial role because they have the capability to narrow the gap between potential and actual collections of the BIR. By the performance of their specialized function, the LTS Audit Divisions are able to help collect the correct taxes from companies who are enjoying economic gains from doing profitable business in the country.

Hence, the RARP included an important sub-activity: the Automated Auditing Tools or AATs. This entailed the purchase of AATs software licenses and computers, subscription to database service on transfer pricing information, and training on the use of these tools.

Conducting audits on large multinationals with global and regional operations is difficult and tedious, even for the most ardent and dedicated auditors. In the past, it was an immense struggle for the BIR to be able to collect the correct amount of taxes, especially from large complex organizations. These companies had the resources, strategies, and schemes to engage in tax avoidance as much as they could possibly get away with.

“We really have to be at par with the minds of taxpayers,” notes OIC-Assistant Commissioner Nestor S. Valeroso.

The auditors have always had key performance indicators and hitting their targets was quite challenging—doing audits, especially with limited resources, adds to the difficulty of the task. “So they

are really very happy that we now have these tools. The tools are the top-of-the-line, and our auditors are proud to have them,” said Asst Comm Valeroso.

These tools have demonstrated their ability to reduce by half the number of days to complete an audit, also effectively reducing the backlog of unfinished audits. The AATs also removes taxpayers’ concerns about the fairness of an audit because it introduced a scientific and automated, risk-based selection system of audit candidates. This system reduced human intervention and opportunities for corruption.

Just as important, the tools improve the output of the audits and reduce taxpayer complaints. It encourages voluntary compliance because taxpayers are also privy to the data that BIR has on-hand to show

why they are obligated to pay.

MCA-P also ensured that knowledge about AATs was cascaded throughout the organization. The trainings on Computer Assisted Audit Tools and Techniques (CAATTs) began with a workshop for BIR’s policy-makers and LTS representatives from the National Office and the RDO who were advocates, trainers, and users of CAATTs.

The workshop endorsed the expansion of CAATTs to other revenue regions. The regional expansion of BIR’s Computer-Assisted Audit Tools and Techniques (CAATTs) to 14 satellite offices across 9 regions was therefore completed before the end of Compact.

Indeed, the grant’s impact for the LTS Audit Division can be measured even beyond the peso value contributed to the country’s coffers. Just as significant was the support that it gave the auditors, with tools that allow them to do their jobs easier, faster, and better.

Continuous training and education is key, says Asst. Comm. Valeroso, to keeping the Audit Divisions ahead of the game. “There are so many things we want to accomplish here,” he says, “and if we want to keep hitting our targets, then we also have to keep supporting and improving the capability of our people”.

“Our auditors are among the best of the best. And we have to keep training and learning. We have to always be at par with the big multinationals that are able to afford the best accountants and lawyers.”

