

Report on the Anticorruption Forum:

Corruption and Development

How Anti-Corruption Can Be Integrated into Development Measures to Ensure Sustainable Development and Inclusive Growth

May 30, 2013

Asian Institute of Management
Makati City



Jointly organized by GIZ, Office of the Ombudsman and the Hills Program on Governance at the Asian Institute of Management (AIM). The event was in line with the celebration of the 25th Anniversary of the Office of the Ombudsman.

Abbreviation List

ADB	Asian Development Bank
AIM	Asian Institute of Management
ASEAN	Association of Southeast Asian Nations
AusAID	Australian Agency for International Development
BMZ	German Federal Ministry for Economic Cooperation and Development
CCT	Conditional Cash Transfer
CPBRD	Congressional Policy and Budget Research Department
CSO	Civil Society Organization
DAR	Department of Agrarian Reform
DBM	Department of Budget and Management
DENR	Department of Environment and Natural Resources
DPHW	Department of Public Works and Highways
EITI	Extractive Industries Transparency Index
GIZ	Gesellschaft für internationale Zusammenarbeit
HLURB	Housing and Land Use Regulatory Board
IMP	Integrity Management Program
LGU	Local Government Unit
MBC	Makati Business Club
MCC	Millennium Challenge Corporation
MDGs	Millennium Development Goals
NCC	National Competitiveness Council
NEDA	National Economic and Development Authority
NGA	National Government Agencies
NGO	Non-Governmental Organization
PDAF	Priority Development Assistance Fund
PDF	Philippines Development Forum
UN	United Nations
UNCAC	United Nations Convention on Anti-Corruption
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
TI	Transparency International
TRO	Temporary restraining orders

Table of Content

I. Background	4
II. Participants and Key Resource Persons	5
III. Methodology and Approach	5
IV. Preliminaries	6
V. Keynote Speech: Corruption and Anti-Corruption in the Philippines.....	8
VI. Panel Discussion: Anti-Corruption and Integrity from Various Perspectives	9
A. Panel Discussion 1: Anti-Corruption and Integrity – Government and Development Partners’ Perspective.....	9
<i>Discussion Highlights: Key Issues and Concerns</i>	13
B. Panel Discussion 2: Anti-Corruption and Integrity – Civil Society and Business Perspective	16
<i>Discussion Highlights: Key Issues and Concerns</i>	18
VII. Summary of Key Inputs	22
VIII. Closing Remarks	22
 ANNEX	 23
1. Programme of the Forum	23
2. Profiles Speakers, Panelists and Panel Facilitators	24
3. Final Participants List	28
4. Copy of Speeches	31

I. Background

Transparency, accountability and integrity are key determining factors for sustainable development. Corruption and lack of accountability and integrity can have a major impact on the results of development cooperation. At the international level, 140 have signed the United Nations Convention on Anti-Corruption (UNCAC). There are various initiatives from all parts of society to fight corruption. Transparency International (TI) for example is a major actor in raising awareness on corruption and enhancing anti-corruption efforts at international and national levels.

The Philippines is a State Party to the UNCAC and just recently completed its assessment of implementation. Under the current leadership of Aquino Administration, the fight against corruption is a major item on its agenda. A cabinet cluster on Good Governance and Anti-Corruption had been created, related mechanisms have been put in place and first steps towards implementation of integrity and anti-corruption measures have been taken. For its part, the Office of the Ombudsman, which became fully operational in May 1988, is celebrating its 25th anniversary this year as lead agency tasked to investigate complaints against public officials.

The Philippines Development Forum (PDF) Sub-Working Group on Anti-Corruption chaired by the Ombudsman and co-chaired by the United Nations Development Programme (UNDP), identified the following key challenges in fighting corruption:

1. The need to strengthen the enabling policy environment to support anti-corruption efforts;
2. The need to establish and formulate clear benchmarks and results-based milestones and strengthen mechanisms to monitor and measure progressive realization of anti-corruption targets of Government and;
3. The need to strengthen capacities for citizens to engage and exercise their oversight powers to curb corruption and promote transparency in governance.

Corruption is one of the main obstacles to development. Corruption and a lack of transparency in public revenues and spending undermine poverty alleviation efforts and democratic participation. Public resources are squandered instead of being used to promote sustainable development for all. The World Bank Institution has estimated that bribery alone is costing the world 1 trillion US dollars every year.

Corruption creates legal uncertainty. By inflating costs, it holds back the development of the private sector, distorts competition, and deters investors. Corruption weakens political institutions and ultimately calls into question the legitimacy of the state. Disadvantaged sections of the population, particularly women and children, are worst hit. It makes it much harder and more expensive for them to access much needed public services such as basic education and health care. Corruption can be fuelled by inadequate control mechanisms and a lack of transparency and accountability.

Country-specific factors also play a part. It is often a country's rich reserves of natural resources such as oil, gas, minerals or timber that spawn large-scale corruption and non-transparency. In areas like infrastructure or the health sector, corruption can also stand in the way of development. Transparency International (TI) has found, for example, that corruption seriously compromises an individual's right to health. In the end, corruption and non-transparency weaken progress towards attaining the Millennium Development Goals (MDGs).

Prevention of corruption in development cooperation is a major challenge for all actors involved such as but not limited to the development partners, government agencies, private sector and civil society. The German Federal Ministry for Economic Cooperation and Development (BMZ) has elaborated a strategy on how to support partners in addressing corruption and integrity issues. Germany is helping development-oriented partner governments to rid government institutions of

corruption and make public administration transparent, effective and responsive to the public's needs. Other development partners and multilateral banks have similarly developed approaches on how to support governments and civil society actors to address governance issues in order to achieve results of development efforts and make efficient use of national and international funding towards sustainable development.

With climate change as imminent threat to development and the increasing funding available from national budgets and international resources to address mitigation options and the impacts of climate change, the discussion includes strengthening the principles of accountability, transparency, integrity and the rule of law in the response to climate change in order to pave the way for a more equitable, sustainable future for all.

In the light, GIZ in collaboration with the Office of the Ombudsman and in partnership with the Hills Program on Governance at the Asian Institute of Management (AIM) organized an event on Corruption and Development to discuss how corruption and non-transparency can be most effectively addressed including how anti-corruption efforts can be integrated into development measures to ensure sustainable development and inclusive growth. The event is in line with the celebration of the 25th Anniversary of the Office of the Ombudsman.

II. Participants and Key Resource Persons

Representatives from the national government agencies, civil society organizations, private sector, and development partners who have interest in efforts on good governance and anti-corruption to assist the Philippines in achieving objectives of economic development, while ensuring ecological integrity and social acceptance participated in the conference. Honorable Ombudsman Conchita Carpio Morales gave the keynote speech, while moderators and members of the panel were as follows:

Panel Discussion	Moderator	Members of the Panel ¹
Session 1: Anti-Corruption and Integrity: A Government and Development Partners' Perspective	Mr. Coco Alcuaz, Business News ANC	1. Secretary Florencio "Butch" Abad, Department of Budget and Management 2. Stefanie Teggemann, Head of Anti-Corruption and Integrity Program, GIZ 3. Mr. Toshihiro Tanaka, Country Director, UNDP
Session 2: Anti-Corruption and Integrity: A Civil Society and Business Perspective	Dr. Federico Macaranas, Core Faculty, Washington SyCip Graduate School of Business	4. Mr. Peter Conze, Co-Founder Transparency International 5. Mr. Ramon del Rosario, Chairman, Makati Business Council 6. Mr. Guillermo Luz, Co-Chair, National Competitiveness Council

III. Methodology and Approach

The key highlight of the conference was the panel sessions on anti-corruption and integrity initiative from various perspectives of the government, development partners, business sector, and civil society organizations. After each panel session, an open discussion was conducted for the participants to raise questions and share their own experiences.

¹ By invitation of the Moderator, Ombudsman Conchita Carpio Morales, also joined the Panel for the open forum.

IV. Preliminaries

Acknowledgement of delegates, officials, and representatives from the government, private sector, business sector, and civil society was rendered.

Below are the welcome remarks delivered by Ms. Angela Garcia, Executive Director of Hills Program on Governance at AIM, Dr. Joachim Heidorn, Ambassador of the Federal Republic of Germany, and Mr. Robert Kressirer, Regional Director of GIZ Philippines and Pacific.

1. Ms. Angela Garcia, Executive Director of Hills Program on Governance

On behalf of the Hills Program on Governance at the Asian Institute of Management, Ms. Angela Garcia extended a very warm welcome to all participating institutions and organizations. She mentioned that AIM is honoured to be hosting the conference in partnership with the Office of the Ombudsman and GIZ as part of the 25th Anniversary celebration of the Office of the Ombudsman.

The Hills Program was set up at AIM in 10 years ago to address governance issues at the intersection of the public and private sectors. It operates on the premise that corruption is a major impediment to development. It creates an uneven playing field, distorts the free market economy, brings down the quality of products and services, and discourages both domestic and foreign investments.



The Aquino administration deserves a lot of credit for making anti-corruption a top priority, and already it is making much progress as reflected in both local and international surveys. But much work remains to be done. To keep up the momentum, the administration needs the support of not only the citizenry but also international development partners. There is a need to work together to develop systems that will reduce opportunities for corruption in both the public and private sectors.

Lastly, she mentioned that conference includes exciting line up of speakers who will share their insights and different perspectives -- from government, the business community, civil society, academia and international development partners. She hoped that the conference will be the start of a continuous dialogue that will lead to tangible actions for ensuring sustainable and inclusive growth in this country.

2. Dr. Joachim Heidorn, Ambassador of the Federal Republic of Germany

Ambassador Heidorn acknowledged the presence of Secretary Abad, Ombudsman Conchita Carpio Morales, key delegates from the Office of the Ombudsman and other government offices, the Ambassador of Switzerland, and GIZ. He mentioned that corruption is a universal phenomenon, and like Germany, the country is not corruption-free. Hence, it is not so much of black and white but of degrees and the task is to bring it down as much as possible. Corruption is a negative obstacle for development – it tends to misallocate funds, slows down investments, decreases business confidence and erodes atmosphere of the rule of law. On the contrary, eradicating corruption means resources for development, substantial contribution to the rule of law, and fair claims between the citizens, government agencies, and private sector.



