



WB Approves 2 RP Projects For Mindanao and Poor Rural Communities

The World Bank has approved a US\$33.6-million loan to the Autonomous Region in Muslim Mindanao (ARMM) Social Fund Project that will help improve the access of conflict-affected 500 barangays in Mindanao to basic social services such as potable water, medicine, health clinics, and other rural infrastructure.

It will also improve farm-to-market roads and provide immediate jobs for those who will build the infrastructure.

At the same time, the second phase of the Agrarian Reform Communities Project (ARCDP II), to which the Bank has approved a US\$50-million loan, will benefit some 80 rural communities, including 70,000 families engaged in farming and other livelihood activities.

The project aims to reduce rural poverty and enhance the quality of life of agrarian reform communities (ARCs) by improving their productive assets, rural infrastructure, and access to key support services.

Helping Mindanao's Poor

The ARMM Social Fund Project aims to foster lasting development in ARMM by reducing poverty and supporting activities that promote a peaceful and safe environment in conflict-affected areas.

It covers the ARMM, which consists of five provinces, one city, 94 municipalities



The Philippine Government and the World Bank recently signed the US\$33.6-million loan agreement for the Autonomous Region in Muslim Mindanao (ARMM) Social Fund Project in Davao City. (From left) ARMM Governor Parouk Hussin, Finance Undersecretary Juanita Amatong, WB Country Director Robert Vance Pulley, and WB Task Manager Mary Judd.

and 2,400 barangays. The region is at the center of armed conflict in Mindanao and has the highest poverty incidence and the lowest level of quality of life in the country.

The project will be implemented by the ARMM Social Fund Office under the Office of the President and the ARMM Regional Government.

"The project prioritizes groups most affected by deprivation and displacement caused by armed conflict, including the poorest community members, the elderly, widowed women, internally displaced persons, indigenous people, children and out-of-school youth," WB Task Manager Mary P. Judd said.

She said that based on the project's

community demand-driven strategy, the poorest sector of the community would be able to participate fully in prioritizing and implementing subprojects that meet their basic needs.

Specifically, the project will provide the following:

- Sustained access to social and economic infrastructure and services by the poor and conflict-affected poor communities
- Capacity building for women, youth and other community groups for improving food security, employment opportunities, and household incomes
- Improved social cohesion and partnerships between and within the

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WB-Assisted Project Promotes Citizen's Participation

A grant agreement for a project that will allow citizens to participate in budgeting and allocating resources of their local governments' poverty reduction programs has been signed by the World Bank, the government, and the Caucus of Development NGO Networks (CODE-NGO).

The grant of US\$718,269 from the Japan Social Development Fund will be used to implement the project called *Developing Community Capacities for Pro-Poor Budgeting and Local Government Accountability for Poverty Reduction*.

The agreement was signed by Finance Assistant Secretary Robert Tan, CODE-NGO National Coordinator Joel Pagsanghan, and WB Country Director Robert Vance Pulley. CODE-NGO Chairperson Aurora Tolentino and Hiromichi Sakuma, Third Secretary and Financial Attaché of the Japanese Embassy, witnessed the signing.

The project will contribute to reducing poverty at the local government level by increasing the



Signing of the grant agreement (from left) Hiromichi Sakuma, Third Secretary and Financial Attaché of the Japanese Embassy, Finance Assistant Secretary Robert Tan, WB Country Director Robert Vance Pulley, and CODE-NGO National Coordinator Joel Pagsanghan

participation of citizens in tracking poverty incidence and making local government budgets and expenditures more transparent and accountable.

The project will select 10 communities and help them identify their needs, advocate for the appropriate allocation of resources for their priorities, track expenditures against

commitments, and monitor the progress in government pro-poor programs and services.

Poverty Reduction Report

At the end of its two-year implementation, the project is expected to come up with a public report on poverty reduction performance of the local government units in the 10 communities.

WB Country Director Robert Vance Pulley said that by assisting citizens to take an active role in ensuring that resources allocated for their communities are used as planned, there would be greater impact on the poverty reduction programs and anti-corruption efforts in these

communities.

"Apart from being advocates for effective budgeting, the communities will also serve as citizen monitors of local government commitments to poverty reduction and good governance," said CODE-NGO Chairperson Aurora Tolentino.



Grant to Help Gov't Implement Procurement Reforms

The Philippine government and the World Bank have signed a grant agreement of US\$294,000 for a project that will help implement procurement reforms such as the establishment of a procurement oversight agency.

The grant will be implemented by the Department of Budget and Management (DBM), the agency responsible for improving the government's public expenditure management through more effective expenditure systems, including procurement reforms.