*OIC-Assistant Commissioner Nestor S. Valeroso*

### CAATTs Training Room Usage

Year	Total No. of Pax Trained
2013	270
2014	1050
2015	780
2016*	510

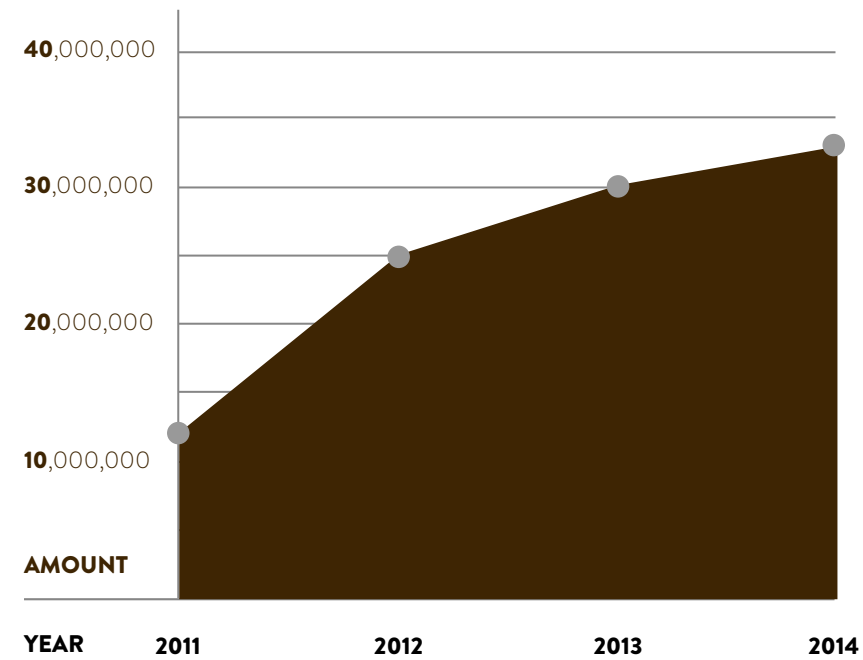
*\*planned for 2016*

### List of Trainings

- Regional Computer Assisted Audit Tools & Techniques (RCAATTs)
- Computer Assisted Audit Tools and Techniques (CAATTs)
- Excel in CAATTs
- Internal Revenue Stamps Integrated System (IRSIS)
- eTIS Soft Skills Training for Master Trainers: Functional Training
- eTIS Taxpayer Registration System (TRS) End User’s Training
- eTIS Enhanced Collection Remittance & Reconciliation (CRR) End Users Training
- ACL/Automated Audit
- eTIS Audit/CMS Training
- eTIS Returns Filing and Processing (RFP) System

	2011	2012	2013	2014
<b>Ave Collection per case under LTS</b>	<b>24,257,736.96</b>	<b>46,721,313.14</b>	<b>47,047,357.65</b>	<b>50,272,588.14</b>
<b>Revenue Collections per Audit</b>	<b>12,104,610,744.40</b>	<b>25,042,623,843.65</b>	<b>30,110,308,895.90</b>	<b>32,928,545,230.04</b>
<b>Number of Audits</b>	<b>499</b>	<b>536</b>	<b>640</b>	<b>655</b>

REVENUE COLLECTIONS FROM AUDIT (LTS) IN MILLIONS



TRAININGS	DURATION	NO. OF REVENUE OFFERS
Fundamentals of ACL w/ Basic Scripting	2015-2016	299
Update Trainings on ACL	2015	30
Advance Excel Training Courses	2014-2016	317
Audit Procedures on Coalesced audit	2013	200
CAATTs Conglomerate Audit Project	2012	200
CAATTs Basic & Advance Courses	2012	30



## The courage to change Electronic Tax Information System (eTIS)

It was inevitable. The core framework of the BIR’s Integrated Tax System (ITS) was an 18-year old legacy software—no longer supported by its manufacturer and no longer offered in their product lines. That meant no R&D and maintenance support for any future unforeseen problems.

This fact introduced risks to the institution that was untenable. The development and implementation of a more technologically-responsive Electronic Tax Information System (eTIS) was necessary.

The eTIS aimed to precisely address this risk. Its goal was to modernize BIR and provide an enhanced tax administration system that can be rolled-out nationwide. This will increase efficiencies and make the bureau more productive. It will also improve the trustworthiness of, access to and actions and decisions based on tax data.

Inevitable as it was, change was not easy to embrace.

One source of resistance was that people had learned to love the system they had been using for 18 years, reckons OIC-Assistant Commissioner Carolyn Ann C. Reyes. “They are so used to it that they could navigate the system with their eyes closed. It was as familiar to them as the back of their hand.”

This was a project nobody really expected to be easy.

Originally, the project was going to be a rollout of a new system. But the team soon realized that the system was far from ready. It was then agreed to redefine the project as “repair and pilot roll-out” instead.

This entailed MCA-P having its Procurement Agent bid out a repair and maintenance contract, which included system development requirements. Understanding that it would have to compete for people’s hearts and minds and win them over to the coming changes, MCA-P fortified the project with proper resources—if they were going to do a system development, then they were resolved to do it right.

Aside from the technical vendor Indra Philippines, BIR and MCA-P decided to also have an Independent

Assurer for testing and standards, as well as Change Management experts to complete the team. That would be PricewaterhouseCoopers Private Limited (PwC) and the Joint Venture of AARC Ltd and WYG International, respectively.

The advisors were very good, notes Head Revenue Executive Assistant Erlinda SD Pantanilla. “They were able to identify risks that we somehow missed. And all the trainings conducted really enhanced the quality of our project management and prepared us to handle the next steps for this project,” she says.

