



Signing of MMURTRIP. WB Country Director for the Philippines Robert Vance Pulley and Finance Secretary Jose Isidro Camacho sign the loan and grant agreements for the project that will help improve traffic in Metro Manila.

## New Country Director for the Philippines



The World Bank has a new Country Director for the Philippines – Robert Vance Pulley, who assumed his post on July 30. Van, as called by friends, is an economist who has been with the Bank for 14 years. Mr. Pulley succeeded Vinay Bhargava, who has served in the Philippines for more than five years.

Mr. Bhargava has returned to the Bank's headquarters in Washington D.C. as Senior Adviser to the Vice President of East Asia and the Pacific and Acting Country Director for

## Gov't-GEF-WB Project To Improve Traffic and Environment

The Philippine Government and the World Bank recently signed the agreements for a US\$60 million loan and a US\$1.3 million equivalent grant for the Metro Manila Urban Transport Integration Project (MMURTRIP).

MMURTRIP aims to enhance the quality of life and economic productivity of Metro Manila residents by improving the efficiency and safety of the transport system through better access to public transport and non-motorized transport. In particular, the project will help reduce pollution by promoting the use of bicycle in Marikina City as an alternative to motorized transport.

The World Bank will provide a US\$60 million loan while the Global Environment Facility (GEF) will provide a US\$1.3 million equivalent grant. The total project costs, including the government's counterpart fund, are estimated at US\$97.6 million.

GEF provides grant and concessional funds to countries for projects that aim to protect the global environment. It addresses four critical threats to the environment – biodiversity loss, climate change, degradation of international waters, and ozone depletion.

### Help Lower-Income Commuters

"This project is another solid manifestation of the government's



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# Gov't, WB Sign \$2.45M Grants for Mindanao



The Philippine Government and the World Bank signed last June two grant agreements for Mindanao totaling US\$2.45 million.

The grants – the first to be financed by the Japan Social Development Fund and the second by the Bank – will support the government's programs that promote sustained peace and speedy reconstruction in Mindanao, particularly in conflict-affected communities.

The agreements were signed by former Finance Secretary Alberto Romulo and former WB Country Director for the Philippines Vinay Bhargava. The signing was witnessed by Jemal-uddin Kassum, the Bank's Vice President for East Asia and the Pacific.

### Lasting Benefits

Reiterating the government's commitment to promote peace and development in Mindanao, Mr. Romulo said such assistance would bring lasting benefits to the country.

"It will help the government address the deep-rooted issues affecting peace

and development in the region and render critical interventions to alleviate the dismal living conditions especially of the sectors most severely victimized by war and poverty," he said.

Mr. Kassum said the two grants would expand the Bank's on-going assistance for the long-term economic and social development of Mindanao.

### Basic Services

On top of the grants, 18 of the 24 Bank-assisted projects, which total US\$770 million, support various projects that provide basic services like water, health and nutrition, schools and textbooks, roads and irrigation systems to the people in Mindanao.

Mr. Kassum said the implementation of these projects could be accelerated as the peace and order situation in Mindanao improves. "Peaceful conditions and a Mindanaoan-demand driven program are prerequisites for Mindanao's long-lasting development," he said.

The first grant of US\$1.5 million will be managed by the Fund Management Office of the Special Zone for Peace

and Development (SZOPAD) Social Fund Project. It will finance capacity building and microfinance assistance for community-based and microenterprise activities of indigenous people, women and widows in the SZOPAD area.

Using a set of agreed guidelines and procedures, sub-grants will be awarded to non-government organizations (NGOs) and people's organizations (POs) for them to undertake capacity building assistance and provide credit to groups or individuals.

### Sustainable Livelihood

The Bank has received more than 50 proposals from NGOs and POs amounting to US\$2.15 million. Emphasis will be given to sustainable livelihood, which can be replicated through follow-on assistance programs.

The second grant of US\$950,000 will help in the preparation of a long-term peace and development plan for Mindanao. It will finance a social assessment of the needs of conflict-affected communities in Mindanao.

The grant will also pilot test approaches to enable evacuees and those directly affected by the armed conflict to return to their communities.

Meanwhile, Mr. Bhargava emphasized the need for the implementing agencies to have adequate staff, clear-cut responsibilities and accountabilities. "Moreover, design and implementation should be based on adequate consultation and feedback mechanisms, which will be supported by these grants," he said.