The grant will also help the government prepare and complete the implementing rules for the recently passed Procurement Law, develop and implement a training program for procurement officials; and transform the procurement service under the DBM into a corporate entity.

These activities were identified by the government, the Asian Development Bank and the WB in their joint procurement

assessment, which recommended reforms to address problems in public procurement of goods, supplies, materials, and consulting services.

Solving Procurement Problems

Some of the identified problems were the confusing web of procurement regulations, delays, collusion, lack of transparency, excessive use of discretionary criteria, and lack of competition. These usually lead to graft and corruption and translate in increased cost of doing business for both the government and private sectors.

Budget Secretary Emilia Boncodin said the government has taken several steps to reform public procurement such as the consolidation and streamlining of the different procurement rules and procedures through the issuance of Executive Order 20 in 2001 and the development of the Government Electronic Procurement System.

"This grant is timely as it would help us

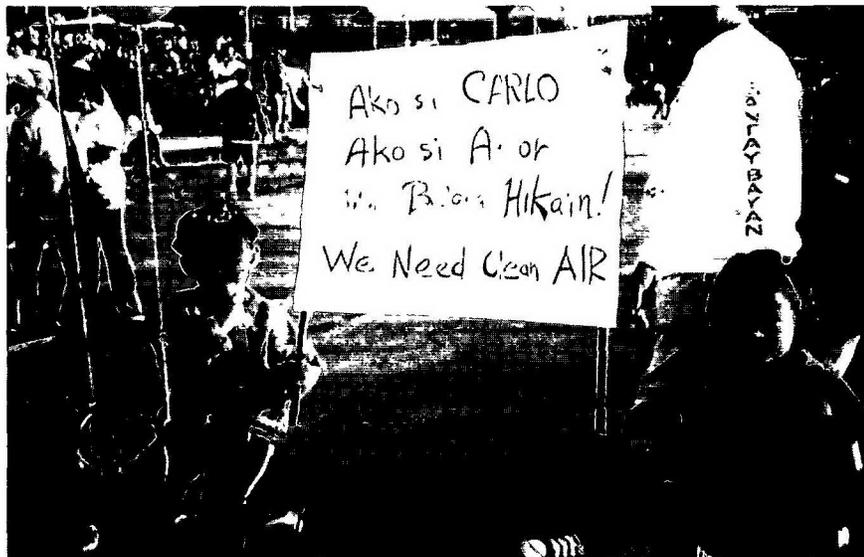
institutionalize the reforms identified in the Procurement Law and would help professionalize government procurement practice through continuous training programs and enhanced capacity-building measures," she said.

"We strongly support these important reforms that should speed up projects and reduce waste and corruption in government procurement," WB Country Director Robert Vance Pulley said.

He said that under the Bank-assisted Social Expenditure Management Project, for example, the Department of Education and the DBM introduced more competitive and transparent procurement of textbooks, school desks and chairs. Reforms translated in government savings of up to US\$20 million, out of an estimated bidding of US\$50 million. This meant more textbooks for schoolchildren and better quality of content and paper, he explained.



WB Backs Campaign for Clean Air



Clean air for all, for the country's future!

“Let’s All Act to Clean the Air.” This is the theme of the World Bank’s Philippine Environment Monitor on Air Quality, which was recently launched to support the government’s campaign for clean air.

Furthermore, the Bank, supporting the use of non-motorized transport, participated in Silakbo 2002 (*Sikad, Lakad, Takbo Para sa Malinis na Hangin*) at the Marikina Sports Park on December 15, 2002.

The event, which called for people to support efforts to make air cleaner, was organized by the Office of the Mayor of Marikina, the Department of Environment and Natural Resources, ABS-CBN’s Bantay Usok Foundation, and the Firefly Brigade.

The Bank distributed copies of the

Philippine Environment Monitor 2002 on Air Quality during the event, which included a cycling contest, a fun run, and a five-kilometer run.

Further, the winners of the poster and essay writing contests with the theme, *Wanted: Clean Air*, were announced.

The contests aimed to raise awareness among public schoolchildren in Marikina on the need for clean air. ABS-CBN’s Bantay Usok team, meanwhile, provided free emission tests to diesel and gasoline vehicles.