According to World Bank, corruption worldwide costs more than USD1.3 trillion annually, however if a country establishes a regime of transparency and accountability, it brings major contribution to inclusive growth and positive development.

Ambassador Heidorn commended the approach of the Office of the Ombudsman, AIM, and GIZ in coming up with the cooperation because only then, when all stakeholders would cooperate, the goal on transparency and accountability would be achieved. He wished for a successful activity and good discussions.

3. Mr. Robert Kressirer, Regional Director of GIZ Philippines and Pacific

Mr. Kressirer acknowledged the presence of the Honorable Ombudsman, Honorable Secretary, Excellencies Ambassador of the Federal Republic of Germany and Switzerland.

He mentioned that the vision of GIZ is to be the world's leading provider of international cooperation services for sustainable development. In the case of the Philippines, it must be able to access tax and other payments within its legal system for planning and implementation of development measures for its citizens in order to ensure sustainable development.



GIZ in many countries actively supports the government to increase their tax basis through support to ministries of finance e.g. in budget planning and execution, or transparent procurement services, or to create transparency on state income and spending including the Extractive Industries Transparency Index (EITI) etc. Corruption as we are all well aware a serious threat to sustainable development and the improvement of living conditions of still hundreds of millions of people around the globe.

On one hand, Mr. Kressirer mentioned that corruption is a national issue in the Philippines. Due to this, about 20% of the national budget is lost annually, for instance in 2010, about 20% budget loss amounting to PHP300 billion would be equivalent to 600,000 classrooms, 1.6 million additional teachers or 127 km of new roads. Nonetheless, the country takes actions to fight corruption and promote good governance, to name a few there are Seal of Good Housekeeping for Local Government Units, the Philippine Government Electronic Procurement System (PHILGEPS), Anti-Red Tape Act and Report Card System. Also, Philippines signed in the United Nations Convention on Anti-Corruption in 2003 which was ratified in 2006.

Towards the end he mentioned some of the programs of GIZ in the Philippines that focus on strengthening various levels of government to contribute to good governance and anti-corruption initiatives. These are 1) decentralization program such as electronic land tax system for Local Government Unit, 2) support to transparent land use planning processes for better and organized access to land, and 3) contribute to conflict sensitive resource and asset management in the Caraga region in Mindanao for more peaceful and transparent processes for resource use and benefits. He hoped that development partners from other countries are as committed as GIZ in supporting the Philippine government in pushing for anti-corruption efforts to achieve sustainable development.

V. Keynote Speech: Corruption and Anti-Corruption in the Philippines

Hon. Ombudsman Conchita Carpio Morales

Ombudsman Morales acknowledged the presence of the key resource persons and representatives from the various institutions and organizations for gracing the event. She commended GIZ and AIM for organizing the conference and gathering the various stakeholders and advocates for good governance.

She mentioned that the Office of the Ombudsman is created under the Constitution as a lead enforcer of public accountability. It acts as an independent institution with full powers and authority to ensure that all public officials and employees conformed to the standards of the Constitution and its regulations.



The Office of the Ombudsman celebrates its 25th year anniversary adopting the theme “Ombudsman at 25: Empowering the Nation with its Unrelenting Pursuit of Good Governance”. Hence, in order to fulfill its mandate it adheres to a three-pronged approach: Punitive, Preventive, and Promotional Measures.

1. **Punitive.** The Office does not just resolve cases but the deeply-ingrained problem in governance. Government irregularities neither isolated nor peculiar is part of a bigger scenario in which the Office wants to reconfigure by sending deterrence to all public officials and employees. Thus, only then people may have changed their outlook on government services/

One of the reforms the Office wants to achieve is the goal of “zero backlogs”. The Office needs to contend to the challenge of zero backlogs and catch up with resolving cases that have been long pending. Hence, as of March 2013 there were 11, 507 resolved cases, wherein 5,609 are criminal cases, while 5,898 are administrative cases. Zero backlog seeks to end a culture of delay that derailed public trust and recognizes the relevance of speed and certainty of penalty in such cases.

2. **Preventive.** The Office launches programs and projects to closely monitor the public officials on spending taxpayers’ money and has taken proactive measures in finding ways to check the system that runs within the bureaucracy in order to identify areas where temptation is most vulnerable. It wants to continue the monitoring and assessment of government contracts, annual procurement, plans, unliquidated cash advances and SALN submission of different agencies.

One of the flagship programs of the Office is the Integrity Development Review (IDR). It is a compendium of diagnostic tools that systematically assess the government’s vulnerabilities and resistance mechanisms to corruption. At present, the IDR is being assessed for enhancement to Integrity Management Program (IMP) in which support is coming from a development partner. The Executive Department through the Deputy Executive Secretary for Legal Affairs has partnered with the Office to oversee the implementation of the IDR recommendations and sustain the resulting improvements and safeguards.

In addition, the World Bank will partner with the Office on enhancing the Income and Asset Declaration System which aims to improve the system of filing and analyzing of SALNs of

government officials and employees as a significant tool in detecting and preventing corruption.

3. **Promotional Measures.** The Office does not just conduct capacity building and awareness but also focus on educating the future. It partners with civil society, NGOs, media, student bodies, and development partners in promoting good governance and accountability. It has established and rationalized junior graftwatch units in various schools nationwide named as Campus Integrity Crusaders.

At present, the Office launched the Ombudsman Integrity Caravan, which is a year-long series of activities that aim to communicate and engage the public and private sectors on the various programs and projects of the institutions to further build strategic partnership of all concerned stakeholders. In collaboration with UNDP, the caravan will involve key government officials, LGUs, private institutions, academic institutions, business sector, NGOs, CSOs, and the general public. The activities to be conducted from national to local level are envisioned to plant seed of consciousness on public accountability to build critical mass of advocates from all sectors of the society.

Meanwhile, Ombudsman Morales shared some of the resolved cases and preventive suspensions of employees from various government institutions such as the Office of the Deputy Ombudsman for MOLEAO and Office of the Special Prosecutor. Hence, it shows that the Office is serious in cleaning its own backyard through disciplinary mechanism of instilling integrity and promoting high ethical standards that can be made with more people coming out in the open to report incidents of corruption.

Towards the end, Ombudsman Morales mentioned that the country does not need the best leaders, because, more often than not, they became the best after having enmeshed in muddy rivalries and acquired a network of compromises. It is enough that these leaders remain “good” in the purest sense of word. She gave emphasis that with the results of the recent elections and elective officials assuming office soon, the Ombudsman, as protector of the people, will certainly be watching them closely.

VI. Panel Discussion: Anti-Corruption and Integrity from Various Perspectives

A. Panel Discussion 1: Anti-Corruption and Integrity – Government and Development Partners’ Perspective

Session 1 was moderated by Mr. Coco Alcuaz, Business News ANC, while members of the panel were Hon. Florencio B. Abad, Secretary of Department of Budget and Management, Ms. Stefanie Teggemann, Head of Anti-Corruption and Integrity Program, GIZ, and Mr. Toshihiro Tanaka, Country Director, United Nations Development Programme Philippines (UNDP). Each panelist was requested to share their views and recent initiatives and efforts to support Anti-Corruption and Integrity program. After the brief sharing from the panelists, Ombudsman Morales was requested to join the panel for the open discussion.

1. Secretary Florencio “Butch” B. Abad, Department of Budget and Management (DBM)

Secretary Abad acknowledged the presence of Ombudsman Morales, his colleagues from the government and representatives from the development partners, business sector, and civil society

organizations. He commended that the 7.8% economic growth is led by manufacturing sector specifically the non-electronic group.

Corruption is a core issue that curtails development and poverty eradication efforts of the



government. It is an abuse of power which is a result of more fundamental problem shaped by systemic structural problem. Corruption is due to few elites who have the power while they promote the system of patronage and dependency on “padrinos” for survival.

The current administration under the leadership of President Aquino is determined to address the unfinished business of People Power through the addressing corruption problem in the country.

President Aquino’s social contract aims to restore people’s trust in the state through defending the people and state and programs that would directly benefit the poor.

On one hand, while budget process is a political process, there are on-going budget reforms to strengthen the interest of majority and bring credibility on country’s budget, thus gaining back the trust of people in the budget process. For instance, a new tradition of early budget enactment and policy on lump sum allocation are being practiced for the past 3 years to reduce leakage. Also to ensure fast and transparent budget process, the bottom-up-budgeting approach is being implemented, wherein outputs and outcomes must be reflected in the budget presentation and engagement of CSOs is required.

There are initiatives already taken to promote inclusive development such as 1) Conditional Cash Transfer, wherein funds increased from PhP10.9 billion in 2012 to PhP44 billion for 2013 to cover 3 million families, 2) allocation to public education increased to 300% in 2013, and 3) allocation for construction and rehabilitation of local hospitals increased from 5 billion in 2012 to 13.6 billion in 2013.

Towards the end, Secretary Abad emphasized that the country is required to further optimize the support of key strategic economic sectors such as continuous jobs creation through agriculture, manufacturing and tourism in order to sustain the trajectory of economic expansion and to pursue inclusive growth.

2. Stefanie Teggemann, Head of Anti-Corruption and Integrity Program, GIZ

GIZ has been working on governance reform specifically on anti-corruption that aims to support partner countries in fighting corruption and improving governance. Ms. Teggemann presented a short video on the anti-corruption and integrity policy of German Development Cooperation (<http://www.youtube.com/watch?v=ai92UiSbEDQ>) and presented concrete country examples of GIZ support in the area of anti-corruption and integrity, implemented on behalf of the German Ministry for Economic Cooperation and Development.

