



Republic of the Philippines
Department of Social Welfare and Development

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May 30, 2012

Hon. OCTAVIA BORTHWICK

Minister Counselor

Australian Agency for International Development

Makati City

Dear Minister Borthwick:

We are pleased to submit for the consideration of the Australian Agency for International Development (AusAID) the proposal entitled "Assessment of the Bottom-Up Processes (BUP) in Planning and Budgeting" for possible funding. The proposed study is intended to qualitatively and quantitatively assess the pilot implementation of BUP by target communities, civil society organizations, local government units and national government agencies pursuant to the DBM-DILG-DSWD-NAPC Joint Memorandum Circular No. 1 series of 2012.

The proposal is line with our efforts to promote community participation and local good governance under the DSWD's core poverty reduction programs, particularly the Kalahi-CIDSS. Thus, it falls squarely within the identified strategic priorities under the DSWD-AusAID "Subsidiary Arrangement Between the Government of Australia and the Government of the Philippines Relating to the DSWD Technical Assistance Facility for Social Protection Reforms".

We look forward to your favorable consideration of our proposal and we hope to hear from you soon in this regard.

Thank you.

Very truly yours,


CORAZON JULIANO-SOLIMAN
Secretary

PROJECT PROPOSAL

Title	Assessment of Pilot Bottom-Up Processes (BUP) in Planning and Budgeting
Duration	Five (5) months
Budget	P7,829,962.40
Proponent	For the Government of the Philippines (GoP): Department of Social Welfare and Development (DSWD) Contact Representative: Corazon Juliano-Soliman Position: Secretary Postal Address: Batasan Complex, Quezon City Telephone: +632 9318 101 Facsimile: +632 9319 131 Email: dinky@dswd.gov.ph

I. BACKGROUND AND RATIONALE

In pursuit of the Millennium Development Goal of reducing poverty from 26.5% in 2009 to 16.6% by 2015 and in line with the President's "Social Contract with the Filipino People" calling for, among others, transparent, accountable and participatory governance, two Cabinet Clusters created under Executive Order No. 43, series of 2011, piloted the bottom-up processes (BUP) in planning and budgeting by Local Government Units (LGUs) and National Government Agencies (NGAs). The Human Development and Poverty Reduction Cluster (HDPRC) chaired by the Department of Social Welfare and Development (DSWD) and the Good Governance and Anti-Corruption Cluster (GGAC), together with the Department of Budget and Management (DBM), the Department of the Interior and Local Government (DILG) and the National Anti-Poverty Commission (NAPC), carried out the initial implementation of the BUP in February-May 2012 for the FY 2013 budget preparation.

The piloting of the BUP was undertaken in 609 cities and municipalities identified by the HDPRC as the priority areas in the fight against poverty. Through a series of activities, the BUP sought the multi-stakeholder identification of "gender-responsive results-based priority poverty reduction projects" which would be either funded by the LGUs or submitted to NGAs for consideration in their 2013 budget. It was intended to introduce governance reforms to make the planning and budgeting processes of both local and national governments more participatory through the genuine involvement of basic sectors and civil society organizations. The BUP was also envisioned to strengthen the convergence of the delivery of national services in the communities, with the NGAs taking into full consideration the development needs of poor cities and municipalities as identified in their respective local poverty reduction action plans.

To operationalize the BUP, the DSWD, DBM, DILG and NAPC issued Joint Memorandum Circular No. 1, series of 2012, providing the Guidelines and Procedures in the Implementation of Bottom-Up Planning and Budgeting for the FY 2013 Budget Preparation. Dated 08 March 2012, the Circular defined the processes, responsibilities and timelines to guide the participating agencies and selected focus LGUs in the bottom-up planning and budgeting approach to be applied in the preparation of the FY 2013 budget.

The Joint Memorandum Circular foresees the adoption of the BUP in subsequent planning and budgeting cycles of Government. Thus, it will be very useful to look into the pilot implementation to draw lessons and recommendations for the enhancement of the BUP. A rapid but thorough investigation is therefore proposed to be conducted for the quantitative and qualitative assessment of BUP 2012 towards the formulation of evidence-based policy adjustments and enhancements as may be necessary.

Moreover, the DSWD in particular sees the initial BUP experience as a rich environment for the study of the dynamics surrounding LGU facilitation of participatory local planning involving both the active engagement of citizens and different levels of government. In view of current initiatives of the DSWD to scale-up community-driven development (CDD) as a national strategy for poverty reduction, a review of the processes, issues, experiences and lessons from the BUP will be helpful in further refining important elements of the National CDD Program design. This will be particularly significant in determining (i) incentives for LGUs to engage in participatory processes and (ii) means for ensuring sustained capital investments for local development priorities identified through inclusive and transparent processes.