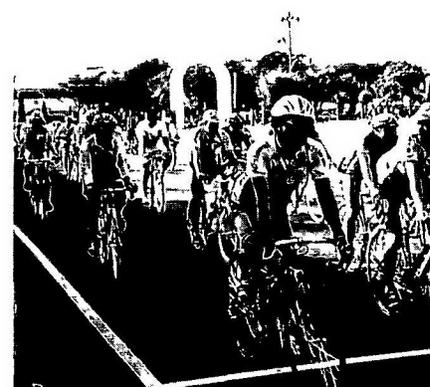
For its part, the Bank and ABS-CBN Foundation have earlier aired radio plugs that informed the public on the socio-economic and health risks of pollution. It also discussed the findings of the Report with journalists and other stakeholders

The Bank also participated in the Partnership for Clean Air’s Exhibition

and Forum at the World Trade Center. The exhibit focused on integrating solutions, technologies, and programs that support clean air



A student, one of the winners in the essay writing contest, receives a bicycle from Marikina City Mayor Mandes Fernando and WB Country Director Van Pulley



Bike for clean air, bike for life

WB Opens More KDCs

1 in Makati, 3 in Mindanao

The World Bank, in partnership with academic institutions, recently opened to the public four Knowledge for Development Centers (KDCs) in the Philippines as part of its efforts to create, share and apply knowledge that will help promote growth and reduce poverty.

A KDC is an information center that gives free access not only to WB project documents, publications, and reports but to other development literature published by other institutions.

KDCs also have computer bays which provide access to online documents and reports of the Bank. They use the Global Jolis cataloguing system that allows users to view the collection and access selected documents of the Bank from its more than 60 information centers around the world.

The Bank's KDCs are located at the Asian Institute of Management (AIM)



Fr Ramon Ma Bernabe (right), President of Notre Dame University, with WB Country Director Robert Vance Pulley and a professor during the opening of the KDC in Cotabato City

in Makati City, University of Southeastern Philippines in Davao City, Notre Dame University in Cotabato City, and Western Mindanao State University in Zamboanga City.

WB Country Director Robert Vance Pulley emphasized that the opening of the KDCs in Mindanao demonstrates

the Bank's keen desire to reach out to those who have lesser opportunities for knowledge creation, sharing, and application.

He said the Bank also acknowledges the special needs of Mindanao as the poorer members of the population are mostly found in Mindanao.

At present, 16 of the 22 projects being supported by the World Bank in the Philippines have investments or activities in Mindanao. These projects aim to provide basic social services to the poor and improve their living standards.

Dr. Eldigario D. Gonzales, President of Western Mindanao State University in Zamboanga City, thinks that the cause of the Mindanao crisis is "the inadequacy of education and its solution, adequacy of education."



Students browse through WB publications in one of the KDCs in Mindanao



Tourism Secretary Richard Gordon and Zamboanga City Mayor Clara Lobregat cut the ribbon during the opening of the KDC at Western Mindanao State University



Dr Julieta Ortiz, Officer-in-Charge of University of Southeastern Philippines, welcomes the guests during the inauguration of the KDC in Davao City

He said: "The mainstream educational institutions have provided one part of the solution to the Mindanao problem. The World Bank KDCs will supply the other part of the solution."

The KDC at AIM is part of the AIM-WB Development Resource Center (DRC). This unique partnership links the Bank's information and technology network and AIM's capability to develop programs and provide business, development, entrepreneurship, and education.

AIM-WB DRC provides the public services and facilities that will inspire advocacy and action. It also provides the latest knowledge and information on development through video conferencing and distance learning initiatives through the Global Distance Learning Center.

"The presence of such a facility enriches education and makes it responsive to the technological world. I hope that the

DRC will enliven the commitment to encourage the use of technology in education," said AIM President Roberto De Ocampo.

The AIM-WB DRC is a member of the global network of distance learning centers under the World Bank's Global Development Learning Network, a

center of development expertise, research, and learning for the region.

Besides these four newly-opened KDCs, the World Bank office also manages its own KDC on the ground floor of its office building in Ortigas Center



Former President Fidel Ramos joins (from left) Education Secretary Edilberto de Jesus, AIM President Roberto De Ocampo, and WB Country Director Robert Vance Pulley during the opening of the WB-AIM Development Research Center

Get to Know the Bank's New Staff



MING ZHANG

Infrastructure Sector Coordinator

"This (our work at the Bank) requires us not only to be at the forefront of what we are doing, to be knowledgeable and analytical, but also to understand our clients, to be able to view things from their perspectives."

Ming Zhang has been working at the Bank for five years. He joined the Bank in 1997 through the Young Professionals Program, which assigned him to research development, where for a year he worked on policies that addressed motorization in urban areas, the growing number of private motor vehicles, and the resulting traffic problems. He also worked on a study that explored the role of the real estate market in Thailand's financial crisis that started in July 1997.