As laid out in the anticorruption policy, corruption is an abuse of entrusted authority for illicit gain, each year bribery causes global damage worth of more than \$1 trillion. It affects developing and emerging countries, in



which resources for needed investments such as for education and health are not delivered. Children are robbed of their future, while health sector worldwide loses 300 billion Euros yearly due to corruption. Hence, corruption is the impediment of economic development.

Due to this global problem, the international community has come together under the framework of the United Nations Convention against Corruption to prevent and eradicate corruption. Specifically, the German Development Cooperation operates in countries with weak states structures. Anti-corruption is an essential part of the work of German Development Cooperation. As outlined in the Anti-Corruption and Integrity Policy by the Federal Ministry for Economic Cooperation and Development. The policy is based on a “3X3 formula”, wherein there are 3 levels of intervention 1) support partner countries in implementing anti-corruption reforms, 2) ensure a responsible use of development funds through comprehensive compliance and risk management, and 3) comply with international commitments. These levels are being supported by 3 important players, state institutions, civil society, and the private sector. The policy highlights four basic principles of anticorruption which are important to make development last: transparency, participation, accountability, and integrity .

For instance in Honduras, the German government has been supporting the transparency division in the Education Ministry since 2010 to address the high level of cancelled classes in schools and problems of “ghost teachers”, ie. teachers who get paid but who do not show up to teach. A major effort being done in promoting transparency in schools is through the “Transparency Blackboards” designed by parents, teachers, and students. These provide information on resources available and how these are being utilized, hence the civil society can monitor if teachers being paid from these resources are fulfilling their duties in school. This has led to the identification and elimination of ghost teachers. The government has equipped more than 4000 schools in Honduras with transparency blackboards.

In addition, Germany pursues extensive compliance and risk management in its development cooperation to ensure that funds are spent in line with the intended purpose. For instance, the German Development Bank KfW subjects the implementing partner agency, such as water or energy companies to a thorough analysis in three key areas prior to the start of the project implementation, 1) political environment of the area where the implementing agency operates, 2) internal decision making, remuneration, and oversight structure and personnel management, and 3) internal structure capacities such as staff, technical capacity and funding to carry out the project. Hence if such agency did not pass the test, they can be disqualified to implement the project. In sum, a risk analysis before the engagement and risk awareness during the implementation of all development cooperation projects are crucial.

In Albania, GIZ joined forces with USAID to improve the licensing process for businesses. In the past, it could take a business up to 2 years just to obtain the necessary licenses. Amongst others, this had held back the establishment of pharmacies which took a long time to set up which in turn had a negative impact on the health sector. GIZ and USAID supported the responsible ministry in setting up a one stop shop for most licenses, in reducing the number of licenses necessary, cutting it from 200 to about 60, and in shortening the process of obtaining those. As a result, 95% of the companies said in a user survey that they were satisfied with the new services, while 84% said that this has significantly reduced the processing time.

Another example of how German Development Cooperation supports partner countries in their anticorruption reforms is through so-called compliance reviews of the United Nations Convention Against Corruption (UNCAC). GIZ, on behalf of the German Ministry for Economic Cooperation and Development, worked with the United Nations to develop an instrument to assess the compliance of national legislation with rules and regulations of the UNCAC. GIZ has supported such UNCAC

compliance reviews in Kenya, Indonesia, Bangladesh and Yemen. German Development Cooperation is further promoting South-South exchange amongst partner countries. German Development Cooperation is further supporting Anticorruption Commissions. For instance, GIZ has worked with the Indonesian Anticorruption Commission to establish an anonymous web-based whistle-blower system so that people can more easily report on cases of corruption. The whistleblower system has helped the Commission file cases against 46 parliamentarians in 2011 and people have seen this as a good mechanism to promote anti-corruption and integrity.

3. Mr. Toshihiro Tanaka, Country Director, United Nations Development Programme Philippines

Immediately after his arrival in the country, Mr. Tanaka became a Co-Chair for the Philippine



Development Forum Sub-Working Group on Anti-Corruption to support the honorable Ombudsman, Conchita Carpio Morales. He commended the high level of commitment as well as donors and public support to the anti-corruption drive in the Philippines that is the core strategy of the current Administration.

He mentioned that corruption is a deep-rooted problem in the country. In 2012, Philippines scores 34/100 in 2012 Corruption Perceptions Index of Transparency International – with 0 perceived to be highly corrupt to 100, which is perceived to be very clean. The country still belongs to two thirds of the 176 countries ranked who scored below 50. With this, the Philippines need to do more in the fight against corruption. Moreover, early 2013, a report by the Political and Economic Risk Consultancy, a firm specializing in strategic business analysis for companies doing business in East and Southeast Asia, indicates that the Philippines ranks third in terms of corruption risk of doing business among countries in the Asia Pacific region.

Due to this, voiceless and powerless people are the most affected sector from corruption and it is greatly unfair and unethical act to continue this kind of inequitable distribution of power. Moreover, corruption hinders the achievement of the Millennium Development Goals, in which the Philippines is committed to 1) eradicate extreme poverty and hunger, 2) achieve universal primary education, 3) promote gender equality, 4) reduce child mortality, 5) improve maternal health, combat HIV/AIDS, malaria and other diseases, 6) ensure environmental sustainability, and 7) promote global partnership for development by 2015. The recent study of NEDA revealed that about 5.2. million children are out-of-school youth, while most of enrolled students drop out after reaching Grade 1. Also, 54% of the pregnancies are unplanned and 11 mothers die every day due to lack of access to reproductive health services.

To that end, Mr. Tanaka emphasized that a success campaign in achieving anti-corruption demands political commitment and leadership, far-reaching reform, and broadly based coordination among stakeholders and amidst various pressing, sometimes conflicting, priorities. Hence, there are existing platforms both at the international and national level. The United Nations Convention against Corruption (UNCAC) provides a viable normative framework to guide prioritization and operationalization of anti-corruption efforts towards achieving poverty reduction and MDGs that also leads to the realization of the Aquino Administration's social contract with the Filipino people. On one hand, the participatory public finance is another area that is of paramount importance to fight corruption and meet the MDGs. This initiative shall lead to transparency, legitimacy, predictability and relevance in the public finance processes especially at the local level with support from the civil society organizations and non-government organizations through their critical role in monitoring and campaign in instituting good governance.

Mr. Tanaka thanked the Office of the Ombudsman, Department of Budget and Management, GIZ, development partners and all the advocates of good governance and MDGs for their dedication and commitment to fight corruption. He hoped that the forum will be a start of a more sustained and vigorous effort to promote and to mobilize people's participation and governments' commitment at all levels to achieve MDGs through enhanced integrity and accountability.

Discussion Highlights: Key Issues and Concerns

1. Dynasties as a contributory factor to corruption

According to Sec. Abad, it is very difficult to have an open market if the political market is limited to few individuals. The economic policies depend on political decisions; hence it is important to promote a real democracy. This is proven from the recent elections which resulted to an improvement in choosing the political leaders given that many of the dynasties did not win in the localities. The significant degree of improvement promotes empowerment on the ground and the present administration will continue to promote programs that will empower the poor communities.



Ms. Teggemann of GIZ noted that the Philippine's concern on dynasties bears some similarity to what one could observe in Indonesia. She highlighted the importance of access to positions of power and influence as a powerful precondition to fight corruption. A system where political positions are in the hands of only a few while the majority is shut out from competing for positions of power, be they economic or political will make real reforms difficult. However, if there is open access, it creates incentives for to compete for positions, thus breaking up entrenched networks.

2. Experience of GIZ in Albania on shortening the process of business permits.

According to Ms. Teggemann, success depended on two major factors, 1) it is imperative to have the support of political leaders to come up with an agreement among the ministries involved and 2) the leadership on top with parallel support from the CSOs is needed to move the initiative forward.

Meanwhile, Sec. Abad mentioned that in the Philippines although there is a change in top leadership in the government, the middle level of bureaucracy still houses the same personnel. Hence, in addressing the bureaucracy, there is a need to train oneself in dealing with this problem. At present, this is being addressed by DBM and most of the government agencies and the heads of the departments are important in taking the lead.

Mr. Tanaka took note that it will always boil down in the kind of leadership to push for appropriate actions. If a leader is committed to address corruption and set an example for good governance, it will go to right direction.

3. **What would it take to get similar result as Indonesia's experience in corruption cases against 46 parliamentarians?**

Ombudsman Morales reiterated that people are coming out in the open, however most are anonymous complaints with no leads. People should be reminded that although complaints can be filed anonymously, the Office of the Ombudsman should be given with enough lead and supporting documents to push the cases towards nailing down government officials. Also, the



Office of the Ombudsman has no disciplinary authority over Congress and Senate in terms of administrative cases, however the Ombudsman has criminal jurisdiction over Congressmen and Senators. The Office of the Ombudsman only conducts referral cases to Congress against legislators specifically on administrative complaints.

According to Sec. Abad, there have been dramatic improvements in the way people react in the abuse of utilization of public funds. The DBM's website has a feature wherein all projects of legislators under PDAF can be seen in real time. Hence, anyone can now monitor the progress of such PDAF project in their localities.

Mr. Tanaka emphasized that impacts of anti-corruption measures should trickle down at the local level to ensure achievements on sustainable development.

4. **Corruption and Governance.** These two cannot be separated, otherwise the government might end up with big issues on both sides that will prevent further the development and achievement of MDGs. The platform of each institution should come together to invite enforcement, for instance judiciary is very important to play role not just in the implementation but also on monitoring.

Sharing from DENR

A South Korean firm is currently conducting visual audits of the National Greening Program (NGP) to assess if the program is being implemented accordingly. The technology used allows to measure forest plantations created by the program as well as the planted species. It thus allows monitoring of the project's progress and even provides calamity assistance. Hence, this initiative gives justice to the project and provides information on accountability to the Department that the program is being implemented properly.

5. **Role of Judiciary in Monitoring Corruption.**

According to Ombudsman Morales the problem start with the Judicial and Bar Council that supposed to select best and the brightest, however the problem starts once a nominee is included in the list not taking into consideration if she/he is qualified. We should lead by example, if the leaders are not corrupt, then the subordinates will follow.

