



OFFICE OF THE OMBUDSMAN



UNITED NATIONS
DEVELOPMENT PROGRAMME

UNDP PHI/02/008 ANTI-CORRUPTION:
STRENGTHENING INSTITUTIONAL CAPACITIES TO PROMOTE
ETHICAL, TRANSPARENT AND ACCOUNTABLE GOVERNANCE

OMB Medium-Term Anti-Corruption Plan and Investment Program

FINAL REPORT

August 2004

CPRM CONSULTANTS, INC.

31 August 2004

HON. SIMEON V. MARCELO, Ombudsman

OFFICE OF THE OMBUDSMAN

Agham Road, North Triangle, Diliman

Quezon City

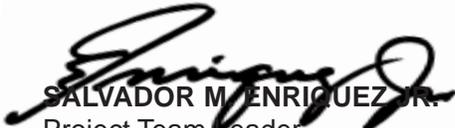
Sir:

In accordance with our contract of engagement with the UNDP under the program, "Anti-Corruption: Strengthening Institutional Capacities to Promote Ethical, Transparent and Ethical Governance", we are submitting the final report on the project, FORMULATION OF THE OMB MEDIUM-TERM ANTI-CORRUPTION PLAN AND INVESTMENT PROGRAM.

This final report incorporates the comments, suggestions and guidance provided during the various validation workshops held with you and your senior officers.

Thank you and best regards.

Very truly yours,



SALVADOR M. ENRIQUEZ JR.

Project Team Leader

Chairman of the Board, CPRM

CC: **DR. EMMANUEL E. BUENDIA**

Program Manager, Governance Portfolio

United Nations Development Programme

NEDA sa Makati, Amorsolo St., Makati City

DIRECTOR VIRGILIO V. SALENTES

Management Staff

NEDA sa Pasig

Escriva Drive, Pasig City

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ACRONYMS

ADB	- Asian Development Bank
AMLC	- Anti-Money Laundering Council
AGIO	- Associate Graft Investigation Officer
ASAB	- Appellate and Special Action Bureau
ASEAN	- Association of South East Asian Nations
BID	- Bureau of Immigration and Deportation
BIR	- Bureau of Internal Revenue
BOC	- Bureau of Customs
BRO	- Bureau of Resident Ombudsman
CARB	- Case Assessment and Reinvestigation Bureau
CAS	- Central Administrative Service
CBCP	- Catholic Bishops' Conference of the Philippines
CCB	- Community Coordination Bureau
CHR	- Commission on Human Rights
CIO	- Complaints and Investigation Office
CPI	- Corruption Perception Index
COA	- Commission on Audit
CPU	- Corruption Prevention Unit
CSC	- Civil Service Commission
DDB	- Dangerous Drugs Board
DOF	- Department of Finance
DOJ	- Department of Justice
DOTC	- Department of Transportation and Communication
DBM	- Department of Budget and management
DILG	- Department of Interior and Local Government
DSWD	- Department of Social Welfare and Development
ECOWAS	- Economic Community of West African States
EIB	- Evaluation and Investigation Bureau
EIIB	- Economic Intelligence and Investigation Bureau
EU	- European Union
FAR	- Federal Acquisition Regulation
FFIB	- Fact-Finding and Intelligence Bureau
FIRO	- Fact-Finding, Intelligence and Research office
FMS	- Financial and Management Services

GAA	-	General Appropriations Act
GDP	-	Gross Domestic Product
GIO	-	Graft Investigation Officer
GNC	-	Graft and Corruption
GOCC	-	Government Owned and/or Controlled Corporations
IAACC	-	Inter-Agency Anti-Graft Coordinating Council
IDI	-	Integrity Development Institute
IT	-	Information technology
JBIC	-	Japan Bank for International Cooperation
JGU	-	Junior Graftwatch Unit
LTO	-	Land Transportation Office
MOOE	-	Maintenance and Other Operating Expenses
NAAC	-	National Anti-Corruption Commission
NAPOLCOM	-	National Police Commission
NACAHT	-	National Action Committee on Anti-Hijacking and Anti-Terrorism
NBI	-	National Bureau of Investigation
NGAS	-	National Government Accounting System
NGO	-	Non-Governmental Organization
NICA	-	National Intelligence Coordinating Agency
NPS	-	National Prosecution Service
NSO	-	National Statistics Office
NTC	-	National Telecommunications Commission
OAS	-	Organization of American States
OECD	-	Organization for Economic Cooperation and Development
OMB	-	Office of the Ombudsman
ODO	-	Office of the Deputy Ombudsman
OSP	-	Office of the Special Prosecutor
PAB	-	Public Assistance Bureau
PAMO	-	Preliminary Investigation, Administrative Adjudication and Monitoring Office
PB	-	Prosecution Bureau
PAAC	-	Presidential Administrative Assistance Committee
PACPB	-	Public Assistance and Corruption Prevention Bureau
PAGCOM	-	President's Anti Graft Committee
PAOCTF	-	Presidential Anti-Organized Crime Task Force
PARGO	-	Presidential Committee on Reforms and Government Operations
PCAC	-	Presidential Complaints and Action Commission
PCAGC	-	Presidential Anti-Graft Commission

PCAPE	-	Presidential Committee on Administration Performance Efficiency
PCAO	-	Presidential Complaints and Action Office
PCTC	-	Philippine Center on Transnational Crime
PIAB	-	Preliminary Investigation and Administrative Adjudication Bureau
PNP	-	Philippine National Police
PPROS	-	Prosecution Group
RA	-	Republic Act
RBMES	-	Results Based Monitoring and Evaluation System
RSSB	-	Research and Special Studies Bureau
SONA	-	State of the Nation Address
SPO	-	Special Prosecution Officer
SWOT	-	Strengths, Weaknesses, Opportunities, Threats
TI	-	Transparency International
UNDP	-	United Nations Development Program
US	-	United States
USAID	-	United States Assistance for International Development

1

GENERAL INTRODUCTION

1 BACKGROUND

1.1 The UNDP Portfolio on Governance

1.1.1 The Office of the Ombudsman (OMB) with technical assistance from the GOP-UNDP Portfolio on Enabling Environment: Poverty Reduction through Good Governance undertakes this project entitled, "Medium-Term OMB Anti-Corruption Plan and Public Investment Program. This project is funded under PHI/02/008 Strengthening Institutional Capacities to Promote Ethical, Transparent and Accountable Governance.

1.2 The Study

1.2.1 There is a plethora of diagnostic studies and recommendations on combating corruption. These diagnostic studies will not be duplicated in this study. Instead this study will focus on synthesizing the various diagnostic studies into organized and defined set of issues and challenges that will form one of the most important inputs in the formulation of the MB Medium-term Anti-Corruption Plan and Public Investment Program.

1.2.2 Such a synthesis will comprise of assessments of societal and public sector corruption vulnerabilities that hamper an effective national anti-corruption strategy. The assessment will guide the identification of the specific issues that the OMB should address, the definition of the appropriate role that OMB must play in combating and preventing corruption as an independent institution, and the specific initiatives that will comprise its medium-term anti-corruption strategy.

1.2.3 This study is not about what the government should do to prevent and combat corruption, for this is the responsibility of the government. Several diagnostic studies done by donor institutions, NGOs, other organizations, and individuals have been made to diagnose the nature, prevalence and impact of corruption in the Philippines and in the public sector in particular. They also provided comprehensive approaches to be undertaken by the government to combat and prevent corruption in private and public sectors. The government will stand to gain precious lessons and insights from these studies as well as clear adoptable and relevant strategies and actions.

- 1.2.4 Previous diagnostic studies provided extensive information and various perspectives upon which this study and in particular the OMB Medium-term Anti-Corruption Plan will be built. This study is very specific. It is about what the Office of the Ombudsman must, can and will do to prevent and combat corruption in the public sector.
- 1.2.5 The CPRM Consultants, Inc. fielded a team of legal, governance, institutions development and systems consultants as well as financial specialists to develop the OMB Medium-Term Anti-Corruption Plan and Public Investment Program.
- 1.2.6 Focus group discussions on the initial conceptual framework and revised project development design were conducted with the Ombudsman and the counterpart project team. These provided inputs in the development of the inception report, which was presented to a bigger group of senior officials consisting of the Ombudsman, the Overall Deputy Ombudsman, Deputy Ombudsmen, Assistant Ombudsmen and selected heads of offices.
- 1.2.7 During the validation workshop on the inception report, the Ombudsman stressed the importance of strengthening the punitive aspects of anti-corruption, particularly the investigation and prosecution institutional capacities. His goal was to enable the prosecution and conviction of “big fishes” as a way to demonstrate the seriousness of the OMB in combating corruption. Effective punitive measures demonstrated by catching some “big fishes” will pave the way for a more credible anti-corruption program. It is seen to serve as the main instrument for a more effective and sustainable promotion component.
- 1.2.8 The OMB also stressed the need to strengthen the public assistance function in the medium and long terms to ensure every citizen adequate access to the service delivery system of the government. The need to improve access recognizes the fact that graft and corruption is location specific in its occurrence and therefore the geographical aspects of access is key to a responsive anticorruption service delivery.
- 1.2.9 The draft OMB Medium-term Anti-corruption Plan and Public Investment Program was presented and discussed during two validation workshops with the Ombudsman, the Overall Deputy Ombudsman, Deputy Ombudsmen, Asst. Ombudsmen, and the heads of the various offices including the Office of the Special Prosecutor. The Plan was also presented and discussed during the strategic planning workshop of the OMB. Several comments, guidance, critiques were enunciated during these discussions that provided important inputs in enriching the final plan, embodied in this final report.

2 GOAL, OBJECTIVES, SCOPE AND OUTPUTS OF THE STUDY

2.1 Development Goal

- 2.1.1 The medium-term OMB Anti-Corruption Plan and Public Investment Program will pursue the following development goal:

To facilitate the Philippines' transformation to a high integrity society, and improve the reality and perception of governance with integrity

- 2.1.2 The OMB will play an important role both in the short-term enforcement of laws and in the long-term evolution of integrity values that will permeate the public sector and Philippine society as a whole. The OMB medium-term anti-corruption plan and public investment program will provide the process through which the achievement of this goal can be facilitated.

- 2.1.3 The medium-term anti-corruption plan and investment program will provide a set of seamlessly integrated and mutually reinforcing OMB interventions that will stimulate initiatives and specific actions in integrity development institutions, in the public sector, in NGO and civil society organizations, and in society at large, towards the realization of a society and government with integrity. The plan to be implemented by OMB will involve a mix of punitive and promotive interventions that will be properly sequenced and synchronized over a defined timeframe. The results of these interventions are expected to facilitate the establishment of governance with integrity that is perceived as such.

2.2 Objectives of the OMB Anti-Corruption Plan

- 2.2.1 To realize the stated development goals, the OMB Medium-term Anti-Corruption Plan and Public Investment Program intends to achieve the following objectives:

- a) To strengthen the country's societal and governmental integrity infrastructures

The project will identify and define implementable programs that will strengthen the various societal and governmental components that make up the societal and governmental integrity infrastructure: culture and values, institutional structures, systems and policies, societal accountability mechanisms, and other related components.

- b) To match OMB's capacity with the requirements of being the key institution of the people to guard against graft and corruption

The implementation of the plan will require stronger institutional capacities in the OMB. The project will identify improvements in the formal institutional structure, functions, mandate, operating systems, competencies and technologies in OMB that are required to match its capacity with the requirements of the plan.

2.3 Scope, Conceptual Approach and Methodology

- 2.3.1 The Plan will contain a set of programmed initiatives over a six-year period, which will be directly undertaken, coordinated or managed by the OMB. The Plan will contain the strategic programs and interventions of the OMB and not those of the government but which will address both government as the duty holders responsible for establishing and maintaining integrity in the public sector on the one hand, and the general public, the claimholders, who should have the capacity to hold government accountable, on the other. The Plan will also address NGOs, civil society and media as the potential partners of OMB and which play strategic roles both as duty holders and claim holders.
- 2.3.2 The Study involves the development of a medium-term anti-corruption plan for the OMB that will address both the punitive and preventive aspects of the anti-corruption program. It will address integrity weaknesses in the public sector and in society within which corruption thrives.
- 2.3.3 The specific scope, conceptual approach and methodology of the study are in accordance with those defined in the approved inception report for the project.

2.4 Outputs

- 2.4.1 The project will deliver two major outputs: the medium-term OMB anti-corruption plan and investment program and the documentation of the planning and public investment programming process. The detailed descriptions of the outputs are contained in the inception report and will not be repeated here.
- 2.4.2 A series of validation workshops on the draft Plan was conducted with key OMB officials the results of the workshop became the primary basis for the finalization of the Plan, which is embodied in this final report. The Plan will be presented to Congress, executive branch and donors for potential support and more specific collaborative efforts.
- 2.4.3 The Plan will hopefully integrate and synchronize all resource support to the OMB anti-corruption program thus ensuring proper sequencing and synchronization of mutually reinforcing initiatives.

3 CONCEPT DEFINITION

- 3.1.1 Corruption is broadly defined as the abuse of public power for private gain.¹ It is also defined as constituting “behavior which deviates from the formal duties of a public role because of private -regarding (personal, close, family, private clique), pecuniary or status gains; or violates rules against the exercise of certain types of private-regarding influence”.² The term corruption embraces a wide array of illicit behaviors, including bribery, extortion, fraud, nepotism, graft, speed money, pilferage, theft, embezzlement, falsification of records, kickbacks, influence-peddling, and campaign contributions.³
- 3.1.2 Official documents from the Government of the Philippines use the term “graft and corruption”, instead of simply corruption. One definition defines graft as referring to the acquisition of gain in dishonest or questionable manner, whereas corruption refers to the use of public office for private gain or the betrayal of public trust for private gain.⁴ For purposes of this study, the terms are used interchangeably. Philippine laws, rules and regulations do not provide a legal definition of corruption. However, they identify prohibited acts of public officials and employees which are punishable and may become subject of criminal or administrative proceedings, as listed specifically in various laws and issuances.⁵ Moreover, acts or omissions of public officials and employees, which are subject to investigation or legal action by the government, are those, which appear to be “illegal, unjust, improper, or inefficient.”⁶
- 3.1.3 The more recent literature describes corruption as a principal-agent problem or what is known among economists as the “agency problem”. An agency relationship is a contract under which one or more persons (the principal) engage another person (agent) to perform some services on their behalf. This involves the devolution by the principal of certain authorities to the agent to achieve a desired outcome.⁷
- 3.1.4 Graft and corruption problems may be further and better understood through the concept of accountability. The United Nations Development Programme defines accountability as “the requirement that officials answer to stakeholders on the disposal of their powers and duties, act on criticisms or requirements made of them, and accept responsibility for failure, incompetence and deceit.”⁸ In another definition, the stakeholders are identified as the entity from which public officials derive their authority.⁹ Within the context of the Philippines, the stakeholders are the people from which emanates all governmental authority.¹⁰ Public officials on the other hand refer to elective and appointive officials and employees, permanent or temporary, whether

¹ World Bank, World Development Report 1997, The State in a Changing World, and Combating Corruption in the Philippines, 2000

² De Dios, Emmanuel and Ricardo D. Ferrer, Corruption in the Philippines: Framework and Context, Transparent and Accountable Governance, 2000, citing Paul D. Hutchcroft, 1999

³ Klitgaard, Robert, Strategies Against Corruption, 1998

⁴ National Anti-Corruption Framework and Strategy, 2000, as cited in the official website of the Transparency and Accountable Governance (www.tag.org.ph)

⁵ Specifically, RA 3019, RA 1379, RA 6713, PD 46, RA 7080, Chapter II, Section II, Title VII, Book II of the Revised Penal Code, PD 807 and EO 292

⁶ Section 13 (1), Article XI, 1987 Constitution and Section 15 (1), RA 6770

⁷ Batalla, Eric C., De-institutionalizing Corruption in the Philippines, 2000

⁸ Governance for Sustainable Development, United Nations Development Programme, 1997

⁹ Governance: Sound Development Management, Asian Development Bank, 1995

¹⁰ Section 1, Article II of the 1987 Constitution

- in the career or non-career service, including military and police personnel, whether or not they receive compensation, regardless of amount.¹¹
- 3.1.5 The basic concept of accountability is made clear by its root word “account”, suggesting that a person does not act for himself but must answer to the people.¹² Simply put, public office is a public trust; hence public officials and employees are ultimately accountable to the people.¹³ Elective officials are accounted for through the electoral process (including the provision for recall), whereas appointive officials and employees submit to higher officials in the hierarchy, which at its apex is composed of those chosen by the mechanism of suffrage (e.g., the President).¹⁴
- 3.1.6 The concept of accountability therefore conveys a notion of relationship or contract between public officials and the people, with the former being compelled to account for their behavior and actions to the latter who provided the necessary consent or governmental authority through the electoral or appointment processes (Figure 1.1).
- 3.1.7 The presence of accountability mechanisms for holding public officials and employees answerable to the people ensures that the exercise of governmental powers and discretion serves to protect and advance public interest. On the other hand, the absence of such mechanisms allows for negative bureaucratic behavior and graft and corrupt practices among public officials and employees to thrive. Seen as a relationship issue (as illustrated in Figure 1.1), corruption is violation of public trust. The concepts of accountability and graft and corruption are therefore intertwined.

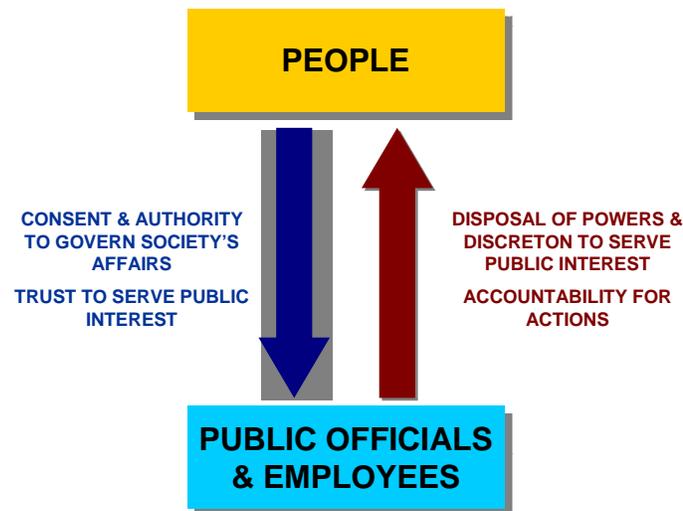
¹¹ Section 3, RA 6713

¹² Cariño, Ledevina, Accountability, Corruption and Democracy: A Clarification of Concepts. Asian Review of Public Administration, Vol. III, No. 2. 1991

¹³ Section 1, Article XI, 1987 Constitution

¹⁴ Cariño, Ledevina, op. cit.

Figure 1.1
PUBLIC ACCOUNTABILITY CONCEPT



3.1.8 The basis for enforcing the accountability is the recognition that there is a relationship or implicit contract between public officials/employees and the people or general public. A parallel analogy exists in an agency relationship, where members of the government service are agents of the general public who in turn is the principal. Likewise, a contract implicitly exists between the general public and its agents, for the latter to discharge governmental powers and discretion to promote public interest.

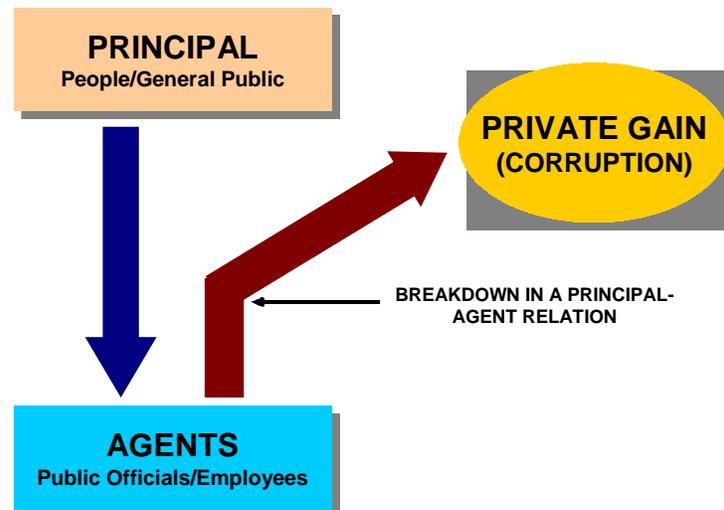
3.1.9 In an agency relationship, problems (i.e., public corruption) occur when there is divergence of interests and preferences between the principal and agent, i.e., the action or behavior of the public official or employee (agents) departs from the demand or interest of the people (principal). Two reasons are cited as to why agents will not always act in the best interest of the principal: (1) built-in incentives for the agents, being utility maximizers, to act in their self interest, behaving so as to enhance their own welfare; and (2) imperfect information where the action or behavior of the agent cannot be directly or perfectly observed.¹⁵

3.1.10 Public corruption then is the breakdown or rapture (*cor + rumpere* = “completely breach”) of the relation between principal and agent.¹⁶ Corrupt act is a breach of contract or a breaking public trust (Figure 1.2).

¹⁵ Ibid., citing Michael C. Jensen and William H. Meckling, Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure, Journal of Financial Economics, Vol. 3, 1976

¹⁶ De Dios and Ferrer, op. cit.

Figure 1.2
CORRUPTION AS BREAKDOWN OF AGENCY RELATION



- 3.1.11 Addressing corruption as an agency problem means limiting this divergence or ensuring the alignment of principal-agent interests. The principal should (1) establish appropriate incentives for the agent and (2) incur monitoring, bonding and other costs. Profits from corrupt practices and behavior should be replaced by incentives directed towards socially productive activities as well as punishments for corrupt acts.¹⁷
- 3.1.12 It is also important to understand the cost benefit calculation, even theoretically, being done by a government official, who is expected to seek out or accept corruption if will result for his net benefits, i.e., when expected gains outweigh the costs of committing the corrupt action.¹⁸ Specifically, a corrupt public official evaluates the probability of being caught and the magnitude of penalties vis-à-vis the gross gains from corrupt transactions.
- 3.1.13 In sum, the self-seeking behavior of the agent must be curbed through formal or informal constraints. Formal constraints are law, rules and regulations that govern the behavior of government officials and employees and the penal system that punishes errant behavior. Informal constraints internally regulate bureaucratic behavior, such as professionalism, sense of duty, moral ascendancy, and *esprit de corps*.¹⁹

¹⁷ Batalla, op. cit.

¹⁸ Huther, Jeff and Anwar Shah, Anti-corruption Policies and Programs: A Framework for Evaluation, World Bank, Undated

¹⁹ De Dios and Ferrer, op. cit.

4 REPORT ORGANIZATION

4.1.1 This report is organized into the following key parts:

- Part 1 - GENERAL INTRODUCTION, which gives a background of the study, its objectives and outputs and a discussion of key concepts
- Part 2 - SITUATION REVIEW, which provides a country SWOT analysis and discussion of its implications for an effective OMB anticorruption program
- Part 3 - REVIEW OF INSTITUTIONAL FRAMEWORK AND OMB CAPACITY, which conducts an assessment of the current public sector anticorruption institutional framework, and the internal structure, functions, staffing and programs of the OMB and identifies implications for the strengthening of the OMB institutional capacities required in the implementation of the anticorruption strategy
- Part 4 - SYNTHESIS AND REFORM DIRECTIONS, which provides a synthesis of the issues and the directions that the medium-term anticorruption plan will take given the results of the situation review and the review of institutional framework and capacity of OMB
- Part 5 - GOALS, OBJECTIVES, EXPECTED OUTCOMES AND KEY RESULT AREAS, which outlines the development goals, plan objectives, outcome indicators and targets and key result areas of the medium-term anti corruption plan
- Part 6 - STRATEGIES, PROGRAMS AND PROJECTS, which defines the overall strategy and translates the strategy into seamlessly integrated programs and projects along the identified key result areas
- Part 7 - IMPLEMENTATION MANAGEMENT ARRANGEMENTS, which contains the key elements of an implementation management strategy
- Part 8 - MEDIUM-TERM PUBLIC INVESTMENT PROGRAM, which presents the financial estimates for implementation programmed annually over a 6 year period by program, project and project component and by indicative financing source
- Annex A - DESK REVIEW OF INTERNATIONAL EXPERIENCES, which contains summary reviews of relevant international practices that provide lessons in properly contextualizing and designing the OMB anticorruption program that will address the peculiar issues confronting public sector graft and corruption in the Philippines
- Annex B - IMPLEMENTATION SCHEDULE, which contains a Gantt chart of the multi-year programming of key implementation activities
- Annex C - PROFILES OF PROPOSED PROJECTS, which contains summaries of project objectives, outputs, content description, and timetable.

2

SITUATION REVIEW

1 INTRODUCTION

- 1.1.1 A wide range of studies and reports on corruption in the Philippines and other international references and materials were reviewed in the course of this study. There is a plethora of domestic and international diagnostic studies and recommendations on how governments (including specific studies on the Philippines) can combat and reduce corruption. There is general agreement on what the problems, issues and the causes are and what the government should do. The World Bank report: "Combating Corruption in the Philippines", published in 2000 represents one of the most comprehensive syntheses of the diagnostic studies and strategies on corruption in the Philippines.
- 1.1.2 This section utilizes and builds on the knowledge and wisdom of these studies and provides a perspective from which the Office of the Ombudsman may view the issues and challenges and from which OMB specific initiatives can be drawn to address issues in public sector corruption that are specific to the Philippine situation. The Philippine issues were identified using the SWOT analysis together with the review of the institutional framework and the programs and capacity of the OMB contained in the subsequent chapters of this report. This process paved the way for the identification, definition and programming of specific interventions and initiatives for combating corruption and promoting integrity by an independent OMB.

2 CONTEXT OVERVIEW

2.1 Corruption in the Philippines

- 2.1.1 Despite the often-enunciated policy and prioritization of anti-corruption by several government administrations, the Philippines continues to be considered to have high levels of corruption. Corruption in the Philippines is considered to exist at every level of society (McLean, BBC, 2002). Annual surveys conducted by the Transparency International on the Corruption Perception Indices of about 133 countries have shown that the perception of corruption in the Philippines continues to worsen particularly during the recent years. Its CPI rating for the year 2003 represents the lowest rating ever of the Philippines in 8 years.

2.1.2 But the Philippines was supposed to be on its way to improving its integrity. The Transparency International's estimates of the Philippines CPI had improved steadily from a low of 1.04 in 1980-85, to 1.96 in 1988-92 and 2.77 in 1995 (TI reports in Bhargava, WB, 2000). In 1996 the Philippines CPI, which was steady at 2.7, was the same as that of Indonesia and represented the lowest among selected ASEAN countries (Table 2.1). During that year Thailand's CPI was 3.3, Malaysia's was 5.3 and South Korea's was 5.0. However, through to 1997, 1998 and 1999 the rating of the Philippines improved considerably and consistently (to 3.1, 3.3, and 3.6 annually respectively) and even surpassed that of Thailand's. It was during these years that the impacts of economic reforms during the early to mid 1990's were still felt and the effects of the financial crisis did not yet permeate the lives of Filipinos.

2.1.3 During this period the new President Joseph Estrada pronounced anti-corruption as his priority agenda. But by the time President Estrada was ousted due to allegations of plunder, through to the current administration the country's CPI has continued to significantly decline. By 2003, the Philippines got the lowest CPI rating in 8 years from the Transparency International, registering at 2.5, which is significantly lower than the 3.6 rating of 1999. The declining integrity perception contrasts with improving if not sustained ratings of our ASEAN neighbors (Table 2.1).

TABLE 2.1
CORRUPTION INDICES (CPI), SELECTED ASEAN COUNTRIES, 1996-2003

COUNTRY	CPI, by year							
	1996	1997	1998	1999	2000	2001	2002	2003
Singapore	8.8	8.6	9.1	9.1	9.1	9.2	9.3	9.4
Hong Kong	7.1	7.3	7.8	7.7	7.7	7.9	8.2	8.0
Japan	7.1	6.6	5.8	6.0	6.4	7.1	7.1	7.0
Taiwan	5.0	5.0	5.3	5.6	5.5	5.9	5.6	5.7
Malaysia	5.3	5.0	5.3	5.1	4.8	5.0	4.9	5.2
South Korea	5.0	4.3	4.2	3.8	4.0	4.2	4.5	4.3
Thailand	3.3	3.1	3.0	3.2	3.2	3.2	3.2	3.3
Philippines	2.7	3.1	3.3	3.6	2.8	2.9	2.6	2.5
Vietnam	-	2.8	2.5	2.6	2.5	2.6	2.4	2.4
Indonesia	2.7	2.7	2.0	1.7	1.7	1.9	1.9	1.9

SOURCE: Transparency International

NOTES: (1) Highest score of 10 represents perception of least corruption while lowest score of zero represents perception of highest corruption.
 (2) The CPI is a survey of how business people, political analysts, and the general public around the world perceive the levels of corruption in an indicated country to be (TI, 1997).

2.1.4 It was during these years that allegations of corruption went up to the highest places in the government, in the military and police, in the revenue, budgeting and procurement systems, in law and policymaking, in the enforcement of laws and regulation, and in the justice system among others. But despite in flooding of alleged corruption incidences in many high places of government, the “big fish” are yet to be apprehended and convicted.

2.2 Socio-economic Conditions

2.2.1 Studies point to the correlation between corruption and the deterioration of the economy as well as worsening of poverty conditions in developing countries. In the Philippines, perceptions of high prevalence of corruption coincided with increasing poverty, worsening productivity and generally deteriorating human development conditions.

2.2.2 Good economic performance by the Philippines in the early to mid 90’s was not sustained for long. From 1999 to 2001 the pace of economic growth of the Philippines lagged behind those of its ASEAN neighbors. The Philippines registered lowest in relation to Korea, Malaysia, Thailand and Indonesia in 2001. In 1999 the Philippines was second lowest in per capita GDP, Indonesia being the lowest. But the Philippines had the lowest GDP per capita growth rate registering at 0.9% while Indonesia’s growth has been faster at 3.0% (Table 2.2).

TABLE 2.2
ECONOMIC PERFORMANCE OF SELECTED ASEAN COUNTRIES
 Selected Years

INDICATOR/YEAR/ MEASUREMENT	PHILIPPINES	SINGAPORE	MALAYSIA	THAILAND	INDONESIA	REPUBLIC OF KOREA
GDP per capita, in PPP US\$						
1999	3,805	20,767	8,209	6,132	2,857	15,712
2001	3,840	22,680	8,750	6,400	2,940	15,090
GDP per capita annual growth rate						
1990-1999	0.9	4.7	4.7	3.8	3.0	4.7
1990-2001	1.0	4.4	3.9	3.0	2.3	4.7

SOURCE: Human Development Report, 2001 and 2003

2.2.3 In 1988 about 40% of Philippine households lived below the poverty threshold. By 1997, this declined to 31.8%. But the declining economic performance in the late 90’s started to impact on employment and poverty. By year 2000 poverty rose again registering at 34.2% (Table 2.3). The US Department of State Country Report on Human Rights Practices in the Philippines for 2002 cited the acceleration of the worsening of the poverty situation, which neared 40% of population in 2002 from 34.2% in 2000 (Bureau of Democracy, Human Rights and Labor, 2003).

TABLE 2.3
POPULATION AND POVERTY, PHILIPPINES
Selected Years

INDICATORS	1988	1991	1994	1995	1996	1997	1998	1999	2000
Poverty Incidence (% of population)	49.5	45.3	40.6	..	..	33.0	..	..	34.0
Poverty Incidence (% of households)	40.2	39.9	35.5	..	..	31.8	..	..	34.2

SOURCE: National Statistical Yearbook, 2000

2.2.4 Unemployment also increased starting 1998 and continuing through to 1999 when the full impact of the financial crisis was felt by the economy. Notable is the large proportion of employed population who are underemployed, which likewise experienced a significant annual increase starting 1997 through to 1999. Unemployment consistently increased through to the current year, which registered an unemployment rate of 13.7 as of April, representing the worst performance in 14 years (Table 2.4).

TABLE 2.4
UNEMPLOYMENT AND UNDEREMPLOYMENT, PHILIPPINES
1990-2004

YEAR	UNEMPLOYMENT RATE	UNDER-EMPLOYMENT RATE
1990	8.1	22.1
1991	9.0	22.1
1992	8.6	19.9
1993	8.9	21.4
1994	8.4	20.9
1995	8.4	19.8
1996	7.4	19.4
1997	7.9	22.8
1998	9.6	23.7
1999	9.4	22.1
October 2002	10.2	15.3
October 2003	10.2	15.7
April 2003	12.2	15.6
April 2004	13.7	18.5

SOURCE: Philippine Statistical Yearbook, 2000
 National Statistics Office 2004

2.3 Human Development Conditions

- 2.3.1 The human development situation covers the quality of human well-being and reflects the collective effect of various social, economic and political factors on the quality of life of the country's population. In particular, it embodies the composite impact of such country societal dynamics as socio-economic policy, public resource management efficiency and integrity, societal values, politics and culture, among others. This composite impact is measured by the capacity of the people to make choices, to have quality physical well-being, and to have access to a decent quality of life (UNDP, 2001, in CHR Institutional Review, CPRM 2000)
- 2.3.2 A study made by the World Bank shows that the pace of progress in human development conditions in the Philippines has been slower than the progress made by other ASEAN countries in recent years. While in 1980 the Philippines fared favorably than Singapore, Indonesia, Malaysia and Thailand; it was overtaken by Singapore and Thailand by 1998, which had significantly higher and faster improvements in human development indicators (Table 2.5).

TABLE 2.5
HUMAN DEVELOPMENT INDEX OF SELECTED COUNTRIES

COUNTRY	1980	1985	1990	1995	1999	2001
Republic of Korea	0.729	0.771	0.814	0.851	0.875	0.879
Singapore	0.753	0.779	0.816	0.855	0.876	0.884
Philippines	0.683	0.687	0.716	0.773	0.749	0.751
Indonesia	0.529	0.581	0.622	0.662	0.667	0.682
Malaysia	0.657	0.691	0.720	0.758	0.774	0.790
Thailand	0.645	0.675	0.713	0.749	0.757	0.768

NOTE: The Human Development Index is based on three indicators: longevity as measured by life expectancy at birth; educational attainment as measured by a combination of adult literacy (2/3 weight) and the combined first, second and third level gross enrolment ratio (1/3 weight); and standard of living as measured by real GDP per capita in US \$.

SOURCE: Human Development Report, 2001 and 2003

- 2.3.3 Inequality characterizes the Philippine economy, where the poorest 20% of population has 5.4% of total income, while the richest 20% has 52.3% of total income. While the statistics by themselves do not compare significantly unfavorably with other ASEAN countries, high poverty incidence reinforces the dismal plight of our poor in comparison to its ASEAN neighbors such as Singapore, Malaysia and South Korea (Table 2.6).

TABLE 2.6
INEQUALITY IN INCOME OR CONSUMPTION
Selected ASEAN Countries, Selected Years

INDICATOR/YEAR/ MEASUREMENT	PHILIPPINES 2000	SINGAPORE 1998	MALAYSIA 1997	THAILAND 2000	INDONESIA 2000	REPUBLIC OF KOREA 1998
Richest 10% to poorest 10%	16.5	17.7	22.1	13.4	7.8	7.8
Richest 20% to poorest 20%	9.7	9.7	12.4	8.3	5.2	4.7
Share of income or consumption						
- Poorest 10%	2.2	1.9	1.7	2.5	3.6	2.9
- Poorest 20%	5.4	5.0	4.4	6.1	8.4	7.9
- Richest 10%	36.3	32.8	38.4	33.8	28.5	22.5
- Richest 20%	52.3	49.0	54.3	50.0	43.3	37.5

SOURCE: Human Development Report, 2001 and 2003

- 2.3.4 In a developing country situation, corruption hurts the poor the most. Estimates of the prevalence and cost of corruption in the Philippines are patchy and difficult to validate, but the coincidence between perceived high incidence of corruption and deteriorating socio-economic conditions would suggest that corruption deprives the poor of equal opportunity and access to quality services and income. International studies made by the Asian Development Bank show that while the direct cost of corruption may be significant in terms of lost taxpayers money due to increased cost of procurements, increased cost of doing business, and eroded interest of investors, the indirect cost of corruption are much greater. These come in the form of compromised quality of development projects, project benefits not reaching their target, substandard services and products, erosion of civil service morale and subsequent decline in productivity (ADB 2000).
- 2.3.5 Combating and reducing corruption therefore is an imperative for the Philippines and a “desperate war” that the Office of the Ombudsman is determined to fight. Fighting corruption requires that new strategies, as well as solutions tried elsewhere be suited to address the specific strengths, weaknesses, opportunities and threats that the Philippines face.

3 SWOT ANALYSIS

3.1 Strengths

A. THE PUBLIC SECTOR INSTITUTIONAL FRAMEWORK FOR ANTI-CORRUPTION IS IN PLACE

3.1.1 The government's anticorruption policy and institutional framework emanates from the 1987 Philippine Constitution which clearly spells out its policy against graft and corruption when it states that "the State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption."¹ Subject to reasonable conditions prescribed by law, the State adopts and implements a policy of full public disclosure of all its transactions involving public interests.² In line with these provisions is the citizens' right to information on matters of public concern, and access to official records, documents and papers pertaining to official acts, transactions or decisions, subject to such limitations as may be provided by law.³

3.1.2 This policy is fleshed out in the provisions under Article XI on accountability of public officers wherein the following is enunciated:

*"Public office is a public trust. Public officers and employees must at all times, be accountable to the people; serve them with utmost responsibility, integrity, loyalty, and efficiency; act with patriotism and justice; and lead modest lives."*⁴

3.1.3 It is for this reason that a public officer or employee upon assumption of office and as often thereafter is required by law to submit a declaration under oath of his assets, liabilities, and net worth, which declaration shall be disclosed to the public in the manner provided by law.⁵

3.1.4 Neither can any government-owned or controlled bank or financial institution grant any loan, guaranty or other form of financial accommodation for any business purpose, directly or indirectly to the President, Vice-President, the Supreme Court, and the Constitutional Commissions, the Ombudsman or to any form or entity in which they have controlling interest during their tenure.⁶ Thus, the right of the State to recover properties unlawfully acquired by public officials or employees or from their nominees or transferees shall not be barred by prescription, laches or estoppel.⁷

¹ Art. II, sec. 27.

² CONST. Art. II, sec. 28.

³ CONST., Art. III, sec. 7.

⁴ CONST., Art. XI, sec. 1.

⁵ CONST., Art. XI, sec. 17.

⁶ CONST., art. XI, sec. 16.

⁷ CONST., Art. XI, sec. 15.

- 3.1.5 The Article also provides the procedure of the impeachment of officers such as the President, Vice-President, the Members of the Supreme Court, the members of the Constitutional Commissions and the Ombudsman who may be removed from office for conviction of culpable violation of the Constitution, treason, bribery, graft and corruption, other high crimes, or betrayal of public trust.⁸

Office of the Ombudsman

- 3.1.6 Likewise, the Constitution established an independent Office of the Ombudsman specifying its composition, the qualifications of top officers therein, as well as their appointment and tenure.⁹ As protectors of the people, the Ombudsman and his Deputies shall act promptly on complaints filed in any form or manner against public officials or employees of the government, or any subdivision, agency or instrumentality thereof, including government-owned or controlled corporations and notify the complainants of the action taken and the result thereof.¹⁰
- 3.1.7 Pursuant to this constitutional provision, Republic Act No. 6770 was enacted on November 17, 1989. Under this Act and Republic Act No. 8249, the Office of the Ombudsman, through its Special Prosecutor, handles all Sandiganbayan cases.

The Judiciary

- 3.1.8 Cases involving government officials and employees receiving salaries below salary grade 27 are prosecuted before the regular courts, *i.e.* Regional Trial Courts, Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts, depending on the gravity of the offenses charged. The *Sandiganbayan*, the anti-graft court;¹¹ has exclusive jurisdiction over criminal cases committed in relation to office involving high-ranking officials, *i.e.*, public officers occupying positions corresponding to salary grade 27 or higher.

Department of Justice

- 3.1.9 The prosecutors of the Department of Justice are deputized by the *Ombudsman* to handle graft cases.