Working together with process owners, the team was able to accurately identify what was needed from the new system. Moreover, Change Management proved to be key in keeping the project moving forward by demonstrating best practices that showed process

owners how they could effectively work together to arrive at win-win alternatives.

“The fact that we were able to identify our requirements and converted them into a system which, although not yet complete, will be a working system is already a milestone. Now, whatever happens to ITS, the BIR is prepared. Whatever enhancements are needed to be implemented outside of the compact, I am confident our team will be able to successfully complete it,” Pantanilla says.

Asst. Comm. Reyes agrees that eTIS project accomplishments are tangible blessings to be counted:

data management is now more efficient (and will be even better after transition and full synchronization), the workflow and system that the team was able to develop is transparent and audit-centric, and pilot sites were launched and assessed.

The team proved that even though this project was tough, it was not impossible. It simply needed the right ingredients—courage to begin, open-mindedness to attain momentum, and persistence to see it through.

“

The most interested entity who will pursue the sustainability of this project is the BIR itself, because we are the ones who will gain from it. No other entity will aspire to have a successful eTIS more than us.”

*OIC-Assistant Commissioner Carolyn Ann C. Reyes*







## Building a nation of patriots

### Public Awareness Campaign (PAC)

**W**ith today's ubiquitous communication technologies, communicators face even bigger creative challenges – for how can you be heard above the din of such information explosion?

The Public Awareness Campaign (PAC), an important part of the RARP, was created to address this. Under the auspices of BIR's Client Support Services (CSS), the PAC provided consulting services and the implementation of a communication plan that would promote BIR services and programs, as well as inform taxpayers of reforms being undertaken.

The main communication objective was to encourage voluntary tax compliance which will lead to increased revenue and collections. This was a significant goal, since based on their findings, people had a limited understanding of their tax obligations, knew little about BIR programs and services, and hardly used its online services.

The MCA-P wisely provided the project with the right tools: aside from consulting services, it also procured the creative services of an advertising agency. And by 2013, working hand in hand, the team completed its

comprehensive 2014-2016 Communication Plan.

The following year, the "RFP: Register, File, and Pay" campaign was launched in the first ever "National Tax Campaign Kick-Off" event. Supported by several high-impact advertising tactics that targeted self-employed professionals, the campaign sparked a national conversation that placed tax compliance high in people's top-of-mind issues.

In 2015, they followed it up with the nationalistic "Angat Pa Pinas" campaign which exhorted the bureau's most compelling message yet—every taxpayer, big or small, are true patriots whose contributions are needed for the country's progress.

Surveys showed the emotive campaign had won an awareness score of 42 percent, higher than the 38% norm in its category. "Angat Pa Pinas" would

henceforth be the cornerstone of all publicity efforts by the entire organization and be a brand they would build on every year.

The effectiveness of its communications was also measured by monitoring a key target audience – the growth rate of new registrations of Self-Employed Professionals. With significant impact here, the team can justifiably claim they indeed have made a difference.

But the plan was not just about producing slick advertising materials. Just as important was capacity-building for the entire organization. Every RDO was able to take part in the "Basic Advertising Skills" workshops that trained them on how to plan, launch and manage "Angat Pa Pinas" activities for their respective offices.

“Such training experience enhanced BIR’s capability to communicate with citizens beyond the compact and continue strengthening its relations with the public,” says Eva DC Gonzalez, CSS Technical Assistant.

It was really a surprising revelation, Gonzalez admitted, that the RDOs assimilated the trainings so well. “We found it remarkable how creative our people were, especially with how they have built on our limited resources. I’m proud of how they are exceeding our expectations.”

And creative the team will have to be.