She stated that President Aquino lives a simple life as a good example for others. She also highlighted that the Judicial and Bar Council must implement a rigorous process in selecting its members.

6. **Economic growth has not yet trickle down to poor communities, hence which provision in the budget that will directly give benefits to the poor and marginalized sectors.**

According to Sec. Abad, President Aquino's instruction is focused on addressing poverty. In the first 3 years of his administration, programs are focused on making huge improvements on social condition through the Conditional Cash Transfer (CCT) and on the four (4) basic social services ; education, public health, housing, and social protection. During these 3 years, a dramatic increased on social and economic status was observed.

If GDP is disaggregated, the explanation can be seen especially on the aspect of creating more jobs. The inclusive development also focuses on areas such as agriculture particularly on coconut and the fishery sector, wherein a total of PHP70B will be devoted for the rehabilitation of coco industry. In terms of tourism especially on rural areas, there will be massive infrastructure and orientation of infrastructure program on tourism zones that would strengthen rubber, palm oil, coconut, and seaweeds to offer community-based development. The idea on micro-enterprise on developing community-based livelihood projects on one hand will assist in improving the socio-economic status of poor communities.

7. On cases filed against DAR Secretary in December, while there are cases where DAR officials who have pending cases were just transferred from one office to another. Is there a way to avoid this or suspension of officials with no compensation until the Ombudsman releases its official response?

According to Ombudsman Morales, the length of time depends on the complexity of cases, for instance if the complaint has complete documents, the Ombudsman will immediately request Sec. delos Reyes to file a counter affidavit, while if there is no enough lead but the complaint has merit, the Ombudsman will conduct a fact-finding mission.

There are still cases from 1998 and the Office of the Ombudsman is trying to speed up the cases and go over the agent cases which are not yet completed due to difficulties in completing the documentation.

8. On patronage and preferences to politicians due to supplemental social programs at the local level.

Ms. Teggemann mentioned that one key factor that causes corruption is that people are becoming dependent on one source of help which are the politicians. Hence GIZ is implementing capacity development programs to empower people to make informed decisions and enable them to participate actively in society.

Mr. Tanaka on one hand mentioned that international agencies support the government's national program to close the gap and address corruption issues. The Bottom-up Budgeting approach would empower the people and engage them in the budgeting process, while continuing education is very important to make change happen.

Sec. Abad explained that the government recognizes that people want to be empowered despite of that fact that it is difficult for a culture of empowerment to push through when people contend with problems of how to live every day. Hence one of the programs of the government provides this kind of empowerment. For instance, the Conditional Cash Transfer (CCT) provides monthly family gathering council, wherein each family is being taught of financial management to empower them on decision-making.



9. On internal audit and control as a systemic way of addressing corruption

Sec. Abad explained that the culture of internal audit and control is still a challenge since many of the agencies have no orientation and machinery in place. However, with the initiatives of DBM in strengthening the management system on internal audit and control, DBM is certainly willing to partner with Ombudsman to institutionalize this in government agencies.

10. On allowing the mobilization of CSO participation in Socialized Housing Projects of HLURB despite of the fact that budgeting process is already completed.

Sec. Abad agreed that there is a need for alternative mode in delivery of socialized housing. The budget will be passed in December hence there are still opportunities in between for HLURB given that DBM wants the agencies to become more specific on the programs and projects they want to implement.



11. On efforts to set up an anti-corruption network among the national government agencies.

On the question of DENR on which initiatives exist on anti-corruption networking among government agencies, Ombudsman Morales emphasized that there is an anti-corruption network existing across agencies, however it might be better to check if DENR is involved in the network.

B. Panel Discussion 2: Anti-Corruption and Integrity – Civil Society and Business Perspective

Session 2 was moderated by Dr. Federico Macaranas, Core Faculty, Washington SyCip Graduate School of Business, while members of the panel were Mr. Peter Conze, Co-Founder of Transparency International, Mr. Ramon del Rosario Jr., Chair of the Makati Business Club, and Mr. Guillermo M. Luz, Co-Chair, National Competitiveness Council. Each panelist was requested to share their views and recent initiatives and efforts to support Anti-Corruption and Integrity program.

1. Mr. Peter Conze, Co-Founder of Transparency International (TI)

The history of the anti-corruption movement and efforts of transparency had been influenced by



the political developments at the beginning of the 90s, especially the end of the "cold war".. TI has contributed to raising awareness when there were no discussions yet on corruption. TI has also published various papers on corruption and initiated or influenced legislative frameworks on the international and the national level to fight corruption. . There are now a lot of instruments on how to deal with corruption and almost all development

agencies are now engaged and have developed their strategies. For TI, after a focus first on awareness creation, then on the legislative framework and instruments, it concentrates now on implementation.

Towards the end, Mr. Conze mentioned that TI believes on an approach, in which each concerned stakeholder must do their part. The government, CSO, business sector, and progressive forces need to come together to fight corruption and form coalitions, hence only then efforts will be successful.

2. Mr. Ramon del Rosario Jr., Chair of the Makati Business Club

Mr. del Rosario thanked the conference organizers for the given opportunity to share thoughts on the topics of fighting corruption, integrity, and development.

He mentioned that the Integrity Initiative is the private sector's response to the challenge of



integrating anti-corruption to ensure sustainable development. The campaign was launched in 2010 spearheaded by the Makati Business Club, the European Chamber of Commerce of the Philippines, the Management Association of the Philippines, the American Chamber of Commerce of the Philippines, the Asian Institute of Management, and the Financial Executives Institute of the Philippines. In addition, an Integrity Consortium, composed of more than 30 business and industry associations, local and foreign chambers of

commerce, and other professional organizations, has been instrumental in the expansion of the campaign.

The initiative is about cleaning up the ranks of the private sector, accepting the responsibility for this challenge, pursuing it in a systematic and measurable manner that harnesses the best practices of good corporate governance and accountability at all levels, and inspiring the commitment and cooperation of our colleagues in the private sector and partners in government. It is more than just an anti-corruption campaign, as MBC advocated that companies commit not only to zero tolerance for corruption but also to pay the right taxes, follow labor laws, respect the environment, and favor long-term sustainable development over short-term goals. MBC's mission is to help shape a culture of integrity in the Philippines by institutionalizing ethical practices in business and creating a solid constituency for the integrity and good governance agenda in the private sector.

Moreover, Integrity Assessment process is a critical next step for companies to conduct evaluation of their integrity processes and gauging the areas of strength and identification of areas for improvement. Hence, results of the self-assessment will be validated by a third party in the Integrity Validation process. Looking ahead, this validation system can develop into a certification system for companies that operate cleanly and ethically.

To that end, he gave emphasis that integrity initiative has progressed during the last 2 and half years of implementation. And since the success needs a massive support from the stakeholders, MBC is focusing on having more companies to join the integrity initiative by intensifying efforts to publicly promote the campaign, identify target markets, clearly articulate MBC's message, and demonstrate that such project is doable. Also, MBC is working closely with the government to sustain the campaign, particularly in institutionalization of incentives for companies that will be certified to have abided by ethical business practices.

3. Mr. Guillermo M. Luz, Co-Chair, National Competitiveness Council

National Competitiveness Council (NCC) is a public-private council that is mandated to improve the



country's competitiveness ranking globally and to track institutional management and governance. Over the last 2-3 years, the ranking has improved due to transparency efforts of the government. This was observed through the positive impacts to foreign direct investments and 7.8% increase in gross domestic product.

NCC created a specialized task force composed of different teams to enhance the ease of doing business in the country. And at present, the country is ready to submit to International Finance Corporation, while these reforms are being introduced into the processes. NCC is currently assessing which companies are doing good work in transparency and accountability efforts and results will be presented in November and December. NCC works with government agencies to streamline and automate processes of doing business in the country.

Prior to the open plenary, the presentations of the panelists were summarized into three key points.

- a. Looking at the global scenario, it seems that each stakeholder is implementing efforts to fight corruption, however it was a revelation that these efforts started in Europe;
- b. Efforts must run like a business but these should be measurable; and
- c. It is important to clarify the respondents of the surveys because if small and medium enterprises (SMEs) are not well-represented, these surveys do not represent the Philippines.

Discussion Highlights: Key Issues and Concerns

1. On public perception in terms of the country's rankings

Mr. Conze explained that in terms of the perception index of TI people always ask the question



on what it is based. For instance there is an increase by 10 ranks, however it does not necessarily mean that corruption increased by 10 ranks since it is a perception index based on reliable indices. Thus, it is important to take into consideration the mechanisms in conveying the messages. One focus of TI's work is on small and medium enterprises, since they play an important role in the fight against corruption.

Mr. del Rosario explained that their measurement is based on their specific commitments. MBC conducts self-assessment to evaluate if they are compliant with the commitments they have made and the idea of third party to validate ensures that the process of self-assessment is objective and valid in relation to the commitments of MBC. It is necessary to distinguish different types of surveys, there are perception surveys and there are surveys that measure efficiency. A lot of these competitiveness surveys focus on how many days to register business or to pay taxes. Hence, people need to understand these various types of survey.

On one hand, according to Mr. Luz, it is important to understand the components of a survey and tracking process. In NCC, it is a combination of tracking perception and tracking performance, while setting a benchmark. For government agencies, there is a need for greater customer orientation; however citizens need to become more demanding so that service providers will know how to respond accordingly. Meanwhile, in terms of dealing with the private sector, suppliers or tenders, it demands expectations from the business sector.