Presidential Anti-Graft Commission (PCAGC)

- 3.1.10 The PAGC was established by President Macapagal-Arroyo by virtue of Executive Order No. 12 dated April 16, 2001. Composed of a Chairman and two Commissioners, the PAGC, as a collegial body shall, on its own or on complaint, have the power to investigate or hear administrative cases or complaints involving the possible violation by presidential appointees of any of the following: (a) Republic Act No. 3019, as amended, otherwise known as the "Anti-Graft and Corrupt Practices Act;" (b) Republic Act No. 1379 on the unlawful acquisition of property by a public officer or employee; (c) Republic Act No. 6713 or the "Code of Conduct and Ethical

⁸ CONST., Art. XII, secs. 2 & 3.

⁹ CONST., Art. XI, secs. 5-11.

¹⁰ CONST., Art. XI, sec. 12.

¹¹ Art. XI.

Standards for Public Officials and Employees;” (d) Presidential Decree No. 46 making it punishable for public officials and employees to receive gifts on any occasion including Christmas; e) Any provision under Title Seven, Book Two of the Revised Penal Code; and f) Rules and regulations duly promulgated by competent authority to implement any foregoing laws or issuances.¹²

Inter-Agency Anti-Graft Coordinating Council

- 3.1.11 The IAAGCC was established by Administrative Order No. 79 dated July 28, 1999 to formulate and develop techniques strategies in the prevention, detection, investigation and prosecution of graft cases. However, it was not operational. In the Social Summit of December 2001, the revival of the IAAGCC was approved by President Arroyo. The Council was tasked to coordinate efforts with the Department of Justice, Office of the Ombudsman, Civil Service Commission, Commission on Audit and the National Bureau of Investigation.

Civil Service Commission (CSC)

- 3.1.12 The Civil Service Commission is mandated to establish a career service and adopt measures to promote morale, efficiency, integrity, responsiveness and courtesy in the civil service. It shall strengthen the merit and rewards system, integrate all human resources development for all levels and ranks, and institutionalize a management conducive to public accountability.¹³

Commission on Audit

- 3.1.13 The Commission on Audit has the power, authority and duty to examine, audit, and settle all accounts pertaining to the revenue and receipts of, and expenditures or uses of funds and property, owned or held in trust by, or pertaining to, the Government, or any of its subdivisions, agencies, or instrumentalities, including government-owned or controlled corporations with original charters, and in a post-audit basis: (a) constitutional bodies, commissions and offices that have been granted fiscal autonomy under the Constitution; (b) autonomous state colleges and universities; (c) other government-owned or controlled corporations and their subsidiaries; or (d) such non-governmental entities receiving subsidy or equity, directly or indirectly, from or through the Government, which are required by law or the granting institution to submit such audit as a condition of subsidy or equity.¹⁴
- 3.1.14 The Commission has exclusive authority to define the scope of its audit and examination, to establish the techniques and methods required therefore, and to promulgate accounting and auditing rules and regulations, including those for the prevention and disallowance of irregular, unnecessary, excessive, extravagant, or unconscionable expenditures or uses of government funds and properties.¹⁵

¹² Sec. 4(a).

¹³ CONST., art. IX-B, sec. 3.

¹⁴ CONST., Art. IX-D, sec. 2(1)

¹⁵ *Id.*, sec. IX-D, sec. 2(2).

Anti-Money Laundering Council (AMLC)

3.1.15 Money laundering is a crime committed in tandem with official corruption. Corrupt government officials are forced to find somewhere to place the financial fruits of their criminality. Republic Act No. 9160 otherwise known as the Anti-Money Laundering Act of 2001 establishes the Anti-Money Laundering Council. It is composed of the Governor of the Bangko Sentral ng Pilipinas (BSP) as chairman, and the chairmen of the Insurance Commission and the Securities and Exchange Commission, as members. The AMLC is mandated to act unanimously in the discharge of the following functions:

- (a) To require and receive covered transaction reports from covered institutions such as: banks, non-banks, quasi-banks, trust institutions and their subsidiaries and affiliates supervised by the BSP; insurance companies and all other institutions supervised or regulated by the Insurance Commission; securities dealers, brokers, salesmen, investment houses and other similar entities managing securities or rendering services as investment agent, advisor or consultant; mutual funds, close-end investment companies, common trust funds, pre-need companies and other similar entities; foreign exchange corporations, money changers, money payment, remittance and transfer companies; and other entities dealing in currency, commodities or financial derivatives based thereon and other similar monetary instruments or property supervised or regulated by the SEC;
- (b) To issue orders addressed to the appropriate Supervising Authority or the covered institution to determine the true identity of the owner of any monetary instrument or property subject of a covered transaction report or request for assistance from a foreign State, or believed by the Council, on the basis of substantial evidence, to be, in whole or in part, wherever located, representing, involving, or related to, directly or indirectly, in any manner or by any means, the proceeds of an unlawful activity;
- (c) To institute civil forfeiture proceedings and all other remedial proceedings through the Office of the Solicitor General;
- (d) To cause the filing of complaints with the Department of Justice or the Ombudsman for the prosecution of money laundering offenses;
- (e) To initiate investigations of covered transactions, money laundering activities and other violations of this Act;
- (f) To freeze any monetary instrument or property alleged to be proceeds of any unlawful activity;
- (g) To implement such measures as may be necessary and justified under this Act to counteract money laundering;
- (h) To receive and take action in respect of any request from foreign states for assistance in their own anti-money laundering operations provided in this Act;
- (i) To develop educational programs on the pernicious effects of money laundering, the methods and techniques used in money laundering, the viable

means of preventing money laundering, and the effective ways of prosecuting and punishing offenders; and

- (j) To enlist the assistance of any branch, department, bureau, office, agency or instrumentality of the government, including government-owned and controlled corporations, in undertaking any and all anti-money laundering operations, which may include the use of its personnel, facilities and resources for the more resolute prevention, detection and investigation of money laundering offenses and prosecution of offenders.¹⁶

Philippine Center on Transnational Crime (PCTC)

3.1.16 The Philippine Center on Transnational Crime is created under the Office of the President pursuant to Executive Order No. 62 dated 15 January 1999 to formulate and implement a concerted program of all law enforcement, intelligence and other agencies for the prevention and control of transnational crime. It establishes through the use of modern information and telecommunications technology, a shared central database among government agencies for information on criminals, methodologies, arrests and convictions on transnational crime such as money laundering, illicit trafficking of narcotic drugs and psychotropic substances, etc.¹⁷ The PCTC can also explore and coordinate information exchanges and training with other government agencies, foreign countries and international organizations involved in the combat against transnational crime.¹⁸ It is assisted by the Philippine National Police (PNP), National Bureau of Investigation (NBI), National Action Committee on Anti-Hijacking and Anti-Terrorism (NACAHT), Presidential Anti-Organized Crime Task Force (PAOCTF), Presidential Anti-Smuggling Task Force (PASTF); National Police Commission (NAPOLCOM), Department of the Interior and Local Government (DILG), Department of Justice (DOJ), Department of Finance (DOF), Department of Transportation and Communication (DOTC), Dangerous Drugs Board (DDB), National Prosecution Service (NPS), Bureau of Immigration and Deportation (BID), Bureau of Internal Revenue (BIR), Economic Intelligence and Investigation Bureau (EIIB), Bureau of Customs (BOC), National Intelligence Coordinating Agency (NICA), Armed Forces of the Philippines (AFP), Land Transportation Office (LTO), National Telecommunications Commission (NTC), National Statistics Office (NSO), and other government agencies which the PCTC may find necessary to implement its mandate.¹⁹

Other Specialized Disciplining Authorities

3.1.17 Under other special laws or constitutional provisions certain agencies are designated as disciplining authorities, such as the Supreme Court over administrative cases against judges, and the National Police Commission (NAPOLCOM) for members of the police force.

¹⁶ Rep. Act No. 9160 (2001), sec. 7.

¹⁷ Executive Order No. 62 (1999), sec. 3(1).

¹⁸ *Id.*, sec. 3(6).

¹⁹ *Id.*, sec. 5.

Heads of Government Agencies and Local Government Units

- 3.1.18 Heads of agencies and local government units have disciplining authority over their personnel. The grounds for disciplinary action range from light offenses, like discourtesy and failure to act under the Civil Service rules and regulations.

3.2 The legal framework for anticorruption is in place and the Philippines is a signatory to several international treaties and conventions pertaining to corruption

Republic Act No. 3019 (1960), otherwise known as the Anti-Graft and Corrupt Practices Act

- 3.2.1 This statute enumerates the unlawful corrupt practices of public officers and employees whether elective or appointive, permanent or temporary, classified, or unclassified and receiving compensation from the government, even nominal. It also prohibits practices done by certain relatives as well as on private individuals to take advantage directly or indirectly insofar as any business, transaction, application, request or contract with the Government. Penalties range from 6 years and one month to 15 years, perpetual disqualification from public office and confiscation or forfeiture in favor of the government of any prohibited interest and unexplained wealth. All prosecutions under this Act are within the original jurisdiction of the Sandiganbayan. Every public officer is required to file annually a Statement of Assets and Liabilities after assuming office.

Republic Act No. 1379 (1955)

- 3.2.2 This Act declares the forfeiture in favor of the State any property found to have been unlawfully acquired by any public officer or employee and providing for the proceedings therefore. Any public officer or employee who transfers or conveys unlawfully acquired property shall be repressed with imprisonment for a term of not exceeding five years, or a fine not exceeding Ten Thousand Pesos or both. This penalty also applies to any person who knowingly accepts such transfer or conveyance. The Solicitor General may grant immunity from criminal prosecution to any person who testifies to the unlawful manner in which the respondent has acquired any property in question.

The Revised Administrative Code

- 3.2.3 The Revised Administrative Code of 1987,²⁰ reiterates the principle that public office is a public trust and public officers and employees must at all times be accountable to the people. The code provides that personnel functions shall be decentralized, delegating the corresponding authority to the departments, offices, and agencies where such functions can be effectively performed. Chapter 9 of the Code spells out the general principles governing public officers, among which include: a) policy on change of citizenship or status of an immigrant of another country during his tenure

²⁰ Executive Order No. 292 (1989), Book V, Title 1, Subtitle A, Chapt I, sec. 1.

shall be dealt with by law.²¹ b) declaration of assets, liabilities and net worth, upon assumption of office and as often thereafter as required by law.²² c) bound by a Code of Ethics or Republic Act No. 6713 (1988)²³ d) Inhibition against purchase of property at tax sale²⁴ e) civil liability of superior officers upon clear showing of bad faith, malice or gross negligence²⁵ f) Liability for damages for an act of any public officer who, without just cause, neglects to perform a duty within a period fixed by law or regulation, or within a reasonable period if none is fixed.²⁶

Republic Act No. 6713 (1989), otherwise known as the Code of Conduct and Ethical Standards for Public Officials and Employees

3.2.4 This law indicates the following standards or norms of personal conduct of public officials and employees in the discharge of its duties: commitment to public interest; professionalism; justness and sincerity; political neutrality; responsiveness to the public; nationalism and patriotism; commitment to democracy and simple living. Thus, the duties of such officials is to: (a) act promptly on letters and request; (b) submit annual performance reports; (c) process documents and papers expeditiously; (d) act immediately on the public's personal transactions; and (e) make documents accessible to the public. Prohibited acts and transactions are:

- Financial and material interest in any transaction requiring the approval of their office;
- Outside employment and other activities thereto;
- Disclosure and/or misuse of confidential information known to them by reason of their office and not available to the public;
- Solicitation or acceptance of gifts directly or indirectly.

3.2.5 Public employees also have to accomplish and submit declarations under oath not only of their assets, liabilities, net worth, but also their financial and business interests including those of their spouses and of unmarried children under 18 years of age living in their household. These documents should be made available for inspection at reasonable hours. However, it shall be unlawful for any person to obtain or use any of these statements filed under this Act for any purpose contrary to morals or public policy or any commercial purpose. Penalties imposed under this act ranges from a fine not exceeding the equivalent of 6 months salary or suspension not exceeding one year and imprisonment of not exceeding five years or a fine not exceeding P5,000.00 or both, as well as disqualification to hold office, at the discretion of the court.

²¹ *Id.*, sec. 33.

²² *Id.*, sec. 34.

²³ *Id.*, sec. 35.

²⁴ *Id.*, sec. 36.

²⁵ *Id.*, sec. 38(1).

²⁶ *Id.*, sec. 38(2).

Revised Penal Code, Title II & Title VII

3.2.6 Under Title II on Crimes Against the Fundamental Laws of the State, the punishable acts against public officers are: arbitrary detention; delay in the delivery of detained persons to the proper judicial authorities; delaying release of prisoners; expulsion; violation of domicile in the search warrants maliciously obtained and abuse in the service of those legally obtained; searching domicile without witnesses; prohibition, interruption and dissolution of peaceful meetings; and interruption of religious worship.²⁷ Under Title VII on Crimes Committed by Public Officers are divided into:²⁸

- a) Malfeasance and misfeasance in office
 - Dereliction of duty
 - Bribery
- b) Frauds and illegal exactions and transactions;
 - Malversation of public funds or property;
 - Infidelity of public officers;
 - Other offenses or irregularities by public officers;
- c) Disobedience, refusal of assistance and maltreatment of prisoners;
- d) Anticipation, prolongation and abandonment of the duties and powers of public office;
- e) Usurpation of powers and unlawful appointments;
- f) Abuse against chastity.

Presidential Decree No. 749 (1975)

3.2.7 This law grants immunity from prosecution to givers of bribes and other gifts and to their accomplices in bribery and other graft cases against public officers who voluntarily provide information about any violation of Articles 210, 211 and 212 to the Revised Penal Code, RA 3019 as amended, Section 345 of the Internal Revenue Code and Section 3604 of the Tariff and Customs Code and other relevant laws.

Republic Act No. 7080 (1991)

3.2.8 This law defines and penalizes the crime of plunder. Any public officer who, by himself or in connivance with members of his family, relatives by affinity or consanguinity, business associates, subordinates or other persons, accesses, accumulates, or acquires ill-gotten wealth through a combination or in connivance or a series of acts in the aggregate amount or total value of at least 50 million pesos. This offense is punishable by reclusion perpetua to death. All ill-gotten wealth and their interests and other incomes and assets including the properties and shares of stocks derived from the deposit are forfeited in favor of the State. This crime prescribes in 20 years.

²⁷ Arts. 124-132.

²⁸ *Id.*, arts. 204-245.

Presidential Decree No. 1829 (1981)

3.2.9 This law penalizes obstruction or apprehension and prosecution of criminal offenders. In order to discourage public indifference or apathy, the penalty of prison or correctional in its maximum period or a fine ranging from 1,000 to 6,000 pesos, or both, is imposed upon any person who knowingly or willfully obstructs, impedes, frustrates or delays the apprehension of suspects and the investigation and prosecution of criminal cases by committing any of the following acts:

- Preventing witnesses from testifying in any criminal proceeding or from reporting the commission of any offense or the identity of any offender/s by means of bribery, misrepresentation, deceit, intimidation, force or threats;
- Altering, destroying, suppressing or concealing any paper, record, document, or object, with intent to impair its verity, authenticity, legibility, availability, or admissibility as evidence in any investigation of or official proceedings in, criminal cases, or to be used in the investigation of, or official proceedings in, criminal cases;
- Harboring or concealing, or facilitating the escape of, any person he knows, or has reasonable ground to believe or suspect, has committed any offense under existing penal laws in order to prevent his arrest, prosecution and conviction;
- Publicly using a fictitious name for the purpose of concealing a crime, evading prosecution or the execution of a judgment, or concealing his true name and other personal circumstances for the same purpose or purposes;
- Delaying the prosecution of criminal cases by obstructing the service of process or court orders or disturbing proceedings in the fiscal's offices, in Tanodbayan, or in the courts;
- Making, presenting or using any record, document, paper or object with knowledge of its falsity and with intent to affect the course or outcome of the investigation of, or official proceedings in, criminal cases;
- Soliciting, accepting, or agreeing to accept any benefit in consideration of abstaining from, discounting, or impeding the prosecution of a criminal offender;
- Threatening directly or indirectly another with the infliction of any wrong upon his person, honor or property or that of any immediate member or members of his family in order to prevent such person from appearing in the investigation of, or official proceedings in, criminal cases, or imposing a condition, whether lawful or unlawful, in order to prevent a person from appearing in the investigation of or in official proceedings in, criminal cases;
- Giving of false or fabricated information to mislead or prevent the law enforcement agencies from apprehending the offender or from protecting the life or property of the victim; or fabricating information from the data gathered in confidence by investigating authorities for purposes of background information and not for publication and publishing or disseminating the same to mislead the investigator or the court.

Presidential Decree No. 1606, as amended by Republic Act No. 7975

3.2.10 This act strengthens the functional and structural organization of the Sandiganbayan. This court shall sit in 5 divisions of 3 justices each. The first 3 divisions are stationed in Manila, the 4th division in Cebu City and the 5th in Cagayan de Oro City. The Sandiganbayan exercises original jurisdiction over violations of RA No. 3019, RA 1379, and Chapter II, section 3, Title VII of the Revised Penal Code where one or more of the principal accused are officials occupying the following positions in government:

- Officials of the Executive branch occupying positions of Regional Director and higher otherwise classified as Grade 27 and higher of RA 6758 including
 - Provincial governors, vice-governors, sangguniang panlalawigan member and provincial treasurers, assessors, engineers and other provincial department heads;
 - City mayors, vice-mayors, sangguniang panglungsod, city treasurers, assessors, engineers and other city department heads;
 - Diplomatic service officials occupying the position of consul or higher;
 - Philippine army and air force colonels, naval captains and other officers of higher ranks;
 - PNP chief superintendent and other officers of higher rank;
 - City and provincial prosecutors and their assistants, officials and prosecutors in the Office of the Ombudsman and higher;
 - Presidents, directors or trustee and managers of government-owned or controlled corporations, state universities or educational institutions or foundations;
 - Members of Congress and officials thereof classified as Grade 27 or up;
 - Members of the judiciary without prejudice to the provisions of the Constitution;
 - Chairmen and members of Constitutional Commission without prejudice to the provisions of the Constitution;
 - All other national and local officials classified as Grade 27.

3.2.11 It also has original jurisdiction over all other offenses and felonies committed by public officials and employees in relation to their office, civil and criminal cases pursuant and in connection with Executive Order Nos. 1, 2, 14 and 14-A.

Republic Act No. 9160 (2001), as amended by Republic Act No. 9194 (2003)

3.2.12 Known as Anti-Money Laundering Act of 2001, it defines money laundering as a crime whereby the proceeds of an unlawful activity as defined in this Act are transacted; thereby making them appear to have originated from legitimate purposes. It is committed by the following:

- Any person knowing that any monetary instrument or property represents, involves, or relates to, the proceeds of any unlawful activity, transacts or attempts to transact said monetary instrument or property;
- Any person knowing that any monetary instrument or property involves the proceeds of any unlawful activity, performs or fails to perform any act as a result of which he facilitates the offense of money laundering referred to in paragraph (a) above;
- Any person knowing that any monetary instrument or property is required under this Act to be disclosed and filed with the Anti-Money Laundering Council (AMLC) fails to do so.²⁹

3.2.13 Covered transaction is a transaction in cash or other equivalent monetary instrument involving a total amount in excess of P500,000.00 within one day. On the other hand, suspicious transactions are transactions with covered institutions regardless of the amounts involved, where one of the following circumstances exist:

- There is no underlying legal or trade obligation, purpose or economic justification;
- The client is not properly identified;
- The amount involved is not commensurate with the business or financial capacity of the client;
- Taking into account all known circumstances, it may be perceived that the client's transaction is structured in order to avoid being the subject of reporting requirements under the Act;
- Any circumstance relating to the transaction which is observed to deviate from the profile of the client and/or the client's past transactions with the covered institution;
- The transaction is in any way related to an unlawful activity or offense under this Act that is about to be, is being or has been committed; or
- Any transaction that is similar or analogous to any of the foregoing.³⁰

International Legal Instruments Addressing Corruption

❖ United Nations Convention on Corruption

3.2.14 This Convention was adopted by the U.N. General Assembly in its Resolution 58/4 of 31 October 2003. The purpose of this Convention is to advance cooperation to prevent and combat corruption. Here, "corruption" generally means requesting, offering, giving or accepting, directly or indirectly, a bribe or any other undue advantage or prospect thereof, which distorts the proper performance of any duty or behavior required of the recipient of the bribe, the undue advantage or the prospect thereof.³¹ The highlights of the Convention are categorized into the following:

²⁹ Rep. Act No. 9194 (2003), sec. 4.

³⁰ *Id.*, sec. 3 (b-1)(1)-(7).

³¹ Art. 2, sec. (a).

a) Prevention

Corruption can be prosecuted after the fact, but first and foremost, it requires prevention. An entire chapter of the Convention is dedicated to prevention, with measures directed at both the public and private sectors. These include model preventive policies, such as the establishment of anticorruption bodies and enhanced transparency in the financing of election campaigns and political parties. States must endeavour to ensure that their public services are subject to safeguards that promote efficiency, transparency and recruitment based on merit. Once recruited, public servants should be subject to codes of conduct, requirements for financial and other disclosures, and appropriate disciplinary measures. Transparency and accountability in matters of public finance must also be promoted, and specific requirements are established for the prevention of corruption, in the particularly critical areas of the public sector, such as the judiciary and public procurement. Those who use public services must expect a high standard of conduct from their public servants. Preventing public corruption also requires an effort from all members of society at large. For these reasons, the Convention calls on countries to promote actively the involvement of non-governmental and community-based organizations, as well as other elements of civil society, and to raise public awareness of corruption and what can be done about it. Article 5 of the Convention enjoins each State Party to establish and promote effective practices aimed at the prevention of corruption.

b) Criminalization

The Convention requires countries to establish criminal and other offenses to cover a wide range of acts of corruption, if these are not already crimes under domestic law. In some cases, States are legally obliged to establish offenses; in other cases, in order to take into account differences in domestic law, they are required to consider doing so. The Convention goes beyond previous instruments of this kind, criminalizing not only basic forms of corruption such as bribery and the embezzlement of public funds, but also trading in influence and the concealment and “laundering” of the proceeds of corruption. Offenses committed in support of corruption, including money-laundering and obstructing justice, are also dealt with. Convention offenses also deal with the problematic areas of private-sector corruption.

c) International Cooperation

Countries agreed to cooperate with one another in every aspect of the fight against corruption, including prevention, investigation, and the prosecution of offenders. Countries are bound by the Convention to render specific forms of mutual legal assistance in gathering and transferring evidence for use in court, to extradite offenders. Countries are also required to undertake measures, which will support the tracing, freezing, seizure and confiscation of the proceeds of corruption.

d) Asset Recovery

In a major breakthrough, countries agreed on asset-recovery, which is stated explicitly as “a fundamental principle of the Convention...” This is a particularly important issue for many developing countries where high-level corruption has plundered the national wealth, and where resources are badly needed for reconstruction and the rehabilitation of societies under new governments. Reaching agreement on this chapter has involved intensive negotiations, as the needs of countries seeking the illicit assets had to be reconciled with the legal and procedural safeguards of the countries whose assistance is sought.

Several provisions specify how cooperation and assistance will be rendered. In particular, in the case of embezzlement of public funds, the confiscated property would be returned to the state requesting it; in the case of proceeds of any other offense covered by the Convention, the property would be returned providing the proof of ownership or recognition of the damage caused to a requesting state; in all other cases, priority consideration would be given to the return of confiscated property to the requesting state, to the return of such property to the prior legitimate owners or to compensation of the victims.

Effective asset-recovery provisions will support the efforts of countries to redress the worst effects of corruption while sending at the same time, a message to corrupt officials that there will be no place to hide their illicit assets. Accordingly, article 51 provides for the return of assets to countries of origin as a fundamental principle of this Convention. Article 43 obliges state parties to extend the widest possible cooperation to each other in the investigation and prosecution of offenses defined in the Convention. With regard to asset recovery in particular, the article provides inter alia that “In matters of international cooperation, whenever dual criminality is considered a requirement, it shall be deemed fulfilled irrespective of whether the laws of the requested State Party place the offense within the same category of offense or denominate the offense by the same terminology as the requesting State Party, if the conduct underlying the offense for which assistance is sought is a criminal offense under the laws of both State Parties.”

The Convention needs 30 ratifications to come into force. A Conference of the States Parties is established to review implementation and facilitate activities required by the Convention.

❖ Criminal Law Convention on Corruption³²

In the Second Summit held by the Council of Europe on October 10-11, 1997, they adopted an Action Plan in order to promote cooperation in the fight against corruption, including its links with organized crime and money laundering. They instructed the Committee of Ministers to draft 20 Guiding Principles for the Fight Against Corruption, which later on was enlarged and became this

³² Strasbourg, 27 January 1999, European Treaty Series No. 173.

Convention. This Treaty mandates that each State Party adopt measures necessary to establish criminal offenses and address issues covering the following:

- Active bribery of domestic public officials
- Passive bribery of domestic public officials
- Bribery of members of domestic public assemblies
- Bribery of foreign public officials
- Bribery of foreign public assemblies
- Active bribery in the private sector
- Passive bribery in the private sector
- Bribery of officials of international organizations
- Bribery of members of International Parliamentary Assemblies
- Bribery of judges and officials of International Courts
- Trading in influence
- Money laundering of proceeds from corrupt offenses
- Account offenses
- Participatory acts
- Immunity
- Jurisdiction
- Corporate liability
- Protection of collaborators of Justice and witnesses
- Measures to facilitate the gathering of evidence and the confiscation of proceeds
- Monitoring of implementation
- International co-operation
- Sanctions and measures
- Specialized authorities
- Cooperation with and between national authorities
- Mutual assistance
- Extradition
- Spontaneous information
- Designation of a central authority and direct communication
- Information

❖ Civil Law Convention³³

The Council of Europe recognized the adverse financial consequences of corruption to individuals, companies and States, as well as international institution. Thus, they drew up on a Convention on Civil Remedies for Compensation for damages resulting from acts of corruption, which was approved in 1999. Each State Party is to adopt in its internal law for effective remedies for persons who have suffered damage as a result of acts of corruption, to enable them to defend their rights and interests, including the possibility of obtaining compensation for damage which includes material damage, loss of profits and non-pecuniary loss. Such internal laws should include:

- Liability
- State responsibility
- Contributory negligence
- Limitation periods of not less than 3 years
- Validity of contracts
- Protection of employees
- Accounts and audits
- Acquisition of evidence
- Interim measures to preserve the rights and interests of parties
- International cooperation and monitoring of implementation

❖ Convention Drawn Up on the Basis of Article K 3(2)© of the Treaty on European Union on the Fight Against Corruption Involving Officials of Member States of the European Union

The Member States of the European Union have agreed on the following provisions:

- Passive corruption
- Active corruption
- Assimilation of corruption laws in their domestic criminal law
- Penalties
- Criminal liability of heads of business
- Jurisdiction
- Extradition and prosecution
- Cooperation

³³ Strasbourg, European Treaty Series No. 174, November 4, 1999.

- Ne bis in idem Rule under which a person whose trial has been finally disposed of in a Member State may not be prosecuted in another Member State in respect of the same facts
- Court of Justice of the European Communities to resolve disputes between one or more Member States and the Commission of the European Communities

❖ Convention on Combating Bribery of Foreign Public Officials in International Business Transactions

On May 23, 1997, the Organization for Economic Cooperation and Development (OECD) Council adopted this Convention. It was agreed that each Party shall take such measures as may be necessary to: a) establish that it is a criminal offense for any person to intentionally offer bribery to foreign public officials, b) establish the liability of legal persons, c) determine the range of sanctions, jurisdiction, enforcement, statute of limitations, money laundering, and, d) accord mutual legal assistance and extradition. Each Party shall notify the Secretary-General of the OECD the authority for making or receiving requests as well as in carrying out a programme of systematic follow-up to monitor and promote the full implementation of this Convention.

On November 21, 1997, Commentaries on this Convention was adopted by the Negotiating Conference.

❖ Inter-American Convention Against Corruption³⁴

In 1996, the 34 Members of the Organization of American States (OAS) approved the Inter-American Convention Against Corruption, which aimed at eliminating bribery and corruption of government officials. The OAS Convention was the first international legal framework to come into effect that criminalized transnational bribery, i.e. active bribery of foreign public officials. The Convention directs signatory states to develop and strengthen legal mechanisms to “prevent, detect and eradicate official corruption and recognizes the moral dimension of corruption. The OAS prohibits the following acts:

- The solicitation or acceptance of any article of monetary value or other benefit, such as a gift, by a government official;
- The offering or granting of any such article or benefit;
- Any act or omission by a government official in the discharge of his official duties for the purpose of illicitly obtaining benefits for himself or for a third party;
- The fraudulent use or concealment of property derived from any acts of corruption
- Participating in or conspiring to commit any of the acts of corruption.

³⁴ 35 I.L.M. 724. Thirty-four OAS members signed the convention on March 29, 1966 in Caracas, Venezuela.

The OAS Convention also allows countries to recognize their own additional acts of corruption if these are agreed to among two or more signatory States. The Convention requires States to adopt “the necessary legislation or other measures to establish as criminal offenses,” the solicitation or acceptance, directly or indirectly, of bribes by government officials. Countries are required to enact the necessary laws to facilitate cooperation among themselves under the OAS Convention and to establish jurisdiction over offenses it lists. It requires countries both territoriality and nationality as bases for jurisdiction over these offenses and consider these acts as extraditable offenses.

❖ Draft ECOWAS Protocol on the Fight Against Corruption

Taking into consideration the provisions of Article 85 of their Revised Treaty which call on all Member States to take all necessary measures to harmonize their strategies and policies and to refrain from any action that may hinder the attainment of said objectives, the Member States of the Economic Community of West African States (ECOWAS) agreed to have this Draft Protocol. Some of its contents are:

- Preventive measures
- Acts of corruption
- Acts of corruption concerning foreign functionaries
- Development and harmonization of national legislation
- Confiscation and seizure
- Extradition
- Cooperation and mutual assistance
- Institutional arrangements for the application of the Protocol
- Central authorities

B. INCREASINGLY ACTIVE AND VIGILANT NGOS, CIVIL SOCIETY AND MEDIA

3.2.15 The participation of NGOs, civil society organization and media in detecting, and exposing government corruption and in bringing the accused to justice is intensifying.

3.2.16 The Philippine Institute of Journalism, the PROBE Team of Channel 5, *Imbestigador* of GMA Network, Inc. and other graft watch and expose television and radio programs continue to increase in number.

3.2.17 Public sector unions, notably, PSLINK, PGEA and COURAGE are also emerging as intense graft watchers and whistle blowers in agencies where they have members. Some public sector unions are funded by foreign international NGOs for their training, capacity building and advocacy.

- 3.2.18 The clergy particularly the Catholic Church are also becoming vigilant in watching the conduct of government officials. The Jesuits of Ateneo de Naga, published the book entitled "Ehem!", A Manual for Deepening Involvement in Combating Corruption";, (Jesuit Committee on the Evangelization of Culture, 2002). On 7 July 2003, the Catholic Bishops' Conference of the Philippines (CBCP) issued a pastoral statement "Let Integrity Flow Like a Stream", enunciating recommendations to combat corruption and particularly promoting the creation of new organizations, challenging to do more than just creating awareness, and take actions.
- 3.2.19 The Internet abounds with anti-corruption websites and corruption exposes hosted both by Filipino organizations, media, and international organizations. The potential for more effective use of the Internet in anti-corruption advocacy and knowledge sharing remains to be tapped.
- 3.2.20 The composite impact of all these initiatives on the propensities and audacity of corrupt public officials and employees and in evolving a culture of integrity in the Philippine society, particularly the public sector remains to be seen. There is tremendous potential for consolidating, coordinating and synchronizing these efforts into more focused and scale initiatives.

C. EXTENSIVE REFORMS IN IMPROVING GOVERNANCE HAVE TAKEN PLACE AND GOVERNMENT CONTINUES TO BE COMMITTED FURTHERING THE REFORMS

Establishment of Democratic Institutions and Institutions of Public Sector Accountability

- 3.2.21 The Philippines has undertaken extensive reforms in governance since the ouster of the dictatorship in 1986. The democratic institutions were restored with the establishment of the three co-equal and independent branches of government – Executive, Legislative and Judiciary. The 1987 Constitution established independent Constitutional Commissions – Office of the Ombudsman, Civil Service Commission, and Commission on Audit, as well as the Commission on Human Rights, which comprised primary government instruments for ensuring accountability in the public sector. The Sandiganbayan was established as a special court handling graft and corruption cases. The establishment of democratic and accountable institutions of governance is the legacy of President Corazon Aquino.

Delimiting the Role and Functions of Government and Devolution

- 3.2.22 Reforms in the economy and governance were also started and continued through to the late '90s. There was growing consensus to limit the role and functions of the government and strengthen the private sector. The government underwent an extensive privatization program for government assets and corporations many of which were considered stations of graft and corruption and abuse of the dictatorship. The milestone devolution law was enacted in 1991 transferring to local government units functions, programs, and activities as well as resources of about 13 departments and agencies that are considered to have location specific costs and benefits, thereby bringing services and public accountability closer to the people.

Reengineering the Bureaucracy Program

- 3.2.23 The President established the Presidential Committee for Effective Governance (PCEG) an inter-agency committee whose task is to streamline the bureaucracy and identify reforms towards improving the focus and functions of government agencies and for identifying functions that are no longer relevant and efficient. Recent attempts to implement streamlining initiatives have met with a lot of resistance, but government is committed to pursue the reengineering program.

Financial Management Reforms

- 3.2.24 The government is starting to make significant strides in reforming the government's financial management system. The adoption of the National Government Accounting System (NGAS) and the automated information system component – E-NGAS, will hopefully address several accountability issues in government agencies not just at the level of transaction integrity but also at the level of program and institutional performance. Reforms in the government procurement system and its computerization are intended to improve the transparency, competitiveness, efficiency and integrity of the government procurement process. Efforts at streamlining budget preparation and budget release procedures and computerization of the budget processes spearheaded by the Department of Budget and Management through three successive administrations will hopefully reduce opportunities for and vulnerability to graft and corruption in the budget preparation and execution processes and strengthen the transparency and accountability of budgetary transactions, decisions and performance.

Judicial Reform Program

- 3.2.25 The Judiciary has embarked on a comprehensive judicial reform program that is aimed at achieving the Judiciary's vision of providing fair, speedy and impartial justice system that is accessible to all. The six to ten – year Judicial Reform program which is embodied in the Action Agenda for Judicial Reform (APJR) comprises of reforms towards strengthening the Judiciary's independence and accountability, reengineering and computerization of case management as well as financial and administrative operating systems, improving staffing, judicial appointments, career development and discipline, reforms in judicial education and in the judicial selection and nomination processes, and support initiatives such as advocacy, collaboration, public education and change management.
- 3.2.26 Started by Chief Justice Hilario Davide since 1999, the reform program is now in its implementation stage. The Judicial Reform Program is one of the few well-planned and well-managed reform programs of the Philippines that is anchored on a clear and shared vision and has consistent top management direction and leadership. Together with extensive donor support, and with wide consultations with internal and external stakeholders the judicial reform program may very well be on its way to becoming a best practice model in reforming governance in the Philippines.

Reforms in the Other Pillars of Justice

- 3.2.27 The other pillars of justice, particularly the Department of Justice, Public Attorney's Office, National Bureau of Investigation Philippine National Police have recently received support from the UNDP portfolio on governance to undertake diagnostic studies that will lead to designing their respective reform programs. These initiatives were undertaken over and above the many reform activities that these agencies have already adopted. The diagnostic studies and reform program design are considered essential in acquiring a deeper understanding of the reform issues such that a responsive reform program can be formulated, and a logical medium-term implementation process can be put in place. The diagnostic studies and reform program formulated for the other pillars of justice within the Department of Justice were presented to the agency heads last year.
- 3.2.28 The PNP study on the other hand has just commenced. It involves an institutional analysis of the PNP and its institutional framework, operating systems and human resources. It seeks to define issues that undermine the credibility, integrity, independence, competency, efficiency and effectiveness of the police force. It will involve the formulation of a PNP transformation program that will focus on putting in place the necessary structural and systemic mechanisms that will strengthen the PNP's overall capacity, integrity, efficiency and effectiveness.

3.3 Weaknesses

A. LACK OF MEANINGFUL INDEPENDENCE OF LAW ENFORCEMENT AND ANTI-CORRUPTION AGENCIES OF GOVERNMENT

Need for meaningful operationalisation of judicial independence

- 3.3.1 An independent Judiciary is critical in the impartial resolution of graft and corruption cases. But the independence of the Judiciary is currently undermined by the direct assumption of the other branches of government of internal management functions of the Judiciary. The budget allocation to the Judiciary is subject to negotiable rules and procedures. Local government contributions to the Judiciary are released directly to individual judges, in many cases at the discretion of the mayor. Many judges have cited the difficulty that this current system has put them in. Current reforms are being worked on to operationalize the independence of the Judiciary in accordance with the spirit and provision of the Constitution. In addition to all these, the resources of the Judiciary are severely inadequate. The salary of judges and justices are 2 to 4 times lower than those enjoyed by lawyers in medium to large law firms in Makati. Judges lack continuing training, as resources for judicial education are limited. Many judges, clerks of courts and other court personnel spend their own money to buy furniture, purchase office supplies, purchase materials and labor for office repairs and even to travel from one place to another to deposit legal fees or deliver notices and summons.

3.3.2 The Judiciary is working on obtaining consensus with the other branches of government and local government units on the adoption of objective and automatic mechanisms for the determination of the resource infusions to the Judiciary from government funds and the automaticity of the remittance procedures. Corresponding judicial public accountability mechanisms will be put in place that will ensure the verifiability and public reporting of the specific uses and performance implications of the Judiciary's management of funds. Reforms in judicial independence will strengthen not only the individual decisional and institutional independence of the Judiciary, it will also allow the judiciary to prioritize and manage its limited resources more efficiently. But pushing reforms on judicial independence will require the sacrifice and support of the other branches of government. This will not be easy in a government structure and culture that is highly centralized and where the notion of political power is closely tied to the authority to decide on details of resource allocation.

Need to strengthen the independence and political insulation of anti-corruption and law enforcement agencies

3.3.3 To be effective in fighting graft and corruption in government it is essential that anti-corruption agencies be independent and comprise of well-trained and competent members of a professional force that are in the service. Independence means that there exist clear mechanisms where anti-corruption agencies are insulated from any form of institutional or individual intimidation and harassment from the people with high authority in the government. Law enforcement officers, for example, should not lose their jobs because they pursued investigation of cases involving high-ranking government executives or politicians. But mechanisms for independence and professionalization of several anti-corruption agencies result in law enforcement and anti-corruption agencies that are vulnerable to harassment, intimidation and bribery. Weaknesses are particularly found in the following:

a) Political appointment of key agency officers

The President exercises appointing authority to many positions within the hierarchy of law enforcement agencies. For example, in the PNP, the President has appointing authority over five position levels from Senior Superintendent up to Director-General. Further, these appointments are to be confirmed by the Commission on Appointments of Congress. The political nature of the appointment process undermines the mandated professional character of the police force, where police officers serve at the pleasure of the President and are indebted to the appointing members of Congress.

b) Direct administrative control by oversight agencies of the President over the internal management of agency resources

The negotiable nature of the determination of the overall annual budgetary levels, the detailed allocation of the budget and the transactional procedure for budget releases to anti-corruption agencies render these agencies vulnerable to *quid pro quo* arrangements. Anti-corruption agencies, such as the Office of the Ombudsman and other constitutional commissions whose fiscal autonomy

are enshrined in the 1987 Philippine Constitution should enjoy the full meaning of fiscal autonomy. Fiscal autonomy would only be meaningful if its operationalisation involves the removal of negotiability of annual aggregate levels of the annual budget of independent institutions, and if these institutions fully assume the authority, responsibility and accountability of the management of the internal allocation and utilization of their organizational, manpower, financial and other resources. In theory, the vulnerability of the present system lies in the power of oversight agencies of the executive branch to reduce the budget, and to withhold budgetary releases or simply to disapprove budgetary requests.

c) Low salaries and benefits of law enforcement and anti-corruption personnel

Salaries of anti-corruption agencies are within the Salary Standardization Law. Special compensation systems for the PNP have been put into effect significantly improving police compensation. But salaries remain generally considerably low in relation to the quality of life needed by a decent family headed by a professional. People from the private sector who accept top positions in government make considerable sacrifice in terms of resources lost due to a radical reduction in compensation.