# Small Grants Program Supports 6 NGO Projects

*As of June 30, 2001*

The World Bank's Small Grants Program (SGP) recently approved the requests of six non-government organizations (NGOs) for funding of their projects.

These projects would support people's monitoring of government projects, reform in the government's revenue collection, promotion of good governance by legislatures in Asian countries, participation of civil society in information and communication technology policy, consultation on tariff on agriculture, and discussion on coastal-based resources management.

The approved projects are the following:

- Conference Workshop Towards Developing a People's Monitoring and Reporting Mechanisms of Government Projects – *Transparency International Philippines, \$10,000*
- Building Civil Society Support for Revenue Reforms – *Foundation for Economic Freedom, Inc., \$10,000*
- Asian Regional Forum on Legislative Oversight for Good Governance – *Center for Legislative Development, \$10,000*
- Enabling Philippine Civil Society Policy Development in Information and Communications Technology Issues – *Foundation for Media Alternatives, \$9,271*
- Workshop on Capacity Building of POs and NGOs on the General Agreement on Tariffs and Trade-Uruguay Round Agreement on Agriculture – *Philippine Rural Reconstruction Movement, \$10,000*

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## WB Grant to Help Poor LGUs Strengthen Financial Accountability

The World Bank and the Philippine Government recently signed the agreement for a \$250,000 grant that will help poor local government units (LGUs) strengthen their financial accountability.

The grant agreement was signed by WB Country Director for the Philippines Robert Vance Pulley and Finance Secretary Jose Isidro Camacho.

Many poor LGUs have failed to effectively manage their financial resources and operations because of weakened governance structure caused by the regional financial crisis in the late 1990s.

In particular, the grant will support

activities that will improve the capability of poor LGUs in managing and auditing their financial resources and operations.

Specifically, an improved LGU financial management system will be prepared. The system includes a financial management information system plan and charts, integrated regulatory and management reports, manuals and hands-on financial management training of budget, treasury and accounting staff of LGUs, and a financial management orientation for the LGU head and deputy.

Furthermore, the auditing system and procedures of poor LGUs will be

improved. An audit methodology, program and procedures will be designed and prepared, including an audit manual and hands-on training of auditors. The organization structure of the Commission of Audit (COA) for the audit of LGUs will also be assessed and improved.

These activities will be implemented by the COA in coordination with the Department of Finance through its Bureau of Local Government Finance and Municipal Fund Office. The grant will benefit six pilot LGUs – fifth and sixth class LGUs in Mindanao and one in Bicol; one first class LGU in Metro Manila and one average LGU outside Metro Manila.



# A Toast to

A light occasion to remember the World Bank's partnership with various members of Philippine society – government, private sector, civil society, media, and donor community. It was also a way for the staff and friends to bid farewell to Country Director Vinay Bhargava and four managers – Aloysius Ordu,



▲ Supreme Court Chief Justice Hilario Davide, Jr. welcomes Van Pulley, the new WB Country Director for the Philippines.

Former President Fidel Ramos wishes the best for Vinay Bhargava, former WB Country Director for the Philippines.



▲ Central Bank Governor Rafael Buenaventura shares a light moment with Jemal-ud-din Kassum, WB Vice President for East Asia and the Pacific.



▲ Vinay and wife Nimmi enjoy the company of Patricia Buckles, USAID Mission Director.

# Partnership

David Howarth (not in photo), Richard Anson, and Toru Hashimoto who have since left Manila for new assignments in the Bank's headquarters in Washington D.C. At the same time, they welcomed Robert Vance Pulley, the new Country Director, and Christian Rey, Manager, Operations and Country Services Group.



▲ Aloysius Ordu, former Manager of the Portfolio Management Group, acknowledges the greetings from the Bank's guests. He is joined by his wife Allison.



▲ Toru Hashimoto, former Team Leader of the Infrastructure Group, and his wife prepare for a toast.



▲ Conrad Navarro, then president of the Philippine Rural Reconstruction Movement, in the company of Anna Marie Nemenzo of the National Anti-Poverty Commission and Marivic Raquiza of PRRM.



▲ Danilo Songco, national coordinator of CODE-NGO, shares his thoughts on the Bank's partnership with NGOs.

Richard Anson, former Team Leader of the Rural Development Group, and his wife Barbara enjoy the evening program.

## Small Grants Program Supports 6 NGO Projects

- Documentation and Sharing of the Community-Based Coastal Resources Management Program in Ragay Gulf – *Philippine Business for Social Progress, \$9,500*

Created by the Bank in 1983 as a special initiative, the SGP promotes dialogue and dissemination of information on international development in forums outside its operations. Since 1998, it has been managed and administered by the Bank's country office in Manila.