There is a need to educate the public on raising standards for the government to widen its target to deliver services. An index is a survey of surveys approach on a single value, for instance TI reviews a 12 of 14 surveys to come up with an index (?). It gives value to NCC looking at the global comparison, while in terms of enterprise survey on corruption, a combination of perception and experience is being used to give NCC the ability to track improvement or deterioration among LGUs. For instance in 2012, the country received higher ratings on anti-corruption both on perception and actual experience point of view compared to ratings in 2009. The other surveys which look at specific days, time and cost can be benchmarked with other countries, for instance the process of registering a business in the Philippines take 36 days, while in Singapore it only takes 1-3 days or 3-6 days in Malaysia. Hence, this type of benchmark would allow the government to improve its process and standards. Thus, NCC developed a game plan for competitiveness using 10 benchmarks to get the targets over the next years.

The government should be reminded that it cannot manage what it cannot measure. NCC communicates to National Government Agencies (NGAs) their specific measurements, for instance in performance-based bonus system, if it is not embedded in their incentive and evaluation systems it would create a deep impact on the evaluation. Thus, the AO 38 released in May 17 which creates a task force will also be attached to performance-based bonus system of the government.

2. On efforts of the country in attracting investors, while participating in an anti-corruption regime at the regional level.

According to Mr. del Rosario, there is a need for massive effort given that the current President is clean and has a credible on anticorruption campaign while having cabinet members that are competent and honest. Hence, this sets the tone from the top, while the private sector is trying to implement integrity initiatives and other efforts of the same nature. However, there are remaining sectors that need to come together as well especially at the local level, since addressing wrong doing is still where the country has fallen short. Also, although there are a lot of cases being filed, most have little success of conviction compared to countries like Korea and Taiwan. Thus, a lot of things must be done, but at least the country has an administration wherein the leadership is determined to instill the culture of integrity in the society leading to increasing level of confidence of local and international investors.

Mr. Luz on one hand mentioned that the ASEAN way is not focused on prescription but rather a



country must work on its own backyard, following the line of fixing what is needed to gain credibility. The judiciary clearly wants the area that needs more attention, for instance there is a lot of charging but not so much conviction or not enough formal charging was followed through even after impeachment. In addition, there is a need to cure the disease on temporary restraining orders (TROs), for instance a petroleum

company charged with smuggling but was able to secure TRO, hence delaying any form of investigation. There is a need to let justice run its course and if someone is charged with case, let them defend themselves using the proper due process but not resorting to issuance of restraining orders.

In terms of local governance, some do an excellent job on good governance but many are still poor performers. At present, NCC is collecting data to specifically look at the performance of LGUs on ease and cost of doing business in their municipalities. This project is developed given that there is not enough competition on electing government officials due to limited choices. It is important to be reminded that in order to make change happen, there is a need to bring in new competition.

3. On dynasty as major cause of corruption in the country and possible engagement of private sector to assess the performance of politicians who do no and do perform

Mr. del Rosario explained that the approach of MBC is to encourage the industries to follow a code of conduct based on their industry categorization. MBC runs a simple survey on performance acceptability measure specifically if the performance of the government official is favorable or unfavorable to people. Although it is a simple tool, it can provide historical results in which such agency or government official can be measured if performing or non-performing.



On one hand, people should utilize the existing online tracking system of DBM specifically on the pork barrel of Congressmen, details of projects in the districts, and the contractor providing the services are being monitored in the DBM system.

Mr. Conze mentioned that extractive industries and political dynasty make up 40% of the corruption worldwide. Internationally, there is an EITI which is more aware of the situation worldwide.

Mr. Luz added that extractive industries are being tracked by NCC, hence monitoring results shows that country needs clearer and tighter regulation on small scale mining to give priority on safety of the workers and environment protection. Also, a clearer guide and policy on go and no-go zones is needed, hence no application and permits must be given to no-go zones.

The private sector should join the Extractive Industries Transparency Initiative group headed by Sec. Elisea Gozun. This initiative requires the industry to publicly disclose fees and payment made to LGUs, at the same the national government and LGUs are required to publicly disclose all payments they have received from these industries. Hence, if there is a mismatch of figures, the case needs to undergo an international audit process.

In terms of political dynasty, although there is no clear system on holding a government post, it is imperative to establish a strong mechanism to track the performance of political leaders, with support from the academe in collecting the data. Hence, competition and options may be created

4. **On Administrative Order 38 or the Creation of Task Force on Ease of Doing Business in the Country.**

Mr. Luz emphasized that there is no shortage of laws, but the challenge remains on implementation. The Administrative Order No. 38 was a product of the NCC, in which the role of the Task Force is focused on streamlining the process of doing business in the country through elimination of outdated policies that are adding-up to the process.

5. **LGUs are seen to be a crucial partner of HLURB for socialized housing projects, however compliance to specific requirements is sometimes not observed by the LGUs. Hence, is there a way to pressure the LGUs in terms of compliance?**

According to Mr. Luz, in business permits and licensing system causes a lot of grieves due to long process. Simplification and consolidation of processes may be of great help, and at present, some LGUs are moving faster due to utilization of technology to streamline the process. HLURB could participate in one of the task forces of NCC to provide solutions in standardization of the system in terms of socialized housing.



Also, MBC and HLURB can have information exchanges and learning session on the previous and current projects.

6. **On educating youth on integrity and anti-corruption**

Mr. del Rosario mentioned that MBC wants to expand its initiatives through the schools to instill integrity at a young age, hence this effort will further mold and harness the students. However, it needs a comprehensive study given that challenges may come along the way, for instance it is difficult to gather student-volunteers to join the Bids and Award Committee for procurement of supplies since it takes a lot of time to understand the process.

Mr. Luz agreed to the idea and mentioned that NCC partners with the universities to send students for data collection at the local level. Hence, this provides early lessons on civic duty and inspires them to work with the communities

7. **Sharing from the Millennium Challenge Corporation (MCC)**

MCC is working with its counterpart agency MCA-Philippines for the implementation of MCC-assisted projects. During the project implementation, MCA Philippines decided to integrate an integrity pledge approach which has been found to be a very useful tool to improve the environment of openness and expectation of doing business right.

In addition, some national government agencies are also incorporating integrity pledges in their programs and projects. For instance, the Department of Public Works and Highways (DPWH) requires integrity pledges prior to entering into a bidding process.

Lastly, MCC has a 20-item dashboard and such country must pass the dashboard to qualify for the development assistance from MCC, through this the government would be more aware of its success and challenges.

VII. Summary of Key Inputs

The entire discussion points at two key issues 1) sustainability of anti-corruption and integrity initiatives and 2) political dynasty that causes corruption.

1. **Sustainability of Anti-Corruption Initiatives.** The discussion suggested two key options to sustainability; digitization and involvement of institutions.
 - a. *Digitization.* Digitize the data, share the information, and make people aware to bypass the problem of short-term political parties. However, it should be noted that it requires harnessing of questions, wherein a knowledge management team is needed. The data must be particular to problems an institution wants to look at since corruption also enters into this aspect. Therefore, continuing education is needed in the system of reforming governance.
 - b. *Involvement of Institutions.* Institutions like the Ombudsman need to undergo a long process of looking at options to improve the previous governance standards. If the government wants to institutionalize the efforts on anti-corruption, there should be clear initiatives from all sectors which should be tracked properly. There is a need for a pool of information on the anti-corruption efforts to generate the entire scenario for consideration of the development partners. Therefore, in order to professionalize the data system, there is a need to seek for professional advice from knowledge managers.
2. **Political Dynasty which causes Corruption.** If the good dynasty will prevail, anti-corruption efforts will also succeed, however if there is a derail, the challenge remains on the question of accountability. There is a need to look for institutions that are beyond the political mandate of 3 or 5 years, in which the business sector and CSOs may come in. This continuity would bring check and balance in the society and as the country opens up to the region while ASEAN develops, it will still encounter interesting problems.

Looking at the global perspective while shaping-up the country's direction, issues may still come in along the process. For instance, the issue on addressing OFW concerns given the fact that prior to enhancing investment environment in the country, it is one of the major contributors to country's revenue through remittances. It is high time to look at the global scenario specifically on this area of concern since many have left the country due to their experiences on corruption that ruined their professional growth. Thus through this, it would be a true anti-corruption initiative for the Filipino people worldwide.



VIII. Closing Remarks

Ms. Angela Garcia, Executive Director of AIM Hills Program on Governance expressed her sincerest gratitude to the speakers and panelists for sharing their valuable inputs. She emphasized that the discussions are enlightening and hoped that efforts will continue leading towards inclusive and sustainable growth.

ANNEX

1. Programme of the Forum

08:30	Registration
09:00	Welcome Remarks Atty. Angela G. Garcia, Executive Director of AIM Hills Program on Governance Dr. Joachim Heidorn, Ambassador of the Federal Republic of the Germany
09:15	Introduction Mr. Robert Kressirer, Regional Director of GIZ Philippines and Pacific
09:30 10:00	Session 1 - Anti-Corruption and Integrity – A Government and Development Partners’ Perspective Panel Discussion Facilitator: Coco Alcuaz, Business News ABS CBN Key-Note Speech “Corruption and Anti-Corruption Efforts in the Philippines – 25 Years of the Office of the Ombudsman” Hon. Ombudsman Conchita Carpio Morales Opening Remarks and Panel Discussion: “Anti-Corruption and Integrity in Budgeting and Management—Challenges for Development” Hon. Florencio B. Abad, Secretary, Department of Budget and Management, Head of Cabinet Cluster Governance and Anti-Corruption “Anti-Corruption and Integrity in German Development Cooperation – Policies and Strategies on Anti-Corruption” Dr. Stefanie Teggemann, Head of Anti-Corruption and Integrity Program, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) “Impacts of Corruption on Sustainable Development and Achievement of the MDGs – Approaches on How to Address Them” Toshihiro Tanaka, Country Director of UNDP
11:20	Open Forum
12:00	Session 2: Panel discussion: Anti-Corruption and Integrity – A Civil Society and Business Perspective Facilitator: Dr. Federico Macaranas, Core Faculty, Washington SyCip Graduate School of Business Panel Members: <ul style="list-style-type: none">• Peter Conze, Co-founder of Transparency International• Ramon R. del Rosario Jr., Chairman of the Makati Business Club• Guillermo M. Luz, Co-Chair of National Competitiveness Council• Donato Dionisio Marcos, National President of the League of Municipalities of the Philippines
13:20	Open Forum
14:00	Closing

2. Profiles Speakers, Panelists and Panel Facilitators *(in order of appearance)*

Angela G. Garcia, JD

Executive Director of AIM Hills Program on Governance



Professor Angela G. Garcia, JD is a core faculty member of the Executive Education and Lifelong Learning Center (EXCELL), and is concurrently the Executive Director of the AIM RVR-CV Starr Center for Corporate Governance and the Hills Program on Governance.