Low compensation erodes social status despite the power vested in a law enforcement position and renders law enforcement personnel vulnerable to graft and corruption.

Low compensation in the bureaucracy has been a long-time policy problem of the government. Salaries comprise a huge portion of the national annual budget occupying more than 33% of total expenditures and yet, government personnel salaries are considerably low particularly for some technical (such as lawyers) and managerial positions particularly in relation to comparative professions in the private sector.

d) Insufficient competency development program

Adequate professional competency is the fundamental tool with which each law enforcement officer can efficiently and effectively perform his assigned functions. It is the foundation upon which he gains confidence and independence in the exercise of his profession. Professional competency therefore is key to achieving true individual professional independence of law enforcement agencies and will serve as the inner force that insulates them from harassment and bribery.

But the development of competency in anti-corruption agencies is undermined by several factors. First, low salaries do not attract the best and the brightest to make a career in a government anti-corruption institution. Anti-corruption agencies do not have the financial and technical resources as well as the institutional mechanisms to develop and provide continuing competency development programs that will train anti-corruption personnel on the

appropriate conceptual and technical tools and methodologies needed in performing their jobs.

The Philippine Judicial Academy of the Supreme Court is in the process of strengthening the Judicial Education Program that will improve the core common competencies as well as specialized skills requirements of court judges and personnel.

The PNP education program as well as training program for new members of the police force is being upgraded. But in other anti-corruption agencies continuing training capacities are severely limited.

Studies made in the Department of Justice agencies including NBI, National Prosecution Service and Public Attorney's Office indicated that much remains to be done in providing an effective mechanism that will improve skills in detection, investigation, witnessing, case writing, evidence gathering and preservation and in witness interrogation, among others.

B. WEAK ANTI-CORRUPTION INSTITUTIONAL CAPACITIES

- 3.3.4 Law enforcement is considered weak. The crime investigation and apprehension machinery is ill-equipped and under-funded. Many members of the police lack adequate training. For example, evidence on the crime scene could be destroyed if investigating officers do not have relevant and adequate training on evidence gathering and preservation. While the salaries and other compensation of police and military personnel have considerably been improved in relation to the rest of the bureaucracy, they remain low in relation to purchasing power. These institutional weaknesses have rendered the government's crime management agencies less effective in combating criminality.

Case Congestion and Delay in the Courts

- 3.3.5 Case congestion and delay characterize the courts. About 7 million cases, 80% of which were criminal, entered the courts from 1996 to 2000. Clearance rates (estimates of all cases adjudicated, archived and suspended during the year) averaged at 47%. Of this, archival of cases was significant which went up to 20% of clearance rates, indicating that the number of actual cases that reach judgment was even much lower. Courts are overloaded with cases, ill-equipped and have severely low budgets. The salary of judges is not competitive. The Supreme Court is having difficulties in filling vacancies so that about 30% of all judge positions have remained vacant as of 2002.
- 3.3.6 The Sandiganbayan plays a critical role in fighting public sector graft and corruption committed by high-ranking public officials. A survey on caseload funded by the World Bank showed that the median time for the processing of cases (from filing to closure) is 6.6 years, the minimum duration was 1.6 years and maximum being 11 years. It was the trial phase that took the longest time which had a median of 2.4 years and the second longest was the decision making itself which had a median of 8 months.

In more than 75% of cases the accused is acquitted thus there is no incentive for the accused to plead guilty. The court is not treated with respect by parties, counsels and witnesses alike as evidenced by high proportions of postponement due to non-appearance. Cases in the Sandiganbayan are complex and usually involve more than one party. Protracted trials would tend to reduce the memory of witnesses and the opportunity for interference with evidence (Hunter, World Bank, 2003).

Weaknesses in the Prosecution System

- 3.3.7 The National Prosecution Service (NPS) is responsible among others for the preliminary investigation and prosecution of criminal cases filed in the lower courts. The OMB also deputizes public prosecutors to act as prosecutors for cases filed in the Sandiganbayan by the OMB. The annual disposition rate of prosecuted cases handled by NPS was at only 16.90% between 1997-2002 and this was due to the slow and long litigation process. Further, out of cases that finally entered judgment the NPS had an extremely low conviction rate of only 18.06% in year 2002. About 33.69% were dismissed, 33.80% were archived and 4.53 % were acquitted.
- 3.3.8 The Office of the Ombudsman itself is in the process of analyzing and correcting its own long-time institutional weaknesses particularly in the areas of public assistance, investigation and prosecution. The vacancy rate for investigation and prosecution positions is high registering at 43% for prosecution positions and 38% for investigator positions. These positions, which require high level qualifications, are not attractive due to low salary rates, despite the conferment of higher salary grades to these positions among the positions in the national government staffing pattern. Prosecutors and investigators need updated and more sophisticated training. Ombudsman Marcelo was concerned that OMB prosecutors have to match the talent and skills of highly paid and extremely paid private counsels of accused high-ranking government officials.

Lack of Access

- 3.3.9 One of the issues raised by the Office of the Ombudsman is the lack of access to its services particularly in the regions. Graft and corruption is location specific and therefore mechanisms for redress should be geographically readily accessible. The OMB is implementing a resident ombudsman program and has partnerships with local NGOs in the area of public assistance. But the effectiveness of these programs has yet to be evaluated. Still these initiatives have limited capacities to address the geographical access issue particularly with respect to redress and response to complaints.

C. CORRUPTION VULNERABLE GOVERNMENT SYSTEMS AND INSTITUTIONS

- 3.3.10 It is said that corruption in the government can be found at all levels. There are agencies that are considered prone to corruption. Agencies that have been considered top ranking in being prone to corrupt have been identified and have remained the same over the years. Corruption is said to permeate the many aspects of governance – political, economic and administrative.

3.3.11 One of the greatest weaknesses in the integrity infrastructure of the public sector would be the corruption vulnerability of public sector institutions. Corruption vulnerabilities in the public sector and public sector institutions are inherent in certain key areas. These include following:

- a) Highly politicized appointment process for all managerial positions in government departments and regular agencies.

The President appoints all positions with salary grades 27 and higher in all departments and regular agencies of the executive branch. The incumbents to these positions, most of who come from the ranks, once appointed is said to serve at the pleasure of the President. The system also does not preclude the president from hiring favorites to favored posts. This appointment process conflicts with the objective of maintaining a professional government bureaucracy because the tenure of managers is subject to the discretion of the President, rather than based on an objective, predictable and performance-based career development process. The problem with this system of course is that the overall health of the managerial corps in the government depends on the integrity and personal discretion of the President.

The Civil Service Commission has won a great fight in strengthening the professional status of the career executive service. Presidential appointees holding career executive service officer (CESO) eligibility status are more difficult to replace at the President's will. But in some recent administrations, the appointment of those who occupy managerial positions but who do not have CESO rank had to be renewed by the department secretary every year.

A deeper problem of this politicized process is its consequence in the actual authority structure of the bureaucracy and the accountability of agency heads. Who ever hires and fires – he has the authority that employees follow. But the direct presidential appointment and promotion of practically all managers that an agency head commands has undermined the authority of the agency heads over presidential appointees under his supervision.

- b) Complexity, lack of transparency, ill-communicated systems and procedures, discretionary approval or disapproval process reinforced by the absence of appropriate information systems and technology, and lack of user knowledge on how the agency should provide the service and how long it should take, render many governmental processes particularly those involved in regulation, funds management and disbursement and public services prone to many forms of corruption. The examples of these abound in practically all aspects of front-line public service and regulation operations, as well as in financial management operations of government agencies. The vulnerability lies in the confluence of several factors:

- Absence of time standards
- Clarity of amount to be paid by the user upon delivery of the service and the process for determining the amount for non-fixed fees

- Lack of well structured and streamlined steps to produce the service or output
 - Absence of objective and transparent criteria for arriving at decisions, decisions are made based on discretion
 - Lack of information technology and insufficient database to access organized and up-to-date data needed in processing and making decisions and in monitoring the integrity of these decisions and processes. Lack of structured information supporting decisions means that decisions have to be discretionary and based on “best evaluation of the situation”
 - Ignorance of the user or adequate public information is not provided by the agency in a readily accessible manner
 - Lack of effective and quick action complaints and grievance facility within the agency
- c) Duplication and overlapping in government functions and systems blurs accountability and renders affected government agencies prone to corruption

An example of this is the potential triplication in the provision of budget for the same farm-to-market road located in Barangay X – by the LGU, by the DPWH public works program, and by the politician’s pork barrel. Certainly only one out of the three budgetary provisions would actually be used. But there is no systematic process for verifying how far the present weaknesses have been taken advantage of.

Also duplication of functions blurs accountability for performance. If a passenger ship sinks in the sea due to passenger and cargo overloading, 3 to 5 agencies will point a finger to one another and the case will have difficulty reaching the prosecution stage simply because it is difficult to match the causes of the sinking with the accountabilities of the assigned regulatory agencies.

Another issue associated with the overlapping is the vertical duplication and overlapping of functions between national and local governments. Soon after the devolution of functions to local government units, recentralization crept back with the national government cleverly resuming functions already covered under the devolution program. Examples of these include the vaccination program of DOH, or the maintenance of social service centers and disaster assistance by DSWD. This re-centralization has been closely tied up to the political power implications on the direct delivery by national government of services that are location specific.

- d) Absence of meaningful linkage between budgeting and performance, and absence of mechanisms for objectively costing agency outputs

Clear costing standards have been established for some infrastructure projects such as maintenance of roads and bridges and building construction. But much remains to be done in coming up with reliable objective basis for the determination of the true cost of agency outputs given the quality specifications

and quantity of these outputs. Such costing methodology should be verifiable and should become the basis for the estimation of agency expenditures and program targets and the basis for the review of such expenditures and program performance. The costing methodology is the missing link between budgeting and assessing performance of agencies at least at the output and target reach levels.

- e) Ethical and professional standards as well as sanctions are not clear to all employees nor are there judicious impositions of sanctions to erring personnel.

There is need for agencies to design and implement a well structured and intensive new employee orientation program where employees are trained and oriented not only the procedures for performing tasks but also on the values and organizational behavioral standards that the organization holds as well as the legal framework that prescribe ethical and professional standards and stipulates sanctions for violations of law. Agency heads should be tasked on defining the organizational culture that the organization should continuously strive to achieve and maintain. This is one of the reasons why the depoliticization of the appointment process is important in achieving professional organizations headed by career professionals. These mechanisms ensure organizational stability and continuity. It is by ensuring the stability and continuity of the organization that a desired cultural development process can take place.

There are no objective and effective mechanisms for discipline. Since the distinction between right and wrong is not clear on an agency specific operation basis. The culture of tolerance, compassion and forgiveness as well as influence and political power impedes any serious professional and integrity development effort. Much remains to be done to upgrade the professionalism of managers in the area of imposing discipline and in enforcing appropriate and ethical conduct. Further, capacities for investigating administrative complaints are weak and do not have formal processes of evidence gathering and management.

- 3.3.12 The confluence of all these weaknesses renders the bureaucracy extremely vulnerable to graft and corruption. Agency and system specific studies on integrity vulnerabilities will be required in order that specific remedial actions and reforms can be formulated to plug the leaks and strengthen the insulation of public sector institutions. This is a long process and will require strong and sustained leadership and direction.

D. VULNERABILITY OF THE MEDIA

- 3.3.13 Anecdotal stories of corruption in the media abound including the vulnerability of the media to political harassment, but so far no one has been convicted. The media plays an important role in the fight against corruption both in the immediate and long terms. An independent and incorruptible media is therefore a necessary ingredient in launching an effective corruption strategy.

3.4 Opportunities

3.4.1 While weaknesses are many, opportunities for implementing a potentially effective anticorruption strategy exist.

A. CONTINUED ANTI-CORRUPTION POLICY PRONOUNCEMENTS PROVIDE OPPORTUNITY TO LAUNCH AND SUSTAIN THE IMPLEMENTATION OF A SERIOUS ANTICORRUPTION STRATEGY

3.4.2 The intensification of the anticorruption efforts of government is one of the ten priority agenda of the Arroyo administration. This provides opportunity for the Office of the Ombudsman to establish collaborative efforts in several areas. Programs and projects that can be implemented under collaborative arrangements with the government are recommended in the reform program chapter of this report, particularly in the following areas:

- a) Development of institutional and system standards for the public sector
- b) Conduct of integrity audits
- c) Upgrading by government agencies of their structures, systems and processes to standards compliance levels
- d) Assistance to OMB in the gathering of evidence on graft and corruption cases
- e) Partnership in integrity advocacies and education

B. VIGILANT AND INCREASINGLY CAPACITATED CIVIL SOCIETY ORGANIZATIONS AND NGOs

3.4.3 The increasing number of corruption allegation in high places in the government triggered corresponding increase in the vigilance and capacities of civil society organizations that have strong anti-corruption objectives and programs. These provide opportunities for more extensive partnerships by OMB particularly in the following areas:

- a) Establishment of community level and public sector organization level integrity circles and graft watch groups
- b) Mobilizing resources to support the design and implementation of specific interventions such as community education, parents and teachers orientation, and public sector employees mobilization and training
- c) Assist the OMB in the detection and investigation of graft and corruption allegations and cases particularly in the gathering of evidence, identification and protection of witnesses, providing legal assistance, and providing thematic expertise required in the investigation of specialized cases.
- d) Public advocacy, education and integrity values formation at community levels and among vulnerable sectors of society.

C. SUPPORTIVE BUSINESS COMMUNITY

- 3.4.4 The business community has demonstrated its willingness to support the development of anticorruption strategies by announcing that it will donate 3% of the income of their member companies to the anticorruption program. That support should be given to an independent anticorruption organization – the Office of the Ombudsman. The OMB in consultation with the business community can design the operational mechanisms for the management and utilization of the resource.
- 3.4.5 The business community can also be mobilized to assist the OMB in the provision of evidence and information on a case both through discreet and overt mechanisms. They can also provide a corps of volunteer thematic experts that will assist OMB investigators in business related corruption cases.

D. VIBRANT MEDIA

- 3.4.6 The vibrancy and independence of the media is important. While corruption in the media has been increasingly spoken of, there is still general trust and confidence in the independence of the Philippine media in general. This provides opportunity for the OMB to develop and implement innovative partnerships towards harnessing the use of media for anti-corruption advocacy while rendering to the media news worthy corruption issues.
- 3.4.7 A deeper study on corruption in the media will also help in understanding the underlying causes that will be the basis for more focused programs towards strengthening media independence.

E. EXTENSIVE DONOR SUPPORT

- 3.4.8 There is extensive donor support for anticorruption initiatives in the Philippines. The World Bank has provided assistance to the Judiciary in improving its integrity infrastructure. Judicial reform initiatives funded both by the World Bank and Asian Development Bank have ensured that integrity mechanisms are imbedded in the reengineering of structures, functions and operating systems, including the computerization of processes.
- 3.4.9 Donor interest in assisting the OMB in its anti-corruption campaign is intensifying. Specific funding portfolios and projects have been established by USAID, UNDP, EU specifically addressing anticorruption and building the capacities of the OMB and anticorruption bodies, as well as providing support in the improvement of the legal framework for anticorruption.
- 3.4.10 The World Bank and ADB have specific anti-corruption policies that guide project design, procurement and implementation and particularly the management of project funds.

3.4.11 An integrated and synchronized multi-year anti-corruption program by the OMB and hopefully by the government will provide the guidance upon which the donors can coordinate their assistance to ensure complementation and mutual reinforcement of efforts and resources.

F. OPPORTUNITY TO PROFESSIONALIZE AND TO ASSERT THE INDEPENDENCE OF ANTI-CORRUPTION INSTITUTIONS

3.4.12 A professional and independent OMB is a precondition upon which an effective anticorruption strategy for the public sector can be attained. Enunciated support from many sectors – donors, business, civil society – creates opportunity for strengthening the capacity and independence of the OMB, in order to insulate the institution and its personnel from potential political influence or harassment that may occur in the pursuit of its investigation and prosecution of cases involving high ranking government officials.

3.4.13 Operationalizing a meaningful independence requires the following:

- a) That the budget of the OMB be determined based on objective and non-negotiable criteria and released automatically and in full on a non-transactional (no request basis)
- b) That the OMB be authorized by law to mobilize other sources of funding (such as contributions from business, international NGOs to finance its programs) provided that the process by which these contributions are made will not in any way compromise the integrity and independence of the OMB
- c) That the OMB will have full authority with respect to its internal administration, staffing and budget operations

3.4.14 Together with independence emerges greater accountability to the people. The OMB must establish mechanisms for the accounting and reporting of the use of its funds and its performance to the public through Congress.

3.4.15 The OMB must also advocate the strengthening of the independence of law enforcement institutions. Such advocacy will be implemented through multi-pronged strategies that are proposed in the reform program.

G. IMPROVING PUBLIC AWARENESS AND VIGILANCE AND DEVELOPING A CULTURE OF INTEGRITY AND ACCOUNTABILITY

3.4.16 The media has played an important part in the improvement of public awareness and vigilance regarding graft and corruption in the government. There are tremendous opportunities to strengthen public awareness and promoting a culture of “right to know” as well as a culture of integrity and accountability among citizens. These can be done through multiple approaches designed specifically to address individual population targets particularly the poor and the masses, and the youth. Collaboration with media, DepEd, the church and business can be made and the design of the medium and delivery instruments as well as the operating mechanisms for program management can be made.

3.5 Threats

A. LACK OF INDEPENDENCE OF ANTICORRUPTION AGENCIES

3.5.1 As emphasized earlier strong and independent anticorruption agencies are pre-conditions for an effective anticorruption program. The strongest threat to an effective anticorruption program is the lack of independence and therefore extreme vulnerability of our anti-corruption agencies – OMB, the courts, and law enforcement agencies.

3.5.2 A concerted campaign program by the Judiciary and the independent commissions and the championship of the cause by business and civil society groups, including the church will be necessary in gaining political support for the campaign and in sustaining that support through legislation, implementation and institutionalization.

B. THE CHALLENGE OF SOCIETAL INTEGRITY DEVELOPMENT

3.5.3 Historians have written that the influence of the east and west has created a unique mix of seemingly contradictory traits that epitomize the Filipino. These include among others such traits as hospitality, patriotism, close family ties, respect for elders which is extended to respect for authority and power, loyalty, fatalism, lack of initiative, tendency to be indolent, sensitivity, childlike curiosity, cooperation and individualism, jealousy, “pakikisama” (which usually involves compromise in the spirit of camaraderie), “utang na loob” (debt of gratitude), and regionalism (Agoncillo, 1990).

3.5.4 Centuries of external political and economic domination shaped the country’s socio-economy characterized by the stark dichotomy between rich and poor and by distinct social classes and paved the way for polarization particularly between those who held political power and those who felt disadvantaged which are still very visible today.

3.5.5 The new democratic and American installed setup helped bring about the realignment of the people along the lines of a class consciousness that gave prime attention to the elite and encouraged the development of a new middle class of professionals. But only the form of democracy was visible and the true essence of democracy, the one that entails not just freedom but also responsibility, has yet to be developed among Filipinos. The rule of law, which the Americans exemplified, is subordinate to the old traditions, based on kinship, compromise for the sake of camaraderie, debt of gratitude and other values, which they thought, preserved societal harmony. The elite did not abandon the traditional ways that maintained their socio-economic status. Soon the Americans discovered violations such as petty theft, non-observance of office hours and bribery (Agoncillo, 1990).

3.5.6 Current studies on corruption correlates Filipino values with the vulnerability and propensity for corruption in public office, such that the challenge of societal integrity development will be the most difficult and the longest process to pursue.

C. PERCEPTION OF UNDEMONSTRATED POLITICAL WILL IN THE AREA OF COMBATING CORRUPTION ERODES CREDIBILITY OF ANY SERIOUS ANTICORRUPTION PROGRAM

3.5.7 The declining CPI of the Philippines is supported by corresponding public perceptions about the declining integrity of government institutions. One of the most difficult constraints to an effective anti-corruption program will be its lack of credibility and the growing cynicism of the public about the sincerity of the effort. The OMB however, has maintained a high level of credibility by the public. The challenge for the OMB is to establish its independence and an independent anticorruption initiative that is not tainted by influence from the other branches of government. Its independence is key to its credibility.

D. LACK OF LEGISLATIVE SUPPORT

3.5.8 Many anticorruption initiatives are politically attractive in terms of public enunciation, but politically disadvantageous in implementation. While an OMB initiated anti-corruption plan may elicit initial political support, particularly in terms of its launch, in inclusion in the President's State of the Nation Address and other political speeches, strategies for political cooperation and the OMB must put pressure in place. Mobilizing and sustaining broad and multi-sectoral support for the initiative is key to engendering sincere and sustained political cooperation.

E. LACK OF RESOURCE SUPPORT BY GOVERNMENT TO AN INDEPENDENT ANTICORRUPTION INSTITUTION

3.5.9 The OMB medium-term anticorruption program will be put in place during a time when resources are severely limited, where allegations of graft and corruption focus on the use of public funds, and where financial management is still highly centralized in the Department of Budget and Management. Again, the OMB must establish broad-based and powerful stakeholder support for the program and for the campaign to strengthen the independence and prioritization of resources for anti-corruption initiatives.

F. VULNERABLE MEDIA

3.5.10 The implementation of the OMB anticorruption program will need considerable cooperation and participation by the media, and yet the media can also be used to effectively combat an anticorruption strategy. The OMB must identify who among the media can be true and sustaining partners in the crusade.

4 IMPLICATIONS FOR OMB

4.1.1 The key to a potentially effective anticorruption strategy to be implemented by the OMB is in identifying a broad range of comprehensive responses to the strengths, weaknesses, opportunities and threats identified and in particular to the specific issues raised therein. These responses will involve the following:

- a) The anti-corruption program must be addressed from all fronts and at various levels. The results of the SWOT analysis suggest that reforms should address the legal framework and the legislation process, the structure and systems wherein the integrity weaknesses in public sector institutions are imbedded, the society at large which need better education towards imbibing, valuing and exercising integrity values, and the other partners which will play key roles in making the various initiatives happen.
- b) To generate credibility of the program the OMB must demonstrate its commitment by catching some “big fish”. This launching pad for the entire medium-term reform process is considered by the Ombudsman to be the basis for broad, strong and sustained support for the program’s implementation.
- c) The OMB must build multi-sectoral partnerships not only to deliver the programs but also as a means of strengthening the resources and insulation of the OMB from potential political backlash, particularly where high ranking officials are implicated, investigated and prosecuted
- d) Strengthening the independence and capacity of the OMB. An examination of the organization structure, functions, staffing, operating systems and programs of the OMB is contained in the next chapter of the report. This will guide the identification and subsequent detailed diagnostic studies and institutional reengineering effort that will improve the overall institutional capacities of the OMB and strengthen its institutional independence and those of its investigators and prosecutors.
- e) The OMB must considerably strengthen its human and overall institutional capacities through core and specialized training of investigators, prosecutors, fact-finding and research personnel which will be provided on a continuing improvement basis, through collaboration with partners who can contribute expertise and knowledge sharing mechanisms for OMB staff, and through significant improvement in its information management technologies as well as investigation tools and equipment.

4.1.2 These mechanisms can be put in place in a few years, but the desired impacts of the program will be long-term and slowly permeating. The identification and design of individual initiatives must achieve a careful balance between the need for quick wins and the importance of a slow societal and institutional change process.

3

REVIEW OF INSTITUTIONAL FRAMEWORK AND OMB CAPACITY

1 INTRODUCTION

- 1.1.1 This Section contains a general review of the institutional framework and capacity of the OMB. This assessment is made for purposes of identifying and defining the reforms necessary to strengthen the OMB, which will form an important component of the OMB medium-term anticorruption plan and public investment program.
- 1.1.2 The assessment is made against the backdrop of a program performance review. The program performance review is made not to criticize the institutional performance of the institution but to provide information that will relate performance to specific strengths and weaknesses in the structures, systems, resources and technologies of the OMB.
- 1.1.3 The performance review relied heavily on data provided by the Offices of the OMB and on OMB published annual reports. Performance was delimited to analyzing areas that are supported by available indicators and statistics. The consultants attempted to rectify certain inconsistencies in the data so that a logical analysis can be made. In the overall, the data provided are accurate enough to be used in logical analysis.
- 1.1.4 The provision of more and detailed statistics after the validation workshops allowed deeper assessments of individual functional areas particularly, distinguishing among field investigation or fact-finding, preliminary investigation and public assistance. The revisions are accordingly reflected in this final report.

2 INSTITUTIONAL FRAMEWORK

2.1 Philippine Antecedents in Handling Public Complaints

- 2.1.1 Complaint-handling agencies have been created by Philippine Presidents in attempts to purge government of graft and corruption. In 1950, President Elpidio Quirino, by Executive Order No. 318, created the Integrity Board to receive complaints against public officials for acts of corruption, dereliction of duty, and irregularity in office, investigate them and submit recommendations to the President.

- 2.1.2 On the day he assumed office, President Ramon Magsaysay created the Presidential Complaints and Action Commission (PCAC)¹ not only for the purpose of expediting actions on all complaints against public officials and employees in the executive department of government but also “to encourage public participation in making government service more responsive to the needs of the people.” The PCAC, clothed with fact-finding and recommendatory functions, was directly under and solely responsible to the President. Subsequently, the Commission was superseded by the Complaints and Action Committee in the Office of the President with essentially the same powers spelled out in more detail (receive, process and evaluate).²
- 2.1.3 When President Carlos P. Garcia assumed office, he created the Presidential Committee on Administration Performance Efficiency (PCAPE), which was empowered to process and evaluate complaints relating to the performance of duties imposed by law on various executive departments, bureaus, and offices of government.³
- 2.1.4 In 1955, Congress approved Republic Act No. 1379, an act providing for the forfeiture to the State of property unlawfully acquired by public officials. To implement and enforce this Act, President Garcia created the President’s Anti-Graft Committee (PAGCOM)⁴ but abolished it about a year later.⁵
- 2.1.5 President Diosdado Macapagal also had his own investigating agency, the Presidential Anti-Graft Committee.⁶ This is also true of President Ferdinand E. Marcos who created the Presidential Agency on Reforms and Government Operations (PARGO),⁷ making its head a member of the Cabinet. Within a year, the office was abolished and replaced by the Presidential Complaints and Action Office (PCAO), which in turn was replaced upon revival of the PARGO on October 2, 1967.
- 2.1.6 In an attempt to create a statutory grievance agency permanent in character with defined authority and some measure of independence, Republic Act No. 6028 or the Citizen’s Counselor Act of 1969 was passed with the following purposes:
- a) To protect and safeguard the constitutional rights of the people to petition the government for redress of grievances;
 - b) To promote higher standards of efficiency in the conduct of government business and the administration of justice for better service to the citizen.⁸

¹ Executive Order No. 1, December 30, 1953.

² Executive Order No. 19, March 23, 1954. This Committee is also known as PCAC.

³ Executive Order No. 306, July 15, 1958.

⁴ Executive Order No. 378, February 18, 1960.

⁵ Executive Order No. 457, December 29, 1961.

⁶ Executive Order No. 4, January 18, 1962.

⁷ Executive Order No. 4, January 7, 1966.

⁸ Sec. 2.

- 2.1.7 The Office of the Citizen's Counselor had jurisdiction to investigate on complaint by any person or *motu proprio* any administrative act of a government agency when he has reason to believe that such act may be:
- a) Unreasonable, unjust, oppressively or improperly discriminatory even though in accordance with law;
 - b) Under a mistake of law or fact, partly or wholly;
 - c) Without adequate statement of reasons;
 - d) Based on grounds that are improper or irrelevant;
 - e) Done inefficiently;
 - f) In conflict with law;⁹
 - g) Otherwise erroneous.
- 2.1.8 Excluded from the Citizen's Counselor's jurisdiction were: (a) the President; (b) Members of the Senate and House of Representatives; and (c) judges of any court of the Philippines.¹⁰ This Act never became operational since appropriations were not for the Office. In the reorganization of the executive departments of government, instead of activating the office, the PARGO continued.
- 2.1.9 In 1971, the Presidential Administrative Assistance Committee (PAAC) was established composed of three members headed by the Undersecretary of Justice.¹¹ It was charged with the duty to investigate and act on abuses in the implementation of the suspension of the privilege of the writ of *habeas corpus*.
- 2.1.10 The PARGO was subsequently transformed to the Complaints and Investigation Office (CIO) to receive and act on complaints filed directly with the Office of the President.¹²
- 2.1.11 When the 1973 Constitution went into effect, it incorporated in the article on Accountability of Public Officers, the creation of a special court known as the *Sandiganbayan* and the Office of the Ombudsman known as *Tanodbayan*.¹³ On June 11, 1978, Presidential Decree No. 1487 created the *Tanodbayan*. But on the day it took effect, another Decree was issued retaining the Complaints and Investigating Office in the Office of the President.¹⁴
- 2.1.12 The Decree stated that the Tanodbayan shall be an independent office. It provided for its organization and defined its principal task: "to investigate, on complaint, any administrative act of any administrative agency including any government-owned or

⁹ Sec. 12.

¹⁰ Sec. 11.

¹¹ Executive Order No. 33, August 26, 1971.

¹² Pres. Decree No. 115 (1978).

¹³ CONST., Art. XIII, secs. 5 & 6.

¹⁴ Pres. Decree No. 1501 (1978).

controlled corporations.”¹⁵ On December 18, 1978, an amendment transformed the office from a primarily grievance-handling entity to a primarily prosecution office.¹⁶

2.1.13 An office of the Chief State Prosecutor was created but not under the same law but in the *Sandiganbayan* Decree promulgated on the same day.¹⁷ With the nature of the Office of the Ombudsman under the 1987 Constitution, Pres. Corazon C. Aquino issued Executive Order Nos. 243 and 244 on July 24, 1987 decreeing the formal organization of the Office of the Ombudsman and transforming the former *Tanodbayan* into the Office of the Special Prosecutor as the organic part. On November 17, 1989, these presidential decrees were superseded by Republic Act No. 6770 otherwise known as the *Ombudsman* Act of 1989. The same law reiterated the integration of the Office of the Special Prosecutor into the Office of the Ombudsman.

2.2 Key Agencies Addressing Corruption and Integrity in the Public Sector

2.2.1 There is emerging proliferation of agencies that are mandated to address corruption and integrity issues in the public sector. There are at least 4 agencies: Office of the Ombudsman, Civil Service Commission, Presidential Commission Against Graft and Corruption, and Inter-Agency Anti-Graft Coordinating Council.

2.2.2 The Constitution established an Office of the Ombudsman as protector of the people. The Ombudsman performs its functions along 4 major program areas: public assistance, fact-finding and investigation, prosecution and advocacy and education. The OMB is vested with independence in the Constitution.

2.2.3 Despite the creation of the Office of the Ombudsman, President Fidel V. Ramos created the Presidential Commission Against Graft and Corruption (PCAGC) under Executive Order Nos. 150 and 151-A. President Joseph E. Estrada abolished the PCAGC and replaced it with the National Anti-Corruption Commission (NACC). However, NACC was never operationalized. PCAGC continued to operate until the issuance of Executive Order No. 12 by President Gloria Macapagal-Arroyo on April 16, 2001. This Executive Order renamed PCAGC to Presidential Anti-Graft Commission (PAGC), and strengthened as well as broadened its functions. This functional broadening however, served only to expand the duplication between the functions of the PAGC and that of the OMB.

2.2.4 Another agency, the Inter-Agency Anti-Graft Coordinating Council was established by Administrative Order No. 79 dated July 28, 1999 to formulate and develop techniques and strategies in the prevention, detection, investigation and prosecution of graft cases. However, it was not operationalized. But in the Social Summit of December 2001, President Arroyo approved the revival of the IAAGCC. The PAGC was tasked to coordinate efforts with the Department of Justice, Office of the

¹⁵ *Id.*, sec. 2.

¹⁶ Pres. Decree No. 1607 (1978).

¹⁷ Pres. Decree No. 1486, June 11, 1978.

- Ombudsman, Civil Service Commission, Commission on Audit and the National Bureau of Investigation.
- 2.2.5 The Civil Service Commission is a constitutional body mandated to establish a career service and adopt measures to promote morale, efficiency, integrity, responsiveness and courtesy in the civil service. Its anti-corruption functions are inherent in its function as the oversight personnel management arm of the government. The Civil Service Commission hears administrative complaints filed against public officials and personnel and has the authority to impose administrative sanctions. The independence of the Civil Service Commission is also stipulated in the Constitution.
- 2.2.6 The establishment of anti-corruption bodies within the Executive Branch to investigate high-level corruption among its ranks signals the hesitancy of the national government to strengthen an independent anticorruption body – the OMB. But this simply serves to duplicate the functions already vested in the OMB. The credibility of these institutions will be undermined by their lack of independence and its theoretical or inherent vulnerability to be influenced or dictated upon. Where corruption cases involve officials close to the President, this setup is vulnerable to suspicion and lack of credibility. The duplication and overlapping of functions between the OMB on one hand and the PCAGC and IAAGCC on the other has profound implications on the efficiency and credibility of the government's anti-corruption program. Resources could have been channeled and focused on strengthening the OMB as the constitutionally mandated anticorruption agency of the government.
- 2.2.7 Cases involving graft and corruption committed by public officials and personnel have handled by the courts. Under this Republic Act 6770 and Republic Act No. 8249, the Sandiganbayan has jurisdiction over graft and corruption cases involving high ranking officials and prosecuted by the Office of the Ombudsman, through its Special Prosecutor. On the other hand, cases involving low-ranking officials are prosecuted before the regular courts, *i.e.* Regional Trial Courts, Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts, depending on the gravity of the offenses charged. The prosecutors of the Department of Justice are deputized by the *Ombudsman* to handle them.
- 2.2.8 Issues on delay in investigation, low clearance rates and high case backlogs, and low conviction rates can be found in the investigation and court systems. The SWOT analysis contained in the previous chapter points to serious institutional weaknesses in all agencies involved in investigation, prosecution and litigation:
- a) Low clearance rates and delays in the Sandiganbayan have been attributed to the complexity of corruption cases which limits the number of cases that each division can reasonably handle within given statutory litigation time standards. The Ombudsman has pointed to the need for the Judiciary to consider the reorganization of divisions in relation to the management of cases. The possibility of using the lower court system to handle certain cases should be considered to improve efficiency and access particularly in the regions.

- b) There are no information available that will track the status of graft and corruption cases filed in the lower courts and the performance of the courts in this area. The planned judiciary-wide and integrated as well as computer-aided case management system which will be funded by the World Bank will hopefully enable the proper monitoring of the speed and types of cases and the performance of the lower courts and provide information useful in further improving the efficiency of the overall process.
 - c) Department of Justice prosecutors are deputized to handle corruption cases in the lower courts. But studies funded by the UNDP on the national prosecution system point also to delay and very low (18%) conviction rate of cases handled by government prosecutors. More than just low conviction rates, the proportion of cases filed that reached prosecution is also low. Reasons for the delay and low prosecution rates include very high caseloads of prosecutors, lack of prosecutors, lack of qualified applicants due to low salaries, and lack of adequate continuing training. The current setup of assigning prosecutors by geographical location does not allow specialization. Prosecutors handle all types of cases from petty theft to complex crimes. This setup creates tremendous competency limitations.
 - d) Another reason cited for the low conviction rate and the high dismissal rate at the preliminary investigation stage in the National Prosecution Service of the DOJ is the lack of capacity of law enforcers to produce a good case, particularly to produce the suspect, to gather the required evidence and to properly witness in court. Policemen do not have adequate core competencies and training in investigation, in evidence gathering and preservation and in witnessing. There are very deficient evidence preservation facilities and rules on this must be considerably improved.
 - e) The assessment of the OMB discussed in the subsequent sections of this chapter point to similar institutional weaknesses – high workload ratios, lack of thematic training and investigation technology, among others.
- 2.2.9 Strengthening the entire investigation, prosecution and litigation process requires a comprehensive approach and must address all agencies involved.

3 FUNCTIONS, POWERS AND JURISDICTION OF THE OFFICE OF THE OMBUDSMAN

- 3.1.1 Under section 13 of Article XI, the Office of the Ombudsman has the following powers, functions, and duties:
- a) Investigate on its own, or on complaint by any person, any act or omission of any public official, employee, office or agency, when such act or omission appears to be illegal, unjust, improper, or inefficient.
 - b) Request any government agency for assistance and information necessary in the discharge of its responsibilities, and to examine, if necessary, pertinent records and documents.

- c) Direct the officer concerned, in any appropriate case, and subject to such limitations as may be provided by law, to furnish it with copies of documents relating to contracts or transactions entered into by his office involving the disbursement or use of public funds or properties, and report any irregularity to the Commission on Audit for appropriate action.
 - d) Publicize matters covered by its investigation when circumstances so warrant and with due prudence.
 - e) Direct, upon complaint or at its own instance, any public official or employee of the Government, or any subdivision, agency or instrumentality thereof, as well as of any government-owned or controlled corporation with original charter, to perform and expedite any act or duty required by law, or to stop, prevent, and correct any abuse or impropriety in the performance of duties.
 - f) Direct the officer concerned to take appropriate action against a public official or employee at fault, and recommend his removal, suspension, demotion, fine, censure, or prosecution, and ensure compliance therewith.
 - g) Determine the causes of inefficiency, red tape, mismanagement, fraud, and corruption in the Government and make recommendations for their elimination and the observance of high standards of ethics and efficiency.
 - h) Promulgate its rules of procedure and exercise such other powers or perform such functions or duties as may be provided by law.
- 3.1.2 The Constitution vests the OMB with quasi-judicial powers and administrative authority to enable it to effectively implement or enforce its functions. It exercises quasi-judicial powers¹⁸ to resolve/dispose graft and corruption cases through its investigative, adjudicative and prosecutorial functions. As such, it is authorized by law to undertake the following:
- a) Direct/require any public official/employee or government agency to perform certain acts to facilitate service delivery, redress grievances, and discipline erring officials/employees, or to submit to the OMB copies of documents relating to contracts or transactions involving public funds or properties.¹⁹
 - b) Require any government agency for necessary assistance and information. It can deputize any fiscal, state prosecutor or lawyer in the government service to assist in the investigation and prosecution of cases.²⁰
 - c) Examine pertinent records and documents.²¹
 - d) Exercise disciplinary authority over all elective and appointive officials of the government, including members of the Cabinet, local government, and government-owned and –controlled corporations (GOCCs), except those who may be removed only by impeachment or over Members of Congress and the

¹⁸ Quasi-judicial power is generally defined as the authority given to an agency to make decisions regarding disputes between two or more parties arising from violations of laws, rules and regulations.

¹⁹ Sections 13 (paragraphs 2, 3 and 4), Article XI, 1987 Constitution and Section 15 (2, 3 and 4) of RA 6770

²⁰ Section 13 (5), Article XI, 1987 Constitution and Sections 15 (5), 31 and 33 of RA 6770

²¹ Section 13 (5), Article XI, 1987 Constitution and Section 15 (5) of RA 6770

Judiciary. However, the OMB may investigate alleged impeachable offenses, for the purpose of filing a verified complaint for impeachment.²²

- e) Grant immunity from criminal prosecution to any person whose testimony or whose possession of documents/evidence are necessary in resolving a case.²³
 - f) Publicize matters covered by its investigation.²⁴
- 3.1.3 The 1987 Constitution and RA 6770 likewise grant the OMB certain administrative powers to include the following:
- a) Enjoy fiscal autonomy whereby its annual appropriations may not be reduced below the amount of the previous year and, once approved, the budget is to be automatically and regularly released.²⁵
 - b) Organize its office, provide for its internal structure, approve and prescribe its position structure and staffing pattern, and appoint its all officers and employees, in accordance with Civil Service law, rules and regulations.²⁶ However, these administrative powers are effectively undermined by the power of DBM to deny additional appropriations unless it scrutinizes and approves the details of organization and staffing changes, or by its power simply to deny additional appropriation, which may be required to implement organizational changes.
 - c) Establish offices in municipalities, cities and provinces outside Metro Manila.²⁷ Again this administrative power is effectively undermined by the power of the purse exercised by the DBM over the OMB, where details of the budget are effectively controlled by DBM as condition for budgetary provision and release.
- 3.1.4 The jurisdiction of the OMB refers to the coverage/scope of its functions and powers. This may be defined in terms of (a) cases covered; (b) subject public officials/employees and government agencies; and (c) authorities vested by law.
- 3.1.5 The OMB defines an “Ombudsman Case” as a complaint filed in or taken cognizance by the OMB charging any public officer or employee, including those in GOCCs, with an act or omission alleged to be illegal, unjust, improper or inefficient. Such complaint may be the subject of criminal or administrative proceedings, or both.²⁸
- 3.1.6 Cases subject to criminal proceedings are those in violation of the following laws:²⁹
- a) RA 3019, otherwise known as the “Anti-Graft and Corrupt Practices Act”, as amended.