The SGP extends grants of \$5,000 to \$10,000 to projects of NGOs, cooperatives, foundations and people's organizations.

The grant should finance an activity that focuses on development issues such as poverty reduction, environmental protection, human resources and private sector development.

Activities include conferences, seminars, special editions or start-up costs of publications, audiovisual materials or other innovative networking efforts that organizations find difficult to finance through their regular program budgets.



## New Country Director for the Philippines

Myanmar and the Republic of Korea.

### Closer to Clients

Mr. Pulley, who was instrumental in reorganizing and decentralizing the Bank's operations in East Asia and the Pacific in the last three years, cited the importance of working closer to the Bank's clients.



**Turn Over.** *Vinay welcomes Van, the newly appointed Country Director for the Philippines.*

"From my experiences in the Bank and in earlier community development work, I realize how important it is to be closer to clients; to build strong partnerships with our many constituents in the government, civil society, the private sector and the donor community; and to work together so that we could really make a great difference in making people's lives better," he said.

### First Representative in Jamaica

Mr. Pulley was the Bank's first Resident Representative in Jamaica, where for four years he helped the government establish a national social investment fund aimed at reducing poverty and violence in the country's most disadvantaged communities. He also

helped implement a country program that supported improvements in health, education and infrastructure.

During his career at the Bank, he has worked on agricultural sector reform in Hungary; microfinance programs in India; and infrastructure, urban, water and sanitation, municipal finance and capacity building programs in Turkey and Bulgaria.

Prior to working for the Bank – he joined the Bank as an economist in 1987 through the Young Professionals Program – Mr. Pulley managed a grants program in Indonesia as the field representative for Catholic Relief Services in the Pacific Islands.

### Community Development Worker

As part of a volunteer corps set by Georgetown University and the Society of Jesuits, he also worked as a volunteer designing community outreach programs for an agricultural technical school in Central America.

In 1983 when Mr. Pulley was an intern at the Asian Development Bank, he stayed in Pasay City for several months. In 1999, he participated in the Habitat for Humanity's Jimmy Carter Work Week in the Philippines, helping build houses for needy families in Dumaguete City, Negros Oriental.

He holds a postgraduate degree in economics and public policy from Princeton University's Woodrow Wilson School of Public and International Affairs and a Bachelor of Science in International Economics from the Georgetown University School of Foreign Service.



 1 **Gov't – GEF-WB Project  
To Improve Traffic**

commitment to improve the urban environment and help public transport users, most of whom belong to the lower income groups most exposed to the risks associated with vehicular traffic and road hazards," said Finance Secretary Jose Isidro Camacho, who signed the loan and grant agreements on behalf of the Philippine Government.

Robert Vance Pulley, newly-appointed WB Country Director for the Philippines, signed both the loan and grant agreements on behalf of the Bank. Mayor Ma. Lourdes Fernando of Marikina City, the beneficiary of the GEF grant, signed the grant agreement.

Everyday, millions of Metro Manila residents commute via public transport like buses, jeepneys and tricycles. But they are often stuck in traffic jams and are exposed to pollution. On a weekday, for instance, commuters have to bear slow traffic along EDSA as vehicles travel an average of only 15 kilometers per hour, one of the slowest rate in Asia.

### **Ease Traffic Along Major Highways**

MMURTRIP aims to ease traffic along EDSA, Light Rail Transport (LRT) 2 and 3 and South Luzon Expressway by providing good pedestrian interchange facilities, public transport lanes, and improved urban street environment. It will also implement a local bike path network in Marikina City.

MMURTRIP will be implemented by the Department of Public Works and Highways (DPWH) in coordination with the Metropolitan Manila Development Authority (MMDA) and Marikina City.

"I hope that in due time, with the diligent implementation of DPWH, MMDA, and the City of Marikina, the general riding public will reap maximum benefits from the project in terms of travel time, safety on the street, and in the case of Marikina residents, a cleaner air to be brought about by less motorized traffic and congestion," said Mr. Pulley.



## **Rosella's Journey of Hope** *From Beerhouse to Schoolhouse*

Rosella, 19, nervously took the podium on the stage which she shared with President Gloria Macapagal-Arroyo. With her were other leaders from government, business, civil society and donor community. Six years ago, Rosella had not imagined herself being able to address this crowd. At 13, she dropped out of school to work as an entertainer in a seedy drinking house. Her parents believed that girls need not finish school since they are consigned to become housewives.