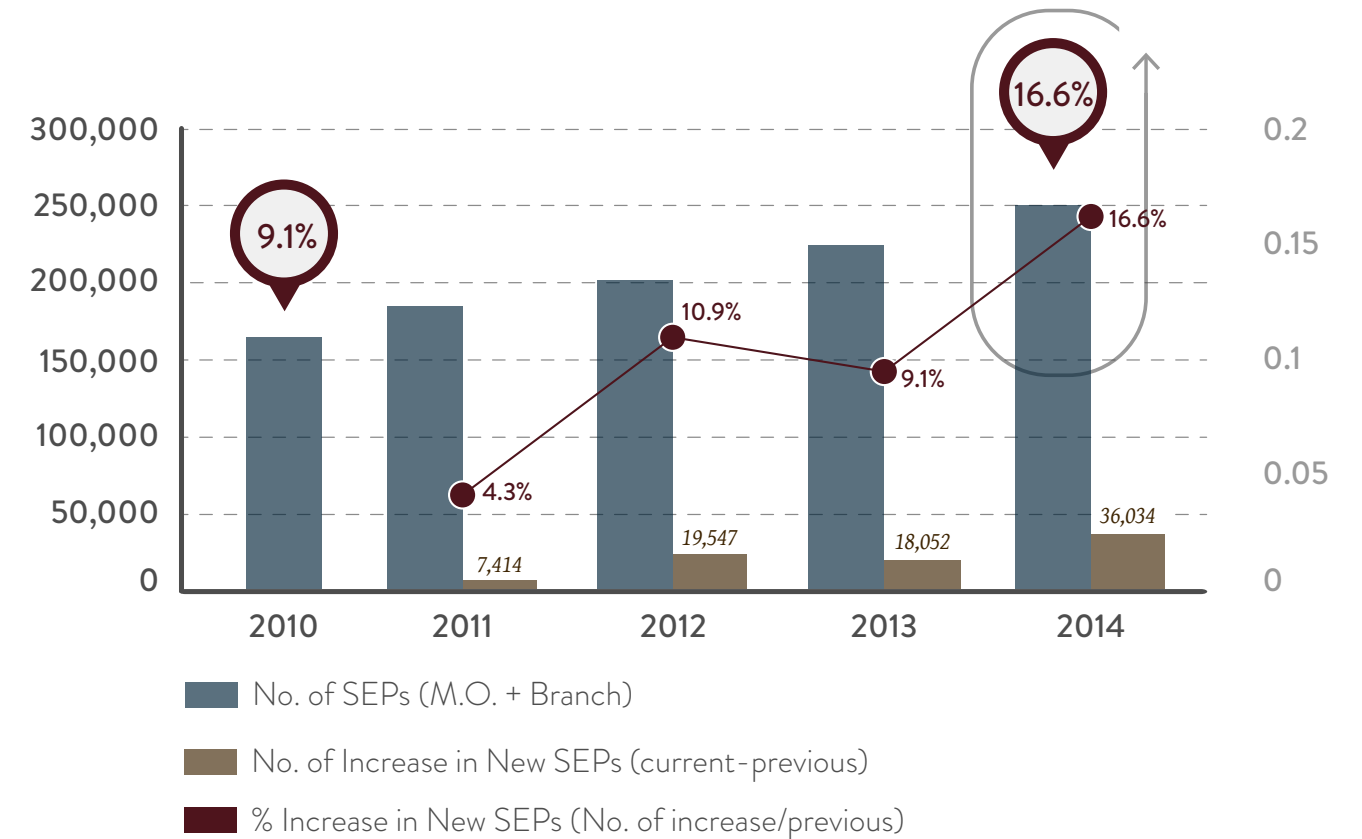
Assistant Commissioner Marilou del Rosario admits that with the end of the compact, sustaining momentum for coming years will be challenging. But the PAC team had been preparing for these

challenges, she said.

They already had a budget proposal included in CSS’s Project Procurement Management Plan. The budget aims to sustain the communication platforms they have been using successfully. Before the end of 2016, they would also have prepared a revitalized Communication Plan and an appropriate Terms of Reference to find an ad agency.

They are inspired, she says, to maintain the MCA-P model as they have seen firsthand that it is most effective. Though it will be difficult without the compact’s support, the team is looking forward to doing more creative communications, engaging taxpayers and cultivating more patriots who love the Philippines.