²² Sections 21 and 22, RA 6770

²³ Section 17, RA 6770

²⁴ Section 13 (6), Article XI, 1987 Constitution and Section 15 (6) of RA 6770

²⁵ Sections 38 and 39, RA 6770

²⁶ Section 11, RA 6770

²⁷ Section 28, RA 6770

²⁸ Administrative Order No. 8, Office of the Ombudsman, 2 November 1990

²⁹ Based on Administrative Order No. 7, Office of the Ombudsman, 10 April 1990

- b) RA 1379, entitled, “An Act Declaring Forfeiture in Favor of the State Any Property Found to Have Been Unlawfully Acquired by Any Public Officer or Employee and Providing for the Proceedings Therefor.”
 - c) RA 6713, otherwise known as the “Code of Conduct and Ethical Standards for Public Official and Employees.”
 - d) Title VII, Chapter II, Section 2 of the Revised Penal Code.
 - e) Other offenses committed by public officers and employees in relation to office.
- 3.1.7 An administrative complaint may be filed for acts or omissions which are of the following nature:³⁰
- Contrary to law or regulations;
 - Unreasonable, unfair, oppressive or discriminatory;
 - Inconsistent with the general course of an agency’s functions though in accordance with law;
 - Based on a mistake of law or arbitrary ascertainment of facts;
 - In the exercise of discretionary powers but for an improper purpose;
 - Otherwise irregular, immoral or devoid of justification;
 - Due to any delay or refusal to comply with the referral or directive of the Ombudsman or any of his deputies against the officer or employee to whom it was addressed;
 - Such other grounds provided for under EO 292 and other applicable laws.
- 3.1.8 The prohibited acts of public officials and employees, which are punishable under various laws, rules and regulations and may become a subject of criminal or administrative proceedings, are enumerated in Attachment 2.
- 3.1.9 Public officials/employees, government agencies, and private individuals that are subject to Ombudsman action are those who have committed illegal, unjust, improper and inefficient acts or omission as defined under existing laws, rules and regulations. The OMB has jurisdiction over the following public officials and employees and their respective government agencies/offices:
- Officials and employees of the executive branch, including members of the Cabinet;
 - Military and police personnel;
 - Officials and employees in the diplomatic service;
 - Officers and employees of GOCCs, State Universities and Colleges or other educational institutions;

³⁰ Ibid.

- Members of Congress, and officials and employees of Congress;
 - Members of the Judiciary, including its officials and employees;
 - Chairmen, members, and other officials and employees of Constitutional Commissions or Bodies created by the Constitution;
 - Elective and appointive officials and employees of the Local Government Units; and
 - All other national and local officials and employees.
- 3.1.10 However, RA 6770 provides clear exemptions from the above coverage of the OMB. Specifically exempted from the disciplinary authority of the OMB are members of Congress and the Judiciary and officials removable by impeachment.³¹ The OMB, nonetheless, may investigate any serious misconduct in office allegedly committed by officials removable by impeachment for the purpose of filing a verified complaint for impeachment.³²
- 3.1.11 Furthermore, OMB is mandated by law to give priority to complaints filed against high ranking government officials and/or those occupying supervisory positions, complaints involving grave offenses as well as complaints involving large sums of money and/or properties.³³

4 PROGRAM PERFORMANCE

4.1 Key Program Strategies

4.1.1 The OMB adopts two key approaches in operationalizing five basic strategies. These are the punitive and preventive approaches. The punitive approach refers to the enforcement of anti-graft and corruption laws and measures on public accountability through graft detection, evidence build-up, investigation and criminal or administrative actions (prosecution or sanctions). The preventive approach on the other hand includes graft deterrence interventions and interventions that involve deeper integrity development approaches. Examples of OMB deterrence initiatives include the resident ombudsman, and accreditation of corruption prevention units. Prevention also includes the integrity development aspects at institutional and societal levels. The OMB has had several initiatives both ongoing, in the pipeline and planned. It has coordinated with the Department of Education for the inclusion of values formation subjects in primary schools. It is working on a project to be funded by the European Union (EU) for citizenry targeted and school programs towards building awareness and understanding of graft and corruption. These projects are some of the many initiatives that the OMB undertakes along the longer-term and deeper societal integrity development aspects.

³¹ Under Article XI of the 1987 Constitution, the President, the Vice-President, the Members of the Supreme Court, the Members of the Constitutional Commissions, and the Ombudsman may be removed from office, on impeachment for, and convictions of, culpable violation of the Constitution, treason, bribery, graft and corruption, other high crimes, or betrayal of public trust. All other public officers and employees may be removed from office as provided by law, but not by impeachment.

³² Section 22, RA 6770

³³ Section 15, RA 6770

4.1.2 The primary interventions and the specific units involved under each are summarized and presented in Table 3.1 below:

**TABLE 3.1
 OMB APPROACHES AND KEY PROGRAMS**

APPROACH	PROGRAM	PRIMARY INTERVENTIONS	OMB UNITS CONCERNED ³⁴
PUNITIVE	Field Investigation	<ul style="list-style-type: none"> ▪ Fact-finding ▪ Intelligence ▪ Research 	FFIB, FIRO BRO, PAMO ODO-Luzon, Visayas, Mindanao and Military
	Preliminary Investigation	<ul style="list-style-type: none"> ▪ Case evaluation ▪ Preliminary investigation ▪ Filing of information 	PIAB (A, B and C), PAMO ODO-Luzon, Visayas, Mindanao and Military
	Prosecution	<ul style="list-style-type: none"> ▪ Prosecution of cases with the Sandiganbayan and regular courts 	OSP ODO-Luzon, Visayas, Mindanao and Military
	Administrative Adjudication	<ul style="list-style-type: none"> ▪ Evaluation of complaints ▪ Administrative hearing ▪ Imposition of administrative penalties 	PIAB (A, B and C), PAMO ODO-Luzon, Visayas, Mindanao and Military
	Public Assistance	<ul style="list-style-type: none"> ▪ Evaluation/processing/monitoring of grievance/assistance request ▪ Assistance to complainants in formulating their grievance 	PAB, PACPO ODO-Luzon, Visayas, Mindanao and Military
PREVENTIVE	Education, research and partnerships on anti graft and corruption	<ul style="list-style-type: none"> ▪ Accreditation of anti-corruption organizations ▪ Education and values orientation seminars ▪ Graft prevention research ▪ Systems and procedures review/analysis 	CCB, PACPO RSSB, FIRO BRO, PAMO ODO-Luzon, Visayas, Mindanao and Military

4.2 Field Investigation

4.2.1 The investigation system of the OMB has two major phases: field investigation and preliminary investigation. Field investigation involves the gathering of facts and evidence. Such investigation leads to the determination of the specific nature of the violation of anti-graft laws and the evidence by which such can be established as basis for prosecution.

4.2.2 The result of the field investigation is the establishment of the commission of graft and corruption which will provide the basis for the subsequent phases – the preliminary investigation leading to the establishment of probable cause and prosecution or filing of administrative case.

³⁴ Refer to Attachment 4 on full description of organizational acronyms.

4.2.3 Field investigation is undertaken both in the OMB central office and in the regions. In the central office, the Fact-Finding and Investigation Bureau (FFIB) has the primary responsibility for field investigation at the central level while the Offices of the Deputy Ombudsmen (ODO) for Luzon, Visayas, Mindanao and Military are concerned with regional and sectoral investigation work.

The disposition rate at the central office on cases for field investigation indicates that field investigators are able to dispose of as much as 90% of cases as those received during the year; however, low annual average clearance rates indicate a history of high case backlog which is slowly and constantly building up every year.

4.2.4 The fact-finding statistics available from the OMB central records management unit are only those of the FIIB, as presented in Table 3.2 and therefore the assessment of workload performance did not include those of the OMB offices in the regions. More than 50% of the average total workload comprises cases pending at the beginning of the year and the rest comprise of cases received during the year. Average annual disposition rate is at 90% and is considered relatively high. This means that FFIB could act on almost all the complaints received during the year. However the remaining 10 % contributes to the annual case backlog which brought down clearance rate at an average of only 40% annually.

TABLE 3.2
FIELD INVESTIGATION, CENTRAL OFFICE
Selected Indicators, 1994-2003

Year	Beginning Year Pending	Received During the Year	Total Workload	Disposed	Year-End Balance	Disposition Rate (%)	Clearance Rate (%)	Investigator-Workload Ratio ³⁵
1994	655	496	1151	425	726	86	37	1:55
1995	726	319	1045	495	550	155	47	1:50
1996	550	666	1216	461	755	69	38	1:58
1997	755	528	1283	787	496	149	61	1:61
1998	496	643	1139	572	567	89	50	1:54
1999	567	958	1525	676	849	71	44	1:73
2000	849	937	1786	579	1207	62	32	1:85
2001	1207	694	1901	635	1266	91	33	1:90
2002	1266	599	1865	744	1121	124	40	1:89
2003	1121	608	1729	453	1276	75	26	1:82
Total		6448		5827		-	-	-
Annual Average	819	645	1464	583	881	90	40	1:70

Source: OMB

³⁵ Using 21 filled Graft Investigation Officer positions in FFIB per Personal Services Itemization as of February 2004

4.2.5 The FFIB has a total of 73 technical positions of Graft Investigation Officer and Associate Graft Investigation Officer, per OMB's February 2004 personal services itemization. Of this number only 21 are filled and 52 are vacant. With only 21 filled positions each investigator handled an average of 70 cases annually over the past ten years. This translates to an average caseload of 6 cases per month. Had all positions been filled average workload would have averaged at 12 annually. With an average annual clearance rate of 40% the average output of each field investigator averages at 30 cases annually.

4.2.6 Further about 73% of the total disposed cases are dismissed and only 27% were referred to the PIABs A, B and C for preliminary investigation and administrative adjudication. OMB explained that most of the complaints filed were either harassment cases or were substantially lacking with supporting documents and evidence which explains the high dismissal rate (Table 3.3)

TABLE 3.3
DISPOSITIVE ACTION AND DISPOSITION RATES, FIELD INVESTIGATION , CENTRAL OFFICE

Dispositive Action	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Total	Annual Average Dispositio Rate (%)
Dismissal	333	391	356	550	352	484	447	447	545	340	4245	73
For Preliminary Investigation/ Administrative Adjudication	92	104	105	237	220	192	132	188	199	113	1582	27
TOTAL	425	495	461	787	572	676	579	635	744	453	5827	100

4.2.7 The Tanodbayan has explained that the varying nature and complexity of the cases being studied are important factors to consider in explaining the performance of the OMB and in determining its institutional strengthening requirements in the area of field investigation. OMB has represented that the generation of substantial evidence and quality documentation requirements especially for lifestyle checks is a tedious and time consuming process such that only an average of four cases a year could actually be acted upon by a team of three Investigators, given the current manpower level for fact-finding activities. Also, field investigators are lawyers. Yet field investigation requires a wide range of thematic expertise often multiple for each case. A system study would be necessary in order to assess the mix and complexity of cases and arrive at the most efficient matching between competency requirements of the cases, staffing, and workload distribution.

4.3 Preliminary Investigation and Administrative Adjudication

4.3.1 Preliminary Investigation and Administrative Adjudication Bureaus (PIAB) A, B and C are responsible for the conduct of preliminary investigation. Field investigation leads either to dismissal or discontinuance of the case or to the filing of a case. Once

the field investigation process establishes the commission of offense or graft and corruption and the evidence therefor has been established the case proceeds to the subsequent preliminary investigation stage. Preliminary investigation involves primarily a legal process of reviewing the case and evidence and establishing probable cause. Establishing probable cause is the precondition for the prosecution of the case in the proper court or to administrative adjudication process.

4.3.2 An analysis of caseload was made as the starting point in assessing OMB's performance in its investigation and administrative adjudication programs. The assessment was made using the evaluation criteria presented in Table 3.4. The key terminologies used in the caseload analysis are defined in Attachment 1 of this section. The depth and scope of evaluation using the above-indicated criteria depended to a significant extent on the quality of the performance data that are available in the current OMB reporting system.

**TABLE 3.4
 EVALUATION CRITERIA, PRELIMINARY INVESTIGATION**

CRITERIA	PERFORMANCE INDICATOR
SERVICE QUALITY How OMB is able to respond to demands for its services <ul style="list-style-type: none"> ▪ How fast OMB is able to dispose cases received within the year ▪ How fast OMB is able to clear its dockets 	Disposition rate Clearance rate
How many of the cases processed are successfully brought to resolution (either by prosecution or administrative adjudication)	Ratio between cases successfully prosecuted over cases investigated Ratio between cases successfully adjudicated over administrative cases investigated
OUTPUT QUANTITY How much did the investigator produce in a year?	The annual ratio between total workload per case officer over the number of cases disposed
CATCH-UP STRATEGY How many case officers are needed to finish the backlog given a certain timeframe? How much more workload should the present case officers take to finish the backlog?	Number of case officers needed to finish the backlog during a given period Number of workload that must be assigned to an officer over and above the average workload per officer

Despite high annual disposition rate, criminal case preliminary investigation backlogs have remained high annually during the past ten years, indicating deficiencies in capacity.

4.3.3 The criminal case/complaint inflow - outflow data on preliminary investigation for the period 1994-2003 is indicated in Table 3. A total of 67,371 cases comprised the total 10-year (1994-2003) caseload of the OMB, averaging annually at 12,261 cases. The number of new cases coming in annually have been fairly steady between more than

5,000 to more than 6,000 over the ten-year period. Of the total annual average workload, an average of 6,260 cases representing an average of 51% of total average annual caseload are either disposed or recalled. This 51% clearance rate implies that about 49% of workload is added to the workload of the ensuing year. But while average clearance rate is considered low at 51% disposition rate is significantly high, registering at an annual average of 110%. Except in 1994, 1999, 2002 and 2003 where the disposition rate were 86%, 98%, 78% and 82%, respectively, those of the other years exceeded 100%, the highest being in 1997 where disposition rate was at 165%.

4.3.4 There is evident and tremendous effort on the part of the investigators to clear the preliminary investigation backlogs in 2000 and 2001. The clearance rates for these years rose to 74% and 67%, respectively, as compared to previous six-year average clearance rate of only 48%. However, the 2000/2001 clearance rates went down again to 51% and 48% by 2002 and 2003 (Table 3.5).

TABLE 3.5
PRELIMINARY INVESTIGATION, CRIMINAL CASES
Disposition and Clearance Rates, 1994-2003

YEAR	CASES/COMPLAINTS INFLOW			CASES/COMPLAINTS OUTFLOW		DISPOSITION RATE (%)	CLEARANCE RATE (%)
	BEGINNING YEAR PENDING	RECEIVED	TOTAL WORKLOAD	DISPOSED/ RECALLED	END-YEAR BALANCE		
1994	10235	6909	17144	5911	11233	86	34
1995	11233	4560	15793	5783	10010	127	37
1996	10010	6393	16403	6615	9788	103	40
1997	9788	5479	15267	9058	6209	165	59
1998	6209	5453	11662	7374	4288	135	63
1999	4288	6302	10590	6154	4436	98	58
2000	4436	6509	10945	8059	2886	124	74
2001	2886	5002	7888	5256	2632	105	67
2002	2632	5062	7694	3933	3761	78	51
2003	3761	5467	9228	4457	4771	82	48
Total	65478	57136	122614	62600	60014	-	-
% to Total	53	47	100	51	49	-	-
Annual Average	6548	5714	12261	6260	6001	110	51

Source: OMB

The performance in the preliminary investigation of administrative cases indicates a similar pattern, which is characterized by significant, and consistent high disposition rates accompanied by consistently low clearance rates.

4.3.5 The annual disposition rate for preliminary investigation of administrative cases and complaints is registered an average of 95% while clearance rates averaged at 49% from 1994 to 2003 (Table 3.6). This means that OMB is capable of disposing almost as much number of administrative cases as it receives during the year. In 1994 about 2,554 cases were already pending at the end of the previous year. An annual backlog of 5% from 1994-2003, added about 1,403 cases, which comprise the accumulated backlog over the 10-year study period.

TABLE 3.6
PRELIMINARY INVESTIGATION, ADMINISTRATIVE CASES, 1994-2003
Selected Indicators

YEAR	CASES/COMPLAINTS INFLOW			CASES/COMPLAINTS OUTFLOW		DISPOSITION RATE (%)	CLEARANCE RATE (%)
	BEGINNING YEAR PENDING	RECEIVED	TOTAL WORKLOAD	DISPOSED/ RECALLED	END-YEAR BALANCE		
1994	2554	2726	5280	1861	3419	68	35
1995	3419	1628	5047	2082	2965	128	41
1996	2965	2368	5333	2648	2685	112	50
1997	2685	2699	5384	2434	2950	90	45
1998	2950	3116	6066	3442	2624	110	57
1999	2624	3588	6212	3081	3131	86	50
2000	3131	3853	6984	4037	2947	105	58
2001	2947	3044	5991	4068	1923	134	68
2002	1923	3306	5229	2373	2856	72	45
2003	2856	3946	6802	2845	3957	72	42
Total		30274		28871		-	-
Annual Average	2805	3027	5833	2887	2946	95	49

Source: OMB

There is a large percentage of dismissed cases but there is no formal information system that allows the monitoring and assessment of issues associated with high dismissal rates. There is a need to examine the reasons for the high dismissal rates and its implications on the quality and credibility of the anticorruption system of the government. The first step to this is to improve the case management information system that will allow this important analysis.

4.3.6 The profile of dispositive actions on preliminary investigation of criminal and administrative cases/complaints, as presented in Table 3.7, reveals that a large percentage of these cases (73% for criminal and 91% for administrative) were

disposed through dismissal/exoneration or termination and only 27% and 9%, respectively, were prosecuted and penalized.

4.3.7 About 34% of the disposed administrative cases were referred to other government agencies for action. These cases are thus reported as closed or terminated. The other 57% of administrative cases were considered as dismissed. On the other hand, criminal cases which were no longer pursued and closed or terminated account for only about 3% of the disposed cases, leaving 70% of the criminal cases having been actually dismissed. The OMB staff initially mentioned that about 50% of these cases have been received directly by the PIABs (meaning they did not pass the fact-finding procedures of FFIB). But this information is not enough in explaining the high dismissal rate. Lack of evidence, deficient competencies among investigators, case withdrawal, absence of mechanisms to protect witnesses and complainants, etc. would comprise some of the many possible reasons for high dismissal rates. Based simply on the current trend, it may be said that when a criminal case is filed in the OMB, there is a 70% chance that it will be dismissed.

4.3.8 The appropriateness of the dispositive action has profound implications on the credibility of the OMB. There is a need to undertake a deeper assessment of the institutional, human, technological and resource related factors that affect the quality of case disposition. While high disposition rate may not necessarily mean incidence of inappropriate dispositive actions, the absence of knowledge and the lack of capacity to obtain such knowledge within the current information system is a critical performance management issue that should be addressed.

TABLE 3.7
DISPOSITIVE ACTION/DISPOSAL RATE
CRIMINAL AND ADMINISTRATIVE CASES, 1994-2003

Particulars	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Total	Disposal Rate (%)
A. PRELIMINARY INVESTIGATION OF CRIMINAL CASES												
Prosecution	1060	1521	1506	2210	2166	2017	2209	1374	1268	1369	16700	27
▪ With regular courts	430	958	1265	1772	1800	1638	1938	1196	1229	1278	13504	81
▪ With the Sandiganbayan	630	563	241	438	366	379	271	178	39	91	3196	19
Dismissed/ Closed/ Terminated	4851	4262	5109	6848	5208	4137	5850	3882	2665	3088	45900	73
TOTAL	5911	5783	6615	9058	7374	6154	8059	5256	3933	4457	62600	100
B. ADJUDICATION OF ADMINISTRATIVE CASES												
Penalty Imposed	93	95	179	296	253	323	426	390	162	356	2573	9
Dismissed/ Closed/ Terminated	1768	1987	2469	2138	3189	2758	3611	3678	2211	2489	26298	91
TOTAL	1861	2082	2648	2434	3442	3081	4037	4068	2373	2845	28871	100

- A study on the workload capacity of each OMB investigator is necessary in order to determine the appropriate manpower required to perform at desired output levels. Such determination should be done within a more comprehensive study of what institutional arrangements and capacities should be infused within the OMB to enable it to operate at defined efficiencies and effectiveness. The study on workload capacity will in particular be within the context of workload efficiency determining factors such as formal organizational structures and functions, competencies, mix and nature of cases, efficiency of key operating systems supporting the investigation and prosecution processes, and the technology support.*
- 4.3.9 A general review of the workload and output of OMB investigators at the central office was made based on available statistics. The 2004 personal services itemization lumps all positions assigned both fact-finding and preliminary investigation functions under one unit in the area/sectoral offices, making individual workload analysis on preliminary investigation of field offices not feasible in this study.
- 4.3.10 Table 3.6 presents the annual investigation workload for both criminal and administrative cases in the OMB central office. The figures give an idea of the workload structure of OMB investigation, where the bulk consists of investigating criminal cases, i.e., an annual average of 68% of the total cases received during the 10-year period of analysis. Despite the imbalance in workload, which is biased towards criminal cases, the values for key indicators of performance (disposition and clearance rates discussed above) are almost comparable.
- 4.3.11 An analysis of the workload behavior will help the OMB to decide on the optimal allocation of investigators and funds. Using the 55 filled positions in PIABs A, B and C who are directly involved in preliminary investigation, and the 10 year historical total investigation workload, the annual workload-investigator ratio registers at an average of 1:86. By applying the 68% and 32% workload distribution between criminal and administrative cases, respectively, it may be said that a typical investigator handles 58 criminal cases and 28 administrative cases annually.
- 4.3.12 The clearance rates (computed in Tables 3.5 and 3.6) indicate that an investigator can dispose about 51% of the criminal cases and 49% of the administrative cases of his workload annually. This means that on an annual average an individual investigator is able to dispose 30 criminal cases annually or 2 to 3 cases monthly, and 14 administrative cases annually or 1 case monthly. Overall, an investigator that handles both administrative and criminal cases is able to dispose an average of 44 cases annually or 4 cases monthly.³⁶

³⁶ The estimation gives an idea of the productivity of investigators using only figures provided by OMB. However, a lot of other factors affect workers overall productivity, such as unequal distribution of workload, complexity of the case, demand for services, and system inefficiencies.

TABLE 3.8
PRELIMINARY INVESTIGATORS WORKLOAD, 1994-2003
CRIMINAL AND ADMINISTRATIVE CASES
Central offices

YEAR	CRIMINAL	ADMINISTRATIVE	TOTAL	GROWTH RATE	INVESTIGATOR – WORKLOAD RATIO ³⁷
1994	7040	1901	8941	-	1:162
1995	5912	1724	7636	(17)	1:139
1996	5328	1626	6954	(10)	1:126
1997	3697	1351	5048	(38)	1:92
1998	1933	1238	3171	(59)	1:58
1999	1573	1313	2886	(10)	1:52
2000	2162	1652	3814	24	1:69
2001	1315	1577	2892	(32)	1:52
2002	1706	1187	2893	0	1:52
2003	1897	1469	3366	14	1:61
Total	32563	15038	47601	-	-
Annual Average	3256	1504	4760	(14)	1:86

4.3.13 The issue of whether investigators are overloaded or underloaded cannot be resolved unless a deeper and more comprehensive study on workload capacity is made. Such analysis will examine the mix and nature of cases and the workload and carrying capacities of preliminary investigators. It will also analyze the impact of structures and functional definition and distribution, work processes and technologies on the carrying capacity and efficiency of investigators. Only then can a realistic basis for the establishment of the appropriate levels and mix of personnel can be established.

4.3.14 Such study will provide the basis for many worthwhile reforms for example in the following:

- a) Decisions on the organization of work for preliminary investigators (need to specialize by type of case or by complexity of case)
- b) Determination of reasonable work loading and the corresponding manpower requirements for preliminary investigators
- c) Identification, design and provision of appropriate core and continuing competency development program
- d) Determination of the appropriate mix and level of preliminary investigation technologies and resources that will match the organization of workload.

³⁷ Using filled Graft Investigator and Associate Graft Investigator positions in PIABs A, B and C numbering 55 as of 2004.

- e) Personnel planning synchronized with medium-term planning and workload projections.

OMB may be able to catch up with its pending preliminary investigation cases in the central office by maintaining a high disposition rate and increasing its clearance rate, the caseload analysis presented above pointing to the capability of the 55 PIAB case investigation officers to take on additional workload to achieve this purpose. But then again this inference should be validated by deeper studies indicated above.

- 4.3.15 The number of pending preliminary investigation cases in the central office is declining at about 14% annually (Table 3.8). This may be attributed to at least three factors: (1) generally low case inflow, particularly, cases received during the year; (2) high disposition rate; (3) effort to catch up by investigators with their workload. This situation proves true from 1997 to 2001 where both the disposition and clearance rates are higher than the average.
- 4.3.16 A strategy for OMB to catch up with its pending preliminary investigation cases is thus two-fold: (1) maintaining high disposition rate; and (2) Increasing the annual clearance rate. Both these strategies may be implemented without additional resource outlay in terms of increased number of investigators and personnel services. The first strategy is the least difficult to implement as the investigators have a good track record in disposing an equal number of cases received during the year. The second strategy may also be implemented without strain to the current personnel complement of the PIABs as the average individual workload of investigators is relatively low, which means, investigators can still assume additional workload and dispose more cases than what they are currently producing.
- 4.3.17 Again it is emphasized that the carrying capacity of preliminary investigators should be examined in relation to case complexity and case mix. Low disposal rate of cases for prosecution suggest that there are quality aspects to the entire investigation and prosecution performance of OMB personnel. The causes may be complex – and may involve issues in case mix, caseload, competency and incentives. Interim measures to improve efficiency may include the following:
 - a) Reorganize workload according to simplicity or complexity
 - b) Separate the assignment of complex and simple cases so that simple cases can be processed on a fast track mode while complex cases can be planned for more strategically
 - c) Develop simple and standardized procedures for simple cases accompanied by time standards that are acceptable and doable, if necessary for each homogenous groups of cases
 - d) Develop a management procedure for complex cases. Organize SWAT teams and access external thematic experts on voluntary service.

4.4 Prosecution

4.4.1 The caseload for the prosecution service of the OMB primarily consists of the following cases: (1) those for prosecution in the Sandiganbayan; (2) appeals from regular courts to the Sandiganbayan; (3) appeals from Sandiganbayan to the Court of Appeals and Supreme Court; and (4) those for prosecution in the Regional Trial Courts and other lower courts. The first three categories of cases are being undertaken by the OSP, while the last category is being undertaken by the prosecution groups of the regional/sectoral offices of the OMB, or by deputized City and Provincial Prosecutors of the National Prosecution Service (NSP) in the Department of Justice. Information to be filed in courts by deputized prosecutors must however be approved by the Ombudsman or the Deputy Ombudsmen.

Need for adequate performance information and indicators that would allow a deeper evaluation of the speed and efficiency of prosecution of criminal cases which could not be obtained in OMB annual accomplishment reports.

4.4.2 A case is considered concluded or disposed if a judgment by a competent court has been rendered either convicting or acquitting the accused, or by dismissing, archiving, or transferring the case to other courts. Information on these matters must be indicated in a good performance report. Hence, out of so many cases that have been accepted for trial, in a given year, the report would indicate how many have been disposed or are pending. Out of those pending, the report must also indicate how many are "prosecution rested", meaning the prosecutor has finished with the presentation of his evidence, and it is now up to the judge to bring the case to a swift conclusion.

4.4.3 OMB's Annual Reports from 1993 to 2002 were the sources of information for the prosecution caseload analysis. However, there are certain problems that have been met in the use of these sources.

- First, they contain information only on the prosecution of criminal case by the OSP. Data on the caseload of the regional/sectoral offices with regard to prosecution of cases with the lower courts have not been accurate and useful in analyzing performance of OMB filed offices. Further there are no data on the number of corruption cases in the lower courts, which have been filed by deputized prosecutors of DOJ. Hence, only the cases being undertaken by the OSP have been analyzed in this study.
- Second, certain data are not broken down into more specific items thus making analysis difficult. For example, in multi-party cases where the court has meted out a different decision for each of the accused, the data on dismissal, acquittal, and conviction are lumped so that the use of conviction rate, dismissal rate, or acquittal rate as indicators of performance is delimited. The report thus contains an assessment only on disposition and clearance rates.
- Third, the figures on ending balance of cases at a given year which must be carried over and become the beginning balance for the succeeding year

sometimes do not tally. To make analysis realistic, adjustments have been made to correct inconsistencies by basically sliding forward the end-year balances to succeeding years, beginning with 1993 as the base year.

- 4.4.4 There is considerable need to improve the quality of reporting and managing information on performance. Equally important is to be able to improve case management and performance efficiency. To help in the assessment of the performance of OSP, Table 3.9 summarizes suggested set of initial indicators that are applicable in assessing the quantity, quality and timeliness of output production, in prosecution.

TABLE 3.9
PERFORMANCE INDICATORS, PROSECUTION

PERFORMANCE INDICATOR	DESCRIPTION/PURPOSE	REMARKS
Disposition rate <i>Percentage or proportion of cases disposed over cases received during the year</i>	Measures capacity to handle case inflow	Disposition of a case is not fully within the control of the OSP. It is the Sandiganbayan, which disposes a case, but as prosecutor, the OSP has part in the disposal of a case through among others his efficient handling of the prosecution.
Clearance rate <i>Percentage or proportion of cases disposed over total workload during the year (pending and receipts during the year)</i>	Measures capacity to handle workload	Clearance rate is only partly controllable by the OSP as prosecutor; actual court proceedings and disposition is within the control of the Sandiganbayan.
Rate of Appeal <i>Percentage or proportion of cases appealed to the Court of Appeals and the Supreme Court out of the total number of cases disposed</i>	Can be an indicator of client satisfaction	Statistics on appealed cases are important because their absence would understate the actual workload of the entire case management system.
Rate of Reversal <i>Percentage or proportion of cases that are reversed or modified on appeal, over the number of cases appealed to the CA or SC</i>	High rate of reversal would imply that many of the cases prosecuted do not have a firm factual or legal basis.	Reversal is partly attributable to the quality of Sandiganbayan's decision. However, it's the OSP, which prosecutes appealed cases.
Conviction Rate <i>Percentage or proportion of cases where the judge hands a judgment of conviction, over the number of information filed</i>	A low conviction rate would indicate that too many cases might be clogging the court dockets Indicate the quality of the cases being filed in court, and serve as an index of the performance of the prosecutor and the courts in bringing the criminal case to its logical conclusion	Conviction rate is only partly controllable by the OSP as actual court proceedings and disposition is within the control of the Sandiganbayan. The basic data for the conviction rate are actually already in the accomplishment reports. However, the conviction rate itself is not being generated, nor is it being utilized as a management tool for measuring efficiency, or inquiring into the reasons for such a phenomenon

PERFORMANCE INDICATOR	DESCRIPTION/PURPOSE	REMARKS
<p>Dismissal and Archival Rates</p> <p><i>Percentage or proportion of cases which are dismissed and archived, over the number of information filed</i></p>	<p>The reasons for the dismissal of a case can be varied – a mistaken identity of the accused, non-appearance of witnesses for the prosecution, etc.</p> <p>There are also many reasons for the archiving of cases.</p>	<p>Information on the specific reasons for dismissal and archival of cases is not systematically gathered and processed</p>
<p>Aging of Cases</p> <p><i>Total time lapsed between the time the case is filed to the time that the case is considered closed</i></p>	<p>The period involved in the processing of the case until its disposal should be tracked down, to be able to ensure performance standards</p> <p>This has to be linked with the appeal of the case.</p>	<p>An aging report of the cases important in measuring speed and delay in the delivery of justice</p>

- 4.4.5 Table 3.9 presents a statistical profile of the criminal cases filed by OSP with the Sandiganbayan. The annual average number of cases pending at the beginning of a given year is 2,959. Annual average of cases filed during each given year is 925 giving an average yearly case workload of 4,025, which the OSP prosecuted with the Sandiganbayan. Cases disposed actually pertain to those that have been acted upon by the Sandiganbayan, and while the OSP has a part in the disposition of cases, the court primarily controls and actually disposes cases.
- 4.4.6 There is an average of 994 disposed cases yearly, which is relatively higher than the 925 cases being filed for trial yearly. This indicates that almost all cases filed in the Sandiganbayan go to trial. Disposition rate is high, which is 107% annually. The clearance rate however is very low at an average of 25% annually. This suggests that a huge backlog has already existed at the beginning year and is carried over to the ensuing years in as much as the court is able to dispose of only as much number of cases as it receives annually (Table 3.10).
- 4.4.7 A huge pre-existing backlog and an average of more than 100% annual disposition rate point to a one-time decongestion measure, rather than a permanent institutional solution.

TABLE 3.10
CRIMINAL CASES FILED FOR PROSECUTION, WITH THE SANDIGANBAYAN
1993-2002

Year	Beginning Year Pending Cases for Trial	Revived/ Filed Cases with Sandiganbayan	Total Workload	Disposed Cases	End-Year Balance of Cases for Trial	Disposition Rate	Clearance Rate
1993	3162	1663	4825	1282	3543	77	26
1994	3543	1806	5349	1924	3425	106	36
1995	3425	1329	4754	2472	2282	186	52
1996	2282	448	2730	375	2355	84	14
1997	2355	916	3271	425	2846	46	13
1998	2846	798	3644	538	3106	67	15
1999	3106	802	3908	561	3347	70	14
2000	3347	810	4157	967	3190	119	23
2001	3190	607	3797	767	3030	126	20
2002	3030	69	3099	632	2467	916	20
Total	30286	9248	39534	9943	29591	-	-
%To Total	77	23	100	25	75	-	-
Annual Average	3029	925	3953	994	2959	107	25

Source: OMB

4.4.8 Table 3.11 shows the 9,943 disposed cases from 1993 – 2002. The figures indicate that of the disposed cases, 30 % (2,980) were terminated after trial, 23% (2,346) were transferred to other courts, 21% (2,050) were dismissed or archived, 7% (695) were cases whereby the accused have pleaded guilty, and the rest (19% or 1,872) were either withdrawn or returned to different offices of the OMB, archived without prejudice, or cases to be appealed.

TABLE 3.11
CRIMINAL CASES DISPOSED, 1993-2002

Particular	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Total by Type of Action	% to Total
Dismissed/Archived	112	459	83	60	108	118	140	275	415	280	2050	21
Pleaded Guilty	115	444	102	3	1	8	18	1	1	2	695	7
Terminated After Trial	554	306	112	221	222	236	182	600	264	283	2980	30

Particular	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Total by Type of Action	% to Total
Withdrawn/ Returned to OMB/OPS	41	69	115	27	32	90	131	54	75	26	660	7
Archived Without Prejudice	459	646	-	-	-	-	33	36	-	20	1194	12
Transferred to Other Courts	-	-	2060	64	62	86	57	1	12	3	2345	23
Civil Cases	-	-	-	-	-	-	--	-	-	15	15	-
Appealed Cases	-	-	-	-	-	-	-	-	-	3	3	-
TOTAL	1281	1924	2472	375	425	538	561	967	767	632	9943	-

Source: OMB

4.4.9 The figures show that a big number of the cases has gone through trial and terminated. The data on cases tried and terminated could have been analyzed well if a more detailed breakdown of the statistics has been presented in the OMB reports, in terms of the conviction rate, acquittal rate, and reversal rate.

4.4.10 Note that the dismissal rate is only 7% on the average. The conviction rate has to be reckoned with the dismissal and archival rates. Information on the reasons for dismissal and archival must be available. However, these are not systematically gathered and processed.

4.4.11 A detailed caseload analysis would have been useful in detecting where the caseload is light or heavy and what stages in the prosecution process are prone to delay and why in order that necessary action can be taken to provide the needed mix of prosecution personnel, competency, processes and technologies to achieve the desired efficiencies in prosecution.

4.5 Public Assistance

4.5.1 Public assistance involves the receipt and processing of grievances and requests for assistance, in any form or manner, and providing assistance to complainants in formulating their grievance or complaints. Theoretically, public assistance system is the entry point for all graft and corruption cases filed in the OMB but in practice cases enter at any stage between public assistance, field investigation and preliminary investigation.

4.5.2 As a general policy, grievance or requests for assistance are immediately acted upon. OMB implements a referral system which directs grievance or requests for assistance to appropriate or relevant government agencies concerned. On the other hand, a grievance or request for assistance is dismissed outright if it appears to be

manifestly frivolous, vexatious or made in bad faith, or if it purely involves private matters between parties.

4.5.3 The program is demand-driven. OMB's workload depends upon the number of client-requests received at a given period. Table 3.12 shows the disposition performance of the OMB public assistance program. Of the total workload, the year beginning pending work accounts for only 32% while new complaints filed during the year comprise 68% of the total workload. Disposition rate is high averaging at 102% annually, while clearance rate is at 70%. With a significant annual increase in new case inflows, this indicates that there is more absorptive capacity to address case backlog within existing resources. According to the Public Assistance Bureau (PAB), a substantial portion of these complaints pertains to salary deductions of public school teachers. Referrals to GSIS, PVAO, Philhealth, and CSC are said to comprise a significant proportion of the PAB workload.

TABLE 3.12
PERFORMANCE OF PUBLIC ASSISTANCE PROGRAM
 (Central and area/sectoral offices)
1994-2003

Year	Beginning Year Pending	Received During the Year	Total Workload	Disposed	Year-End Balance	Disposition Rate	Clearance Rate	Investigator-Workload Ratio ³⁸
1994	2602	2927	5529	1921	3608	66	35	1:221
1995	3608	3035	6643	3542	3101	117	53	1:266
1996	3101	4540	7641	4303	3338	95	56	1:306
1997	3338	6084	9422	5957	3465	98	63	1:377
1998	3465	7135	10600	6672	3928	96	63	1:424
1999	3928	7457	11385	5638	5747	76	50	1:455
2000	5747	10089	15836	12313	3523	122	78	1:633
2001	3523	8088	11611	10192	1419	126	88	1:464
2002	1419	9807	11226	10079	1147	103	90	1:449
2003	1147	10130	11277	9880	1397	98	88	1:451
Total	31878	69292	101170	70497	30673	-	-	-
Annual Average	3188	6929	10117	7050	3067	102	70	1:405

Source: OMB

4.5.4 OMB annual reports do not contain such relevant/important performance information as the number and type of grievance and assistance to clients, which have become full-blown Ombudsman cases that passed through its evaluation and prosecution processes. Again the absence of a structured and technology supported information system will make the task of processing analytic information extremely difficult.

³⁸ Using 25 filled Graft Investigator positions in PAB (13) and ODO-Luzon, Visayas, Mindanao and Military (12)

Available indicators suggest that the investigator-workload ratio on public assistance would reflect adequacy in public assistance workforce and that measures other than manpower augmentation should be explored to improve efficiency and address the backlog.

- 4.5.5 Table 3.11 also presents the overall investigator-workload ratio for public assistance, while Table 3.13 shows the annual average load of an individual investigator in the central office and in the ODO-Luzon, Visayas, Mindanao and Military.
- 4.5.6 On the average, each public assistance investigator's workload is 405 yearly. Investigators in the area/sectoral offices handle twice as many requests as those in the central office, the investigator-workload ratio in PAB being 1:291 vis-à-vis that of the ODO-Luzon, Visayas, Mindanao and Military of 1:527.
- 4.5.7 The overall ratio points to a monthly load of each investigator of only 34 requests, or 1-2 requests per day per investigator. The statistics may indicate that the 25 filled positions assigned to attend to public assistance requests are already adequate to handle regular workload, assuming that only modest increases in annual workload will ensue. The huge backlog should be addressed by a one-time case clearance initiative in order to maintain equal disposition and clearance rates.