Ming spent the next four years in the urban development sector of the Bank's East Asia and Pacific Region. He was involved in the Bank's operations in China, Korea, Vietnam, and the Philippines, specifically in infrastructure projects such as urban wastewater management, water supply, solid waste, culture heritage preservation, and urban upgrading. He also worked on a number of policy studies-

the national urbanization strategy for China, city development strategies in China and the Philippines, and wastewater management policies in China.

He moved to the Philippines in July 2002 as Infrastructure Sector Coordinator. Aside from managing projects and studies, he coordinates with the country's infrastructure sector with regard to the Bank's lending and policy dialogues in urban development, water and sanitation, transportation, and energy

Ming finds working in the Bank "very interesting and challenging." "I enjoy the opportunity of meeting people of different cultures and backgrounds. I also enjoy the many challenges we face everyday," he says. To him, the most important challenge is how to best serve the Bank's clients. "This requires us not only to be at the forefront of what we are doing, to be knowledgeable and analytical, but also to understand our clients, to be able to view things from their perspectives."

Working at the Bank is always a great learning process. "I try to learn so I can provide the best services. At the same, I learn a great deal from our clients," he says. "The work is, of course, very meaningful and very rewarding, especially when we see the impact of projects happening on the ground "

Ming enjoys doing a lot of things – reading, traveling, music, sports. "But perhaps because I am interested in too many things, I haven't been good at any of them," he says "Right now, I spend most of my time after office hours with my two daughters – a three-year-old, and a ten-month-old. It's really an amazing experience to see how kids grow."



JOSE "TITO" NICOLAS

Operations Officer on Social Safeguards

"I find great satisfaction in being able to help vulnerable people have a voice in developments that affect them and in promoting a responsive and inclusive development."

Tito Nicolas has been working for the Bank for more than a year, having joined the Bank on October 22, 2001. As Operations Officer on Social Safeguards, he advises task teams and partner implementing agencies on matters related to land acquisition, involuntary resettlement, indigenous peoples and cultural properties

For resettlement plans requiring clearance, he reviews and makes the appropriate recommendations to the Safeguards Group in the Headquarters in Washington D.C. "During project preparation stage, I review and provide inputs on the ISDS (Integrated Safeguards Data Sheet), Resettlement Action Plans (RAPs), Resettlement Frameworks, and IP Frameworks," he says. He also coordinates with partner donor agencies, UN agencies and oversight and special government agencies on issues and policies related to gender, resettlement and indigenous peoples.

Before joining the Bank, Tito worked as a freelance consultant for the ADB on resettlement and gender. From 1998 to 2000, he worked as a full-time Sr. Social Development

Specialist for the Subic Bay Metropolitan Authority, specifically for a World Bank-financed project in Subic. Before that, he worked for a Danida-funded project for six years as a socio-economic planner and later as a program planner in connection with the rehabilitation of the Pasig River.

He also taught at the UP Diliman Department of Sociology for two years and at the De La Salle University-Taft Behavioral Sciences Department for two terms. He also worked as a researcher at the Luzon Secretariat for Social Action for two years and had a short-term work at the Philippine Partnership for the Development of Human Resources in Rural Areas.

"The Bank gives one an opportunity for applied learning," he points out. "Unlike in the university where most learnings are theoretical, here at the Bank you'll find the chance of applying various concepts and approaches and evaluate whether these work or not. You'll also be exposed to actual cases of community development and services, adverse impact mitigation, and engagement with various stakeholders."

What he finds very challenging with his work is bridging the gap between practice and policies in resettlement and indigenous people and promoting wider understanding of good practices in these aspects. "I find great satisfaction in being able to help vulnerable people have a voice in developments that affect them and in promoting a responsive and inclusive development."

Outside the office, Tito spends most of his time with his family. "I'm really more of a homebody. I have two sons and a baby daughter, who keep me very much occupied at home. What happens is I do things that my kids do. We play video games, basketball, billiards, and more recently, beyblades."

Tito has a BS Degree in Psychology from St. Louis University, Baguio City and a Master's Degree in Sociology from UP Diliman.



WB Approves 2 RP Projects

communities in ARMM

- Improved local governance, transparency and institutional capacities for implementation in the region.

WB Country Director Robert Vance Pulley said: "While this project is focused on ARMM, we expect the project to benefit the whole of Mindanao as a World Bank assessment has shown that the destruction and damage brought about by the armed conflict in 2000 not only depressed socio-economic growth and development of directly affected communities but all of Mindanao."

The WB study estimated the cumulative economic costs of conflict at P70 billion over the past 25 years.