Towards these ends, the DSWD proposes to conduct an "Assessment of the Bottom-Up Processes in Planning and Budgeting" as recently carried out in target municipalities. The process review, in areas covered and not covered by the Kalahi-CIDSS Project, will be done to enhance BUP 2012 and onwards and to inform the design and implementation of the NCDDP.

II. OBJECTIVES

The study aims to assess the rollout and pilot implementation of BUP at the agency, LGU and community levels, as governed by the Joint Memorandum Circular No. 1 series of 2012. Specifically, the study aims to:

- a. Determine the extent in which the bottom-up processes and activities were carried out by the different players and stakeholders pursuant to JMC 01-2012;
- b. Identify the deviations made and alternative activities adopted, and establish the reasons therefor;
- c. Assess the distinction, if any, of BUP implementation in the municipalities with and without CDD facilitation experience (Kalahi-CIDSS and non-Kalahi-CIDSS areas);
- d. Identify the facilitating and hindering factors in the adoption of the BUP by the communities, LGUs and NGAs (including but not limited to agency and LGU capacity; local conditions; level and degree of preparation; level and degree of CSO participation, mobilization, and engagement; and level and degree of interagency, NGA-LGU and NGA-LGU-civil society collaborations, among others); and
- e. Provide evidence-based policy recommendations on revisions to the Joint Memorandum Circular and/or other proposals to enhance the BUP to aid in its scale-up in the budget preparation for FY 2014 and onwards.

III. STUDY DESIGN AND METHODOLOGY

Qualitative and quantitative methods of data collection will be employed in the study at the national, regional and municipal levels. Specifically, the following methods will be employed and triangulated.

1. Three (3) national workshops will be conducted to serve as the mechanism to gather insights on the BUP, present the assessment findings and solicit comments and further recommendations to be incorporated into the BUP Assessment Report. These workshops will be participated in by focal persons of the agencies composing the National Bottom-up Poverty Reduction Team (i.e., DBM, DILG, DSWD and NAPC) and the concerned officials of the agency central offices of DA, DAR, DENR, DOE, DepEd, DOH, DOLE, PhilHealth, NEA and NEDA .
2. Five (5) Focus Group Discussions (FGDs) will be organized in each of the country's major island groups: Luzon, Visayas and Mindanao; and in Metro Manila and the ARMM, which are special regions being the national capital and an autonomous region, respectively. These will be participated in by regional officials of the concerned NGAs mentioned above to gather the insights of concerned mid-level government officials with regard to the advantages, disadvantages, strengths, weaknesses and challenges of BUP implementation. Aside from the thorough review of the BUP as carried out in 2012, the FGDs will solicit the comments and suggestions of the participants on how to make the process more effective and meaningful in 2013 and onwards, including the assistance they will need or value to enhance the planning and budgeting system. Lessons will be culled from field reports that may provide inputs in generating policy recommendations to strengthen the BUP implementation.
3. A survey of respondent municipalities will be done, with the chairman of the LPRAT or his/her designated representative as principal respondent. This method will be directly administered by the Team of Consultants to gather both quantitative and qualitative data on the profile, planning process and outputs of respondent municipalities. The total sample size for this survey will be 83 municipalities or 14% of the total population of 609 municipalities. The 83 municipalities shall be proportionately distributed among the 15 regions covered by the BUP pilot. The sample size, computed using Sample Size Population Formula, will be sufficient to rationalize the data gathered as a representation of the population for this type of study.
4. The BUP assessment will include in-depth FGDs and key informant interviews with BUP stakeholders in 10 LGUs: two each from Luzon, Visayas and Mindanao, and also two each from the NCR and ARMM. Such stakeholders will include the members of the expanded LPRAT as defined under JMC 01-12. This method will be used to provide a multi-sector local perspective on the internal dynamics of the BUP, from which a case study on the experience of the LGU in implementing this planning strategy may be drawn. This method likewise intends to probe deeper on the issues, constraints and possible solutions in the institutionalization of the bottom-up process in planning and budgeting.

IV. COMPONENTS AND EXPECTED OUTPUTS

The study shall be focused on assessing the adoption of the bottom-up processes in planning and budgeting provided in DBM-DILG-DSWD-NAPC Joint Memorandum Circular No. 1, series of 2012, in preparing the FY 2013 budget. The study will be divided into the four components described below.