Prior to joining AIM, she was a Partner at Skadden, Arps, Slate, Meagher & Flom LLP in New York City, where she focused on corporate and complex commercial litigation. She has had experience with a wide variety of pre-trial, trial and appellate work in both federal and state courts.

Prof. Garcia holds a Juris Doctorate from the Georgetown University Law Center where she graduated cum laude (1989). She received her Masters in Philosophy in International Relations and Diploma in Development Studies from the University of Cambridge (1984), and her BA from Mount Holyoke College cum laude (1982).

Dr. Joachim Heidorn

Ambassador of the Federal Republic of Germany



Dr. Joachim Heidorn has been the Ambassador of the Federal Republic of Germany to the Philippines since 2011. Prior to this, he served as the Ambassador of Germany to the Hashemite Kingdom of Jordan for three years (2008-2011).

Dr. Heidorn's diplomatic experience spans over 25 years. This began in 1985 when he worked in the Middle East Division of the Federal Foreign Office. From 1986-1988, he worked for the German Embassy in London. He was Deputy Head of Mission in the following: Tripolis (1988-1991), Colombo (1992-1996), and Riad (2001-2004). Furthermore, he served as the Head of Division Public Diplomacy of the Federal Foreign Office (2004-2007).

Robert Kressirer

Regional Director, GIZ Philippines and the Pacific



Mr. Kressirer is the Country Director for the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. Prior to this, he served as the Country Director for Zambia and Zimbabwe, and held head positions in various projects in the former GTZ. He also worked as Land Use Planner/GTZ Co-ordinator "Sustainable Animal and Range Development Programme (SARDEP)", Conceptual Planner in Division "Quality Assurance and Economics of Projects" (GTZ Eschborn), and Specialist for Planning, Monitoring and Evaluation in the "Integrated Rural Development Programme in the North-Western Province of Zambia". Mr. Kressirer also did consultancies in the fields of rural development, tourism planning, and agriculture.

Ombudsman Conchita Carpio Morales

Office of the Ombudsman



Upon her retirement as Associate Justice of the Supreme Court, Justice Conchita Carpio Morales was appointed as Ombudsman of the Philippines. In 1971, she joined the Department of Justice as Special Assistant to then Justice Secretary Vicente Abad Santos. After almost 12 years at the Department of Justice, she joined the Judiciary in 1983, when President Ferdinand Marcos appointed her as Regional Trial Court (RTC) Judge in Pili, Camarines Sur.

In 1986, President Corazon Aquino appointed her as RTC Judge in Pasay City. In 1994, President Fidel V. Ramos appointed her to the Court of Appeals where she eventually headed its 7th Division. In 2002, upon the unanimous endorsement of the members of the Judicial and Bar Council, she was elevated to the Supreme Court by President Gloria Macapagal- Arroyo.

A reform-oriented member of the Judiciary, she acted as the Chairperson of the Supreme Court's Committee on Gender Responsiveness in the Judiciary, and a member of the Committee on Knowledge Sharing and Exchange. A Bar Examiner in Legal Ethics in 2000, she was the Chairperson of the 2010 Bar Examinations Committee.

During the Centenary of UP in 2008, the UP Alumni Association conferred on Justice Carpio Morales the Outstanding Award in Championing Justice/Judiciary. In June 2011, she was adjudged as one of the Ten Outstanding Manilans for her contribution in the field of law and jurisprudence.

Sec. Florencio "Butch" B. Abad

Secretary Department of Budget and Management (DBM)



Sec. Abad is currently the Secretary of Budget and Management. He also served as the former Secretary of Agrarian Reform under former President Corazon Aquino's administration and as the Secretary of Education under former President Gloria Macapagal-Arroyo's administration.

Since assuming the role of Budget and Management Secretary, he has successfully spearheaded several expenditure reforms—including Zero-Base Budgeting, Bottom-Up Budgeting, early budget enactments, deeper civil society engagement, and landmark digitization initiatives—effectively bringing greater transparency, accountability, and openness in the public expenditure process. Abad has also done extensive work in the academe and the public and non-government sectors. He served as a research director at the Ateneo Center for Social Policy and Public Affairs in 1986 and has been a regular lecturer at the Ateneo de Manila University's College of Arts and Sciences, School of Government, College of Law and Graduate School of Business. He was also a legal and management consultant to different local and foreign foundations.

Stefanie Teggemann

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)



Stefanie Teggemann is the Head of the Anti-Corruption and Integrity Program at GIZ, advising the German Government on Anti-Corruption policy as part of German development cooperation. Prior to that she was a Senior Public Sector Specialist at the World Bank where she managed lending and research projects on public sector governance and Anti-Corruption in Africa and Indonesia. One of her passions is leadership – a trained coach herself, she brings leadership approaches to the development arena. She holds a Master of Public Administration from Harvard Kennedy School of Government and a MA-equivalent in East Asian Studies from Duisburg University, Germany.

Toshihiro Tanaka

Country Director, United Nations Development Programme



Mr. Toshihiro Tanaka is the United Nations Development Programme Country Director in the Philippines. Prior to this, he also served as the UNDP Country Director in Pakistan (2009-2012) and in Myanmar (2008-2009). He was also the Deputy Resident Representative in Bhutan (2004-2008) and China (2002-2004), and was the Assistant Resident Representative in China (1999-2002) and Myanmar (1994-1997). Mr. Tanaka's over 28 years of development field experience started in 1983 when he served as the national table-tennis coach in Peru under Japan Overseas Cooperation Volunteer (JOVC) Program. He also served as JOVC Coordinator in Dominican Republic. Before working with UNDP, he worked as a researcher in the Institute for International Cooperation, JICA.

Peter Conze

Transparency International



Peter Conze has been active in German development cooperation for 35 years and now works as a consultant in Berlin, focusing in the area of civil society. His many assignments in GIZ include being an assistant to the management board, advisor to the government of Somalia, Head of Department for Southern Africa and the first Head of Department for Eastern Europe after the collapse of the Soviet Union. Mr. Conze further headed the German government's contribution, with a focus on development policy, for/of the Expo 2000 in Hanover. After this he became Head of Division for Africa in the GIZ Head Office, a position he held for 7 years. Lastly, he was appointed Country Director for the GIZ Office in South Africa. He is also a founding member of the anti-corruption organization, Transparency International.

Ramon R. del Rosario Jr.

Chairman, Makati Business Club



Mr. Ramon R. del Rosario, Jr. is the President and Chief Executive Office of Philippine Investment Management, Inc. and of PHINMA Corporation (formerly Bacnotan Consolidated Industries). He is Vice Chairman of Trans-Asia Oil and Energy Development Corp. and Chairman of the Boards of Trustees of the educational institutions under the PHINMA Education Network – University of Pangasinan, University of Iloilo, Araullo University, and Cagayan de Oro College and other PHINMA-managed companies: Trans-Asia Power Generation Corp., Trans-Asia Renewable Energy Corp., Microtel Inns and Suites (Pilipinas), Inc., Microtel Development Corporation, Fuld & Co., Inc. and Fuld & Co. (Phils.), Inc. He also serves on the Boards of Ayala Corporation and Holcim Philippines, Inc. and of other PHINMA companies.

Mr. del Rosario served as the Philippines' Secretary of Finance under President Fidel V. Ramon from 1992 to 1993. He is Chairman of the Makati Business Club, Integrity Initiative, National Museum of the Philippines, Philippine Business for Education (PBEd), and the Philippines-U.S. Business Council. He is the sole private sector member of the Legislative-Executive Development Advisory Council (LEDAC) of the Republic of the Philippines. He is a member of the World Bank-Civil Service Organization (CSO) Advisory Group. He is Vice Chairman of Caritas (Manila), and member of the Boards of Trustees of De La Salle University, the Ramon Magsaysay Award Foundation, Philippine Business for Social Progress (PBSP), Synergeia, and the PinoyME Foundation. Mr. del Rosario obtained his BSC-Accounting and AB-Social Sciences degrees (*Magna cum Laude*) from De La Salle University and Masters in Business Administration degree from Harvard Business School.

Guillermo M. Luz

Co-Chair, National Competitiveness Council



Guillermo M. Luz is the Private Sector Co-Chairman of the National Competitiveness Council. From 2006-2011, he was the Executive Vice President and Chief Operating Officer of Ayala Foundation and concurrently served as Director of Ayala Museum. From 1987 to 2006, he was the Executive Director of the Makati Business Club and at the same time was the Executive Director of Philippines-United States Business Council, Philippine-British Business Council, Philippines-France Business Council, Philippines-Singapore Business Council, and Philippines-Malaysia Business Council. Mr. Luz was the Secretary-General of NAMFREL, overseeing preparations for its Operation Quick Count and poll watching in the 1992, 1995, 1998, 2001, and 2004 elections.

Panel Facilitators

Coco Alcuaz

Business News ABS CBN



Alcuaz is the head of Business News and anchors Business Nightly at ANC, the news channel of ABS-CBN.

He previously served as the Manila Bureau Chief of international cable news channel Bloomberg.

Dr. Federico Macaranas

Core Faculty, Washington SyCip Graduate School of Business



Prof. Macaranas is part of the Core Faculty roster of the Washington SyCip Graduate School of Business (WSGSB). He is also a full time professor in the Asian Institute of Management. He was the president of Clemente Holdings (Asia) Ltd. and served as senior adviser on direct investments and mutual funds and economic adviser to the First Philippine Fund (New York). He also served as the Assistant Secretary of Foreign Affairs under the current administration. Under the Ramos administration, he became Undersecretary for Economic Affairs and served as Chairman of the 1996 Senior Officials Meetings of the Asia-Pacific Economic Cooperation (APEC). In 2001, President Arroyo conferred on him the Gawas Mabini, Dakilang Kamanong Award, the highest award given by the Philippine government for diplomatic service.