TABLE 3.13
INVESTIGATOR-WORKLOAD RATIO, 1994-2003
PUBLIC ASSISTANCE
(Central and Area/Sectoral Offices)

Year	Central Office		Area/Sectoral Offices	
	Workload	Ratio ³⁹	Workload	Ratio ⁴⁰
1994	3288	1:253	2241	1:187
1995	3844	1:296	2799	1:233
1996	3992	1:307	3649	1:304
1997	3891	1:299	5531	1:461
1998	3265	1:228	7335	1:611
1999	3285	1:253	8100	1:675
2000	4674	1:360	11162	1:930
2001	4241	1:326	7370	1:614
2002	3739	1:288	7487	1:624
2003	3671	1:282	7606	1:634
Total	37890	-	63280	-
Annual Average	3789	1:291	6328	1:527

³⁹ Using 13 filled positions in PAB

⁴⁰ Using 12 filled Graft Investigator positions in ODO-Luzon, Visayas, Mindanao and Military

The lack of geographical proximity of the OMB in various areas of the country has tremendous public access issues that impact on the effectiveness of the OMB public assistance functions.

- 4.5.8 The commission of abuse, graft and corruption or inefficiency is location specific, and therefore geographical access to OMB public assistance is a pre-condition for its effectiveness.
- 4.5.9 At present the field offices of the OMB are limited to four (Luzon, Visayas, Mindanao and military). Local governments are located in each barangay, municipality, city and province. National government field offices are located in the various regions and several are maintaining field offices down to the municipal level. Since the OMB field offices are few and far between, there is very limited public access to its public assistance services, which often requires a transaction, person-to-person process.
- 4.5.10 The challenge for OMB is to discover the reforms that will mobilize limited resources of both OMB and other stakeholders in providing public assistance. The CPU accreditation system can be potentially expanded to act as OMB public assistance units in the various parts of the country, following a standard service procedure. Small field offices can be provided within available resources to mobilize local resources, supervise and monitor operations and directly provide assistance within their defined geographical jurisdictions.
- 4.5.11 The use of information technology, such as an inter-active public assistance website should also be explored. Also radio and television stations can be used as potentially effective partners for organizing scheduled public assistance services. A good combination of various access modes should be designed to achieve access objectives within severely limited resources.

4.6 Implications of the assessment findings

- 4.6.1 The review of OMB performance in the three areas – field investigation, preliminary investigation, prosecution and public assistance, indicates the following:
- a) The performance pattern is the same for the four functions – very high disposition rates and low clearance rates that ranged from 48-51% annually, except for the public assistance program which had a comparatively high annual average clearance rate of 70%. These statistics point to a huge backlog that existed at the base year and which built up very slowly through the small proportion of new cases not disposed within the year of receipt. It is important to look at this finding from the right perspective, because the statistics suggest that if the backlog of the base year were to be removed through a one-time initiative then investigators in the four functions can actually dispose of all cases that enter the OMB during the year. This implies that the solution to the high caseloads, which are actually due to prior years' backlog, may not be increasing the manpower to a pre-conceived workload-manpower ratio. Rather the solution could very well be:

- To embark on a one-time case decongestion initiative to get rid of the backlog
 - To determine the appropriate caseload for each investigator considering such working arrangements as specialization and segregation of complex and simple cases
 - To provide thematic training to investigators in accordance with the new distribution of work (complex versus simple cases) and create thematic teams for specialized cases or case components
 - Hire additional investigators only where the nature of work or workload so requires
 - Establish a network of thematic experts as volunteers based on an “on call” basis
- b) But while disposition and clearance rates appear to be straightforward in pointing to a one-time solution as indicated above they can be very simplistic in perspective and will undermine worthwhile solutions to the true causes of backlogs. Therefore the causes of the case backlog and the creeping build up of cases should be examined more deeply. How much of the delay are caused by the complexity of the case and the lack of internal competency? How much of the backlog is caused by party related issues? How much delay does the complex mix of cases that investigators have to handle cause? What are the quality implications of high disposition rates? This questions are important in arriving that sound decisions on which aspect of the investigation system should be strengthened – staffing levels and mix, competency, geographical access, processes and technology, etc.
- 4.6.2 There is also a need to integrate the public assistance, field investigation, preliminary investigation and prosecution system through an integrated case management information system that is linked with a performance monitoring and evaluation system. An integral part of this integrated system is the adoption of a case management information system and a system of indicators that will guide the structuring of transaction data specifications and the design of the systems functions.
- 4.6.3 More than installing and integrated information system on case management, there is need to restructure work distribution and work processes and flows, in order to promote speed and efficiency as well as specialization among the staff. Manuals for each process should be developed to guide transactions, actions and reporting.

4.7 Graft and Corruption Prevention

OMB is focused on the punitive aspects of graft and corruption, but is weak on prevention and integrity promotion. It is however accelerating and strengthening the promotive approach where low-cost but high-leverage activities could be carried out. It is in this aspect where long-term and greater results/ impacts could be achieved. External stakeholders can effectively help in culture change and in strengthening societal integrity values. There may be a need therefore to strengthen OMB's capacity in the aspects of graft prevention and integrity development.

- 4.7.1 OMB's graft and corruption prevention initiatives include community mobilization and public information/education and organization/accreditation of Junior Graftwatch Units (JGUs) and Corruption Prevention Units (CPUs). OMB reported that by 2001, 407 non-government organizations were organized as CPUs, while 1,401 JGUs were accredited among students and youth organizations. The Resident Ombudsman project is a part of this program. As a graftwatch mechanism in the bureaucracy, the Resident Ombudsman monitors agency performance and transactions.
- 4.7.2 As of December 2002, there are 26 agencies which have installed Resident Ombudsmen. The effectiveness of the Resident Ombudsman program may likewise be studied. The difficulty with the system of resident Ombudsmen is his lack of independence and his being a subordinate of the agency's top management. This limits his effectiveness particularly in cases where graft and corruption happens at the management level of his agency. A very relevant question in this regard may thus be: How effective would a Resident Ombudsman be as a watchdog to his/her own "family"?
- 4.7.3 Non-governmental and civil society organizations can be extremely useful in enhancing the visibility of the OMB by informing the public of its existence. They can provide advisory and detailed information on the domestic situation that can be very useful to OMB in policy formulation and decision-making, as well as in securing support for combating corruption. The CPUs and JGUs are OMB's mechanisms to achieve this purpose. It may be useful however to assess and determine the reach and impact of the CPUs and JGUs to the public.
- 4.7.4 OMB has put in place fundamental initiatives for a deeper societal integrity development process. It is undertaking in cooperation with DepEd the introduction of graft prevention and integrity values formation in the curriculum of primary education schools. A Synergy for Graft Prevention is being initiated where movies picture the punishment of graft and corruption and the redemption of values. OMB provides a research and thesis assistance program for collegiate and postgraduate students on graft and corruption. A values orientation seminar has been implemented for new government employees. Several other initiatives are being implemented towards preventing graft and corruption and improving public awareness and understanding on the subject. The collective impacts of these initiatives have yet to be evaluated.

- 4.7.5 What needs to be done now is to identify and design the strategies and specific initiatives towards a wider and deeper societal integrity development process and developing the integrity infrastructure in the public sector. This will require a complex and long-term approach that needs to be anchored on wide participation of stakeholders in order that the proper political support can be generated and activities can be sustained by pooled resources.
- 4.7.6 In the aspect of public sector graft and corruption the OMB approach has been focused on the punitive aspects, but the opportunity for introducing potentially effective deterrence and integrity culture building approaches on a sustained long-term basis is yet to be explored.
- 4.7.7 There were attempts by the OMB at addressing the underlying integrity infrastructure weaknesses in the public sector. In the early 1990's the research bureau of the OMB contacted counterparts in the DBM to explore potential partnerships in addressing the integrity of public service delivery systems. But the initiative requires tremendous thematic resources that the current organization and staffing of the OMB cannot provide.
- 4.7.8 Capacities within the OMB should be built in order to address the deeper issues on societal and public sector corruption. Building such capacities will involve improving the formal internal structural and functional configuration of its research office, the infusion of thematic expertise among the staff, and introducing the appropriate research and information technology to support knowledge building. Partnerships with relevant research and governance institutions and civil society group provide potential reinforcement of limited resources that the government can provide.

5 INSTITUTIONAL STATUS AND LINKAGES

5.1 Independence

- 5.1.1 Independence is a pre-condition for an effective anticorruption agency. As applied in this OMB study, independence means freedom from pressure and inappropriate influence in the decision-making of the OMB and its personnel. To achieve such independence, the OMB must be autonomous from the government and must have freedom to make operational decisions – to plan, allocate, have direct control of, and utilize physical, manpower, financial, and technological resources to support its operations.
- 5.1.2 Independence is at individual and institutional levels. Individual independence means that OMB officials and personnel are not influenced to change their actions or decisions because of threat, harassment, or political pressure. At the institutional level, independence means that OMB is free to make decisions without fear of backlash from perpetrators, and to make financial and administrative decisions without requiring approval or without being subject to veto by higher authority.

The OMB is accorded fiscal autonomy by the Constitution. However, while the Constitution provides for the automatic and regular release of the OMB budget, actual releases of cash budgets are not automatic. The detailed determination of budget allocation and direct budget administration by the Department of Budget and Management, the President and Congress undermines the independence of the OMB and renders it vulnerable to political pressure, influence, blackmail and harassment.

- 5.1.3 To date, there is no clear-cut and sustainable policy that operationalizes respect by the Executive Branch and the Legislature for the independence and autonomy of independent bodies. DBM determines the overall ceiling and the detailed configuration of the annual budget of the OMB. Since there are no objective and quantifiable criteria for the determination of such budget ceiling and its internal configuration the process is subject to individual discretion at the budget preparation phase.
- 5.1.4 During budget deliberations in Congress the Ombudsman and his officials are required to justify in detail the proposed annual budget. This mechanism provides no insulation whatsoever from the potential political harassment by Congressmen or Senators with cases or whose family or friends have cases filed in the OMB.⁴¹
- 5.1.5 The same holds true with the budget process in the Executive Branch both during the budget preparation and budget execution phases. Once the General Appropriations Act is passed into law, DBM prepares Notices of Cash Allocations monthly computed on the basis of the agency's reporting of the cash utilization and balance upon which a replenishment formula is applied. The DBM exercises prerogative in determining how much of the OMB authorized budget will be supported by allotments and how much will be provided with cash. Again the process is highly negotiable. DBM has discretion to withhold specific items such as capital outlays and MOOE items.

The President appoints the Ombudsman, Overall Deputy Ombudsman, Deputy Ombudsmen and the Special Prosecutor. While the Ombudsman may be removed from office by impeachment, the Overall Deputy Ombudsman, Deputy Ombudsmen, and Special Prosecutor may be removed from office by the President.⁴² This arrangement undermines the independence of the OMB. .

- 5.1.6 The Ombudsman and his Deputies, including the Special Prosecutor, are chosen by the President from a list of 21 nominees prepared by the Judicial Bar Council, and from a list of three nominees for every vacancy thereafter, which is to be filled within three (3) months after it occurs. RA 6770 specifies the qualifications of the Ombudsman and his Deputies. Appointments to the position of the Ombudsman, Overall Deputy Ombudsman, and Deputy Ombudsmen and Special Prosecutor, do not require Congressional confirmation. The Ombudsman, the Deputies, and Special Prosecutor serve for a period of seven (7) years without opportunity for reappointment.⁴³

⁴¹ During the validation workshops, OMB officials represented that the Congress has all along been supportive of OMB budgetary concerns. There is no incident that the President's budget for the agency has ever been reduced or adjusted by Congress.

⁴² Section 8, RA 6770

⁴³ Section 9, Article XI of the 1987 Constitution and Sections 3 and 7 of RA 6770

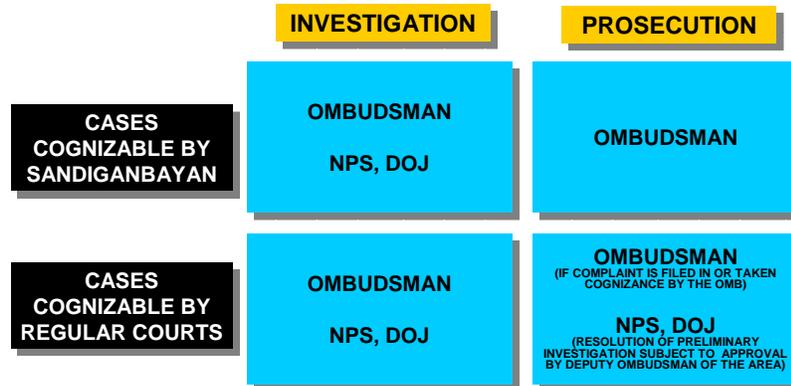
- 5.1.7 The culture of “utang na loob” (debt of gratitude) is working strongly in Philippine bureaucracy. The assumption by the President of the power of appointment theoretically weakens the independence of institutions like the OMB. The inherent weakness in the system lies in the vulnerability of the process to the appointment to the positions of Ombudsman and Deputies of those who are loyal to the appointing authority. This is not to say that the President should not have the appointing authority. Fixing the tenure of the Ombudsman and the mechanism for removal provides for mechanisms for independence. But this system provides limited meaningful independence if the associated systems in budgeting and administration are not operationalized.

5.2 Operational Linkages with Prosecution Agencies

The law authorizes OMB to deputize City and Provincial Prosecutors of the National Prosecution Service (NPS) of the Department of Justice in the preliminary investigation and prosecution of cases within the jurisdiction of the lower courts. This has considerably strengthened OMB’s operational and workload capacity but the quality of the system’s performance have yet to be evaluated.

- 5.2.1 Ombudsman cases involving criminal offenses may be subdivided into two classes: (1) those cognizable by the Sandiganbayan; and (2) those falling under the jurisdiction of the regular courts.
- 5.2.2 OMB and NPS both investigate and prosecute these cases in accordance with the following requirements, as clarified in OMB rules and regulations.
- The power to investigate or conduct a preliminary investigation in any Ombudsman case may be exercised by any investigator or prosecutor of the OMB, or by any Provincial or City Prosecutors or their assistants, either in their regular capacities or as deputized Ombudsman prosecutors.
 - The prosecution of cases cognizable by the Sandiganbayan is under the direct exclusive control and supervision by the OMB.
 - In cases cognizable by the regular courts, prosecution may be done by the Ombudsman or the Provincial or City Prosecutors or their assistants, either in their regular capacities or as deputized Ombudsman prosecutors.
- 5.2.3 This delineation of authority between the OMB and NPS, DOJ is depicted in Figure 3.1 below.

**FIGURE 3.1
 DELINEATION OF AUTHORITY
 IN INVESTIGATION AND PROSECUTION, OMB AND NPS**



While OMB’s rules and regulations on the concurrence of jurisdiction between it and other investigative agencies of the government in the prosecution of criminal cases delineate their respective roles to avoid confusion and overlap, there is no effective mechanism in place for OMB to monitor cases assigned to deputized City and Provincial Prosecutors.

- 5.2.4 Technically, cases being prosecuted by deputized City and Provincial Prosecutors are Ombudsman cases, the NPS prosecutors acting in behalf of the OMB. The OMB must thus be accountable for these cases. OMB’s capacity to track down and monitor the status of these cases must be enhanced and strengthened.

Cooperation with other government agencies in combating graft and corruption and particularly in investigating and prosecuting cases thereon is a good strategy in achieving operational efficiency, especially when there is severe limitation of resources. However, this operational relationship must not undermine the independence of the OMB.

- 5.2.5 The NPS is not an independent body. It is a regular agency under the direct supervision and control of the DOJ Secretary and is subjected to the usual hierarchical line of authority and responsibility, as well as bureaucratic systems and processes. The conduct of OMB jointly with any government agencies like the NPS must not create a negative implication that would diminish the perception of its independence.

6 MANAGEMENT AND KEY OPERATING STRUCTURE

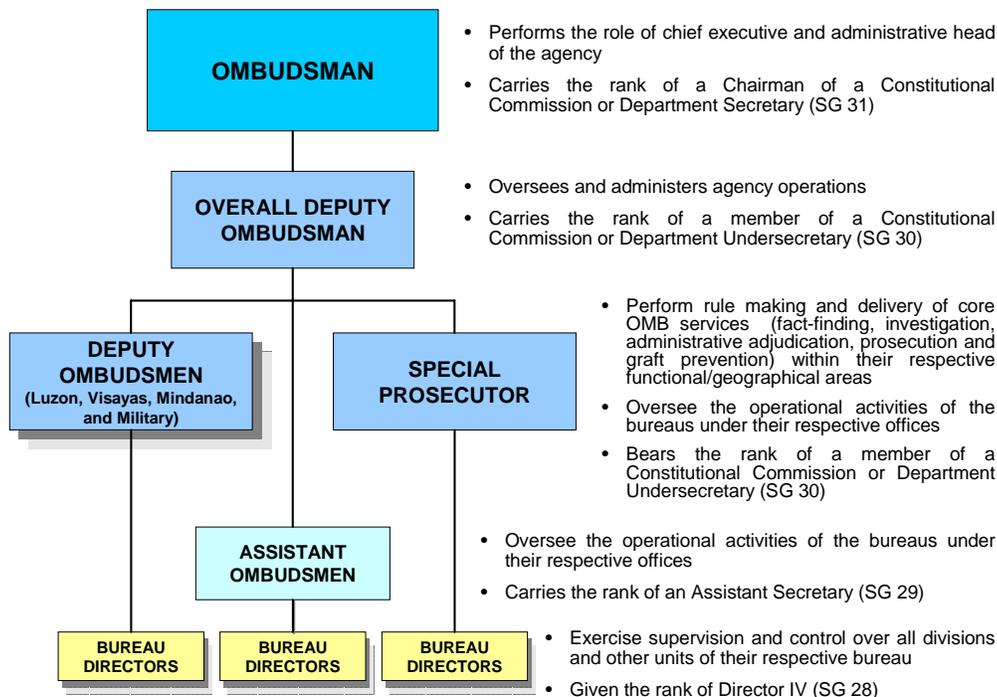
6.1 Management Structure

- 6.1.1 OMB is a single-headed body. As agency head the Ombudsman has the authority to exercise the mandate of the OMB and discharge its powers and functions. The Ombudsman also has the authority to organize the different units of the OMB and appoint all its officers and employees, except the overall deputy ombudsman, deputy ombudsman and special prosecutor who are all presidential appointees.⁴⁴
- 6.1.2 The Ombudsman has his own immediate office comprising of executive assistants and other support staff. He is assisted by the Overall Deputy Ombudsman who likewise maintains his own separate office. The Overall Deputy Ombudsman assists the Ombudsman in overseeing and administering the operations of the different OMB offices.⁴⁵
- 6.1.3 Central bureaus are clustered with each cluster assigned to an assistant ombudsman as the operational head. Field four offices are each headed by a deputy ombudsman and serve as mini OMB units in their respective areas. The internal structure of the field offices depict the key functional areas of the OMB – public assistance and corruption prevention, evaluation and investigation and prosecution.
- 6.1.4 The management structure of the OMB reflects the convention of the national government bureaucracy, which is characterized by a vertical structure of deputies and assistant senior officers supporting the agency head. The present management structure has at least four layers. A deeper assessment of the efficiency (speed of vertical workflows and resource efficiency) implications of this structure needs to be studied.

⁴⁴ Section 11 of RA 6770

⁴⁵ Ibid.

**FIGURE 3.2
 MANAGEMENT DECISION LAYERS, OMB**



6.2 Operating Structure

6.2.1 The OMB's operating structure comprises of the different offices and a network of bureaus performing mission-critical and administrative functions. Below the bureaus are divisions, which are established according to functions. The Deputy Ombudsmen for Luzon, Visayas, Mindanao and the Military, the Special Prosecutor, Assistant Ombudsmen, and the Bureau Directors head these primary organizational subdivisions of the OMB (Attachment 3).

- The deputy ombudsmen implement the policies, rules and programs promulgated by the Ombudsman and exercise the mandate and functions of the OMB within their respective geographical/sectoral jurisdictions. Specifically, the deputy ombudsmen perform operational decision-making, fact-finding, investigation, administrative adjudication, prosecution and graft prevention functions in assigned geographical/sectoral areas. They also oversee the operational activities of the bureaus under their respective offices.
- The Special Prosecutor is under the direct supervision and control of the Ombudsman. The Special Prosecutor conducts preliminary investigation, prosecutes cases in the Sandiganbayan, enters into plea bargaining agreements,

and performs such other duties assigned to it by the Ombudsman, with the support of bureaus under his office.⁴⁶

- The assistant ombudsmen are assigned specific functional areas and supervise the operational activities being performed by the bureaus in the OMB central office that are placed under their direct supervision.
- The Directors head the different bureaus of the OMB in central and field offices. They exercise supervision and control over all divisions and other units under their respective bureaus.

There is considerable need to improve public access to OMB services particularly in the areas of public assistance, case or complaint filing and investigation as well as prosecution.

- 6.2.2 Within the context of this study, accessibility is defined as the convenience and availability of OMB services to clients. Accessibility has several dimensions.
- 6.2.3 Geographical accessibility is one dimension, which is a shared purpose of the OMB area offices for regional access. The Offices of the Deputy for Luzon and Military hold office in Metro Manila, while the Deputy Ombudsmen for the Visayas and Mindanao hold their offices in Cebu City and Davao City, respectively where individual clients and the public in the regions could have proximate access to OMB services.
- 6.2.4 Geographical accessibility may likewise be achieved through the deputized City and Provincial Prosecutors of the Department of Justice, and through the OMB's partner NGOs and civil society organizations through the CPUs and JGUs. As previously mentioned, however, there may be a need to assess the operational efficiency and effectiveness of these existing mechanisms for prosecution, public assistance and community mobilization and coordination on graft prevention and elimination, to determine if OMB effective independence is met and whether the desired reach and access for OMB services are attained.
- 6.2.5 More than geographical proximity to clients, at the core of an accessible OMB is a public that is well informed of its services. OMB could not be considered to be accessible to its constituency if they are not well informed of the existence and functions of the former. There have been no structured assessments however on the degree of public awareness about the OMB and its services. Public satisfaction feedback on OMB services may be thus a relevant concern of the OMB that could be obtained through surveys.
- 6.2.6 Technology is another access factor and is closely tied up with public education. An interactive website may increase access by allowing users to file a complaint through the web. The case will be reviewed at the central or regional office and the assigned officer, upon preliminary examination of the case, may travel to the client to

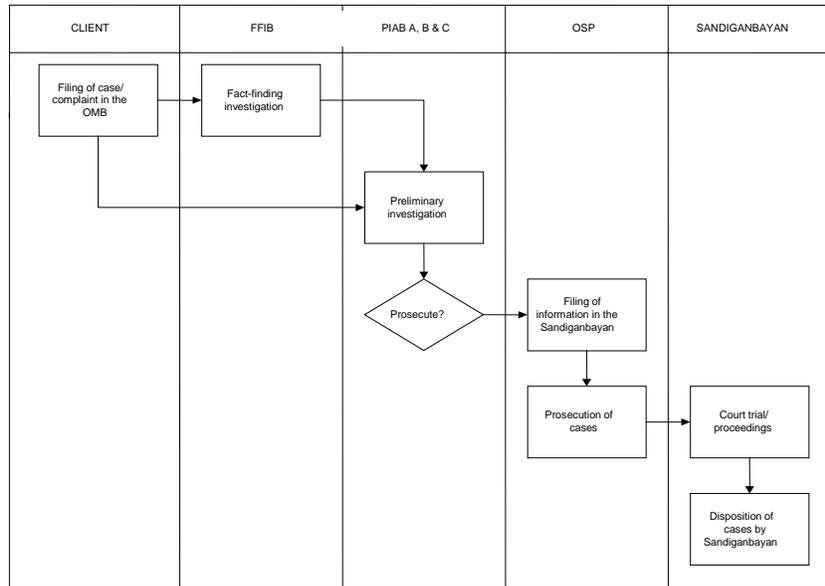
⁴⁶ Ibid.

undertake a deeper investigation. The use of information technology as a tool of public information and access to services must be explored.

The lack of integration of sequential and homogeneous functions, particularly public assistance, field investigation, preliminary investigation and prosecution, limits institutional capability to have overall operational control, establish cohesion and manage the overall efficiency and effectiveness of operations. These functions must be seamlessly integrated in order to improve management and service delivery.

- 6.2.7 Public assistance, field investigation, preliminary investigation and prosecution are sequentially related functions. At present these functions are performed by three bureaus reporting to different assistant ombudsmen.
- 6.2.8 There are four separate bureaus in the OMB central office that are involved in the processing of a complaint or a case. The general process flow starts when a case is filed by a client who may have been assisted by PAB. The FFIB conducts fact-finding investigation on complaint and may recommend dismissal for lack of merit, the conduct of preliminary investigation, or the conduct of administrative hearing. The PIAB concerned then conducts a preliminary investigation consistent with law and make recommendations thereafter, either for dismissal or for filing of information to the Sandiganbayan or the regular trial courts. The OSP files information and prosecutes the case with the Sandiganbayan. Figure 3.3 shows the general flow in case/complaint processing in the OMB central office, while Attachment 5 presents the formal procedures in processing criminal and administrative cases as provided under Administrative 7 of the OMB issued in 1990. Each bureau maintains its own separate procedures, and manual information system that are not connected to the other sequential processes.
- 6.2.9 The impacts of their current fragmentation have been discussed in the previous sections of this report – inability to track the status of cases, the absence of time management and speed control over the processing of cases field in the OMB and well as cases prosecuted in the courts, burden placed on the public to re-file their complaints repeatedly from the public assistance offices through to the subsequent steps of fact-finding or preliminary investigation, potential weaknesses in the prosecution of cases that did not pass through the field investigation process, the weak system of accountability, etc.
- 6.2.10 Further , the issue of functional overlap, redundant activities and processing delay could not be discounted. Fact-finding and investigation are very much related functions. At every stage, a case officer can always carry out a reevaluation/reinvestigation of the evidence presented or any circumstances of the case if he is not convinced with the output in the previous process. On the other hand, unnecessary delay occurs when reports are sent to and fro among case officers.

**FIGURE 3.3
 GENERAL PROCESS FOR CASE/COMPLAINT
 (OMB CENTRAL OFFICE)**



6.2.11 There is a need to structurally integrate and rationalize these functions, design integrated workflows and operating systems and support the integration through an information system on cases and transactions, which should also be integrated. Processes and outputs should be identified and defined, operating manuals for the production of outputs provided and inter-system linkages established. The integration of structures and processes for these functions will allow the establishment of a sound performance management process backed up by a computer-aided results monitoring and evaluation system. It will enable the Ombudsman and his managers to standardize procedures for homogenous activities and establish time and output standards therefor, to track the status of transactions and monitor performance of offices and investigators, to install system warning devices for delays and critical cases, to detect irregularities, and generally to have control over the entire operations.

6.1.12 Integration can be achieved by exploring various options. One is by integrating the processes through the use of an integrated case management information system. The system will assist in tracking the case and tracking the accountability of OMB personnel handling the case. Another option is a step further from merely providing an integrated information system and this is the integration of structures and functions. Such integration allows deeper knowledge by organizing workload into teams, for example, which will handle the case from beginning to end. But the determination of which options will eventually be the most efficient and one that will promote better competency and work loading will need deeper diagnostic and institutional reengineering which should form part of the subsequent phases of this initial reform program formulation initiative.

Considerable strengthening of capacities in the prevention and integrity promotion functions, of the OMB is needed.

- 6.1.13 Weaknesses in the performance of the preventive and integrity promotion aspects can be attributed to a deficient formal administrative structure supporting these functions. The preventive and integrity promotion functions of OMB is stated in the Constitution as mandate to determine the causes of inefficiency, red tape, mismanagement, fraud and corruption in the government, and to make recommendations for their elimination and for the observance of high standards of ethics and efficiency.
- 6.1.14 The prevention and integrity promotion functions of OMB are performed mainly by two bureaus reporting to different assistant ombudsmen: Community Coordination Bureau which reports to the assistant ombudsman for Public Assistance and Corruption Prevention, and the Research and Special Studies Bureau which reports to the Assistant Ombudsman for Fact-Finding, Intelligence and Research. The positioning of these bureaus indicates the orientation of the actual operationalisation of the functions. The Bureau of the Resident Ombudsman can also be considered to support prevention and integrity development in theory because its presence in agencies ought to act as deterrence. But as mentioned in the previous sections, the performance of this system has yet to be evaluated.
- 6.1.15 Programs and activities so far conducted in the area of public sector corruption prevention and integrity development are focused on the conduct of thematic research by the Research and Special Studies Bureau. More direct interventions as mandated and stipulated in the Constitution have yet to be made.
- 6.1.16 Corruption prevention and public sector integrity development requires that institutional integrity weaknesses in public sector institutions and the societal values that reinforce these vulnerabilities be simultaneously addressed through fundamental reforms and deeper, long-term and sustained programs. The administrative structure of the OMB does not provide for a complete and cohesive institutional capacity for these functions. Strengthening capacities will require:
- a) Integration of corruption prevention and integrity promotion functions in the OMB administrative structure.
 - b) Reorganization of the administrative structure to provide for the creation of a public sector integrity development bureau. The functional content of the Community Coordination Bureau should be reoriented towards the wider societal integrity development functions and program orientation rather than merely community coordination. The functions of the Research and Special Studies bureau should be reoriented towards knowledge development and discovery of new knowledge that will be needed in the formulation of more effective policies, programs and projects, and in the design of innovation programs in these areas. Its functions should focus more on understanding the dynamics of corruption, assessment of comparative domestic and international

lessons and best practices, conducting integrity and corruption surveys, and design of innovation strategies, tools and techniques that will be implemented by the other bureaus. Research and development covers both the punitive and preventive aspects of corruption prevention. The current research activities of the bureau that actually involve institutional and system diagnostics leading to implementable measures should form part of the activities of a prospective public sector integrity development bureau.

Formal structures and mechanisms for strategic and operations planning, monitoring and evaluation must be established on order to improve the prescience of all operations and permit sound management of overall operations and performance.

- 6.1.17 Strategic planning sets the long-term vision and the medium-term strategies of a newly appointed Ombudsman. Strategic planning translates the vision and strategies into medium-term targets, the definition of resources required to achieve those targets and the means of acquiring those resources. Strategic plans are translated into annual operations plans. Each annual operation plan is a progressive step towards the realization of the strategic plan vision and goals.
- 6.1.18 The OMB conducts strategic planning exercises every year. As practiced there is no clear distinction between strategic planning and operations planning and the annual practice of developing strategic plans loses sight of the vision and medium-term goals that comprise the essence and the reason for the strategic planning exercise. One of the reasons for this is that the vision and the goals are not clear; the targets and indicators for measuring them and the monitoring and evaluation mechanisms are not formally in place. Annual planning exercises should start with assessing:
- a) How far are we in reaching our vision and our goals?
 - b) How much of the targets have we achieved and why?
 - c) What should we do this year to address new issues and be on track towards our predefined destination?
- 6.1.19 Annual reviews and updates of the strategic plan should be translated into the operations plans of each bureau. Without the operations plans, which will contain the individual targets, activities and resource requirements and program, there is no means of ensuring that the strategic plan goals will purposively and systematically pursued.
- 6.1.20 Sound planning, monitoring and evaluation should be anchored on formal mechanisms. The absence of formal structures and operating systems for these functions, weakens capacity for prescient and responsive operations, and efficient management of programs, projects and activities. The absence of a formal monitoring and evaluation system, indicated by lack of structured and comprehensive performance indicators, mechanisms for data generation and analysis, and reporting weakens overall capacity for planning and sound performance management. These issues can be addressed through the following measures:

- a) Establishment of a policy, planning and monitoring office. One option is to convert the current Research and Special Studies bureau into this office, and transfer the bureau's functions to the prospective Integrity Development Institute.
- b) The policy, planning and monitoring office should be responsible for the formulation of development and operational policies that will guide the OMB plans and operations.
- c) It will establish and operate a results-based monitoring and evaluation system and formulate as well as manage the application of a comprehensive set of indicators that will support all OMB plans, programs and activities and upon which institutional and individual performance evaluation can be anchored. The office will also be responsible for the development of corruption and integrity development indicators that will enable the monitoring and evaluation of societal and public sector corruption and integrity and which will support program planning and design.
- d) The bureau will also be responsible for the design and coordination of the implementation of meaningful strategic planning and operations planning systems that are seamlessly integrated with the results-based monitoring and evaluation system. The bureau will advise management on all policy, planning and performance issues.

7 HUMAN RESOURCES

There are almost as many technical positions as there are support and non-technical positions in the OMB's staffing pattern. In the absence of readily available information on the detailed tasks and processes for each office and each position, it would be difficult to make conclusions on the efficiency of the staffing mix. As a general rule, in the national government, technical positions must at least twice as many as the non-technical. Otherwise, excess in non-technical positions may signify unnecessary personal services cost.

7.1.1 Table 3.14 shows the distribution of positions by OMB office, indicating the number of filled and unfilled positions by category, i.e., managerial, technical, support to technical and administrative support, while Table 3.15 summarizes the staffing profile in Table 3.15. The tables show that of the total 1,141 positions that comprise the OMB staffing pattern, 846 (74%) are filled and 295 (24%) are vacant items. Of these 40 (03%) are managerial positions, 544 (48%) are technical positions, 167 (15%) are support to technical positions and 390 (34%) are administrative support positions.

TABLE 3.14
STAFFING PROFILE BY OFFICE
as of February 2004

Office/Category of Position	Filled	Unfilled	Total
Office of the Ombudsman, Proper			
▪ Managerial	2	0	2
▪ Technical	0	0	0
▪ Support to Technical	2	0	2
▪ Administrative Support	16	4	20
Total	20	4	24
Office of the Overall Deputy Ombudsman (ODO)			
▪ Managerial	1	0	1
▪ Technical	0	0	0
▪ Support to Technical	1	0	1
▪ Administrative Support	10	0	10
Total	12	0	12
Office of Legal Affairs (OLA)			
▪ Managerial	2	0	2
▪ Technical	3	3	6
▪ Support to Technical	0	0	0
▪ Administrative Support	7	0	7
Total	12	3	15
Public Assistance and Corruption Prevention Office (PACPO)			
▪ Managerial	3	0	5
▪ Technical	22	8	30
▪ Support to Technical	1	3	4
▪ Administrative Support	27	5	32
Total	53	16	69
Fact-Finding, Intelligence and Research Office (FIRO)			
▪ Managerial	2	2	4
▪ Technical	39	55	94
▪ Support to Technical	3	4	7
▪ Administrative Support	7	6	13
Total	51	67	118

Office/Category of Position	Filled	Unfilled	Total
Preliminary Investigation, Administrative Adjudication and Monitoring Office (PAMO)			
▪ Managerial	4	1	5
▪ Technical	68	29	97
▪ Support to Technical	31	0	31
▪ Administrative Support	30	6	36
Total	133	36	169
Finance and Administrative Office (FAO)			
▪ Managerial	2	1	3
▪ Technical	1	1	2
▪ Support to Technical	15	1	16
▪ Administrative Support	81	14	95
Total	99	17	116
Office of the Deputy Ombudsman for Luzon (ODO-Luzon)			
▪ Managerial	4	0	4
▪ Technical	43	20	63
▪ Support to Technical	18	3	21
▪ Administrative Support	37	5	42
Total	102	28	130
Office of the Deputy Ombudsman for Visayas (ODO-Visayas)			
▪ Managerial	4	0	4
▪ Technical	34	15	49
▪ Support to Technical	12	3	15
▪ Administrative Support	27	1	28
Total	77	19	96
Office the Deputy Ombudsman for Mindanao (ODO-Mindanao)			
▪ Managerial	4	0	4
▪ Technical	41	9	50
▪ Support to Technical	20	1	21
▪ Administrative Support	26	1	27
Total	91	11	102

Office/Category of Position	Filled	Unfilled	Total
Office of the Deputy Ombudsman for Military (ODO-Military)			
▪ Managerial	4	0	4
▪ Technical	32	16	48
▪ Support to Technical	14	1	15
▪ Administrative Support	26	2	28
Total	76	19	95
Office of the Special Prosecutor (OSP)			
▪ Managerial	3	1	4
▪ Technical	58	47	105
▪ Support to Technical	31	3	34
▪ Administrative Support	28	24	52
Total	120	75	195
GRAND TOTAL	846	295	1,141

Source: Personal Services Itemization, February 2004

- 7.1.2 The OMB technical positions are composed of the Graft Investigation Officer (GIO), Special Prosecution Officer (SPO) and Associate Graft Investigation Officer (AGIO) positions. The GIOs and AGIOs undertake fact-finding, intelligence, field investigation, preliminary investigation, research, public assistance and community coordination functions both in the central and regional/sectoral offices, while the SPOs are tasked with prosecution functions. The support to technical positions which assist the GIOs/AGIOs in their work include stenographic reporter, process server and records officer positions. Those which are assigned housekeeping functions like personnel administration, budgeting, accounting, cashiering, clerical, and general administration services are included in the administrative support positions. Executive Assistant positions are likewise categorized under administrative support.
- 7.1.3 The staffing statistics also tell us that the ratio between the support-to-technical positions to technical items is 1:3 which generally meets the general staffing standard. However, the ratio between the administrative support items to technical is 1: 1.4 which may indicate that some of the administrative support positions are not optimized. Understandably the largest number of administrative support positions are the finance and administrative offices which should house the majority of these positions by virtue of their functions. But large proportions of administrative positions are noted in several mission critical offices particularly the field offices, public assistance office and management offices. A large proportion of administrative positions in these offices suggest lack of competency in the use and absence of adequate work technologies, where management and technical personnel rely heavily on clerks to access information or to do word processing work.

TABLE 3.15
TOTAL NUMBER OF POSITIONS BY CATEGORY
As of February 2004

Category	Filled	Unfilled	Total	% To Total	Ratio of Support- to- Technical to Technical	Ratio of Administrative Support to Technical
Managerial	35	5	40	3	1:3	1:1.4
Technical	341	203	544	48		
Support to Technical	148	19	167	15		
Administrative Support	322	68	390	34		
Total	846	295	1141	100		
% to Total	74	26	100	-		

Source: OMB Personal Services Itemization

The low clearance rate in OMB's investigation, adjudication and prosecution functions is also indicative of the need to enhance the competency of the OMB investigators who are required to produce or prepare quality reports that will substantially support case prosecution.

7.1.4 The statistics on workload as provided by the OMB which provided a basis of a general workload assessment point to the adequacy of existing number of investigation officers, as indicated by 95-110% annual disposition rates for the public assistance, field investigation, preliminary investigation and administrative adjudication functions. The huge pre-existent backlog can be addressed by a one-time decongestion initiative.

Extensive effort has been made to provide specialized training required in improving the competencies of investigators and prosecutors. This will serve as an excellent starting point for a more extensive and institutionalized mechanism for the provision of more holistic and continuing competency development program for anticorruption personnel.

7.1.5 Under the present administration, a series of rigorous training programs were undertaken in order to hone the skills of the prosecutors and investigators of the Office of the Ombudsman on anti-corruption laws, basic trial techniques, strategies and practices.

- A 5-day residential program on "Trial Advocacy Skills Development for Ombudsman Prosecutors" was implemented with the assistance of USAID. Methods of instruction utilized were lecture and open forum sessions, video presentations and mainly the use of demonstration/mock trial proceedings followed by critiques. These programs were held in Tagaytay City on May 12-16, 2003 with 29 participants, June 16-20, 2003, with 26 participants and August 11-15, 2003, with 29 participants. Seminar topics included were Evidence, Cross Examination of Medical Witnesses, Biased Witnesses, Eye Witnesses, Hostile

Witnesses, Sympathetic Witnesses and Law Enforcement Witnesses; Case Management Preparation; How to Prosecute Crimes Committed By Public Officers Under Title VII of the Revised Penal Code, Murder, Homicide, Crimes Against Persons and Other Common Crimes Committed in Relation to Office, and Offenses Under RA 3019; Demonstration Trials on Murder, Estafa Thru Falsification, Bribery, Malversation Thru Falsification; Grossly Disadvantageous Contracts and Trial Technique Guide for Public Prosecutors and Effective Trial Advocacy.