Rosella is one among 11 million children and youth who could not attend school for various reasons attributed to poverty. Now, through a partnership for Filipino out-of-school youth, she can attend a technical education course in a center for young women, run by a church-based group. Many in the audience got misty-eyed as she narrated her dream. *"It is only now that I realize how sweet it is to dream, to finish my technical education and be able to have a decent job, help my family and send my siblings to school. If and when I have my own family, I will not let my children experience what I have gone through."*

The center for young women is one of several initiatives under the unique tri-sector partnership which the World Bank Office in Manila has supported since its inception. The project is also part of the Global Partnership for Youth Development, under the Business Partners for Development. The partnership puts together business, government, and civil society to form a powerful alliance that makes it possible to share and complement funds and resources that will help change the lives of the Filipino youth.

Jayshree Balachander, former Task Team Leader, recalled that the work she did

for the Out-of-School Children and Youth (OSCY) project was the most interesting and exciting of all her assignments. Back in the Bank's headquarters, she now documents this initiative for a Youth Development Report.

New Task Team Leader Teresa J. Ho and national staff Ronnie Oblepias, who visited the project sites to meet with implementors and beneficiaries, said, *"We are much impressed by the process of transformation that enriches youth and mentors alike."* For her part, Director Maureen Law of East Asia Sector for Human Development, who was present at the signing of the agreement, noted the high level of support for the initiative from business, civil society and government.

Indeed, the level of support is high. No less than President Arroyo is involved in the project. She thanked the European and the Japanese communities, as well as former World Bank Country Director Vinay Bhargava, for this initiative and special efforts to support and make funds available to the project through the Asia Europe Meeting Fund of close to US\$1 million and another US\$1 million from the Japan Social Development Fund.

The OSCY project was started when the President was still the Social Welfare Secretary and honorary chairman of the whole consortium. She said, *"It is the youth of today who will inherit this country from us, and no matter how hard we work to bring about peace and development today, everything will go to naught if a significant portion of the Philippine youths are unable to productively participate in peace and development."*



# The Filipino Report Card on Pro-Poor Services

The Filipino Report Card on Pro-Poor Services is a means by which citizens can provide credible and collective feedback to public agencies about their performance.

It was based on a client satisfaction survey done by the World Bank in collaboration with the Social Weather Stations from March 26 to April 17, 2000. It covered 1,200 households distributed nationwide in four regions – National Capital Region, Luzon, Visayas, and Mindanao.

The Report Card provides new insights that go beyond traditional quantitative measures of public services such as money spent, commodities delivered and volume of services provided. It gives a more comprehensive coverage of the qualitative dimensions.

For instance, it answers such questions as: What do ordinary citizens think of these services? Are they satisfied? How would they assess the quality and adequacy of such services? Do they think they are being treated well by government workers?

The Report Card covers five key sectors: health care, elementary education, water supply, housing and subsidized rice distribution.



**Health.** Public health services were inferior. The cost of treatment, medicines and supplies were low, as well as the quality of facilities and services. The non-poor availed most of these services than the poor do. Barangay health centers were bypassed because of their poor services and diagnosis, lack of medicine and supplies, absenteeism and personnel's lack of skill.

**Elementary education.** Public education is low in cost but poor in quality. The dropouts were mostly from poor families in the rural areas. Two out of five children not in school were Mindanao residents. Health and economic factors were the main reasons for dropping out.

**Water.** The poor pay more for water but they get less and they use less. And most

of them devise their own ways to get water, even from contaminated sources. Rural communities are underserved. Water consumption by the poor is low – less than 30 liters per capita per day, which barely meets human requirements.

**Housing.** The poor were dissatisfied about their housing. In Mindanao and Visayas, two out of three households thought their housing were inadequate. Dissatisfaction was higher in rural than in urban areas. Only one tenth of the respondents ever applied for housing assistance. A third of these did so because of government relocation drives. Most of the housing assistance was captured by the non-poor.

**Rice.** The rice subsidy program benefited the non-poor more than the poor. The middle and the rich were more aware of these stores than the poor. The rice sold in these stores, while low in cost, was inferior in quality.

*Prepared by a team led by Bhuvan Bhatnagar, Task Team Leader, and comprising Musunuru Sam Rao and Adarsh Kumar.*

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