The project is designed as part of a broader and longer-term program and operational framework of peace and development in ARMM. It promotes community-driven development through effective partnerships between and among the ARMM, the government, local government units, community groups, NGOs and the private sector.

It also aims to improve transparency, governance, and accountability of the regional and local government units to their respective constituencies, especially conflict-affected communities.

Community-Driven

ARCDP II will consolidate, sustain, and broaden the gains made in community development and provision of support services.

"These families would directly benefit from the project in terms of increased productivity and household incomes," said WB Task Manager Frank Byamugisha.

He added that more people would also

benefit from indirect impact of the project in terms of employment income, reduced transport costs, and increased trading opportunities as a result of using roads built under the project.

WB Country Director Robert Vance Pulley said the project builds on existing programs that involve community-driven approaches to rural development, an important element of the Bank's Country Assistance Strategy for the Philippines.

"We have seen the first ARCDP's consistent satisfactory performance which has benefited at least 68,000 households in more than a hundred agrarian reform communities in 14 provinces," he said. With the second phase of ARCDP, rural families will benefit from direct investment in rural infrastructure such as irrigation, which will help increase productivity and improve farm income.

Further, better rural access will lead to lower marketing costs, higher use of inputs, and higher output from agricultural and off-farm enterprises.

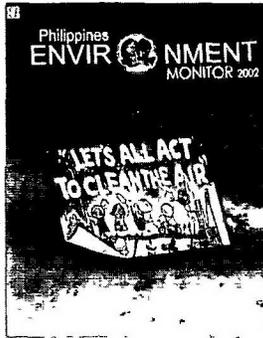
Meanwhile, drying and marketing facilities should reduce marketing costs and improve product quality, thereby increasing incomes.

Provision of potable water will also be improved, lowering water-borne diseases, hence more labor availability and higher earnings.

There will also be direct investment in tree crops, leading to long-term increase in production.

In addition, improvements in land titling, rural finance and training in agricultural and enterprise development will encourage the development of new enterprises and higher productivity of existing enterprises.





Philippine Environment Monitor 2002: Metro Manila Residents Want Cleaner Air

November 2002
33 pages

solutions: "There are solutions that have been tried and tested in other Asian capitals, which if done here, can yield significant results over time."

Reduce Fine Dust Emissions

The report cites that fine dust pollution in Metro Manila and other large cities should be the country's immediate priority. In Manila, Cebu, Davao, and Baguio, exposure to fine particle emissions causes an estimated 2,000 premature deaths each year, 9,000 cases of chronic bronchitis, and 51 million days of respiratory illnesses.

In addition, the report suggests the following measures that will help reduce air pollution in the country.

Improve the maintenance of commercial vehicles. Emissions inspection and improving maintenance requirements, particularly for high-use diesel vehicles, along with the government's harmonization of standards for vehicles and fuel, is required. Substantial sanctions should be enforced for those who fail to comply with the standards.

Shift to four-stroke tricycles. A motorcycle with a four-stroke engine costs almost the same as the one with a two-stroke engine.

But four-stroke motorcycles are cleaner and more fuel efficient. In the Philippines, the share of four-stroke motorcycles is only 25% compared to 100% in Vietnam, 85% in China, 82% in Thailand, and 60% in India.

Require manufacturers to install exhaust catalysts for gasoline vehicles. Manufacturers should comply with the revised government standards on exhaust catalysts. This would mean an increase of only 2% of the cost of a new vehicle – about US\$200 or P10,000 – but a drastic reduction in carbon monoxide, hydrocarbons, and nitrogen oxides.

Reduce sulfur in diesel fuel. Sulfur-content of automotive diesel is currently 2,000 ppm and the Clean Air Act requires reduction to 500 ppm by 2004—the norm used by many countries today.

Enforce the ban on waste burning in cities. The 2001 Philippine Environment Monitor on Solid Waste cites the need for local government units to promote waste recycling, composting, and sanitary land filling of solid waste to stop open burning.



Alarmed by worsening air pollution, majority of residents in Metro Manila want cleaner air, according to the Philippine Environment Monitor 2002, which was recently launched by the World Bank.

The report says that a person in the Philippines spends around P2,000 each year for treatment and medication for illnesses caused by air pollution.

Further, the report estimates that the costs of air pollution such as medical treatment, low productivity, low wages, and premature loss of life for the residents are staggering—almost US\$1.5 billion a year or 2% of the country's gross domestic product.

World Bank Country Director Robert Vance Pulley emphasizes that the worsening air pollution has severely affected the quality of life of Filipinos.

Jitendra Shah, WB Senior Environmental Engineer and principal author of the report, says the situation is alarming but there are

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