## Increase of New SEPs

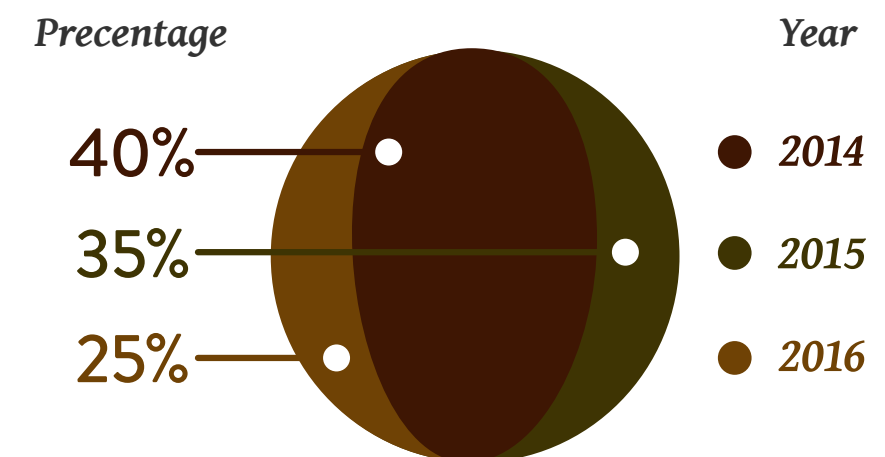


People previously believed that we were not an agency of communication. But now we have one voice as a bureau and we have defined our communication goals. This project gave us an upliftment in how we saw our functions and gave us both direction and capacity to communicate with our publics.”

*OIC -Assistant Commissioner Marilou del Rosario*

## PROJECT IMPLEMENTATION

Public Awareness Campaign







## Good international practices, better local processes

International Monetary Fund Technical Assistance

**A**s testament to a real understanding of the project needs, the RARP included the provision of expert technical support to help the BIR improve revenue collections and reduce non-compliance. The International Monetary Fund (IMF) was engaged to provide this expertise. The IMF provided strategic advice and guidance from its headquarters' tax administration experts and hands-on consultation and guidance from a resident advisor stationed full-time in the BIR, all of which was supplemented by expert advisors brought in to advise on specialist areas of tax administration.

Having begun in 2011, the arrangement was first expected to end by 2013 but was subsequently extended up to May 2016. Another prudent choice since the technical assistance was a key support for the BIR's top reform priorities, which were: redesign of core tax administration processes (particularly VAT audit and arrears management) to reflect good international practice, development of a structured compliance risk management process, development of data analysis

capability to help detect areas of non-compliance, and development of strategic plans to set organizational reforms and priorities.

The tasks ahead were daunting and BIR welcomed the technical assistance that the IMF experts provided. The IMF experts worked closely with the Project and Management Implementation Service (PMIS) that was established to oversee implementation of the BIR's reform program.

Assistant Commissioner Marietta U. Lorenzo, who heads the PMIS, noted that the value of IMF technical assistance has been greatly appreciated within the bureau. She believes that their contribution to the pool of knowledge had significant impact on the speed and efficacy that projects were accomplished. "We did not have to go and travel to other countries to learn about

global best practices. Issue experts were brought here and they shared their knowledge and experience with us. They presented us different points-of-view and we learned so much," she says.

The advisors were able to introduce good international practices which were then properly customized to the particular local needs as identified by the BIR. Aside from these tax administration best practices, it was their true practice of effective Change Management which also contributed to the people's buy-in and commitment. With their help, Asst. Comm. Lorenzo observes how "BIR owned the reform" and people soon began to "welcome change and became brave enough to take in new tasks never tried before".

All who took part in the project can justifiably consider their efforts successful as the BIR

Commissioner determined in December 2014 that the pilot processes, based on international practices, had matured sufficiently and should be fully institutionalized.

Among the notable major reforms and pilot processes that are to be adopted as standard operating practice in the organization include:

- Modifications to the BIR organizational structures, namely the creation of a VAT Audit Section, a Large Taxpayer VAT Audit Unit, a Forfeited Assets Management Unit, and an Arrears Management Section.
- The adoption of compliance risk management, with the organization of a Compliance Improvement Strategy Council (CISC) and the completion of its 2016 Compliance Improvement Strategy Plan (CISP) that sets out to support the bureau's collection target of P2.025 trillion.