At the Asian Institute of Management (AIM), he was formerly the dean of the Center for Development Management. He also headed the AIM Policy Center and was the chairman of the Center for Servant Leadership, Philippine Chapter of the Greenleaf Center for Servant Leadership.

4. Final Participants List

	Asian Institute of Management (AIM)	
1	Angela G. Garcia	Executive Director, Hills Program on Governance
2	Steve Almeda	
3	Ronald Mendoza	Executive Director, Policy Center
4	Anne Ong Lopez	
	Asian Development Bank (ADB)	
5	Mario Sander -von Torklus	Executive Director
6	Claudia Buentjen	Principal Country Specialist
7	Joven Balbosa	
8	Evelyn T. Dum Dum	Justice Sector Coordination Specialist
	ANC	
9	Coco Alcuaz	Head, Business News
	Anti Money Laundering Council	
10	Atty. Julia Bacay-Abad	Executive Director
11	Atty. Vivian Magno	Bank Officer III
	Australian Agency for international Development (AusAid)	
12	Warren Turner	Team Leader, PFMP
	Bayani Consulting Network, Inc	
13	Manuel Cantos	Corporate Secretary
	British Embassy	
14	Nell Belgado	Project Manager
	Commission on Audit	
15	Atty. Gloria Galanida-Calvario	Attorney VI
	Congressional Policy and Budget Research Department (CPBRD)	
16	Prince Cal Mamhot	
	Department of Agrarian Reform (DAR)	
17	Cristeta P. Pacis	PARO
18	Atty. Remedios U. Mupas	Atty II
	Department of Budget and Management (DBM)	
19	Hon. Florencio B. Abad	Secretary
20	Anton ...	EA to Sec. Abad
21	Kurt Tordesillas	Media Writer
22	...G. Falees	AA
	Department of Health (DoH)	
23	Lourdes C. Macabulos	OIC - Chief Admin Officer
24	David Lozada, Jr.	Undersecretary
25	Ma. Corazon B. Nubla	
26	Socorro A. Balbino	
	Department of Interior and Local Government (DILG)	
27	Dir. Francisco Cruz	CESO IV, MMG
	Department of Justice (DoJ)	
28	Zabedin M. Azis	Assistant Secretary
29	Atty. Wilberto Tolitol	State Counsel IV
	Environmental Science for Social Change	
30	Sylvia Micat	Executive Director
34	Mariel de Jesus	Program Coordinator
	German Embassy	
32	Dr. Joachim Heidorn	Ambassador
33	Christoph Hunold	Junior Attorney

	Gesellschaft für Internationale Zusammenarbeit (GIZ)	
34	Robert Kressirer	Regional Director
35	Claudia Ilting	Country Manager
36	Dr. Bernd-Markus Liss	Principal Adviser
37	Wolfgang Moellers	Deputy Regional Director/Portfolio Manager
38	Elpe Canoog	Senior Adviser
39	Dr. Antonis Malagardis	Program Director
40	Don Ignacio	Senior Adviser
41	Bojan Auhagen	Junior Adviser
42	Dr. Stefanie Teggemann	Head of Anti-Corruption and Integrity Program
43	Dr. Detlev Boettcher	Integrity Adviser
44	Lotte Feuerstein	Advisor
	Governance Commission for GOCCs	
45	Cesar Villanueva	Chairman
	Housing and Land Use Regulatory Board (HLURB)	
46	Ria Golez-Cabrera	Commissioner
47	Atty. Deanna Pena	
	Insurance Commission	
48	Emmanuel Dooc	Commissioner
	Makati Business Club (MBC)	
49	Ramon del Rosario, Jr.	Chairman
52	Jose Cortez	
51	Edward Gacusana	
	Millenium Challenge Corporation (MCC)	
52	John A. Polk	Deputy Resident Country Director
53	Cheryl Rose Orata-Idjao	Development Assistance Specialist
	National Competitiveness Council (NCC)	
54	Guillermo M. Luz	Co-chair
	National Economic and Development Authority (NEDA)	
55	Joseph Lalog	OIC Assistant Director
	Office of the Ombudsman	
56	Hon. Conchita Carpio Morales	Ombudsman
57	Orlando C. Casimiro	Overall Deputy Ombudsman
58	Gerard A. Mosquera	Deputy Ombudsman for Luzon
59	Rudiger G. Falcis II	Director
60	Wendell E. Barreras - Sulit	Special Prosecutor
61	Asryman T. Rafanan	Assistant Ombudsman
62	Maribeth T. Padis	Assistant Ombudsman
63	Joselito P. Fangon	Assistant Ombudsman
64	Aleu A. Amante	Assistant Ombudsman
65	Marilou A. Mejica	Assistant Ombudsman
66	Evelyn A. Baliton	Assistant Ombudsman
67	Leilanie Bernadette C. Cabras	Assistant Ombudsman
68	Weomark Ryan G. Layson	Assistant Ombudsman
69	Mary Susan A. Guillermo	OIC
70	Dennis Russell D. Baldago	Director
71	Rhodora F. Galicia	Acting Director
72	Rafael G. Hipolito	Acting Director
	Office of the President	
73	Atty. Froilan Montalban, Jr.	
74	Anthony Lewis	

75	Ma. Richelle Quintos	
76	Ma. Christina A. Mina	
77	Corinne Francesca Atutubo	
	Presidential Legislative Liaison Office	
78	Evelyn Ruiz	Director IV
	Presidential Management Staff	
79	Joaquin Romeo Santiago	
80	Katherine Balmes-Lingan	
	Sandiganbayan	
81	Ritchelle Desingaño	Court Attorney IV
	Senate Economic & Planning Office	
82	Levi Buenaventura	
	Swiss Embassy	
83	Ivo Sieber	Ambassador
	Transparency International (TI)	
84	Peter Conze	Co-Founder
	Transparency International Philippines	
85	Melanie Movenso	
	United Nations Development Programme (UNDP)	
86	Toshihiro Tanaka	Country Director
87	Pamela Grafilo	UNDP Programme Associate
	United States Agency for International Development (USAID)	
88	Kathleen Cruz	Development Specialist
89	Phyllis Cox	Chief of Party, Integrity for Investments Initiative
90	Mercy Ria Orca	Program Management Specialist, OEDG
	Media Organizations Represented (partial)	
	ABS	
	Business World	
	GMA 7	
	GMA 7 News Online	
	Interaksyon	
	PTV	

4. Copy of Speeches

Welcome Remarks – Atty. Angela G. Garcia, Executive Director of AIM Hills Program on Governance

Ombudsman Conchita Morales, Ambassador Joachim Heidorn, Ambassador Ivo Sieber, international development partners, ladies and gentlemen . . .

Good morning!

On behalf of the Hills Program on Governance at the Asian Institute of Management, I would like to extend a very warm welcome to all of you and to thank you for coming to this forum on “Corruption and Development: How Anti-Corruption Can Be Integrated into Development Measures to Ensure Sustainable Development and Inclusive Growth.” We are honored to be hosting this conference in partnership with the Office of the Ombudsman and GIZ as part of the 25 th Anniversary celebration of the Office of the Ombudsman.

The Hills Program was set up at AIM in 10 years ago to address governance issues at the intersection of the public and private sectors. We operate on the premise that corruption is a major impediment to development. It creates an uneven playing field, distorts the free market economy, brings down the quality of products and services, and discourages both domestic and foreign investments.

The Aquino administration deserves a lot of credit for making anti-corruption a top priority, and already it is making much progress as reflected in both local and international surveys. But much work remains to be done. To keep up the momentum, the administration needs the support of not only the citizenry but also international development partners. We all need to work together to develop systems that will reduce opportunities for corruption in both the public and private sectors. We have an exciting line up of speakers who will share their insights and different perspectives -- from government, the business community, civil society, academia and international development partners. We hope that this conference will be the start an ongoing dialogue that will lead to tangible actions for ensuring sustainable and inclusive growth in this country.

I would now like to invite Dr. Joachim Heidorn, Ambassador of the Federal Republic of Germany to the Philippines, to say a few words of welcome.

Opening speech - Robert Kressirer, Regional Director GIZ

Honourable Ombudsman, Honourable Secretary, Excellencies Ambassador of the Federal Republic of Germany and Switzerland.

To be the world's leading provider of international cooperation services for sustainable development, this is how the vision of GIZ reads. In order to ensure sustainable development governments like the government of the Philippine must be able to access tax and other payments within its legal system for planning and implementation of development measures for its citizens.

GIZ in many countries actively supports governments to increase their tax basis through support to ministries of finance e.g. in budget planning and execution, or transparent procurement services, or to create transparency on state income and spending including the Extractive Industries Transparency Index (EITI) etc. Corruption as we are all well aware a serious threat to sustainable development and the improvement of living conditions of still hundreds of millions of people around the globe.

Worldwide we are told that up to 1 trillion US \$ is lost through corruption. These funds are dearly missing for sustainable development in sectors like education, health, infrastructure, economic development and many more.

In the Philippines figures indicate that up to 20% of the national budget is annually lost due to corruption. In 2010 about 20 % would have been roughly 300 billion PhP. This amount if spent would be equivalent to 600.000 classrooms, 1.6 mio additional teachers or 127 km of new roads to name a few options for sustainable development. But corruption is not only a national issue.

The Philippines signed the UNCAC already in 2003 and ratified it in 2006. With the Philippines and Germany 165 countries have signed the United Nations Convention against Corruption which acknowledges the worldwide extent and seriousness of corruption.