- Seminar on Writing Resolutions and Decisions which was held on October 15, 2003 for 60 lawyers and paralegals. Justice Hugo E. Gutierrez was the resource person.
- Follow-through Trial Advocacy Skills Development Programs which was held on December 8-12, 2003, January 26-30, 2004 and February 23-27, 2004 with 25 participants per program. Topics included were: (1) Fundamentals and Techniques in Case Management and Preparation (Role of Prosecutors during the defense presentation of evidence); (2) Mutual Legal Assistance Treaty (MLAT); (3) Direct Examination of Expert Witnesses, Forensics, Questioned Documents, COA/Infrastructure and Medico-Legals; (4) Expert Witnesses, Cross-Examination and Impeachment; (5) Mock trials on RA 3019, sec. 3 cases, RA1379 cases and Plunder cases.
- Field investigation seminars, the first of which was held from 22-26 March 2004 with 48 participants. Subjects included were: (1) Introduction to corruption causes and effects of corruption types and corruption; Strategies Against Corruption; (2) Handling of public complaints system; (3) Interview techniques; (4) Financial investigation, asset tracing, money laundering, international cooperation and mutual assistance; (5) Preparing a corruption case, evidencial report; (6) Protection of whistle blower, witness protection, ensuring integrity in investigation, cyber crime, computer forensic; (7) Managing a major corruption investigation, managing a major operation. Mr. Paul Dickenson and Mr. Tony Kwok Man Wai were the resource speakers.
- Seminar on Environmental laws conducted on March 12, 2004 with 46 participants. Atty. Antonio A. Oposa, Jr. spoke on the Clean Air Act, Solid Waste Management Act, and other laws.
- Another follow-through seminar is to be conducted from July 12-15, 2004 in Angeles City, Pampanga has the following lectures: (1) Relating Poverty to Corruption; (2) Corruption Kills; (3) Procedure on the Conduct of Preliminary Investigation; (4) Review of OMB Mandate/Role of Identification and Clarification of Lawyers in Preliminary Investigation; (5) Code of Conduct for Lawyers Involved in Preliminary Investigation; (6) Effective Communication Skills; Verbal/Non-Verbal; (7) Logical Reasoning, Critical Thinking and Resolution Writing; and (8) RA 3019, 7080, & 1379.

- 7.1.6 A more holistic competency development program will be required. This should be tied up with the competency requirements of the OMB institutional strengthening program and should be closely designed with the institutional reengineering process where changes in competency requirements will be identified.
- 7.1.7 Meanwhile, core-training requirements in the areas of investigation and prosecution are going on. More sophisticated training in thematic areas can be identified and designed based on a deeper training needs analysis which should be conducted. A more comprehensive training needs analysis should accompany the institutional reengineering program in order that the competency development program and its specific courses will match the new skills requirements of the improved internal functions, setup and processes, as well as technologies.
- 7.1.8 Also the OMB has the opportunity to take the lead in providing an institutionalized training facility focusing on anti-corruption competency requirements and on knowledge development and sharing. A proposed Integrity Development Institute poses a strong potential for advocacy and the development of a professional corps of anticorruption experts fielded in the various law enforcement agencies, national government agencies and anti-corruption stakeholders.

The reengineering of the formal structural and internal functional configuration of the OMB will require a corresponding review and modification of its staffing pattern, position classification and positions descriptions.

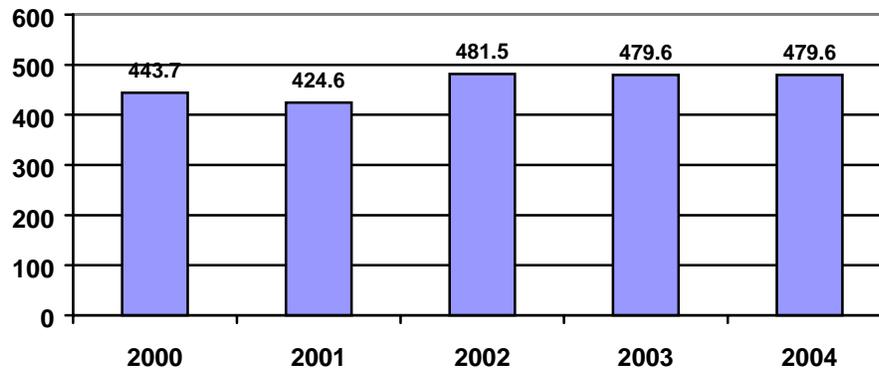
- 7.1.9 Should the OMB embark on reorganizing its administrative structure and internal functions, a comprehensive review of its staffing pattern, position classification and position description will be needed. Such a review should be anchored on the proper translation of the new structural and functional setup into operating systems and procedures and office specific outputs and the identification and definition of office tasks.
- 7.1.10 Staffing mix and levels should factor in the required skills for technical positions. With the availability of information technology and work tools, technical people would no longer need administrative support personnel to do information processing, recording, or word processing functions. These should form part of the minimum skills requirements of investigators, prosecutors and all other technical personnel in the OMB organization. Incumbent personnel should undergo proper training in the use of work tools in order to reduce overhead positions and free resources to strengthen the more substantive operations of the agency.
- 7.1.11 The position classification and job descriptions should be closely coordinated with the review and reforms in compensation and benefits policies and processes, and the career development system. They should also reflect the true content and skills requirements of the position. The notion that generic position titles allows flexibility in personnel deployment and promotion results in mismatch between competency requirements of positions and the competency of the incumbents. The coordination between the career pathing system and the position classification and job description systems is a separate issue that can be addressed without sacrificing the integrity of either one.

8 BUDGETARY RESOURCES

The OMB has the same problem of limited budgetary resources as in any other institution of the government – its annual budgetary allocation under the General Appropriations Act would never be enough for the actual requirements of its different programs. In fact, by looking at the annual allocations of the different OMB programs for five years (2000-2004) the usual impression that “there is nothing more to budget for” may be an apt general description of the OMB’s budgetary resources.

- 8.1.1 OBM’s budget averaged at P462 million from 2000-2004. Total annual budgets have remained at practically the same levels over these years (Figure 3.4). The budgetary provision for 2004 is exactly the same as that of 2003 due to reenactment of the year 2003 national budget.

FIGURE 3.4
BUDGETARY ALLOCATIONS, 2000-2004



- 8.1.2 Budgetary provisions for specific OMB programs indicates virtually a flat growth rate in both the total program budget and their disaggregates, as shown for example by the budgetary allocation for investigation and administrative adjudication in the Central Office which has been pegged at 11% of the total OMB Budget from 2000 to 2004 (Table 3.16).

TABLE 3.16
BUDGETARY ALLOCATION
INVESTIGATION AND ADMINISTRATIVE ADJUDICATION⁴⁷
(In Thousand Pesos)

EXPENSE CLASS	2000	2001	2002	2003	2004	TOTAL
Personal Services	49797	49797	48243	50447	50447	248731
Maintenance and Other Operating Expenses	941	941	941	1196	1196	5215
Capital Outlay	0	0	0	0	0	0
Total	50738	50738	49184	51643	51643	253946
Total Budget, OMB	443718	424566	481517	479623	479623	2309047
% To Total OMB Budget	11	11	10	11	11	11

8.1.3 A Similar pattern exists with regard to prosecution services (Table 3.17) whose budget has almost been constant for the five-year period. It may be noted moreover that there is zero-provision for capital outlay for same period; only current operating expenditures for salaries and MOOE were funded. There is no developmental budget to talk of under the OMB's budget provisions from GAA.

TABLE 3.17
BUDGETARY ALLOCATION
PROSECUTION SERVICES
(In Thousand Pesos)

Expense Class	2000	2001	2002	2003	2004	Total
Personal Services	29646	29646	33600	34913	34913	162718
Maintenance and Other Operating Expenses	2870	2870	2870	3465	3465	15540
Capital Outlay	-	-	-	-	-	-
Total	32516	32516	36470	38378	38378	178258
Total OMB Budget	443718	424566	481517	479623	479623	2309047
% To Total OMB Budget	7.3	7.6	7.6	8.0	8.0	7.7

Source: OMB, 2004

⁴⁷ Figures are aggregates of budgetary allocation for Evaluation and Preliminary Investigation, Fact-finding and Administrative Adjudication Programs of the OMB in the General Appropriations Act

8.1.4 The budget for regional operations (Table 3.18) has been pegged to about 14% of the OMB GAA budget provisions. This has also remained constant for the last five years.

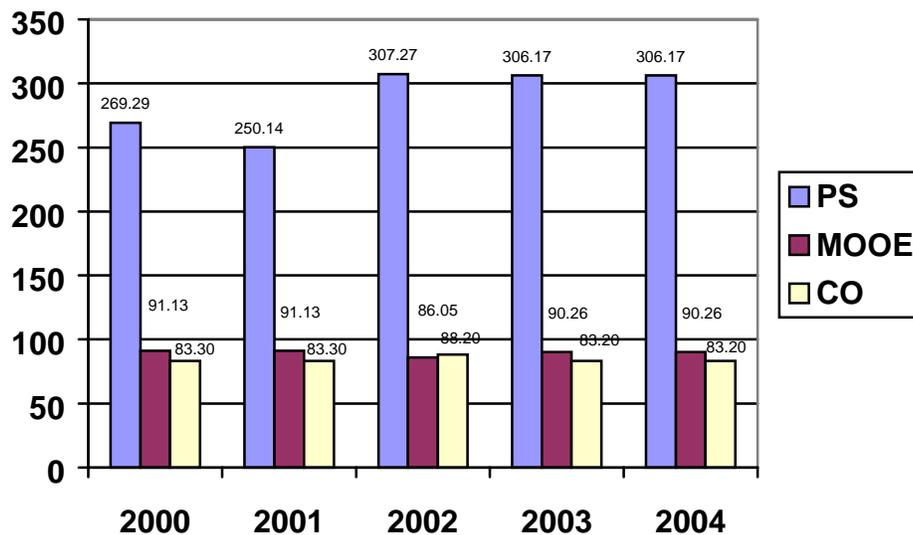
TABLE 3.18
BUDGETARY APPROPRIATIONS
REGIONAL OPERATIONS
(In Thousand Pesos)

Expense Class	2000	2001	2002	2003	2004	Total
LUZON						
Personal Services	8754	8754	11032	11520	11520	51580
Maintenance and Other Operating Expenses	2396	2396	2396	2631	2631	12450
Capital Outlay	-	-	-	-	-	-
Total for Luzon	11150	11150	13428	14151	14151	64030
VISAYAS						
Personal Services	20451	20451	23543	24519	24519	113483
Maintenance and Other Operating Expenses	1789	1789	1789	2240	2240	9847
Capital Outlay	-	-	-	-	-	-
Total for Visayas	22240	22240	25332	26759	26759	123330
MINDANAO						
Personal Services	6584	6584	8327	8647	8647	38789
Maintenance and Other Operating Expenses	1583	1583	1583	1696	1696	8141
Capital Outlay	-	-	-	-	-	-
Total for Mindanao	8167	8167	9910	10343	10343	46930
MILITARY						
Personal Services	15303	15303	18120	18859	18859	86444
Maintenance and Other Operating Expenses	1110	1110	1110	1431	1431	6192
Capital Outlay	-	-	-	-	-	-
Total for Mindanao	16413	16413	19230	20290	20290	92636
OVERALL TOTAL						
Overall Total	57970	57970	67900	71543	71543	326926
Total OMB Budget	443718	424566	481517	479623	479623	2309047
% Of Overall Total to OMB Budget	13.1	13.6	14.1	14.9	14.9	14.1

Source: OMB

8.1.5 The expenditure class breakdown of the OMB budget for the same period (2000-2004) is presented in Figure 3.5, the PS eating up about 62% of the total budget with the remaining 38% almost equally shared by MOOE and Capital Outlay. With such severe budgetary deficiency, the OMB must look for other sources of income to finance both operations and much needed capital investments.

FIGURE 3.5
Budgetary Allocation by Expenditure Class
2000-2004



8.1.6 With the worsening public sector deficit, it is next to impossible for the OMB to see any improvement in its budgetary allocations in the next few years. But there are options to be explored. There are several opportunities for the OMB to generate resources outside of the budget. OMB can work towards a legislation that will authorize it to generate resources to support its anticorruption strategy. In the meantime there are options that can be explored within existing laws, which may include the following:

- a) Donor funding. There is a lot of donor interest in funding an anticorruption strategy and the OMB has started to coordinate with interested donors. This proposed anticorruption plan and public investment program could serve as the menu upon which donors can choose their support consistent with their own country assistance strategies.
- b) Partnerships. Partners can do some of the programs that OMB does not have the resources to do. OMB can take the lead in ensuring that the efforts of partners for which they themselves will fund will be consistent with the medium-term anti corruption plan.

9 TECHNOLOGY RESOURCES

- 9.1.1 Information technology plays a strategic role in improving capacities to monitor, manage and assess performance at all organization levels. It is indispensable in providing better public assistance and in improving the speed of the processing of complaints and cases. It makes planning more focused and responsive since it allows a more incisive assessment of performance and the factors that explain performance issues.
- 9.1.2 However, OMB's existing computerized systems (Table 3.19) are primarily used for recording and individual data retrieval purposes and not for strategic purposes. The systems are patchy and disjointed such that information needed in higher-level case management, and in program and operations monitoring and performance analysis is not available. The systems as they are designed have severely limited capacities to assist OMB personnel manage their workload, or better assist clients by having access to speedy, and analytical information. The systems have severely limited capacities to provide analytic information useful in management monitoring, evaluation and planning.
- 9.1.3 The IT systems of the OMB must be enhanced or expanded in terms of functionalities and scope of application to address the information needs of both OMB offices and its external clients. Improvements are required in several areas – scope of the system, expansion of the functions, improvement of the intelligence of the applications and their interconnectivity to support strategic planning and management, hardware and software that will support intelligent networks, and competency by investigators, prosecutors and all other personnel in the intelligent use of information technology in their work and in decision making.

TABLE 3.19
EXISTING COMPUTER-BASED INFORMATION SYSTEMS

Computerized System	User Unit
OMB Clearance (OMBCLEAR) System	Public Assistance Bureau
Case Registry (CARE) System	
Assets and Liabilities Monitoring System (ALMS)	Central Records Division
Case Storage and Retrieval System	Central Records Division
Payroll System, Trial Balance System, Cash Advance Reporting System and Journal Disbursements by Disbursing Officers (JDDO)	Accounting Division
Case Monitoring (CASEMON)	Preliminary Investigation, Administrative Adjudication and Monitoring Office
Request for Assistance System	Public Assistance Bureau
OMB-Luzon Case Records System (CARELUZ)	OMB- Luzon
Case Monitoring System	Office of the Legal Affairs
Monitoring System for Computers, Peripherals and	Monitoring and EDP Division

Computerized System	User Unit
Services (MEDSERV) System	
Personnel Savings/Loan and Medicare (PSALM) System	OMB Medical and Welfare Fund unit
Document Tracking System	Office of the Overall Deputy Ombudsman
Property Management Information System (ProMIS)_	General Services Division
Fact-Finding and Investigation System Bureau System	Fact-Finding and Investigation Bureau
Administrative Adjudication Bureau System	Administrative Adjudication Bureau
Screening and Evaluation Committee System	Screening and Evaluation Committee

9.1.4 The OMB needs to fill the gap that hinder the development of sustained capability to implement information technology solutions that directly support its anti corruption functions. In particular, OMB should address the following needs:

- a) Need to build up core data bases required to support public assistance, field investigation, preliminary investigation and prosecution functions. These include:
 - faster and broader access to all legal issuances, research materials, orders and case information in electronic form
 - build up and allow electronic access to legal research information on graft and corruption to support the prosecution process
 - the build up of data bases on all cases handled by the OMB as a starting point of an integrated case management system.
- b) Need to computerize and integrate case management information systems and processes.

An integrated case management system allows the tracking of all case inflows into the OMB from the point of public assistance to its prosecution in the courts, and its eventual resolution through the execution of the court's decision. The case management system that allows access to electronic information through the internet/web is a more viable approach to establish an OMB interactive communication network. The need for a more sustainable electronic communication network is required to enhance key workflows such as filing of complaints, processing of cases, monitoring of the status of cases within the OMB, the National Prosecution Service, the lower courts and Sandiganbayan. The network will considerably reduce extremely tedious search for commonly needed case information. It also allows public access to information on cases and thus improves public services and accountability.

- c) Need to network the OMB central and field offices and connect it to its partners

The ICT solution should deploy computing resources including computers and connectivity hardware and software to OMB offices. A phased and prioritized computerization and distribution plan will be needed since resources are severely limited. OMB must prioritize offices that are concerned with public assistance, case management and prosecution.

- d) Need to expand and improve the intelligence of applications

There is a need to integrate and improve the synthesis of current individual application systems into a more meaningful integrated set of applications that support legal research, investigation, prosecution, as well as strategic planning and performance monitoring and evaluation. This will require improvements in the data architecture, and the functional specifications of the integrated system components and will require the rewriting of all application programs into the new development platforms. Priority applications would include:

- Case management systems which will integrate public assistance, field investigation, preliminary investigation and prosecution information systems and which will have eventual linkages to the lower courts and Sandiganbayan and future linkages with relevant law enforcement agencies
- Data base and analytic information system on assets and liabilities
- Legal library which will support the legal and other research requirements of investigators

- e) Need for a change management program that is coordinated with the overall institutional strengthening process of OMB

Information technology can make existing processes more efficient and enables the use of creative work processes that are otherwise not possible in a manual environment. Examples of these include access to analytic information on case types, a summary of cases filed against a person, frequency in the occurrence of specific corruption offenses, etc. The technology will enable an assessment of the behavioral patterns of graft and corruption, and further enables correlation to causative and affective factors. These types of analyses are possible with the provision of electronic information that can be processed and provided in seconds.

But the introduction of more intelligent information systems will require procedural changes in the way work is processed, the basis for making decisions, and the intellectual and technical tools to support such decision making process.

The introduction of information technology will thus involve more profound changes in the way the OMB will operate. The organization inertia must therefore be addressed by an explicit change management strategy to prepare personnel at all levels to work in an environment that is less dependent on paper, where decisions require more structured information rather than just intuition and good judgment, and where new decision issues and analytic perspectives emerge with the availability of more sophisticated information.

10 CONCLUSION AND IMPLICATIONS FOR STRENGTHENING THE OMB

- 10.1.1 The above diagnostics present certain internal capacity issues that must be addressed. There is need, for example, for detailed diagnostics on the effectiveness of key programs of the OMB, including the structural efficiency of its current organizational and operational set-up. The design of appropriate reform measures must address these internal capacity dysfunctions, and further improve accessibility of clients to OMB services.
- 10.1.2 The review of the OMB performance in investigation and prosecution points to the need for a one-time decongestion initiative to get rid of years long case backlogs, improvements in staff competency, as well as the installation of an effective case monitoring information system and other work technologies and tools to generally improve operational efficiency. The quality of performance information needs improvement. A performance monitoring and evaluation system must be put in place to meet requirements for quality data necessary in strategic and operational planning and decision-making.
- 10.1.3 Operational efficiency may be enhanced through systems and procedures improvement and strengthening, covering both critical-mission and administrative and support systems. A detailed systems study, design and installation should be undertaken for the purpose. The reengineering of systems and procedures should be coordinated with modifications in the formal administrative structure and internal functional configuration of the OMB and improvements in information and communication technology.
- 10.1.4 Most importantly, the independence of the OMB must not be prejudiced/undermined. OMB must build and put in place strong mechanisms to ensure its independence in all aspects of its operations.
- 10.1.5 In summary, strengthening the capacity of the OMB can be addressed by reforms in the following:
- a) Strengthening of the independence of the OMB through reforms in its current transactional financial and administrative relationship with the other branches of government.

- b) Strengthening the functions of the OMB particularly in the area of resource generation. This will require legislation.
- c) Reengineering of the internal formal structure and key operating systems:
 - c.1 Better integration and synchronization of its public assistance, fact-finding, investigation and prosecution functions
 - c.2 Strengthening institutional capability to facilitate integrity development in the public sector through education and implementation of integrity standards
 - c.3 Improving capacities for public education, advocacy and collaboration with partners
 - c.4 Enhancing capacities for research and development towards continuing improvement of knowledge and anticorruption initiatives
 - c.5 Installing a formal strategic and operations planning system linked with a results-based performance monitoring and evaluation mechanism
 - c.6 Adopting the appropriate information technology to support an integrated operation.
 - c.6 Improving technology and equipment support for investigation and fact-finding functions.
- d) Strengthening competency development and integrating this with an improved remuneration and career development system particularly for technical and management positions.

ATTACHMENT 1

DEFINITION OF TERMS USED IN CASELOAD ASSESSMENT

The assessment of caseload is undertaken specifically for the OMB programs on investigation, prosecution, and administrative adjudication. This is intended to review the efficiency of the OMB's institutional mechanisms in undertaking such functions by determining the relationship of caseload and outputs. This is likewise intended to make inferences on the quality of services being provided by the OMB. The review of the performance of the OMB programs covers a ten-year period, from 1993-2002, the basic information for the purpose was generated from the OMB's annual reports.

This study adopts the terms and concepts in caseload analysis being used by the Supreme Court inasmuch as the nature of activities and processes involved in investigation, prosecution and administrative adjudication are similar to those being applied for cases filed in courts. The following definitions are thus used on caseload assessment, with minor editing where necessary:

TERM	DEFINITION
Caseload	Inventory of all cases in the OMB, at different stage of processing. It is the total number of cases/complaints pending in OMB within the given year.
Caseflow	A process consisting of the entire events attendant to the processing of cases/complaints from filing to disposition
Case Disposed	Cases/complaints that were resolved which are either dismissed, archived, terminated, or transferred to other courts
Case Inflow	Movement of cases/complaints added to the pending cases/complaints at the beginning of the year which include new cases/complaints filed and cases reverted back to pending
Case Outflow	Movement of cases/complaints deducted from the total number of pending cases/complaints at the beginning of the year which include cases/complaints disposed for prosecution with the Sandiganbayan and other courts, dismissed or closed/terminated
Clearance Rate	Total outputs produced in relation to the total cases pending in OMB at a given period
Disposition Rate	Total outputs produced in relation to the total new case inflows during the year

ATTACHMENT 2

ACTS OF PUBLIC OFFICIALS AND EMPLOYEES PUNISHABLE UNDER PHILIPPINE LAWS

A. GRAFT AND CORRUPT PRACTICES (REPUBLIC ACT NO.3019)

1. Violation of rules and regulations duly promulgated by competent authority or an offense in connection with the public officers official duty
2. Requesting or receiving any gift, present, share, percentage, or benefit, in connection with any contract or transaction with the Government
3. Requesting or receiving any gift, present or other pecuniary or material benefit, from any person for whom the public officer, has secured or obtained, or will secure or obtain, any Government permit or license
4. Accepting or having any member of his family accept employment in a private enterprise which has pending official business with the public official during its pendency or within one year after its termination
5. Causing any undue injury to any party, including the Government, or giving any private party any unwarranted benefits, advantage or preference in the discharge of his official administrative or judicial functions
6. Neglecting or refusing, to act within a reasonable time on any matter pending before him for the purpose of obtaining pecuniary benefit or advantage
7. Entering into any contract or transaction manifestly and grossly disadvantageous to the government
8. Having financial or pecuniary interest in any business, contract or transaction which he is prohibited by the Constitution or by any law from having any interest
9. Becoming interested in any transaction or act requiring the approval of a board, panel or group of which he is a member
10. Approving or granting any license, permit, privilege or benefit in favor of any person not legally entitled to such license, permit, privilege or advantage
11. Divulging valuable information of a confidential character
12. Acquiring or receiving by any member of the Congress personal pecuniary interest in business enterprise which will be favored or benefited by any law or resolution authored by him previously approved or adopted by Congress during the same term
13. Acquiring by a public official/employee, of property and/or money manifestly out of proportion to salary and to other lawful income, whether in the name of the public official or in the name of other persons, such as spouse or dependents

B. UNEXPLAINED OR UNLAWFULLY ACQUIRED WEALTH (RA 1379)

1. Acquiring by a public official/employee of property manifestly out of proportion to his salary and to his other lawful income, including the following:
 - Property unlawfully acquired but its ownership is concealed by its being recorded in the name of, or held by, spouse, ascendants, descendants, relatives, or any other person
 - Property unlawfully acquired but transferred by him to another person or persons
 - Property donated to the public official/employee concerned during his incumbency, unless the donation is proven lawful

C. VIOLATIONS OF THE CODE OF CONDUCT AND ETHICAL STANDARDS FOR PUBLIC OFFICIALS AND EMPLOYEES (RA 6713)

1. Directly or indirectly having financial and material interest in any transaction requiring the approval of the office of the public official or employee
2. Owning, controlling, managing, or accepting employment as officer, employee, consultant, counsel, broker, agent, trustee or nominee in any private enterprise regulated, supervised or licensed by the office of the public official or employee, unless expressly allowed by law
3. Engaging in the private practice of his/her profession, unless authorized by the Constitution, law or regulation, provided that such practice will not conflict or tend to conflict with his/her official functions
4. Recommending any person to any position in a private enterprise which has a regular or pending official transaction with his/her office, unless such recommendation or referral is permitted/allowed under existing rules and regulations
5. Disclosing or misusing confidential or classified information to further his private interests or give undue advantage to anyone, or to prejudice public interest
6. Soliciting or accepting any gift, gratuity, favor, entertainment, loan or anything of monetary value
7. Unfair discrimination in rendering public service due to party affiliation or preference
8. Disloyalty to the Republic of the Philippines and to the Filipino people
9. Failure to act promptly on letters and request or process/complete action on documents within reasonable time
10. Failure to attend to anyone who wants to avail himself of the services of his/her office, or to act promptly and expeditiously on public personal transactions
11. Failure to file a sworn statement of assets, liabilities and net worth, and disclosure of business interests and financial connections
12. Failure to resign from his position in the private business enterprise within 30 days from assumption of public office when conflict of interest arises
13. Failure to divest shareholdings or interests in private business enterprise within 60 days from assumption of public office when conflict of interest arises

D. RECEIVING GIFTS ON ANY OCCASION (PD 46)

E. CRIME OF PLUNDER (RA 7080)

F. CRIMINAL OFFENSES OF PUBLIC OFFICERS OR EMPLOYEES UNDER THE REVISED PENAL CODE

1. Chapter II, Section 2, Title VII, Book II
 - Direct bribery (Art. 210)
 - Indirect bribery (Art. 211)
 - Qualified Bribery (Art. 211-A)
 - Corruption of public officials (Art. 212)
2. Other Criminal Offenses of public officer
 - Knowingly rendering unjust judgment (Art. 204)
 - Judgment rendered through negligence (Art. 205)
 - Unjust interlocutory order (Art. 206)
 - Malicious delay in the administration of justice (Art. 207)
 - Prosecution of offenses; negligence and tolerance (Art. 208)
 - Betrayal of trust by an attorney or solicitor - Revelation of secrets (Art. 209)
 - Frauds against the public treasury and similar offenses (Art. 213)
 - Other frauds (Art. 214)
 - Prohibited transactions (Art. 215)
 - Possession of prohibited interest by a public officer (Art. 216)
 - Malversation of public funds or property (Art. 217)
 - Failure of accountable officer to render accounts (Art. 218)
 - Failure of a responsible public officer to render accounts before leaving the country (Art. 219)
 - Illegal use of public funds or property (Art. 220)
 - Failure to make delivery of public funds or property (Art. 221)
 - Officers included in the preceding provisions (Art. 222)
 - Conniving with or consenting to evasion (Art. 223)
 - Evasion through negligence (Art. 224)
 - Escape of prisoner under the custody of a person not a public officer (Art. 225)
 - Removal, concealment or destruction of documents (Art. 226)
 - Officers breaking seal (Art. 227)
 - Opening of closed documents (Art. 228)
 - Revelation of secrets by an officer (Art. 229)

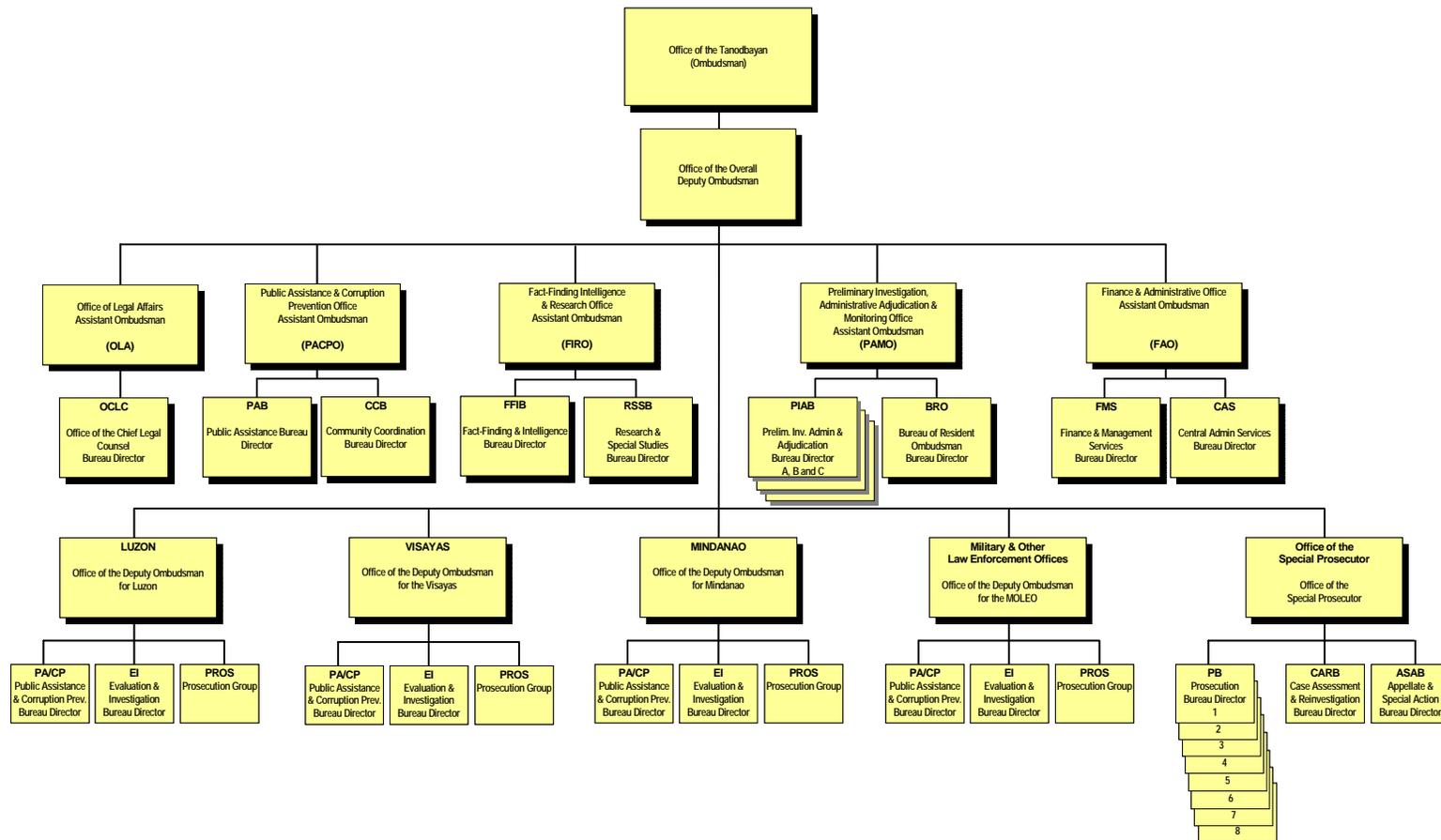
- Public officer revealing secrets of private individual (Art. 230)
- Open disobedience (Art. 231)
- Disobedience to order of superior officer when said order was suspended by inferior officer (Art. 232)
- Refusal of assistant (Art. 233)
- Refusal to discharge elective office (Art. 234)
- Maltreatment of prisoners (Art. 235)
- Anticipation of duties of public office (Art. 236)
- Prolonging performance of duties and powers (Art. 237)
- Abandonment of office or position (Art. 238)
- Usurpation of legislative powers (Art. 239)
- Usurpation of executive functions (Art. 240)
- Usurpation of judicial functions (Art. 241)
- Disobeying request for disqualification (Art. 242)
- Orders or requests by executive officers to any judicial authority (Art. 243)
- Unlawful appointment (Art. 244)

G. GROUNDS FOR DISCIPLINARY ACTION (PD 807 and EO 292)

1. Dishonesty
2. Oppression
3. Neglect of duty
4. Misconduct
5. Disgraceful and immoral conduct
6. Being notoriously undesirable
7. Discourtesy in the course of official duties
8. Inefficiency and incompetence in the performance of official duties
9. Receiving for personal use of a fee, gift or other valuable thing in the course of official duties
10. Conviction of a crime involving moral turpitude
11. Improper or unauthorized solicitation of contributions from subordinate employees and by teachers or school officials from school children
12. Violation of existing Civil Service Law and rules or reasonable office regulations
13. Falsification of official documents
14. Frequent unauthorized absences or tardiness in reporting for duty, loafing or frequently unauthorized absence from duty during regular office hours

15. Habitual drunkenness
16. Gambling prohibited by law
17. Refusal to perform official duty or render overtime service
18. Disgraceful, immoral or dishonest conduct prior to entering the service
19. Physical or mental incapacity or disability due to immoral or vicious habits
20. Borrowing money by superior officers from subordinates or lending by subordinates to superior officers
21. Lending money at usurious rates of interest
22. Willful failure to pay just debts or willful failure to pay taxes
23. Contracting loans of money or other property from persons with whom the office of the employee concerned has business relations
24. Pursuit of private business, vocation or profession without the permission required by Civil Service rules and regulations
25. Insubordination
26. Engaging in partisan political activities by one holding a non-political office
27. Conduct prejudicial to the best interest of the service
28. Lobbying for personal interest or gain in legislative halls or offices without authority
29. Promoting the sale of tickets in behalf of private enterprises that are not intended for charitable or public welfare purposes
30. Nepotism

**OFFICE OF THE OMBUDSMAN
 (PRESENT ORGANIZATIONAL STRUCTURE)**



ATTACHMENT 4

SUMMARY OF FUNCTIONS OF THE DIFFERENT OMB ORGANIZATIONAL UNITS

A summary of the functions of OMB's 33 bureaus in the central office, which are primarily doing mission-critical functions such as rule making, fact-finding, investigation, administrative adjudication, and graft prevention, as well as administrative and financial management functions, is presented in **Tables 3.20** and **3.21**. The information in **Tables 3.22** and **3.23** on the other hand summarizes the functions of the bureaus under the OSP and Deputy Ombudsmen, respectively.⁴⁸

Table 3.20
FUNCTIONS OF MISSION-CRITICAL UNITS, OMB-CO

BUREAU	FUNCTION
OFFICE OF THE LEGAL AFFAIRS (OLA)	
Office of the Chief Legal Counsel (OCLC)	<ul style="list-style-type: none"> ▪ Review of resolutions, decisions and final orders for Ombudsman action ▪ Legal representation on cases involving OMB acts/dispositions ▪ Investigation of <ul style="list-style-type: none"> - Administrative cases against OMB officials/employees - Other special cases
FACT-FINDING, INTELLIGENCE AND RESEARCH OFFICE (FIRO)	
Fact-Finding and Intelligence Bureau (FFIB)	<ul style="list-style-type: none"> ▪ Policy formulation on fact-finding and intelligence activities ▪ Fact-finding investigations ▪ Evaluation/recommendation of immunity of an accused
Research and Special Studies Bureau (RSSB)	<ul style="list-style-type: none"> ▪ Operations review, conduct of special studies and evaluation of laws ▪ Policy formulation
PUBLIC ASSISTANCE AND CORRUPTION PREVENTION OFFICE (PACPO)	
Public Assistance Bureau (PAB)	<ul style="list-style-type: none"> ▪ Policy formulation on the processing of grievances or requests for assistance ▪ Processing, evaluation, and action on grievances/requests for assistance ▪ Compliance monitoring
Community Coordination Bureau (CCB)	<ul style="list-style-type: none"> ▪ Staff support to OMB on community coordination through <ul style="list-style-type: none"> - Policy formulation - Library and public/corporate communication services (including media relations) - Evaluation of corruption prevention councils' application for accreditation - Maintaining linkage with NGOs

⁴⁸ Primarily based on the statement of functions featured in the OMB Official Website (<http://www.ombudsman.gov.ph>)

BUREAU	FUNCTION
PRELIMINARY INVESTIGATION, ADMINISTRATIVE ADJUDICATION AND MONITORING OFFICE (PAMO)	
Bureau of the Resident Ombudsman (BRO)	<ul style="list-style-type: none"> ▪ Policy and program formulation on Resident Ombudsmen ▪ Information dissemination (e.g., seminars, workshops, conferences, etc)
Preliminary Investigation and Administrative Adjudication Bureau (PIAB A, B & C)	<ul style="list-style-type: none"> ▪ Policy formulation on and conduct of case evaluation, preliminary investigation, and administrative adjudication

Table 3.21
FUNCTIONS OF ADMINISTRATIVE AND FINANCIAL SERVICES UNITS, OMB-CO

BUREAU	FUNCTION
FINANCE AND ADMINISTRATIVE OFFICE (FAO)	
Finance and Management Services (FMS)	<ul style="list-style-type: none"> ▪ Internal planning ▪ Budgeting, accounting, cashiering services and other related financial management functions ▪ Development, installation and maintenance of computerized information and communication services
Central Administrative Service (CAS)	<ul style="list-style-type: none"> ▪ Central records management ▪ Human resource management ▪ General administration services

Table 3.22
FUNCTIONS OF ORGANIZATIONAL UNITS UNDER THE OFFICE OF THE SPECIAL PROSECUTOR

BUREAU	FUNCTION
OFFICE OF THE SPECIAL PROSECUTOR (OSP)	
Prosecution Bureau (PB)	<ul style="list-style-type: none"> ▪ Prosecution of criminal cases within the jurisdiction of the Sandiganbayan ▪ Plea bargaining agreements ▪ Endorsement on the grant of immunity of an accused from criminal prosecution ▪ Review of cases for reinvestigation, as ordered by courts ▪ Serving as OMB counsel in all cases of appeal
Case Assessment and Reinvestigation Bureau (CARB)	<ul style="list-style-type: none"> ▪ Review/evaluation of cases from area/sectoral offices for filing of information with the Sandiganbayan ▪ Further investigation of cases returned by the Sandiganbayan or as instructed by the Ombudsman ▪ Conduct of inquest proceedings
Appellate and Special Action Bureau (ASAB)	<ul style="list-style-type: none"> ▪ Supervision and coordination activities on disposition of Sandiganbayan cases elevated to the Supreme Court ▪ Handling of all appealed cases elevated to appellate courts, including preparation of pleadings, briefs, memoranda, etc. ▪ Handling of special cases referred by other offices

Table 3.23
FUNCTIONS OF ORGANIZATIONAL UNITS
UNDER THE OFFICES OF THE DEPUTY OMBUDSMEN

BUREAU	FUNCTION
OFFICES OF THE DEPUTY OMBUDSMEN (LUZON, VISAYAS, MINDANAO, AND MILITARY)	
General Investigation and Prosecution Bureau (GIPB)	<ul style="list-style-type: none"> ▪ Complaints evaluation and recommendation either for dismissal, conduct of fact-finding investigation, administrative hearing, or preliminary investigation ▪ Preliminary investigation and recommendation either for dismissal or filing of information with the Sandiganbayan or the regular courts ▪ Administrative adjudication and recommendation either for dismissal or imposition of administrative penalties ▪ Prosecution of criminal cases filed with the regular trial courts ▪ Re-investigation of cases as ordered by the court ▪ Review of resolutions and information forwarded by the city/provincial prosecutors
Research and Fact-Finding Bureau (RFFB)	<ul style="list-style-type: none"> ▪ Policy formulation ▪ Fact-finding/investigation of complaints and recommendation either for dismissal, conduct of preliminary investigation, or administrative adjudication ▪ Motu proprio investigation of any reported anomalies or violations of law
Public Assistance and Corruption Prevention Bureau (PACPB)	<ul style="list-style-type: none"> ▪ Policy formulation on evaluation, processing and monitoring of grievance/ requests for assistance ▪ Evaluation of grievance/requests for assistance and monitoring of action taken by the responding agencies ▪ Assistance to complainants in formulating their grievances/complaints ▪ Endorsement on filing of appropriate administrative charges against government officers/employees ▪ Evaluation of application for the establishment of corruption prevention councils ▪ Conceptualization and implementation of corruption prevention programs, including educational and motivational programs for corruption prevention councils ▪ Development and maintenance of a public information system

ATTACHMENT 5

INVESTIGATION PROCEDURES

1 CRIMINAL COMPLAINTS/CASES

- 1.1.1 A criminal complaint is brought for an offence in violation of RA 3019 (as amended), RA 6713, Title VII of Chapter II (Section 2) of the Revised Penal Code, and for such other offenses committed by public officials and employers in relation to office.
- 1.1.2 An OMB officer investigates a complaint and determine which of the following actions would be appropriate to take given the circumstances that surround the complaint:
- Outright dismissal for lack of palpable merit
 - Referral to respondent for comment
 - Endorsement to the proper government office or agency which has jurisdiction over the case
 - Transfer/referral to the appropriate OMB office or official for fact-finding investigation
 - Referral for administrative adjudication; or
 - For conduct of a preliminary investigation by any of the following:
 - OMB investigators
 - Special Prosecuting Officers
 - Deputized Prosecutors
 - Investigating Officials authorized by law to conduct preliminary investigation
 - Lawyers in the government service, so designated by the Ombudsman
- 1.1.3 The conduct of preliminary investigation of cases falling under the jurisdiction of the Sandiganbayan and the Regional Trial Courts follows the requirements prescribed under Section 3, Rule 112 of the Rules of Court. The OMB likewise requires the following in undertaking preliminary investigation for criminal cases:⁴⁹
- 1.1.4 Execution by complainant or supporting witnesses of affidavits to substantiate complaints, If the complaint is not under oath or is based only on official reports
- 1.1.5 Issuance by OMB investigating officer of an order (attaching in the order a copy of the affidavits and other supporting documents) directing the respondents to submit within 10 days from receipt of document, his counter-affidavits and controverting evidence with proof of service thereof on the complainant

⁴⁹ OMB Administrative Order No. 7, 10 April 1990

- 1.1.6 Filing by complainant of reply affidavits within 10 days after service of the counter-affidavits. Otherwise, comments filed by OMB investigating officer to be considered as answers to the complaint. Respondent in any event to have access to evident on record. In case respondent cannot be served with order, or does not comply therewith, the complaint to be deemed submitted for resolution on the basis of the evidence on record.
- 1.1.7 Motion to dismiss for lack of jurisdiction not to be allowed; motion for a bill of particulars not likewise be entertained. Particularizations in complainant affidavits to be done during clarificatory questioning/hearing where parties are to be present to answer questions; clarificatory questioning may be done in writing and under oath.
- 1.1.8 Submission to designated authorities for appropriate action the resolution on the case prepared by OMB investigating officer, together with all documents and records thereof, upon completion of preliminary investigation
- 1.1.9 No information may be filed and no complaint may be dismissed without the written authority or approval of the Ombudsman in cases falling within the jurisdiction of the Sandiganbayan, or of the proper Deputy Ombudsman in all other cases.