A. Component 1: Engagement of a Team of Consultants

The DSWD shall engage a Team of Consultants that will conduct the study and facilitate the formulation of enhanced policy and operating guidelines, as warranted. The Team of Consultants should have expertise on participatory local governance and on bottom-up planning and budgeting. The Team shall undertake the following specific tasks:

1. Preparation of the inception report detailing the (a) assessment design and framework (b) methodologies and (c) work program;
2. Presentation of the inception report to the BUP interagency TWG (composed of DBM, DILG, DSWD and NAPC), Australian Agency for International Development (AusAID) and other stakeholders for discussion and comments;
3. Drafting, field testing and finalization of tools, instruments and manuals for the study;
4. Conduct of actual study activities based on approved design;
5. Preparation of draft and final reports on findings;
6. Conduct of a national workshop to gather insights on BUP, present findings and gather comments and inputs to be incorporated into the final report; and
7. Crafting of policy enhancements, including the revised JMC.

The outputs of this component include: (a) signed agreement; and (b) the inception report on how the Team of Consultants will proceed with the conduct of the study.

B. Component 2: BUP Assessment

As the core process of the study, this component will entail the following activities:

1. Review of background documentation of the BUP

This activity will be facilitated using the existing documentation of BUP including: (i) minutes and records of meetings of the HDPRC on the BUP preparation and planning stages; (ii) the Joint Memorandum Circular and attendant guidelines issued by the different agencies involved in the process; (iii) relevant materials and case studies in bottom-up planning.

2. Field investigation

Consultations, focus group discussions, key informant interviews, secondary data collection and other methods of data gathering will be conducted at the national, regional and municipal levels to gain in-depth understanding of the conditions surrounding the BUP pilot implementation and generate recommendations for enhancing the BUP. The focal staff of HDPRC agencies, barangay and municipal LGU personnel, civil society organization (CSO) representatives and community volunteers of selected communities

shall be involved in the data gathering and field investigation.

At the national level, data gathering will be facilitated through the conduct of workshops. The informants shall include the focal persons of the agencies composing the National Bottom-up Poverty Reduction Team (i.e., DBM, DILG, DSWD and NAPC), plus the concerned officials of the agency central offices of DA, DAR, DENR, DOE, DepEd, DOH, DOLE, PhilHealth and NEA. The consultations with this group will cover the cascading of the guidelines on the BUP and preparation of the Local Poverty Reduction Action Plan (LPRAP), the consideration of LGU identified projects in the formulation of the 2013 national government budget, the feedbacking to LGUs that submitted their list of priority projects, and the setting up of a web-based monitoring system which will track the implementation of the funded projects, among others.

At the regional level, data gathering will be facilitated through the conduct FGDs. The interviewees and respondents shall be the corresponding officials and focal persons of the same agencies above. The consultations with this group will revolve on information dissemination, technical assistance, monitoring and feedbacking functions of the regional offices concerned.

At the municipal and community level, data gathering will be facilitated through the conduct of survey, FGDs and key informant interviews. The resource persons shall include the members of the expanded Local Poverty Reduction Action Team (LPRAT) as defined under JMC 01-12. The consultations with this group include such processes as the conduct of social preparation, formation of the LPRAT, conduct of the LPRAP workshop and identification of priority poverty reduction projects, CSO endorsement and LGU approval.

3. Preparation of draft Assessment Report on the results of the study

The Team of Consultants will prepare the draft Assessment Report presenting its findings and initial recommendations. The highlights of the Report will be presented and discussed in the subsequent validation workshop.

The specific outputs of this component include: the (a) study manual and tools; (b) schedule of field activities; and (c) draft assessment report.

C. Component 3: National Workshops

This component will entail the following activities:

1. National Preparatory Workshop

This workshop intends to gather the insights of concerned senior government officials with regard to issues and concerns including the advantages, disadvantages, strengths, weaknesses and challenges of BUP implementation.

2. Midterm Validation Workshop

This workshop will be a validation workshop where the results, initial findings and recommendations of the study will be presented and submitted for comments. Initial

policy recommendations and feedback on JMC 01-12 will also be presented and submitted to the National Bottom-up Poverty Reduction Team for possible inclusion in enhancing the BUP guidelines for the subsequent year.

3. Final Validation Workshop

This final workshop will also be a validation workshop, where the final results, findings and recommendations of the study will be presented and submitted for comments and further recommendations for incorporation into the final BUP Assessment Report.

The conduct of the validation workshop, including the technical and logistics preparations, communication, procurement of venue, management and facilitation of the workshop, and documentation of proceedings shall be undertaken by the Team of Consultants as part of their services under the engagement. The framework, design, and flow of the workshop shall be coordinated with the DSWD.

The outputs of this component include the: (a) workshop design; (b) documentation of workshop proceedings; and (c) final Assessment Report incorporating the results of the validation workshop.