- In support of the CISC, a data analytics function has been incorporated into the Planning and Management Service (PMS) Statistical Analysis Section in the Research and Statistics Division.
- The promulgation of BIR's 2016-2020 Strategic Plan that sets out its priorities for the next five years, supported by updated key performance indicators and reflects its improved service levels and compliance management approach.

"We have come a long way in five years," says Asst. Comm. Lorenzo, and, most importantly perhaps, "people have become change agents themselves." She believes that as change agents, everyone will be able to help sustain the BIR's "momentum of change" in the coming years.

## Increase in Deficiency Assessment and Collections



From January 2013 to December 2015,

there has been additional VAT deficiency assessments of

**17.7 billion**  
with collections of  
**5.2 billion**



Deficiency assessments and collections under the pilot sites have continuously increased.

## Accelerated trend of collections from arrears



From March 2013 to December 2015,

the Arrears Management Teams (AMT) have collected approximately

**8.4 billion**

Arrears collected by the Metro Manila and Large Taxpayers pilot sites in 2015 were **93%** higher than arrears collected by the same offices in 2012, before the establishment of the AMT.

*Voluntary compliance*

*Better reporting*

*Effective pooling of resources*

*Specialized and streamlined processes*



## Fighting poverty by fighting corruption

Revenue Integrity Protection Services (RIPS)

**\$** 4 million of the RARP budget was allocated to a special group under the Department of Finance called the Revenue Integrity Protection Service (RIPS). RIPS is the anti-corruption arm of the Department and it is empowered to investigate allegations of corruption inside as well as in its attached agencies, including the Bureau of Internal Revenue, Bureau of Customs, Bureau of Local Government Finance, Bureau of Treasury, Central Board of Assessment Appeals, the Insurance Commission, the National Tax Research Center, the Fiscal Incentives Review Board, the Privatization and Management Office, and the Securities and Exchange Commission, among others.

The grant supported RIPS with setting up its information system which consists of: a Case Management System (CMS) to monitor all investigations and cases; an Electronic Document Management System (EDMS) to handle digitization of Statements of Assets, Liabilities and Net Worth (SALNs) and Personal Data Sheets (PDS) of all DOF personnel and its

attached agencies; and the Automated Investigation Tool (AIT) that will assist RIPS in identifying SALN related violations and anomalies. This information system is the first analytical anti-graft and anti-corruption system in the Philippines.

The rationale for this sub-activity is clear – not only will it help to protect the nation’s coffers but also the reduction in graft and corruption will improve the image of revenue generating agencies, which will help improve business climate and confidence in the country.

MCA-P awarded the contract for the Supply, Installation, Testing and Commissioning of the CMS to the Joint-Venture of Kaisa Consulting, a local information technology company, and FPT, one of the leading IT firms based in Vietnam. The CMS is scheduled to be up and running before the Compact ends.

MCA-P also supported the renovation of the RIPS office, as well as the procurement of surveillance vehicles and equipment to enhance its intelligence gathering capability.

The procurement of vehicles was recommended in the output of the Intelligence Gathering Tools and Techniques training conducted by international experts. Meanwhile, the renovation – completed in October 2015 – was intended to beef up the security of sensitive information and to house additional equipment for digitization of CMS records, as recommended by global best practices.

“The vehicles were an important contribution from the grant, even if they were not part of the original plan” noted RIPS Consultant Atty. Jude Romano. In the past, conducting investigations were made more difficult by

the logistical limitations that hampered speedy action by the office.

The numbers reflect the grant’s impact and show how RIPS performance has improved notably in the past five years.

“And that’s with the same manpower – the office clearly became more productive with the support of better tools, equipment and knowledge. Even our prosecution success rates improved, because with all the training, not only do our people know which evidence are relevant, credible and needed to win but they are also able to better articulate their cases and draft better reports,” said Atty. Romano.

“The grant was really a big help as it gave us all much needed breathing room as we procured equipment and trained people that we wouldn’t normally have been able to afford,” said RIPS OIC-Executive Director Richard Uy. “It was a very productive time. We could really train more of our people because of the additional assistance and support from the RARP.”