2 ADMINISTRATIVE COMPLAINTS/CASES

- 2.1.1 An administrative complaint may be filed for acts or omissions, including those acts which are:
- Contrary to law or regulations
 - Unreasonable, unfair, oppressive or discriminating
 - Inconsistent with the general course of agency's functions though in accordance with law
 - On mistake of law or an arbitrary ascertainment of facts
 - In the exercise of discretionary powers but for an improper purpose
 - Otherwise irregular, immoral or devoid of justification
 - Due to any delay or refusal to comply with the referral or directive of the Ombudsman or any of his deputies against the office or employee to whom it was addressed
 - Such other grounds provided for under PD 807, RA 6713 and other applicable laws
- 2.1.2 An administrative case may be initiated by a written complaint under oath accompanied by affidavits of witnesses and other evidences in support of the charge. An administrative proceeding may also be ordered by the Ombudsman or the respective Deputy Ombudsman on his initiative on the basis of a complaint originally filed as a criminal action or a grievance complaint or request for assistance.⁵⁰

⁵⁰ Ibid.

2.1.3 In evaluating an administrative case or complaint, the OMB investigating officer determines whether such needs:

- Dismissal on the basis of the following grounds⁵¹
 - Complainant has an adequate remedy in another judicial or quasi-judicial body
 - Complaint is outside OMB's jurisdiction
 - Complaint is trivial, frivolous, vexatious or made in bad faith
 - Complainant has no sufficient personal interest in subject of the grievance
 - Complaint was filed one year from the occurrence of the act or omission complained of
- Referral to other disciplinary authorities under Paragraph 2, Section 23 of RA 6770
- Administrative adjudication by OMB

⁵¹ Section 20, RA 6770

4

SYNTHESIS AND REFORM DIRECTIONS

1 INTRODUCTION

- 1.1.1 The medium-term OMB Anticorruption Plan will address the various issues identified in the diagnostics chapters of this report. In pursuing the reform process, the OMB will face several external challenges pertaining to the government and its leaders, to the OMB partners, and to the public in general. This chapter identifies and defines the challenges that the OMB must address, synthesizes the reform issues and on these bases, formulate the indicative approach and directions of the reforms that will comprise the Medium-term OMB Anticorruption Plan and its Public Investment Program.

2 SUMMARY OF KEY REFORM ISSUES

A. VULNERABILITY OF PUBLIC SECTOR INSTITUTIONS

- 2.1.1 While the Philippines has an extensive institutional and legal framework for combating corruption, the perception of widespread corruption in the public sector persists. Many studies point to corruption as being a symptom of underlying weaknesses in institutions. Fundamental weaknesses in the Philippines public sector institutions render them vulnerable to graft and corruption at all levels. These weaknesses have long been identified, but solutions have been extremely slow if not focused only on areas where the interest of the powerful in government will not be compromised.
- 2.1.2 Vulnerabilities in public sector institutions are deeply imbedded in dysfunctions in their structures and functions, in law and policy-making processes, public service delivery and regulatory systems, procurement and financial management, and in project operations, among others. They are found in unclear rules of the game, in the lack of public knowledge and understanding of the rules and the processes by which the law is enforced or the service is provided, in the convoluted procedures that migrate through layers of unnecessary and overlapping authority structures that undermine transparency and accountability, in the lack if not absence of accessible and quick reaction grievance, complaint and sanction mechanisms that will ensure the rectification of the wrongdoing and the punishment of the participants to the corrupt act, and in the high tolerance for corruption both by the general public as a whole and the victims in particular.

- 2.1.3 Vulnerability is enforced by duplication of functions within the executive branch, and among levels of governance – national and local, which blurs public accountability for good governance and at the same time creates tremendous opportunities for high level and big scale corruption. Vulnerabilities are also worsened by low salaries of government executives and personnel, who lack continuing competency training, and who work in organizations where the development of organizational values, the incentives and rewards, the development of clear parameters of performance and individual accountability and the formation of institutional pride are not part of the priority and sustained programs and concerns of agency heads.
- 2.1.4 The reform concerns of the national government are clear: improving faithfulness to the devolution law; strengthening and expanding the devolution of governmental functions; delimiting further the role and functions of government; improving the integrity of the budget process and financial processes at oversight and agency levels, decentralizing to agency heads internal budgeting, organization and staffing development and administrative functions now being exercised by oversight agencies thereby integrating authority, responsibility and control of resources with accountability of agency heads; boldly implementing the non-residential audit scheme of the Commission on Audit; a more serious and expanded effort at reducing the procedural steps, introducing well structured criteria and implementation of integrated information systems for the processing of all government, regulatory services; holding agencies accountable for the ignorance of users and clients of government front line operations and enforcing effective public information schemes, and prioritizing reforms in identified corruption prone agencies (BIR, BOC, DPWH, DepED, DOH, DOTC agencies, and LGUS) and systems (elections system, revenue collection systems, budgeting system, procurement system, auditing system, regulatory systems) of the government.
- 2.1.5 But most of all vulnerability issues are deeply imbedded in the integrity values, political will and leadership of the country's political leaders and institutional heads and managers.
- 2.1.6 These weaknesses support the validation of the perception and reality of widespread corruption at every level of governance. While strengthening the integrity of public sector institutions should be the responsibility of the leaders of each branch of the government the constitutionally mandated role of the OMB as the protector of the people is critical in facilitating the integrity development process.

B. LACK OF INDEPENDENCE OF AND INSTITUTIONAL WEAKNESSES IN ANTICORRUPTION AGENCIES

- 2.1.7 The anti-corruption agencies that will collaborate with the OMB and will play a key role in the implementation of a successful anticorruption program will include the PNP, NBI, Judiciary, National Prosecution Service, Civil Service Commission and Commission on Audit.
- 2.1.8 The Judiciary is seriously implementing reforms that will strengthen its independence and accountability. Measures have been designed to remove the vulnerability of the national budget contribution and local government resource contribution to the

Judiciary to negotiation. The strengthening of the competency and upgrading of the compensation of justices and judges are being implemented and will be sustained. Systems and procedures have been improved to ensure well-structured procedures and clear decision-making processes as well as processes for performance and operations monitoring and evaluation. These reforms are expected to provide the required insulation of the judiciary and its individual justices and judges as well as court personnel from any form of potential harassment or blackmail. So far, the other branches of government have indicated support to strengthening judicial independence and donor funding has flown in amounts sufficient to finance the reform process.

- 2.1.9 But weaknesses in other anti-corruption agencies particularly the law enforcement and prosecution agencies seriously undermine their independence and effectiveness. The appointment of all key executives in these agencies are political rather than managerial in process, such that the appointees serve at the pleasure of the president rather than work in agencies along an established and predictable career development process. Unattractive salaries and lack of core and specialized training undermine the capacities of these agencies to match the increasing sophistication of graft and corruption acts and renders law enforcers vulnerable to intimidation and harassment by the powerful. There is considerable need for more sophisticated training in the areas of detection, fact-finding, investigation, witnessing, evidence gathering and preservation, case writing, and prosecution, among many others and in many thematic areas. These programs will require significant amount of resources and should be seamlessly integrated with other institutional reforms to ensure the sustainability of benefits.
- 2.1.10 Neither the OMB nor the law enforcement agencies have the required resources and capacity to maintain an effective and credible witness protection program for witnesses in corruption cases against high-ranking officials in government. This discourages potential whistle blowers and witnesses from participating in the investigation and prosecution of cases.

C. NEED TO STRENGTHEN THE INDEPENDENCE AND INTEGRITY OF MEDIA

- 2.1.11 The role of the media in combating and preventing corruption and in the development of a culture of integrity is essential. The strengthening of the independence and integrity of the media should be pursued through non –regulatory schemes. Collaboration with the KBP and other media associations will enable a deeper understanding of the dynamics in the media industry and a corresponding incisive assessment of integrity issues, which will be the basis for solutions. Reforming the media needs collaborative strategies that will result in self-reform and self policing of the industry.

D. CORRUPTION AS AN HISTORIAL AND SOCIETAL VALUES ISSUE

- 2.1.12 The historical basis of graft and corruption and the breakdown of societal integrity values pose as issues with deeper and longer-term societal reform approaches. This will require extensive collaboration with partners and the targeting of specific groups, such as school children, teachers and parents; cultural minorities, urban poor, government employees, labor, fisher folk, farmers, and other sectoral demographic groups that have significant stake in government sectoral programs and services. Specific advocacy and education programs will vary and should be suited to the needs and knowledge requirements of the group. The inclusion of human rights content in elementary education curricula for example has been a trail-blazing effort of the Commission on Human Rights in instilling societal awareness on basic civil and political as well as cultural, economic and environmental rights, on a long –term basis.
- 2.1.13 Government agencies can also be strong partners in building societal integrity, simply by enforcing rules that affect the daily lives of people, and where such enforcement has deep social consciousness and societal value development implications particularly in strengthening notions of right and wrong, legal and illegal, moral and immoral. Such public services and regulations as traffic management, littering and vandalism are potential values building initiatives if enforced by righteous, professional and competent law enforcers.

E. THE ECONOMIC ROOTS OF CORRUPTION

- 2.1.14 Poverty renders our people extremely vulnerable to abuse and corruption. The poor are ill informed and has limited access to justice and grievance resolution resources and mechanisms. Lowly paid public servants are vulnerable to bribery and malversation of funds. But the poor present themselves as the strongest political force that determines who will be elected to office. There is tremendous challenge in educating and empowering the poor to be useful agents in public sector integrity development.
- 2.1.15 But the economic roots of corruption lies not only in the vulnerability and powerlessness of the poor. The economic roots of corruption also lie in the economic greed of those who hold political power. It is said that corruption is due to distortions in the incentive system, but this does not hold true in high-level corruptions in the Philippines where corruption may be committed by government in cahoots with big business. Policy related corruption is also much related with the economics of policy making.

F. OPPORTUNITIES FOR ENGENDERING WIDE SUPPORT OF AS WELL AS CONCRETE PROJECT SPECIFIC PARTNERSHIPS WITH NGOS, POS, CIVIL SOCIETY, MEDIA, DONOR INSTITUTIONS AND THE BUSINESS COMMUNITY

- 2.1.16 Public awareness on government corruption is at its high level heightened by the impeachment of former President Estrada and sustained by allegations of corruption committed by big business and by very high-ranking officials of government. The

time is right for launching a serious and credible anti-corruption program, where extensive support from many sectors can be expected and have in fact been enunciated.

G. OPPORTUNITIES FOR PROJECT SPECIFIC PARTNERSHIPS WITH CONGRESS, NATIONAL GOVERNMENT, THE JUDICIARY AND INDEPENDENT CONSTITUTIONAL COMMISSIONS AND LOCAL GOVERNMENT UNITS

2.1.17 Congress and the executive branch remain to be the most important partners of the Ombudsman in implementing an effective anticorruption strategy. There is a need to review anti-corruption laws and infuse integrity review mechanisms in the legislation and law-writing processes. Also a review of penalties, the organization structure and powers and functions of the OMB will need to be assessed and measures to strengthen them will be needed. All these will need the cooperation of the two branches of government.

2.1.18 Local government units have somehow been left behind in recent initiatives to combat corruption. Yet the vulnerabilities in local governments may be more severe than in central departments since the vulnerability of politicization of practically all decision-making is inherent in the structure and functions of local government units. But the challenge for the Ombudsman is to gain the partnership of local governments who can model reforms in integrity and provide replicable best practices.

2.1.19 There are potential project specific initiatives with the independent constitutional commissions such as the Commission on Audit and Civil Service Commission. These include the following possibilities:

WITH THE CIVIL SERVICE COMMISSION

- a) Development of integrated and updated database on assets and liabilities statement. The system will need computerization and reengineering of the information content and structure, as well as the process of updating individual personnel statements. The system should have analytic functions that will allow detection of significant or suspicious changes in assets and liabilities, and should be useful in random field validation work.
- b) Development of integrity circles in government offices. The mechanisms for advocacy, design and installation of the system will be agreed upon. The role, operations, membership and outputs of the integrity circles and the monitoring of the program will be formulated. An oversight management facility will be put in place to coordinate project activities, monitor progress and undertake continuing improvement of the program.
- c) Values formation and education among government employees. The program will be designed to improve the knowledge of anti-corruption laws, understanding of graft and corruption and the penalties under the law, the reporting and resolution mechanisms and access to these mechanisms. It will

also work on promoting higher integrity values among employees and in engendering active participation in combating and preventing corruption.

WITH THE COMMISSION ON AUDIT

2.1.20 An independent COA will be one of the strongest partners of OMB. Collaborative efforts can be made in the following areas:

- a) Provision of information and paper trail of funds related corruption cases;
- b) Providing financial and audit experts and opinion; and
- c) Undertaking partnership spot audits in graft prone institutions, systems and projects together with OMB partner volunteers with relevant thematic expertise.

H. NEED TO STRENGTHEN THE INDEPENDENCE AND INSTITUTIONAL CAPACITY OF OMB

2.1.21 The institutional review of the OMB pointed to several weaknesses that are inherent in its current structure, functions, operating system and resources:

- a) There is a need to strengthen the institutional independence of OMB thereby protecting its personnel from potential harassment, threat and abuse of power of government institutions and officials involved in corruption allegations and cases. Achieving true independence will require a comprehensive approach which will include:
 - a.1 Installation of automatic mechanisms for the determination and release of the OMB budget;
 - a.2 Transferring transactional administrative controls over the internal administrative operations (organizational development, staffing, personnel, etc) from oversight agencies to OMB;
 - a.3 Giving OMB the powers to generate its own resources outside of the government budget.
 - a.4 Improving compensation, strengthening the career development policy, providing security and protection to investigators and prosecutors in grave threat, improving the pension benefits, improving benefits associated with investigation, fact-finding and prosecutorial work, and providing quality continuing training and education.
- b) The strengthening of the powers of OMB to include power of arrest should be seriously studied for potential legislation.

The President committed the strengthening of the OMB as an agency similar to that of the Hong Kong anticorruption agency. The strengthening of the law

enforcement powers of OMB is recognition of the fact that existing law enforcement agencies are themselves key targets of the OMB anticorruption program. Providing stronger powers to OMB will strengthen its independence and capacity to combat corruption in the government.

- c) The administrative structure and key operating system of the OMB should be reengineered to improve its core institutional capacity to assume a more encompassing anticorruption program. These should include the following:
 - c..1 Reengineering and seamlessly integrating the public assistance, field investigation, preliminary investigation and prosecution functions and their operating systems.
 - c.2 Strengthening formal structures, functions and key operating systems in the preventive and integrity promotion aspects.
 - c.3 Installation of a formal strategic and operations planning and results monitoring and evaluation system
 - c.4 Integrating development research with an institutionalized facility in graft and corruption and integrity development education.
- d) The introduction of integrated and more intelligent information technology application systems should be undertaken once the structures and systems are in place. This should be accompanied by a change management program that will address organization inertia associated with new processes, decision-making technologies and procedures.
- e) The staffing pattern of the OMB should be strengthened in order to allow reasonable workload distribution in accordance with competencies. Strengthening the staffing pattern will involve:
 - e.1 Determining the appropriate mix and level of manpower based on defined complexities and workload carrying capacities of each position
 - e.2 Improving the ratio between technical and administrative support personnel in mission-critical bureaus and offices. This will involve training technical personnel in the use of information technology, word processing and work tools and technologies that are imbedded in their work processes.
 - e.3 Evaluating the impact and efficiencies that ICT will have on staffing levels.
 - e.4 Putting in place a competency development program and analyzing its impact on staffing mix and level requirements.

3 REFORM CHALLENGES

- A. COMBATING CORRUPTION WILL BE EXTREMELY POLITICALLY DIFFICULT
- 3.1.1 The anticorruption plan will adversely affect the interest of many powerful individuals both inside and outside government. There will be resistance at the highest places of government. The OMB must build a mass base of support from various stakeholders and must strengthen public participation and demand for the reforms.
- B. COMBATING CORRUPTION WILL REQUIRE THAT STRATEGIES ATTACK MANY FRONTS AND ADDRESS COMPLEX TECHNICAL ISSUES
- 3.1.2 The reforms will involve the correction of many institutional vulnerabilities that create a public sector environment conducive to and tolerant of corruption. This will require a tremendous amount of complex technical processes and expertise, which the OMB does not have the resources to procure. The OMB must strengthen resource mobilization through partnerships and volunteerism to support the anticorruption program particularly in areas requiring specific technical expertise and resources.
- C. THE ANTICORRUPTION PROGRAM WILL BE IMPLEMENTED AT A TIME WHEN ITS CREDIBILITY WILL BE AT ITS LOWEST
- 3.1.3 The anticorruption program must gain the support of the general public and participating partners and yet it will be launched at a time when there is very low credibility on the sincerity of government to curb public sector graft and corruption.
- D. THE OMB ANTICORRUPTION PROGRAM WILL BE IMPLEMENTED WITH SEVERE RESOURCE LIMITATIONS
- 3.1.4 The implementation of the OMB anticorruption program will involve tremendous amounts of resources. Improving the integrity of public service delivery systems and financial systems will require huge amounts of public investments, which cannot be generated due to severe resource constraints. Government must give priority to investments in integrity improvements. The government has in fact committed to several initiatives including the computerization of the election system, computerization of the tax collection system and several others.
- 3.1.5 The contribution of stakeholders especially the business community and donors will provide substantial amounts of resources that can facilitate the implementation process.

E. A POWERFUL AND INDEPENDENT OMB IS A PRE-CONDITION FOR THE SUCCESS OF THE ANTICORRUPTION PROGRAM

3.1.6 The independence of the OMB is enshrined in the Constitution. The OMB must be free from institutional and individual vulnerability to intimidation, harassment and abuse by high-ranking government officials who may be adversely affected by the program. The OMB must improve the capacity and professional competence and confidence of its human resources and achieve a meaningful operationalization of its financial and administrative independence from the other branches of government.

F. THE OMB MUST TAKE THE LEAD IN SYNCHRONIZING AND SUSTAINING THE EFFORTS OF THE VARIOUS STAKEHOLDERS

3.1.7 Several components of the OMB anticorruption plan will require the contribution of other partners. These partners comprise of many variegated organizations – the independent constitutional commissions, the three branches of government, the law enforcement agencies, the media, the business community, the NGOs, POs and civil society organizations, education institutions, volunteer professionals and donors. The OMB must develop and implement a sound and efficient program management institutional arrangement to ensure coordination, timing and sequencing of all reform initiatives.

4 DIRECTIONS FOR REFORM

4.1.1 The OMB medium –term anticorruption plan will be implemented over a period of 6 years, but the reforms and their implementation arrangements will be institutionalized in order to sustain over the long-term period.

4.1.2 The reform initiatives will comprise of “quick win” initiatives that will be accompanied by promotive reforms that have deeper and long-term societal and institutional integrity development impacts.

4.1.3 The OMB medium-term anticorruption plan should be comprehensive and seamlessly integrated. Corruption issues will be addressed in their roots and from all fronts. The approach will address reform issues both of the corrupt and the corruptor, the government and the users of government functions and services and society at large.

4.1.4 The anticorruption plan must establish a balance between giving focus on the punitive aspects of corruption that is critical to the credibility of the entire program and the need to undertake deeper and more fundamental societal and institutional reforms that are key to long-term and sustained integrity development at the societal level.

5

GOALS, OBJECTIVES, EXPECTED OUTCOMES AND KEY RESULT AREAS

1 DEVELOPMENT GOAL

1.1.1 International experience and our own country development suggest that corruption in the public sector weakens democratic institutions, undermines the rule of law, and distorts socio-economic decisions. Public sector corruption has both societal and institutional underlying causes. Corruption hurts the poor the most, discourages private investments in the economy, erodes the credibility and the effectiveness of government programs and services, creates a demoralized and inept bureaucracy and eventually result in reductions in productivity. Such that fighting corruption in the public sector requires broad and comprehensive strategies that involve reforms both within society and within public sector institutions.

1.1.2 Given these issues, the medium-term OMB Anti-Corruption Plan and Public Investment Program will pursue the following development goal:

TO FACILITTE THE PHILIPPINES' TRANSFORMATION TO A HIGH INTEGRITY SOCIETY WHERE THERE IS CONVERGENCE BETWEEN REALITY AND PERCEPTION OF GOVERNANCE WITH INTEGRITY

1.1.3 The OMB will play an important role both in the short-term enforcement of laws and in the long-term evolution of integrity values that will permeate the public sector and Philippine society as a whole. The medium-term anti-corruption plan and public investment program will provide the process through which this goal can be achieved.

1.1.4 The medium-term anti-corruption plan and investment program will provide a set of seamlessly integrated and mutually reinforcing OMB interventions that will stimulate initiatives and specific actions in integrity development institutions, in the public sector, in NGO and civil society organizations and in society at large towards the realization of a society and government with integrity. The plan to be implemented by OMB will involve a mix of punitive and promotive interventions that will be properly sequenced and synchronized over a defined timeframe. The results of these interventions are expected to facilitate the establishment of governance with integrity that is perceived as such.

2 REFORM OBJECTIVES

2.1.1 To realize the stated development goals the Medium-Term OMB Anti –Corruption Plan and Public Investment Program will pursue the following reform objectives:

- a) *To strengthen the country’s societal and governmental integrity infrastructures.*

The project will identify and define implementable programs that will strengthen the various societal and governmental components that make up the societal and governmental integrity infrastructure: culture and values, structures and systems, policies, societal accountability mechanisms, and other related components.

- b) *To match OMB’s capacity with the requirements of being the key institution of the people to guard against graft and corruption.*

The implementation of the plan will require stronger institutional capacities in the OMB. The plan will identify improvements in the formal institutional structure and functions, mandate, operating systems, competencies and technologies in the OMB that are required to match its capacity with the requirements of the plan.

3 REFORM OUTCOME INDICATORS AND TARGETS

3.1.1 The OMB anticorruption plan is expected to generate benefits in terms of more efficient and effective investigation and prosecution of cases as well as punishment of the convicted. The proposed indicators outlined hereunder comprise of a hierarchy of institutional performance outcomes as well as societal integrity perception outcomes that can be measured.

OUTCOME INDICATOR	TARGET BY YEAR OF IMPLEMENTATION
1. Conviction rate in Sandiganbayan	20% annual increase after institutional reforms are in place and positive results are realized Annual average of 80% after reform implementation period
2. Speed in the investigation of cases (administrative and criminal)	20% annual improvement in the average speed of cases starting year 2 of plan implementation
3. Imposition of sanctions in meritorious administrative cases	100% of meritorious administrative cases starting year 4 of plan implementation
4. No. of public sector systems accredited for compliance with OMB integrity standards	2 systems annually starting year 3 of plan implementation
5. Increase in country CPI	20% annual improvement in TI CPI rating starting year 2 of plan implementation
6. Increase in public awareness and valuing of integrity values	10% annual improvement in awareness and 5% improvement in valuing starting year 3 of plan implementation

4 KEY RESULT AREAS

4.1.1 This OMB medium-term anticorruption plan will be carried out by designing and implementing a seamlessly integrated set of mutually reinforcing reform initiatives in the following 8 key result areas:

- a) **MORE AGGRESSIVE AND EFFECTIVE ENFORCEMENT OF ANTI-CORRUPTION LAWS**, which will pursue the quick win strategy of the entire anticorruption plan. This will involve identifying and pursuing the prosecution of 3 celebrated cases. Resources will be mobilized through a network of partners institutions and individuals on a volunteer basis to provide specialized and thematic expertise in the investigation, evidence gathering, and prosecution process, until the case is resolved and the guilty party is sentenced in court.
- b) **STRENGTHENING THE INTEGRITY INFRASTRUCTURE OF PUBLIC SECTOR INSTITUTIONS**, which will involve a comprehensive process of developing integrity standards for public sector institutions and systems, designing and implementing integrity audits, issuance of accreditation to those who are integrity standards compliant or issuance and publication of advisories to those who are not. The integrity standards system is the main strategy for creating pressure to strengthen the integrity mechanisms in the public sector. Another key component of this key result area is the conduct of studies on the corruption vulnerabilities in public sector institutions, which will feed into advisories and continuing design and implementation of reform measures.
- c) **ENHANCING THE ANTI-CORRUPTION LEGAL FRAMEWORK**, which will involve a review and modification of anti-corruption laws and the design as well as implementation of integrity review procedures and provisions in the preparation of laws.
- d) **STRENGTHENING THE INDEPENDENCE AND CAPACITIES OF ANTI-CORRUPTION AND INTEGRITY DEVELOPMENT AGENCIES**, which will involve a broad based advocacy program for the government to support the strengthening of anti-corruption agencies through reforms in the budget process, executive appointment process, and oversight administrative and financial management over anti-corruption agencies.
- e) **WIDENING AND SYNCHRONIZING COLLABORATION WITH PARTNER STAKEHOLDERS**, which will involve designing and implementing collaboration initiatives with various stakeholders, such as Anti-corruption NGOs, Public Sector Employee Unions, Civil Society Organizations, Business, Media, Judiciary, Department of Justice, PNP and citizens in several suitable areas including education and training, advocacy, whistle blowing, provision of prosecutorial and legal expertise, provision of thematic expertise, investigation, fact finding and research.

- f) ESTABLISHING EFFECTIVE KNOWLEDGE DEVELOPMENT AND SHARING MECHANISMS, which will involve designing and implementing activities towards gaining and sharing knowledge about graft and corruption and improving competencies. This will include such initiatives as anticorruption surveys, conduct of thematic training for prosecutors and investigators, inter-country exchange programs, conduct of dialogues with partners towards understanding and combating corruption, whistle blowing and gathering of evidence and other related knowledge generating and sharing activities, either covert or overt. A key feature of this key result area is the establishment of an Integrity Development Institute, which will perform continuing training, seminars and research on graft and corruption.

- g) CAPACITY DEVELOPMENT OF THE OMB, which will involve a comprehensive, set of inter-related structural, system and human resources development reforms that will strengthen the capacity of the OMB to take on the challenge of implementing the medium-term anticorruption plan. The reforms will include reengineering the administrative structure, staffing and operating systems of the OMB. It will involve reengineering of specific capacity areas such as investigation, prosecution, development and implementation of a witness protection program, research and development, development and implementation of investigative monitoring system, strengthening partnership development and management, strengthening the independence of OMB, design and implementation of a security and protection program for investigators and prosecutors, and change management. It will also include the design of resource mobilization and legislation and the development and implementation of an integrated integrity information system.

6

STRATEGIES, PROGRAMS AND PROJECTS

1 INTRODUCTION

- 1.1.1 Fighting corruption in the public sector will require a comprehensive approach. It will take the courage, integrity and independence as well as institutional capacity of key anti-corruption institutions to launch and sustain the implementation of an anticorruption program. Such a program should have integrity and credibility and should be perceived as such by the public.
- 1.1.2 The starting point of the program is key to an efficient and effective implementation process. The choice of the launching components should consider achieving quick gains particularly in lending credibility to the entire reform process.
- 1.1.3 This strategies, programs and projects presented herein comprise of a comprehensive set of strategies and measures that will address the various interrelated issues that promote corruption in society in general and in the public sector in particular. It addresses both the objects and the partners of the reform process. It presents a synchronized set of initiatives and a programming strategy that will generate quick gains while at the same time implementing deeper and long-term reform initiatives that will address the underlying societal and institutional integrity weaknesses.

2 GUIDING PRINCIPLES

2.1 Principles to guide the development and implementation of the OMB anticorruption plan

- 2.1.1 The formulation and the subsequent detailed designing and implementation of the medium-term anticorruption plan will be guided by the following fundamental principles:

- a) INDEPENDENCE

The independence of anticorruption agencies is the pre-condition upon which a bold and effective anticorruption program will stand.

Investigators, prosecutors, and law enforcers must have independence in the analysis of the facts of the case and in the pursuit of truth. They must be free from harassment, political influence, or undue pressure, which will jeopardize the gathering of facts and pursuit of truth and justice.

Ensuring the independence and professionalism of anticorruption agencies – the Judiciary, OMB, National Prosecution Service, Philippine National Police and National Bureau of Investigation- is the responsibility of the government. The role of the OMB as the guardian of the people is to facilitate the installation and maintenance of mechanisms that will operationalize and sustain the independence of anticorruption agencies of the government.

b) PARTNERSHIP AND COLLABORATION

Limited resources will constrain the capacity of the OMB to carry out a comprehensive anticorruption process. OMB must utilize the resources of other stakeholders through a well-synchronized network of partners and partnerships.

Synchronized, focused and effective partnership and collaboration with stakeholders will increase the overall resources of the anticorruption program thereby increasing the program's overall implementing capacity.

For this purpose the OMB will formulate a partnership and collaboration framework as well as design and implement specific collaborative initiatives with key partners to enable them to meaningfully contribute to the integrity development process in areas where they are capable and where they have the resources to contribute.

Partnership and collaboration particularly with the government should not in anyway undermine the independence of the OMB in the performance of its investigation and prosecution functions.

c) CREDIBILITY

Credibility is the pre-condition upon which the support and the integrity learning of the general public will be built.

But the credibility of the government's anticorruption policies have been undermined by the perception of the inability of leaders to produce results. This first-time, comprehensive OMB initiated anticorruption plan will provide the opportunity to gain new credibility in the country's integrity development efforts.

Gaining credibility will be a long-term and difficult process and should be built upon through regular and continuous delivery of results.

d) POLITICAL NEUTRALITY

The political neutrality and the perception of political neutrality of the OMB and other anticorruption agencies is a key factor to the program's credibility.

The program must not just generate results. The results must be outcomes of a process that is and is perceived by the public to be politically neutral.

Political neutrality requires that all citizens be treated equal before the law. Law enforcement, prosecution, legal assistance, and correction services will ensure respect for individual human rights, and prevent discrimination.

e) TRUTH AND JUSTICE

Anticorruption programs and the operation of anticorruption agencies will be geared towards strengthening institutional mechanisms and organizational culture that ensure the pursuit and preservation of truth, and provision of impartial, fair and speedy justice.

f) SPEED AND TIMELINES

Speed and timeliness in the investigation and prosecution of anticorruption cases is one of the pre-conditions upon which the public's trust and confidence in the OMB anticorruption plan and in the capacity and sincerity of OMB and anticorruption agencies will stand. The reforms will promote improvements in the speed and timeliness of the various initiatives and particularly in the areas of investigation and prosecution.

g) INTEGRITY

The integrity of the anticorruption agencies themselves is one of the pre-conditions upon which the trust and confidence, and cooperation of the public will be engendered and sustained. The reform program will ensure the development and implementation of integrity of the anticorruption program itself.

The program will provide processes and operating procedures that will promote the provision of quality, adequate and timely public information, enable the verifiability of the operating mechanisms and the transparency of the status, results and process of the entire reform process as well as in the use of program resources.

2.2 Principles to guide the capacity development of OMB

2.2.1 The development of the internal capacity of the OMB is one of the key features of the medium-term anticorruption plan. As lead agency in this entire effort the OMB must strengthen its overall organizational infrastructure and capacities by reengineering its administrative structure, staffing, operating systems and resource configurations in order to match its capacity with the requirements of program management and implementation. In particular, the OMB will strengthen its public assistance, investigation and prosecution institutional arrangements, staffing and competencies; improve on its organizational and personnel capacities in the areas of collaboration and partnership management, investigative monitoring, assessment of institutional integrity vulnerabilities and design of integrity standards, designing and managing advocacy and education programs and in research and development. Such institutional reengineering and capacity building processes will be guided by the following principles:

a) ACCESS

Access to information and the services of anticorruption agencies is key to the proper detection of corruption and effective investigation as well as prosecution of corruption cases. The OMB will take the lead in formulating and facilitating the installation mechanisms that will improve public access to the appropriate complaints facility, witness protection, legal assistance and other services that will facilitate the filing of complaints and resolution of cases on graft and corruption.

b) EFFICIENCY

Improvements in the relationship between resource inputs and agency outputs are critical to ensuring the optimization of severely limited resources. The reform program will provide mechanisms that will promote efficiency in the operations of the OMB as well as those of its partners particularly in the implementation of anticorruption initiatives.

c) TRANSPARENCY AND APPROPRIATE DISCLOSURE

Transparency and public disclosure is the foundation for accountability and sound government-citizen cooperation. The implementation of the anticorruption plan will involve ensuring that all program components comply with the transparency and public disclosure and reporting standards, which will be established. Reforms in the institutional framework and operating mechanisms of the OMB shall promote transparency and sound policies on public disclosure of operations, which will create a balance between what the public has the right to know and what should not be disclosed as a matter of national security.

d) SYSTEM-BASED OPERATIONS, INFORMATION BASED-DECISIONS

The proposed institutional strengthening of the OMB will involve mechanisms that will ensure the continuity of operations regardless of staff turnover and attendance. It will establish an environment where processes and decision-making are information based rather than based on personal discretion. This is to be achieved through system-based operations, which is characterized by standards, structured processes and criteria for action and decision-making.

An appropriate information system which will integrate workflows particularly in the areas of public assistance, fact-finding, investigation and prosecution and in performance monitoring and evaluation, backed up by an adequate information and communications technology is the pre-condition upon which relevant, timely and responsive decision-making will be made possible. The proposed capacity development program of the OMB will provide mechanisms for the definition, design and installation of an integrated integrity information system.

e) COMPARTMENTALIZATION OF FUNCTIONS INTEGRATION OF OPERATIONS AND WORKFLOWS

The appropriate definition and delineation of roles, functions, activities, resources and accountabilities is a pre-condition for efficiency in the utilization of resources and capacity to achieve organizational objectives. The appropriate compartmentalization of functions, authority, resources and accountability among the various tiers of the OMB organization and between equally situated organization units is among the more important features of the proposed reforms.

Compartmentalization is not the opposite of integration. In fact compartmentalization provides the basis for integration in the process and workflows in the OMB. OMB functions will need to be connected to one another in a seamlessly integrated network of processes that will be mutually supporting and will feed to planning and decision making.

The integration process will involve piecing together diverse parts of a whole. Integration is the foundation upon which a coherent anticorruption system in the OMB will operate. This reform program will design and implement mechanisms for coordinating and synchronizing policies, institutional functions, and key operating systems and procedures. Areas of integration include public assistance, fact-finding and investigation and prosecution. These systems will also be linked with the planning and performance monitoring at unit and institutional levels. Punitive functions must feed into the promotive aspects – public education, research and advocacy.

f) **COMPETITIVE AND PERFORMANCE BASED REMUNERATION**

The government should support OMB in its task of attracting the best and the brightest who will match the skills of their counterparts in the private sector. The OMB should work towards the adoption of a market- and performance-based remuneration system, through legislation, which will give due consideration to job complexity, risks and competency requirements.

g) **FITNESS-BASED RECRUITMENT, MERIT-BASED PROGRESSION**

Prospective reforms in human resources development will be founded on the principle that recruitment will be based solely on qualifications while career progression will be based on performance and improved competence. The OMB will formulate a career development program that will integrate recruitment, remuneration, incentives and rewards, career path, discipline and retirement benefits into one integrated system that will allow career choices and performance rewards based on merit.

3 PLAN DESIGN APPROACH

3.1 Defining the proper role of OMB in public sector in public sector anti-corruption and integrity development

3.1.1 The anticorruption program which will be implemented by the OMB in partnership with various stakeholders both in government and private sector will be anchored on a clear definition of OMB's role in the anticorruption program. Its role in the various anti-corruption initiatives will be as follows

a) **Facilitator and catalyst of public sector integrity development**

The OMB will exercise a catalytic role in the promotion of public sector integrity. The responsibility of and accountability for correcting the corruption vulnerability in public sector institutions will be that of the national government. The specific role of the OMB in developing public sector integrity will be to facilitate the process of transformation. This will be done through the establishment of system and institutional integrity standards, which will be implemented by the OMB through audits, advisories, accreditation and independent public reporting on compliance by public sector institutions. As facilitator the OMB will promote the emergence of public demand and pressure for government institutions to improve their integrity performance.

b) **Investigator and prosecutor**

The OMB will continue to perform its constitutionally mandated functions of investigation and prosecution of graft and corruption cases.

c) Mobiliser of resources

The OMB will be a mobiliser of intellectual, technological and financial resources and the synchronizer of their use in the implementation of an effective anticorruption strategy.

d) Adviser of government

OMB will provide independent advise to the government on the government's corruption vulnerabilities. OMB will provide guidance and technical assistance to government institutions and its heads in improving the integrity of their operations and in designing and implementing more effective integrity development programs.

The OMB will also provide direct technical assistance to agencies in strengthening their integrity infrastructures.

3.2 Comprehensive and seamlessly integrated approach

3.2.1 This reform program adopts a holistic and seamlessly integrated approach. It will build on the current initiatives on the OMB, the Judicial Reform Program, and other reform initiatives of law enforcement and anticorruption agencies of the government. It will complement the optimize the participation of non-government stakeholders.