However, there are also encouraging activities and initiatives on anti-corruption. Let me share with you the Philippines successes. First and foremost there is the President's agenda against corruption which among others is reflected in the work of the Government cluster on governance and anticorruption and the related PDF Working Group.

We however, know further actions in the Philippines to fight corruption, amongst them are the

- a. Seal of good housekeeping for Local Government Units
- b. Philippine Government Electronic Procurement System
- c. Anti-Red Tape Act and the Report card System
- d. And many more

Besides supporting governments in sustainable development and their efforts to combat corruption GIZ has a very keen interest on its own to work in a transparent and corruption free manner. The majority of funds GIZ implements on behalf of the Federal Government of Germany come from German taxpayers who demand accountability of their tax money when it is spent for sustainable development in more than 130 countries.

GIZ on a worldwide basis annually procures goods and services for 1 billion Euros, or 50 billion Pesos and has to ensure strict control and accountability on these funds. In this context GIZ has established its own system of transparency, integrity and anticorruption.

Let me briefly share with a few programs GIZ supports in the Philippines which strengthen government on various levels and contribute to good governance and anticorruption:

- e. the decentralisation program, e.g. with an electronic land tax system for Local Government Units.
- f. We also support transparent land use planning processes for better and organised access to land, and
- g. we contribute to conflict sensitive resource and asset management in the Caraga region in Mindanao for more peaceful and transparent processes for resource use and benefits thereof.

We are very honoured that the Office of the Ombudsman of the Philippines and the Asian Management Institute have agreed to partner with GIZ in organising today's event. I also like to thank the German Ambassador for his presence and welcome address. I am sure that our development partners from other countries are as committed as GIZ is in their support to the Philippine government in its efforts in anti-corruption. I like to call for this spirit in our joint efforts to support the Philippines in its efforts for sustainable development.

Ating ipagpatuloy ang magandang nasimulan at patuloy na kasipagan.

Salamat Po

Speech Mr. Toshihiro Tanaka - Country Director, United Nations Development Programme - Philippines

Ombudsman Conchita Carpio Morales; Department of Budget and Management Secretary Florencio Abad; German Ambassador Joachim Heidorn; GIZ Regional Director for the Philippines and the Pacific Islands, Robert Kressirer; German Federal Ministry for Economic Cooperation and Development, Dr. Stefanie Teggemann; AIM Hills Programme on Governance Executive Director Angela Garcia; Partners, and friends from civil society, government and development agencies; Distinguished guests, ladies and gentlemen;

Magandang umaga po sa inyong lahat!

Immediately after my arrival in Manila as the Country Director of UNDP, I was honored to co-chair the Philippine Development Forum Sub-Working Group on Anti-Corruption to support the honorable Ombudsman, Justice Conchita Morales. It was impressive to see the high level of commitment as well as donors' and public support to the anti-corruption drive in the Philippines that is the core strategy of the current Administration.

As we are aware, the Philippines is confronted by deep rooted challenges of corruption in the past decades. In 2012, Philippines scores 34/100 in 2012 Corruption Perceptions Index of Transparency International – with 0 perceived to be highly corrupt to 100, which is perceived to be very clean. The country still belongs to two thirds of the 176 countries ranked who scored below 50. With this, the Philippines need to do more in the fight against corruption. Moreover, early 2013, a report by the Political and Economic Risk Consultancy, a firm specializing in strategic business analysis for companies doing business in East and Southeast Asia, indicates that the Philippines ranks third in terms of corruption risk of doing business among countries in the Asia Pacific region.

We all know that corruption heavily impacts and diverts already limited resources meant for delivering critical public goods and services for all citizens, particularly the poor and the most vulnerable.

In a real term, this translates to lesser government budget to deliver much needed services. This means less classrooms, less hospitals, less kilometers of farm to market roads for remote villagers, less protection from diseases for mothers and children, and less access to potable water for waterless villages, among others.

The absence of physical infrastructures and the deficient quality of existing infrastructures are typical manifestations of the negative impacts of corruption. Moreover, corruption created an adverse effect on the timeliness, relevance, effectiveness and efficiency of the services meant to save, protect and sustain the lives and livelihoods of the people in need of such quality services at an affordable cost.

It is obvious that the poor, the voiceless and powerless people suffer the most by the wide spread effects of corruption as they have no means to negotiate their terms are neither made aware of their rights nor what has been taken away from them through corruption.

Today, I am tasked to discuss the anti-corruption efforts in terms of its effects on the achieving of MDGs. As you well know, the UN Millennium Development Goals or MDGs were established to reduce the number of the people in the country and in the world who do not have access to jobs, education, health care, potable water and sanitation and other basic human needs. It is a commitment of countries around the world, Philippines included, to eradicate extreme poverty and hunger, achieve universal primary education, promote gender equality, reduce child mortality,

improve maternal health, combat HIV/AIDS, malaria and other diseases, ensure environmental sustainability, and promote global partnership for development by 2015.

With reduced resources, less infrastructure, lower quality of services, and inappropriate targeting, corruption in its all forms undercuts the country's chances in meeting its development goals—achieving MDGs that target the poor, mother and children, in particular.

With two years left, a recent study made by the National Economic and Development Authority (NEDA) shows that the country faces difficulty ensuring universal access to primary education. Currently, 5.2 million Filipino school-aged children remain out of school while the significant part of those enrolled drop out after reaching Grade 1. The Philippines also struggles to improve maternal health, as 54 percent of total pregnancies are unplanned. The lack of access to reproductive health services causes 11 mothers to die every day due to pregnancy-related causes. There is also concern over the accelerating incidence of HIV cases. The country is among the nine countries worldwide that have recorded more than 25 percent rise in HIV incidence. To date, about six Filipinos are getting infected with HIV each day.

The UNCAC and Sectoral Approach to Combat Corruption

Indeed, corruption is a major threat to achieving the MDGs as it diverts resources away from the poor households who are already suffering from the lack of such resources. A successful campaign against corruption demands political commitment and leadership, far-reaching reform, and broadly based coordination among stakeholders and amidst various pressing, sometimes conflicting, and priorities.

In this regard, the United Nations Convention against Corruption (UNCAC) provides a viable normative framework to guide prioritization and operationalization of anti-corruption efforts towards achieving poverty reduction and MDGs that also leads to the realization of the Aquino Administration's social contract with the Filipino people.

To be effective, the UNCAC represents a global consensus that recognizes the importance of both preventive and punitive measures. It also addresses the cross-border nature of corruption with provisions on international cooperation and on the return of the proceeds of corruption. The Convention further calls for the participation of citizens and civil society organizations in accountability processes and underlines the importance of citizens' access to information.

The Philippines recently concluded its periodic UNCAC review in 2012. The outcome of the review process of UNCAC implementation in the Philippines presents a huge opportunity for building wide consensus for political and policy reform to address corruption at the national and local levels.

We recognize that the issues and the responses needed to address corruption are complex. Where do we begin to address such issues? Evidence from the field shows that mainstreaming of good governance and anti-corruption measures into sectoral reforms and plans may lead to better results. In this way, anti-corruption efforts becomes more focused and contextualized within the realities and challenges of a particular sector may it be that of health, education, water or the environment. Each sector has its own threats and vulnerabilities relating to corruption and as such, solutions are to be found according to such reality.

Other key players are the local governments. LGUs are the main catalysts to effect national MDG policies and translate them to local action plans and programs. Introducing good governance and anti-corruption policies and measures into local government units and converting political leadership of the local governments into champions of anti-corruption and

MDGs will have far-reaching impacts on not only the achievement of MDGs but also the sustainability of MDGs.

At the end of the day, there is no doubt that addressing corruption vulnerabilities in MDG sectors especially at the local government level would help materialize much needed improvement in public service delivery.

Example of non-compliance by LGUs in implementation of Solid Waste Management Act (by CD)

Participatory Public Finance and Governance for the MDGs

Participatory public finance is another area that is of paramount importance to fight corruption and meet the MDGs. Fiscal policy determines how, where and to what extent public funds should be made available to materialize these development outcomes and commitments.

Good fiscal governance should provide for transparent political decision-making processes and administrative procedures that put citizen participation at its core. It shall lead to an enhanced transparency, legitimacy, predictability and relevance in the public finance processes. We also recognize the critical role of the media and NGOs to monitor the progress and call for attention and actions to institute good governance.

In a concrete term, we are currently working with the Civil Service Commission to implement the Anti-Red Tape Act through engaging citizens to monitor its implementation. With the Office of the Ombudsman, we support the establishment of a multi-stakeholder mechanism to monitor compliance to the UNCAC. With CSOs, we support strengthening of the capacities of the citizens and organized groups to perform oversight roles and engage with the governments at various levels and in all phases of the Public Finance, such as revenue generation, budgeting, public expenditures, debt management and audit.

Uprooting of corruption is the responsibility of each and every citizen of the society and that of both the public and private sectors. It is only through the engagement and commitment of all stakeholders and all walks of life, the Philippines may succeed to achieve its goal of creating an incorruptible society and eradicating poverty from it, as they are interconnected and mutually supportive.

Concluding Remarks

Before I conclude my message this morning, please be assured that we take great encouragement in the steps shown by this administration to combat corruption and instill good governance. Anti-corruption efforts are a key thrust of the national programme, “kung walang corrupt, walang mahirap”, which has already started to yield some promising results.

In 2011, the Philippines improved its standing in Transparency International’s Corruption Perception Index from 134th to 129th. And in 2012, it has done even better, moving up 24 points to 105th. The journey may still be very long, but the first and firm steps are being taken to the right direction.

I hope that today’s forum could very well be the start of a more sustained and vigorous effort to promote and to mobilize people’s participation and governments’ commitment at all levels to achieving MDGs through enhanced integrity and accountability.

To conclude, I would like to thank the Office of the Ombudsman, Department of Budget and Management, GIZ, development partners and to all the advocates of good governance and MDGs in this room for your resolve, dedication and commitment.

I feel very honoured and fortunate to be part of this great team and look forward to continued partnership of integrity and accountability. Maraming salamat po at mabuhay!