

Data Sheet

USAID Mission:	Philippines
Program Title:	Economic Governance
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	492-002
Status:	Continuing
Planned FY 2005 Obligation:	\$11,000,000 DA; \$5,000,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$11,000,000 DA; \$4,000,000 ESF
Year of Initial Obligation:	1995
Estimated Year of Final Obligation:	2009

Summary: USAID's economic governance objective focuses on issues that cause sluggish economic growth: conflict and corruption. To address the unsustainable fiscal deficit, in FY 2005, special attention is being given to revenue enhancement. Increasing funding above levels previously notified will enable the U.S. Government (USG) to help the new government address corruption and implement legislative reforms. Improved economic governance contributes to the investment and job growth needed to reduce poverty and to create an economic environment conducive to conflict reduction in Mindanao. The objective furthers U.S. interests in combating terrorism and promoting stability in Asia and enhances trade and investment opportunities.

Inputs, Outputs, Activities:

FY 2005 Program: Improve Economic Policy and Governance (\$3,000,000 DA; \$1,000,000 ESF). USAID will implement an integrated economic growth and democratic governance program of technical assistance, training, civil society building, and legislative support. USAID's program seeks to build local ownership for policy reform through collecting, analyzing, and disseminating information; providing assistance with policy formulation; helping new civil society organizations develop sectoral expertise; strengthening government institutions responsible for implementing or enforcing reform; and strengthening legal-judicial systems. USAID will continue to help strengthen governance in key government agencies, specifically in the areas of tax administration and transport and telecommunications regulatory improvement. The principal contractor is Carana Corporation/Nathan Associates (CC/NA). Principal grantees are Ateneo de Manila University, De La Salle Angelo King Institute, The Asia Foundation (TAF), and various local partners.

Increase Participation in Global Trade and Investment (\$2,000,000 DA; \$250,000 ESF). The program will support government efforts to reduce impediments to trade, develop a more stable policy framework for intellectual property rights (IPR) protection, and promote greater competition and private sector involvement and investment in telecommunications, Information Communication Technology (ICT), and transportation. The principal contractor is CC/NA. Principal grantees include Ateneo and De La Salle.

Strengthen Financial Sector's Contribution to Economic Growth (\$500,000 DA; \$500,000 ESF). The program will continue policy support for financial sector development, including creating an enabling environment for microfinance. Principal partners are CC/NA, Ateneo, the World Council of Credit Unions, Development Alternatives Inc., and Chemonics International.

Promote and Support Anti-Corruption Reforms (\$3,000,000 DA; \$3,250,000 ESF). The program provides assistance to the Office of the Ombudsman, Anti-Money Laundering Council, Civil Service Commission, Commission on Audit, and other organizations to increase prosecutions and reduce opportunities for corruption. USAID will promote transparency and honest governance, increase participation in decision making in Mindanao local government units (LGUs), and support anticorruption activities, including work with media and the business community. The principal contractor is Management Systems International (MSI). The principal grantee is TAF.

Improve Justice Sector/Legal Framework (\$1,500,000 DA). To support the Philippine Supreme Court's

reform and modernization plan, USAID will expand successful interventions, such as promoting alternative dispute resolution and computerizing case flow management, to reduce case backlog and increase access to justice. The principal contractor is MSI. Principal grantees include TAF, the American Bar Association, and the Gerry Roxas Foundation.

Promote and Support Free and Fair Elections (\$500,000 DA). The program will provide assistance to the Commission on Elections in reforming the management and administration of Philippine elections. The principal contractor is the International Foundation for Election Systems.

Reduce Trafficking in Persons (\$500,000 DA). The program will support activities that increase the effective prosecution of traffickers, protect victims, and prevent trafficking of vulnerable persons.

FY 2006 Program: Improve Economic Policy and Governance (\$3,500,000 DA; \$1,000,000 ESF). The program will continue support for strengthening economic governance in key government agencies with a focus on tax administration and corruption. Same implementers as above.

Increase Participation in Global Trade and Investment (\$2,000,000 DA; \$250,000 ESF). The program will continue support for trade facilitation and liberalization; IPR enforcement; continue helping promote competition and private sector involvement in telecommunications, ICT, and transportation; and may expand assistance for infrastructure procurement, regulation, and privatization. Same implementers as above.

Strengthen Financial Sector's Contribution to Economic Growth (\$500,000 DA; \$500,000 ESF). USAID will continue support for improving regulation of financial markets, particularly for microfinance. Same implementers as above.

Promote and Support Anti-Corruption Reforms (\$3,000,000 DA; \$2,250,000 ESF). USAID will expand support for the GRP's anti-corruption initiatives, including agency audits, disclosure of assets for lifestyle checks, and increasing transparency in government systems. Same implementers as above.

Improve Justice Sector/Legal Framework (\$1,500,000 DA). The program will expand assistance for justice sector reforms through technical assistance to improve the efficiency and quality of court decisions. Same implementers as above.

Promote and Support Free and Fair Elections (\$500,000 DA). USAID will expand assistance for electoral reforms, specifically voter education and the automation of voter registration and ballot counting. Same implementers as above.

Performance and Results: USAID assistance in economic policy, trade and investment supported: (a) passage of the Optical Media Law, which provides a stronger legal framework for IPR protection; (b) an improved customs processing program and a management information system for enforcement of the Intellectual Property Code; (c) improved capacity of the Securities and Exchange Commission to systematize market surveillance; (d) integration of microfinance best practices into law and regulation; (e) promotion of more efficient inter-island transport systems to benefit small farmers in Mindanao; and (f) increased capacity of the Department of Agriculture to regulate biotechnology. USAID helped reduce conflict and increase access to justice for the disadvantaged, especially women, and reduce caseloads by (a) training of over 600 mediators in municipal courts and of 1,545 volunteer community mediators from 309 villages in the Autonomous Region of Muslim Mindanao; (b) supporting Supreme Court reform; and (c) helping the Integrated Bar of the Philippines win release of 400 detainees who had completed their required time in jail. USAID supported reforms of the Bar Examination and Judge to Judge Dialogues that allowed 135 Filipino judges from the country to exchange views with judges and legal scholars from the United States, Thailand and Australia. USAID support for the GRP's anti-corruption efforts resulted in: (a) improved anti-corruption effectiveness of the Revenue Integrity Protection Service; (b) improved corruption investigation at the Office of the Ombudsman; (c) identification of integrity problems and reform measures at the Office of the Ombudsman and the Department of Education; and (d) a much faster, transparent and customer friendly business permit renewal process in seven Mindanao cities.

US Financing in Thousands of Dollars

Philippines

492-002 Economic Governance	DA	DCA	ESF	MAI
Through September 30, 2003				
Obligations	32,236	1,001	16,241	60,244
Expenditures	22,252	500	9,774	60,244
Unliquidated	9,984	501	6,467	0
Fiscal Year 2004				
Obligations	7,918	0	5,075	0
Expenditures	3,598	-7	6,171	0
Through September 30, 2004				
Obligations	40,154	1,001	21,316	60,244
Expenditures	25,850	493	15,945	60,244
Unliquidated	14,304	508	5,371	0
Prior Year Unobligated Funds				
Obligations	0	0	0	0
Planned Fiscal Year 2005 NOA				
Obligations	11,000	0	5,000	0
Total Planned Fiscal Year 2005				
Obligations	11,000	0	5,000	0
Proposed Fiscal Year 2006 NOA				
Obligations	11,000	0	4,000	0
Future Obligations	33,030	0	16,745	0
Est. Total Cost	95,184	1,001	47,061	60,244