D. Component 4: Formulation of Policy Recommendations

Based on the results of the study, the consultants will develop policy recommendations underpinning effective decision-making for the implementation of bottom-up planning. The policy recommendations will seek to address the operational challenges in implementing the BUP. The said recommendations will be submitted to the National Bottom-up Poverty Reduction Team (i.e., DBM, DILG, DSWD and NAPC) and upon their concurrence may serve as basis in amending or enhancing the current BUP implementation guidelines and procedures.

This component seeks to translate the results of the study into policy actions to enhance the implementation of the BUP. The specific outputs of this component include (a) the feedback on existing BUP guidelines; and (b) the proposed policy actions to enhance BUP implementation.

V. MANAGEMENT AND IMPLEMENTATION ARRANGEMENTS

The DSWD will form a project management team to be composed of a project manager and two (2) technical staff. The team members will be identified from KALAHI-CIDSS National Project Management Office (KC NPMO) and from the Policy Development and Planning Bureau (PDPB). The project management team will (i) ensure that the outputs for each component are delivered, (ii) facilitate regular coordination and feedbacking activities to monitor the progress of the study, and (iii) conduct evaluation meeting after the completion of the project to determine whether the objectives of the study were achieved and to assess the gains and gaps in the conduct of the study.

The PDPB will serve as the focal office for the conduct of study. As such, it will take the lead in coordinating with the Team of Consultants from pre-implementation, implementation and

post implementation phase of the study. The PDPB will also be responsible for contract management of the engagement of the Team of Consultants. The KC NPMO on the other hand shall facilitate coordination activities between regional/municipal KALAHI-CIDSS project teams and the Team of Consultants.

The DSWD will likewise mobilize an interagency technical working group (TWG) to provide overall advice and guidance to study. This will be aligned with the existing technical working group on BUP represented by the focal persons of the agencies composing the National Bottom-up Poverty Reduction Team (i.e., DBM, DILG, DSWD and NAPC).

VI. TIMELINE

The Team of Consultants shall be engaged for a total of 60 working days spread over a period of 5 months, ending no later than October 2012.

ACTIVITIES	SCHEDULE (2012)					DELIVERABLES
	Jun	Jul	Aug	Sep	Oct	
Engagement of a Team of Consultants						
• Preparation and processing of engagement contract	xx					• Signed agreement • Inception report
National Preparatory Workshop	x					• Field investigation workplan
BUP Assessment/Data Gathering						
• Documents review	xx					• Study manual and tools • Schedule of field activities • Draft assessment report
• Preparation of assessment design	xx					
• Preparation of instruments/tools	x					
• Conduct of assessment activities		xxxx				
• Preparation of report			xx			
Midterm Validation Workshop						
• Presentation of initial findings			x			• Workshop design • Validation workshop documentation • Policy recommendation
• Preparation of policy recommendation			x			
• Presentation of feedback on JMC 01-12			x			
Final Validation workshop						
• Preparation of final report			xx	xxxx		• Workshop design • Validation workshop documentation • Final report
• Presentation of findings				xx		

ACTIVITIES	SCHEDULE (2012)					DELIVERABLES
	Jun	Jul	Aug	Sep	Oct	
• Project completion					x	

VII. BUDGETARY REQUIREMENT

Activity	DSWD Counterpart	For Funding	Total Cost
A. Engagement of Team of Consultants and the Project Management Team			
1. Preparatory Meetings (interagency and with the consultant-expert team) (264 x 10 participants x 4 meetings)	10,560.00		10,560.00
2. Project development and management/PF		1,920,000.00	1,920,000.00
3. Project manager from DSWD (1 PM x 30 days)	74,452.40		74,452.40
4. Technical staff from DSWD (2 support staff x 60 days)	218,900.00		218,900.00
Sub-total	303,912.40	1,920,000.00	2,223,912.40
B. Field Investigation and National Workshops - refer to Annex 1 for details			
1. National Preparatory Workshop		359,350.00	359,350.00
2. Field Investigation			
i. Regions/Island Cluster FGD (P109,350.00 per field area x 5 areas)		546,750.00	546,750.00
ii. Survey (P21,850.00 per field area x 83 areas)		1,813,550.00	1,813,550.00
iii. Municipal/Community FGD (P74,350.00 per field area x 10 areas)		743,500.00	743,500.00
iv. Key Informant Interview (P74,350.00 per field area x 10 areas)		743,500.00	743,500.00
3. Midterm Validation Workshop		179,350.00	179,350.00
4. Final Validation Workshop		179,350.00	179,350.00
5. Transportation of the consultants and DSWD project management staff		376,500.00	376,500.00
6. Board and lodging of the consultants and DSWD project management staff		664,200.00	664,200.00
Sub-total	0.00	5,606,050.00	5,606,050.00
Total	303,912.40	7,526,050.00	7,829,962.40