Now with the end of the Compact, the department endeavors to sustain the momentum built in the past five years. Anticipating the increased targets for the coming years, Mr. Uy says that they are hoping to complete a strategic five year plan before the compact ends to help

“Our country’s budget space is admittedly tight and social services, well, you have to fund that first. But we view our work in anti-corruption, done properly, protects the revenues that should be going to public services in the first place.”

*RIPS OIC-Executive Director Richard S.T. Uy*



Performance Indicator	Targets	Results as of Feb 2016	Results vs Target %
No. of Personnel Investigated	140	85	51%
No. of Cases Filed	250	207	77%
No. of Successful Case Resolutions	330	472	165%

STATISTICS FROM 2011 - 2015

	2011	2012	2013	2014	2015
Cases Filed					
Personalities Charged					
Dismissed from Service					
Preventively Suspended					

# Board of TRUSTEES



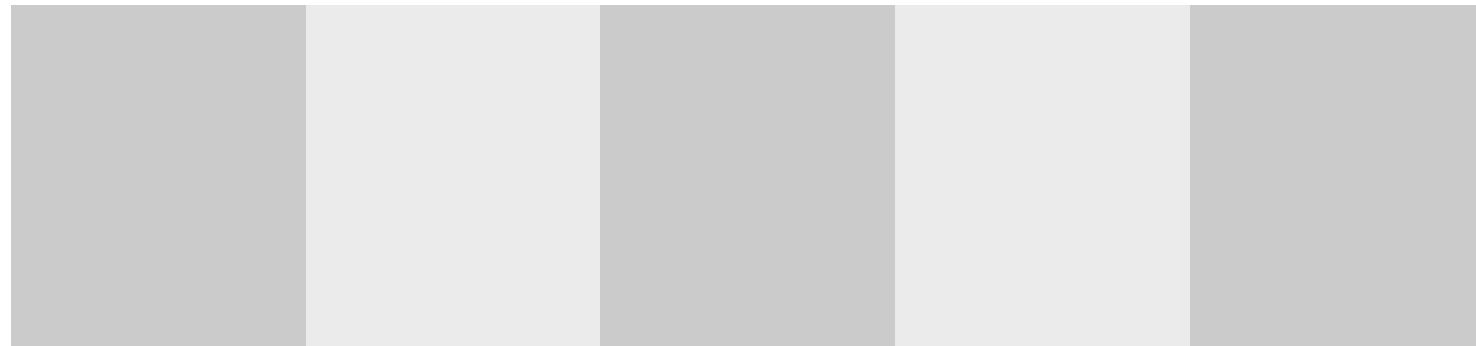
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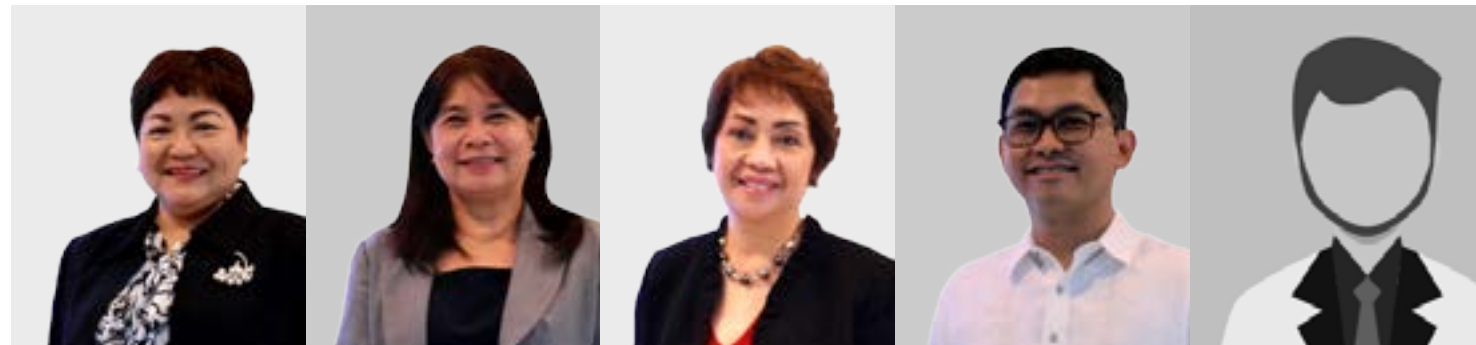
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