3.2.2 The anticorruption plan is system-wide in scope. It covers both punitive and promotive aspects, it addresses institutional and societal factors that hamper or promote integrity development, it provides special focus on strengthening the independence and capacity of the OMB, it addresses duplication of government anticorruption institutions that result in wasteful resource allocation, it provides immediate and long-term approaches, it establishes mechanisms for continuity.

3.2.3 Also, the anticorruption plan addresses a comprehensive scope of issues that are categorized into several areas: anticorruption legal framework; institutional integrity, partnership and collaboration, public education, knowledge development, and capacity building.

3.3 Project Mixing Strategy

3.3.1 The medium-term anticorruption plan provides a comprehensive mix of programs and projects that can be sequenced in order to achieve the indicative strategy of creating immediate impact and credibility, while instituting fundamental societal and institutional integrity development initiatives. This strategy has 5 key components:

ACHIEVING QUICK WINS

- 3.3.2 The OMB intends to pursue the big fish as a way of putting across a message to the public that it is serious in fighting corruption. There for the takeoff point for the medium-term anticorruption plan will be the quick win initiatives. This will involve mobilizing a mix of volunteer partners and experts who will assist OMB investigators and prosecutors in building a good case for about 3 celebrated corruption cases. Volunteer partners and experts will help in various areas: evidence gathering and preservation, in the prosecution process, case documentation, and other related activities.

INSTITUTING DETERRENCE MECHANISMS

- 3.3.3 The strengthening of the OMB and the implementation of this medium-term anticorruption plan will be the flagship deterrence mechanisms. The plan itself will contain several measures that will discourage the commission of corruption which comprise of the following measures:
- a) The formulation of system and institutional integrity standards and their application through independent audits, advisories, accreditation and public reporting by the OMB which will act as the auditing and accreditation institution.
 - b) OMB will continuously conduct system and institution specific assessments of corruption vulnerability will report the results of such studies to the President, Congress and the general public. Such reports will form as advisories to the President and Congress to take action to strengthen the integrity infrastructure of public sector institutions. Assessed agencies will eventually be subjected to integrity audits.
 - c) The OMB will institute capacity building mechanisms that will improve the speed, efficiency and quality of its investigation and prosecution functions. It will build partnerships with other law enforcement agencies and the Judiciary for the speedy litigation of corruption cases and for the improvement of case preparation. The OMB will establish mechanisms for the competency development of anticorruption personnel and build partnerships to provide expertise and resources need in quality investigation and prosecution work.
 - d) The OMB will establish meaningful partnerships with other stakeholders such as public sector unions, community organizations, NGOs and POs and other civic organizations towards strengthening the moral sanctions that will provide reinforcing mechanisms for the long legal process. Measures will be designed for the adoption of moral sanctions at the workplace and community for those who are established to have committed corruption based on investigation.
 - e) The OMB will promote the improvement of anticorruption laws.

BUILDING AWARENESS AND DEVELOPING A CULTURE OF INTEGRITY

3.3.4 Developing a culture of integrity is a long-term process that will require consistent and sustained intensity of effort. The medium-term anticorruption plan will design and implement several initiatives to be implemented with partners to address the long-term concern of building a culture of institutional and societal integrity. This strategy will comprise of a mix of interventions in the following areas:

- a) Building awareness of key demographic groups and basic understanding of corruption and its effects and consequences of corruption laws, of citizen duties and responsibilities, and of available public assistance services for the filing of complaints and cases.
- b) Developing a culture that understands, values and practices integrity and that is intolerant of corruption
- c) Providing expert technical assistance to public sector institutions in diagnosing the corruption vulnerabilities and in designing and implementing integrity infrastructure strengthening strategies, as well as in such areas as detection and investigation, documentation of proof and evidence and procedures for the filing of complaints and cases.

3.3.5 Specific target groups and interventions in this area would include such examples as:

- a) Public sector employees (integrity circles, providing integrity orientation programs and policy manuals for new employees, providing regular seminars on integrity and anticorruption)
- b) Public sector institutions (technical assistance on plugging the integrity leaks in organizational policies, structures and systems and in developing effective and customized detection and investigation mechanisms)
- c) Students, communities, parents and teachers (integrity values and lessons on anticorruption laws and the effects of corruption stratified at various educational levels)
- d) The poor and socio-economically disadvantaged population (awareness and understanding of the impacts of corruption on poverty, integrity values and valuing integrity, mechanisms for reporting and case filing)

BUILDING OVERALL CAPACITIES FOR INTEGRITY DEVELOPMENT

3.3.6 The medium-term anticorruption plan adopts a holistic and integrated set of initiatives that will build and sustain improvements in knowledge and capacities for integrity development. These include the following:

- a) Provision of specialized training to OMB investigators, prosecutors and technical personnel involved in the promotive aspects. This will be done through inter-country programs mixed with customized local training, based on a training needs analysis and linked with the implementation of OMB institutional reengineering.
- b) Eventually establishing an Integrity Development Institute (IDI). The institute will perform a trilogy of functions : (1) training on integrity development covering a wide range of competency development areas and targeting a wider audience aside from anticorruption professionals such as managers and policy makers ; (2) research and development for continuing understanding of the operative dynamics of corruption, their underlying causes, and measures to address them, as well as specialized research in focus areas such as money laundering; (3) technical assistance. The IDI will serve as the primary arm of the OMB in providing training and technical assistance to public sector institutions in improving their integrity infrastructures.
- c) Design and implementation of an OMB integrated integrity information management system.
- d) Improving the technological and facility support for OMB fact-finders and investigators. This will include provision of equipment that will allow better covert investigation and data gathering as well as mobility and communication.

3.4 Building on current OMB initiatives

3.4.1 The proposed OMB medium-term anticorruption and integrity development program will build on, complement and, fine-tune, where necessary, current initiatives identified by the OMB in its program: BATTLECRY against corruption in four areas: investigation and prosecution, public assistance and research, community relations and linkages, education and organization development. Several initiatives therein are supported by various donor agencies and some are in the early stages of procurement.

3.4.2 Initiatives in the battlecry program of the OMB which will require detailed design coordination with the relevant components of this medium-term anticorruption plan include the following:

INVESTIGATION AND PROSECUTION BATTLEGROUND

- a) Advocacy for the passage of a Bill that will allow OMB to hire private prosecutors

This should be integrated with the bill that will strengthen the institutional framework and functions of OMB including its resource generation powers.
- b) Formulation of a monitoring system for enforcement of administrative sanctions and penalties

This will form part of the operating systems reengineering efforts and will feed into the detailed design of the information systems and their computerization.

- c) Establishing a separate office for field investigation with multi-disciplined personnel/staff

This should be coordinated with the overall structural reengineering program of the OMB and should be linked with the prospective computerization of the case management systems.

- d) Profiling of graft prone agencies and high ranking officials

This will be synchronized with the program on assessment of the corruption vulnerabilities of public sector institutions and development of standards and indicators on corruption.

- e) CMS Project

This should be coordinated with the broader effort to reengineer and computerize the case management information system and integrate all applications and functions.

- f) Establishment of OMB witness protection program

This is an initiative under the medium term plan and will be designed comprehensively including its institutional and operating arrangements and funding/resource continuity.

PUBLIC ASSISTANCE AND RESEARCH BATTLEGROUND

- a) Rationalizing the organizational and staffing structure of the Public Assistance and Corruption Prevention Office

This should be part of a more comprehensive reengineering of the OMB administrative structure and internal functional configuration, and operating systems, which includes measures to address access to OMB in the area of public assistance.

- b) Integrity Development Review of Key Public Sector Agencies

This will be integrated with the proposed Strengthening the Integrity Infrastructure of Public Sector Institutions which is a key program of the medium term anticorruption plan and within which the integrity development review forms and integral part.

- c) Inter-active website project to provide the citizenry immediate access to air and track down their grievances with the OMB

This should be consistent with the overall information technology architecture which will be developed under the medium-term plan to unify all ICT programs and technologies of the OMB.

d) RAS systems study

This study provides useful inputs in the reengineering of the administrative structure, functions, staffing and operating systems on public assistance which will form part of the overall institutional strengthening of the OMB

COMMUNITY RELATIONS AND LINKAGES BATTLEGROUND

a) Training workshop for lifestyle check – a regular monitoring of high profile personnel of graft – prone agencies

Implementation experience under this project will provide incisive inputs in improving the information content and structure as well as the operating systems for assets and liabilities and linking it with the lifestyle checks.

b) Database and compliance and monitoring procedures relating to SALN

This should be synchronized with the proposed system assets and liabilities that will be integrated with the lifestyle check system, and with the information systems supporting these.

c) CSC-COA OMB partnership in the conduct of inter-agency audits of government agencies

This should be integrated with the broader public sector integrity infrastructure development program wherein integrity standards and procedures will be formulated to guide agency integrity audits.

EDUCATION BATTLEGROUND

a) Assessment of human resource needs and requirements of OMB and design, implementation and evaluation of various training programs and capacity building programs of OMB

This will be placed in the context of a reforming OMB organization structure, internal functions and operating systems. A training needs assessment should be based on the organizational development and institutional capacity building plan which is a key program in the medium-term anticorruption plan, and will provide the basis for the identification and design of the various training programs. But some of the more thematic training courses specified should already proceed as soon as possible.

ORGANIZATIONAL DEVELOPMENT BATTLEGROUND

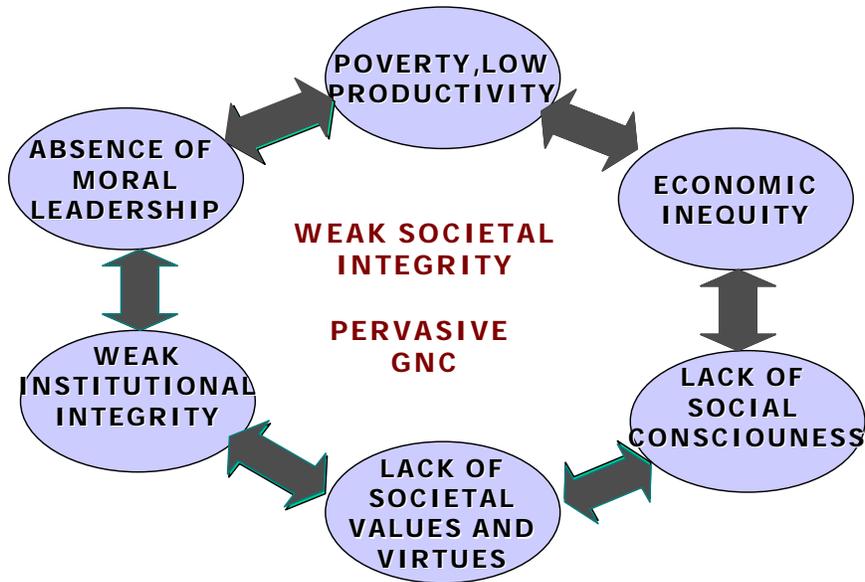
The initiatives contained in the battlecry document are reinforced in this medium-term anticorruption plan particularly in the program for strengthening the institutional capacity of the OMB. These initiatives should be integrated into one program.

4 INTEGRITY DEVELOPMENT FRAMEWORK

4.1 Basis and context of the anticorruption plan

- 4.1.1 The medium-term anticorruption plan is designed to address issues identified in the diagnostic studies. The diagnostics study was undertaken with deep understanding of the nature, dynamics and context as well as impacts of public sector graft and corruption. Graft and corruption continues to pose as one of the most powerful deterrents to our country's global competitiveness, sustainable economic development and poverty reduction. Corruption in society and, particularly, corruption in the public sector discourage both domestic and foreign investor confidence. Corruption reinforces economic and social inequality and hurts the poor the most in terms of lost economic opportunity, deficient and poor access to public services, and lack of access to quality justice and legal remedies. Corruption creates a societal context that is vulnerable to human rights violation.
- 4.1.2 The plan is formulated based on the view that graft and corruption is always societal in context. GNC is embedded within the dynamics of our history, socio-economic quality of life, political power structure, governance and public sector institutions, system of justice, the legal framework, the various public sector claimholders and the integrity duty holders – the OMB, the political leaders and public sector institutions, media, civil society and the public in general, and in the international context.
- 4.1.3 GNC thrives in societies that have fundamental political, social and economic weaknesses. These weaknesses create a mutually reinforcing relationship in order to establish a composite societal condition characterized by weak societal integrity and pervasive graft and corruption particularly in the public sector, where the biggest resources of society reside, and where decisions made determines the influence an individual or organization will have in obtaining personal or institutional gains (Figure 6.1). Such that in addressing corruption, whether over the immediate, medium and long term and whether through punitive or promotive/preventive approaches, one must create the wedge within the cycle in order to break the mutual reinforcement pattern that sustains GNC.

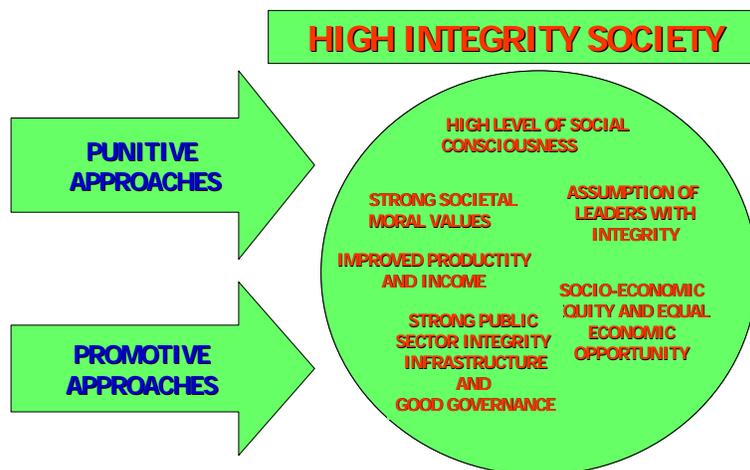
Figure 6.1
 The Context of GNC



4.2 Integrity Development Framework

4.2.1 Addressing societal and governmental issues and problems in GNC will require a seamlessly integrated and mutually reinforcing set of punitive and promotive measures that will address specific GNC issues but will have a composite effect of improving integrity within public sector institutions and within Philippine society as a whole (Figure 6.2)

FIGURE 6.2
 INTEGRITY DEVELOPMENT FRAMEWORK



- 4.2.2 The integrity development framework that guided the design of the medium-term anticorruption plan and public investment program recognizes the inextricable relationship between punitive and promotive approaches. Punitive approaches provides the starting point that will signal the seriousness of the program, while the promotive approaches which will commence simultaneously with the punitive strategies will more subtle and deeper and long-term their implementation and eventual impact.
- 4.2.3 The framework posits that addressing corruption in the public sector should consider the context of corruption within which the dynamics of corruption operate in continuously upward spiraling trend which results in ever worsening integrity and ever increasing incidences of corruption accompanied with pervading societal indifference and tolerance. The key to implementing a potentially effective is to be able to determine where the “incision” that will penetrate the context and disrupt its pattern will be made. It is in this context that the identification of the mix of projects and the sequencing of their implementation has been made.

5 PROGRAMS AND PROJECTS

- 5.1.1 On the basis of the diagnostics study, the integrity development framework and the reform development approach and strategies the following menu of reforms in the identified key result areas (now considered as programs) have been identified and enumerated hereunder. The descriptions of each of these reforms are contained in Annex C (Project Profiles) of this report.

Program A

MORE AGGRESSIVE AND EFFECTIVE ENFORCEMENT OF ANTI-CORRUPTION LAWS

- a.1 Mobilization of volunteers and resources
- a.2 Design of fast track mechanisms

Program B

STRENGTHENING THE INTEGRITY INFRASTRUCTURE ON PUBLIC SECTOR INSTITUTIONS

PROJECTS

- b.1 Development and Implementation of Public Sector Integrity Standards (PSICS)
 - Design and installation of integrity standards and indicators for institutional /system integrity
 - Conduct of pilot agency/system specific integrity audits
 - Advisory, accreditation and publication of integrity audits

- Public sector orientation program
 - Design and implementation of OMB operating and management systems, including a results-based monitoring and evaluation system
 - Competency building of OMB personnel
- b.2 Diagnostic Studies on Corruption Vulnerabilities in Public Sector Institutions and Systems

Program C

ACHIEVING GOOD LOCAL/URBAN GOVERNANCE THROUGH INTEGRITY AND ACCOUNTABILITY

- c.1 Conduct of study and development of conceptual framework and design of prototype integrity and accountability mechanisms in local/urban governance
- c.2 Implementation in 6 pilot LGUs
- c.3 Development and implementation of replication strategies

Program D

ENHANCING THE ANTICORRUPTION LEGAL FRAMEWORK

PROJECTS

- d.1 Review, modification and codification of anti-corruption laws
- d.2 Design and implementation of integrity standards and review mechanisms in the preparation of laws

Program E

STRENGTHENING THE INDEPENDENCE AND CAPACITIES OF ANTI-CORRUPTION AND INTEGRITY DEVELOPMENT AGENCIES

- e.1 Development and detailed design of integrity standards, indicators and assessment methodologies of anticorruption and law enforcement agencies
- e.2 Conduct of collaborative view of integrity infrastructures and identification of strengthening measures
- e.3 Provision of technical assistance in the strengthening of integrity infrastructures
- e.4 Design and implementation of advocacy programs in the target anticorruption agencies, general public, civil society and other stakeholders

- e.5 Establishment of partnerships in the application of standards and advocacy
- e.6 Design and implementation of OMB operating arrangements

Program F

WIDENING AND SYNCHRONIZING COLLABORATION WITH PARTNER STAKEHOLDERS

(Anti-corruption NGOs, Public Sector Employee Unions, Business, Media, Judiciary, Department of Justice, PNP, Citizens; and including definition of partnership, design of partnership operating mechanisms, implementation and monitoring, and design of OMB partnership management mechanisms)

Program G

ESTABLISHING EFFECTIVE KNOWLEDGE DEVELOPMENT AND SHARING MECHANISMS

PROJECTS

- g.1 Anti-corruption surveys of citizens and business, including assessments of societal impacts of anticorruption programs
- g.2 Knowledge development and sharing
 - (1) Dialogues and Fora (annual: LGUs, law enforcement and pillars of justice, anticorruption agencies, media, donors, business, public sector unions, civil society, NGOs/POs, indigenous and vulnerable sectors)
 - (2) Inter-country studies on anticorruption practices
- g.3 Training
 - (inter-country training on investigation, domestic customized training for prosecutors, investigators, training on investigative monitoring and fact-finding and training on thematic and specialized investigation skills)
- g.4 Establishment of Integrity Development Institute (IDI)
 - (Conceptualization and design of institute, program development and design of core curricula and delivery system, establishment and operation, and conduct of research on corruption)

Program H

CAPACITY DEVELOPMENT OF THE OMB

PROJECTS

h.1 Reengineering the administrative structure, staffing and operating systems

(Including reengineering of the internal administrative structure and functions, and staffing, design of operating systems and procedures and production of system manuals, and defining technology (equipage) requirements for the following systems: public assistance, field investigation/intelligence, preliminary investigation, prosecution, witnessing, research and development, investigative monitoring, partnership development, integrity promotion and advocacy, design of security program for OMB investigators and prosecutors, design of internal integrity infrastructure of OMB, strengthening the independence of OMB and change management)

h.2 Creation of OMB Surveillance Units (Equipage)

This will involve the acquisition of five (5) sets of surveillance equipment each comprising of a car/van, motion cameras, stills cameras, tape recorders and other accessories to be used in covert operations.

h.3 Design of the resource mobilization system including legislation

h.4 Development and Implementation of an Integrated Integrity Information System

(Development of ISSP, procurement preparation, application systems design and development, testing, user training and installation, and implementation including change management)

Core system to include:

- OMB Case management information system (integrated investigation, prosecution and public assistance) eventually to be linked with the others pillars of justice
- Integrated Assets and Liabilities and Lifestyle monitoring system- eventually to be linked with CSC
- Anticorruption library system
- Integrity standards information system
- Detection and public feedback system (inter-active website) – internal data base linked case management info system
- Financial and Administrative Management Information Systems

h.5 Design and implementation of the OMB witness protection program

7

IMPLEMENTATION MANAGEMENT ARRANGEMENTS

1 INTRODUCTION

- 1.1.1 The success of the medium-term anticorruption plan will depend not only on good leadership and commitment by the Ombudsman. The Ombudsman will require an efficient program management process to ensure the proper scoping, sequencing and coordination of the reform design and implementation, build consensus and support, and ensure the generation and proper programming and utilization of reform resources.
- 1.1.2 It is important that a program management team within the Office of the Ombudsman, manned by a senior, highly respected and highly skilled OMB officials, and supported by professionals and specialists with expertise and experience in anticorruption program development and implementation, project management, institution reengineering, law reform and enforcement, prosecution, investigation, capacity building, information and communications technology, financial management, and other relevant skills be recruited to be identified from among the ranks of the OMB or its partners, or outsourced if necessary and fielded to comprise the program management team.
- 1.1.3 This section identifies and discusses the key elements of an implementation management strategy for the further development and eventual implementation as well as management of the medium-term OMB anticorruption plan and public investment program.

2 SCOPE OF PROGRAM DEFINITION

- 2.1.1 The proposed anticorruption programs and projects are expected to result in societal outcomes, and institutional reform outcomes for which indicators of performance have been presented in the previous sections of this report. To be able to do this, the proposed reforms cover the entire reform process, which will start with conceptualization, detailed diagnostics leading to design and reengineering and through to implementation, and results monitoring and evaluation. In particular the proposed anticorruption plan will have the following project development scope:
 - a) DEEPER AREA SPECIFIC DIAGNOSTIC STUDIES, which will lead to the identification of more specific and implementable initiatives;

- b) DETAILED DESIGN OR REENGINEERING (as the case may be). This will involve detailed technical design including such concerns as design of policies and detailed operational procedures, design of formal structures, training curricula, testing and teaching methods, development of user manuals and learning/implementation tools, and other detailed design activities as the case may be.
- c) PILOT OR FULL IMPLEMENTATION (as the case may be), which will involve installation testing, commissioning of systems, development and implementation of change management strategies (consensus building, stakeholder and system user education and training, and handholding), and system review and improvement.
- d) PERFORMANCE MONITORING AND EVALUATION, using the RBMES which will involve the development of methodology, criteria and indicators for performance evaluation and monitoring as well as the actual monitoring and evaluation of the success or failure of the reforms.

3 PHASING OF PROJECTS

- 3.1.1 Anticorruption activities will be phased in accordance with their proper technical order as follows:

- PHASE 1 DETAILED ASSESSMENT AND DESIGN
- PHASE 2 TESTING AND PILOTING
- PHASE 3 FULL IMPLEMENTATION
- PHASE 4 RESULTS MONITORING AND EVALUATION

- 3.1.2 It is desirable that a change management strategy covering all stages in the plan and which will contain specific action plans for advocacy, consensus building and stakeholder information and education be started together with the commencement of the reform process.

4 IMPLEMENTATION TIMEFRAME AND SCHEDULE

4.1 Overall Timeframe

- 4.1.1 The medium-term anticorruption plan and its public investment program is estimated to have a start-to-finish duration of at least six (6) years with respect to the development, design and implementation of institutional and capacity building programs. But the implementation of its components will be institutionalized and will continue over the long-term to form part of the integrity development systems and practices of the public sector and its partners.

4.2 Multi-year Schedule

- 4.2.1 The multi-year timetable for the medium-term anticorruption plan is presented in ANNEX C of this report. The timetable was formulated on the following assumptions:
- a) The resources will be available for the execution of the detailed assessment, design and installation activities as scheduled. For this purpose the early constitution of the Program Management Office will be necessary in order to immediately mobilize donor and partner resources and firm up commitments in accordance with the medium-term plan implementation timetable.
 - b) That the agencies involved will commit participation in the development and implementation of the anticorruption plan and observe the proper sequencing and coordination of activities. An early advocacy and partnership program prior to actual implementation should be started. Again the Program Management Office will be responsible for the early realization of key partnerships along this line.
 - c) That there is a professional program management team with the expertise to undertake management of the technical, administrative and political aspects of the plan. The Ombudsman must invest in establishing an able program management team. This can be done by training in-house personnel, by involving partners, and by outsourcing expertise not available in house through donor assistance.
 - d) That there is strong determined and sustained top management commitment within the context of an independent Office of the Ombudsman.

5 PROGRAM MANAGEMENT ARRANGEMENTS

- 5.1.1 The program management team is recommended to be an OMB PMO and not an inter-agency committee. Inter-agency committees may be created to facilitate the achievement of project specific collaborative efforts but not for the management of the anticorruption plan, as this will undermine the independence of the OMB and consequently the credibility of the plan.
- 5.1.2 The following program management arrangements are recommended:
- a) **ASSUMPTION OF TOP LEADERSHIP AND MANAGEMENT BY THE OMBUDSMAN HIMSELF.**

The Ombudsman will provide the inspiration that will generate firm and sustained commitment and participation of institutions and the general public, and provide the intellectual direction that will synchronize and ensure mutually reinforcing efforts by various stakeholders.

b) ESTABLISHMENT OF THE PROGRAM MANAGEMENT OFFICE (PMO)

The program management Office should be headed by a program manager who is a senior officer of the OMB who has relevant experience in reform planning and implementation management. He or she has extensive experience in collaboration with various stakeholders and is familiar with the structure and the operations of the government bureaucracy. He should be of impeccable integrity and reputation and has gained the stature and respect within the OMB and within the government. If necessary, the program manager should be trained in project management and in such relevant areas as may be needed in running an anticorruption program of this scale.

The PMO will report directly to the Ombudsman.

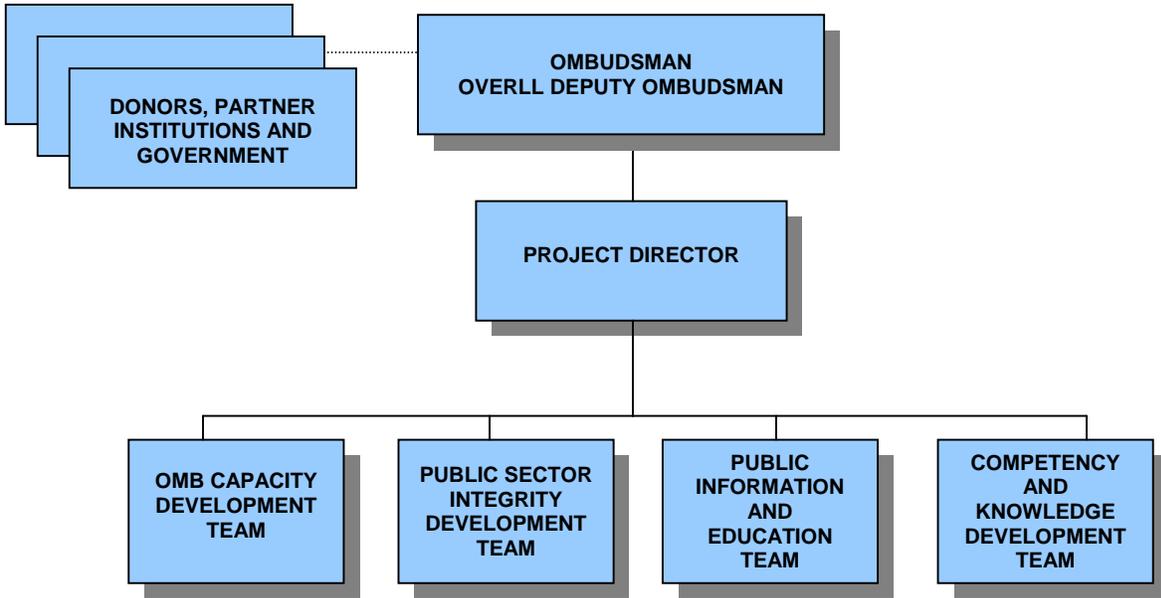
The PMO will be responsible for the overall planning, implementation management, sequencing and inter-agency coordination and programming of all reform activities. It will also take responsibility in coordinating with donor institutions and in generating resources from the national government and donor community, for the annual programming and management of the prioritization and release of reform budgets and for the monitoring and evaluation of the plan's performance.

The PMO can be organized in many ways. The formal administrative structure presented hereunder organizes the program management work into thematic reform areas rather than by areas of specialization. The firming up of the internal structure of the PMO will be needed once the mix, content and timetable of projects and implementation activities will be firming up. The internal structure may also be designed in accordance with the management style that the Ombudsman and his PMO manager will be comfortable with.

c) ESTABLISHMENT OF INTER-AGENCY COMMITTEES

The formation of inter-agency committees with specific partners will be needed in order to facilitate information flow, mobilization of resources and execution of project activities. It is recommended that inter-agency committees be as participatory as possible. For example a committee, which will be involved in providing assistance to DPWH in the development of its integrity infrastructure, should involve not only DPWH and OMB officials but also members from civil society, communities and corruption victims.

**FIGURE 7.1
PROGRAM MANAGEMENT STRUCTURE**



8

MEDIUM-TERM PUBLIC INVESTMENT PROGRAM

1 INTRODUCTION

- 1.1.1 This chapter presents the medium-term investment program for the OMB. It contains the financial estimates for the implementation of the program over the six year period and is presented by program, project, project components, and the indicative financing arrangements.

2 RESOURCE CONFIGURATION

2.1 Assumptions

- 2.1.1 The timeframe for the implementation of the program is expected to be six (6) years. The bulk of the expenses however, are within the first three (3) years as years 4 to 6 will involve only stabilization, finetuning, performance evaluation and monitoring.
- 2.1.2 The investment program shows two schemes of financing arrangements, (1) donor-assisted and (2) GOP Counterpart.
- 2.1.3 It is assumed that the major part of the programs and projects will be funded by donor institutions. Donor institutions as used in this report includes Official Development Assistance (ODA) Institutions such the World Bank, ADB, JBIC, EU and others, as well as local donors such as Non-Government Organizations, Civil Society Groups and business organizations.
- 2.1.4 The GOP-counterpart are the cost estimates the staff-time, use of office facilities and equipment, as well as funding for meetings, trainings and conferences that are not shouldered by donor institutions but is necessary for the maintenance or stabilization of the program or project.

2.2 Costing Methodology

2.2.1 The cost computation of each of the programs and projects as well as project components is done through the estimated man-power, physical and technology requirements.

2.2.2 The standard costing methodology adopted are as follows:

Professional Fees:

International Consultants	-	\$ 20,000 per month
Local Consultants	-	\$ 7,000 per month

Travel Expenses:

Airfare - International	-	\$ 3,500 RT/person
Per Diem – International	-	\$ 145/day
Airfare - Local	-	\$ 150 RT/person
Per Diem – International	-	\$ 90/day

Workshops/Trainings/Seminars

Food and Accommodation of Participants-		P2,000/person/day
Travel of OMB Participants		
- Average land/airfare	-	P5,000.00/person
- Per diem	-	P1,000.00/person

Operating Expenses - 20% of total Professional Fees

GOP Counterpart - 15% of total financing requirement of the project

2.2.3 Estimates for IT Equipments, furniture, fixtures, and other supplies and materials are based on the current prices in the market plus reasonable allowances for price increases.

2.2.4 The exchange rate used in converting the costs from Philippine Currency to dollar and vice versa is PhP56.00 is to US\$1.00.

2.2.5 The multi-year programming of costs is based on the implementation schedule of each program, project and activity.

3 INVESTMENT PROGRAM

3.1 Total Investment Cost

- 3.1.1 The total investment requirement is equal to US\$29.07 million or PhP1.63 billion. The following table shows the total investment costs and its program/project components in US Dollar and Phil. Pesos.

MEDIUM-TERM PUBLIC INVESTMENT PROGRAM

PROGRAM/PROJECT/ACTIVITY	TOTAL (in USD)			TOTAL (in PHP)		
	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total
TOTAL INVESTMENT	24,642,959	4,424,011	29,066,970	1,380,005,705	247,744,623	1,627,750,328
A. MORE AGGRESSIVE AND EFFECTIVE ENFORCEMENT OF ANTI-CORRUPTION LAWS	283,500	42,525	326,025	15,876,000	2,381,400	18,257,400
B. STRENGTHENING THE INFRASTRUCTURE OF PUBLIC SECTOR INSTITUTIONS	3,742,136	561,320	4,303,457	209,559,640	31,433,946	240,993,586
1. Development and Implementation of Public Sector Integrity Standards	2,850,947	427,642	3,278,589	159,653,040	23,947,956	183,600,996
a. Design and installation of integrity standards and indicators of institutional/system integrity	1,226,100	183,915	1,410,015	68,661,600	10,299,240	78,960,840
b. Conduct of Pilot agency/public sector system specific integrity audits	563,700	84,555	648,255	31,567,200	4,735,080	36,302,280
c. Advisory and Publication of Integrity Audits	59,775	8,966	68,741	3,347,400	502,110	3,849,510
d. Public Sector Orientation Program	207,386	31,108	238,494	11,613,600	1,742,040	13,355,640
e. Design and operation of OMB operating and management systems, including results-based monitoring system	413,354	62,003	475,357	23,147,840	3,472,176	26,620,016
f. Competency building of OMB personnel	380,632	57,095	437,727	21,315,400	3,197,310	24,512,710
2. Diagnostic Studies on Corruption Vulnerabilities in Public Sector	891,189	133,678	1,024,868	49,906,600	7,485,990	57,392,590
C. ACHIEVING GOOD LOCAL/URBAN GOVERNANCE THROUGH ACCOUNTABILITY AND INTEGRITY	1,628,997	244,350	1,873,347	91,223,840	13,683,576	104,907,416
1. Conduct of study and development of conceptual framework and design of local integrity and accountability mechanisms in urban governance	501,927	75,289	577,216	28,107,920	4,216,188	32,324,108
2. Implementation in 6 Pilot LGUs	944,143	141,621	1,085,764	52,872,000	7,930,800	60,802,800
3. Development and Implementation of Replication Strategies	182,927	27,439	210,366	10,243,920	1,536,588	11,780,508

PROGRAM/PROJECT/ACTIVITY	TOTAL (in USD)			TOTAL (in PHP)		
	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total
D. ENHANCING THE ANTI-CORRUPTION LEGAL FRAMEWORK	418,086	62,713	480,799	23,412,800	3,511,920	26,924,720
1. Review, modification and codification of anti-corruption laws	277,343	41,601	318,944	15,531,200	2,329,680	17,860,880
2. Design and implementation of integrity standards and review mechanisms in the preparation of laws	140,743	21,111	161,854	7,881,600	1,182,240	9,063,840
E. STRENGTHENING THE INDEPENDENCE AND CAPACITIES OF ANTI-CORRUPTION AND INTEGRITY DEVELOPMENT AGENCIES	288,057	43,209	331,266	16,131,200	2,419,680	18,550,880
F. WIDENING AND SYNCHRONIZING COLLABORATION WITH PARTNER STAKEHOLDERS	940,711	141,107	1,081,818	52,679,840	7,901,976	60,581,816
G. ESTABLISHING EFFECTIVE KNOWLEDGE DEVELOPMENT AND SHARING MECHANISMS	4,207,386	1,345,909	5,553,294	235,613,600	75,370,890	310,984,490
1. Anti-Corruption Surveys of Citizens and Business	89,286	13,393	102,679	5,000,000	750,000	5,750,000
2. Knowledge Sharing	263,982	39,597	303,579	14,783,000	2,217,450	17,000,450
a. Dialogue and Fora	214,286	32,143	246,429	12,000,000	1,800,000	13,800,000
b. Intercountry Studies	49,696	7,454	57,151	2,783,000	417,450	3,200,450
3. Training	1,238,993	185,849	1,424,842	69,383,600	10,407,540	79,791,140
4. Establishment of Integrity Development Institute	2,615,125	1,107,070	3,722,195	146,447,000	61,995,900	208,442,900
a. Conceptualization and Design of the Institute	50,400	7,560	57,960	2,822,400	423,360	3,245,760
b. Program Development, Design of Curricula and Delivery System	75,600	11,340	86,940	4,233,600	635,040	4,868,640
c. Establishment and Operation	2,489,125	1,088,170	3,577,295	139,391,000	60,937,500	200,328,500

PROGRAM/PROJECT/ACTIVITY		TOTAL (in USD)						TOTAL (in PHP)					
		Donor Assisted		GOP Counterpart		Total	Donor Assisted		GOP Counterpart		Total		
H. CAPACITY DEVELOPMENT OF THE OMB		MULTI-YEAR INVESTMENT PROGRAM (IN USD)											
		1,34,085		1,982,879		15,116,965	735,508,785		111,041,235		846,550,020		
PROGRAM/PROJECT/ACTIVITY	YEAR 1			YEAR 2			YEAR 3			YEAR 4			
	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total	
Operating Systems of the OMB	6,069,030	786,375	6,855,405	2,575,075	386,261	2,961,336	144,204,200	21,630,630	165,834,830				
TOTAL INVESTMENT				9,246,873	1,709,299	10,956,172	4,668,403	823,255	5,491,657	2,605,221	436,031	3,041,253	
A. MORE AGGRESSIVE AND EFFECTIVE ANTI-CORRUPTION LAWS				136,741	20,511	157,252	7,657,500	1,148,625	8,806,125				
2. Creation of Surveillance Units	212,625	31,894	244,519	70,875	10,631	81,506							
B. STRENGTHENING THE INFRASTRUCTURE OF PUBLIC SECTOR INSTITUTIONS				1,245,564	106,340	1,351,904	169,110	72,548	241,658	657,540	47,151	47,151	
3. Design of the Resource Mobilization System including Legislation	2,227,472	259,632	2,487,104	76,279	11,742	88,021	90,020	4,383,600					
1. Development and Implementation of Public Sector Integrity Standards	2,227,472	259,632	2,487,104	454,365	79,604	533,969	169,110	45,782	214,892	-	20,415	20,415	
a. Design and installation of integrity standards and indicators of institutional/system integrity	1,227,800	149,915	1,410,015										
4. Development and Implementation of an Integrated Integrity Information System				9,809,771	1,484,232	11,294,003	549,347,165	83,116,992	632,464,157				
b. Conduct of Pilot agency/public sector system specific integrity audits				394,590	59,189	453,779	169,110	25,367	194,477				
a. Development of IS Architecture and User Functional Specification Requirements				1,558,240	467,472	2,025,712	87,261,440	26,178,432	113,439,872				
c. Advisory and Publication of Integrity Audits				59,775	1,793	61,568	1,793	1,793	1,793			1,793	
d. Public Sector Orientation Program	207,386	6,222	213,607		6,222	6,222		6,222	6,222		6,222	6,222	
b. Application Systems Design and Development, testing, user training													
e. Design and operation of OMB operating and management systems, including results based monitoring system				8,251,531	1,106,760	9,358,291	462,085,725	2,401	56,938,560	519,024,285	12,401	12,401	
f. Competency building of OMB personnel	380,632	57,095	437,727										
5. Design and Implementation of OMB Witness Protection Program				534,220	80,133	614,353	29,916,320	4,487,448	34,403,768				
2. Diagnostic Studies on Corruption Vulnerabilities in Public Sector				891,189	26,736	917,925		26,736	26,736		26,736	26,736	
C. ACHIEVING GOOD LOCAL/URBAN GOVERNANCE THROUGH ACCOUNTABILITY AND INTEGRITY	690,756	103,613	794,369	472,071	70,811	542,882	338,121	50,718	388,839	73,171	10,976	84,146	
1. Conduct of study and development of conceptual framework and design of local integrity and accountability mechanisms in urban governance	501,927	75,289	577,216										
2. Implementation in 6 Pilot LGUs	188,829	28,324	217,153	472,071	70,811	542,882	283,243	42,486	325,729				
3. Development of Replication Strategies							54,878	8,232	63,110	73,171	10,976	84,146	

3.2 Multi-year Programming

3.2.1 The following tables shows the multi-year programming of the total investments denominated in US Dollar and Phil. Pesos.

MULTI-YEAR INVESTMENT PROGRAM
 (IN USD)

PROGRAM/PROJECT/ACTIVITY	YEAR 1			YEAR 2			YEAR 3			YEAR 4		
	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total
TOTAL INVESTMENT	6,069,030	786,375	6,855,405	9,246,873	1,709,299	10,956,172	4,668,403	823,255	5,491,657	2,605,221	436,031	3,041,253
A. MORE AGGRESSIVE AND EFFECTIVE ENFORCEMENT OF ANTI-CORRUPTION LAWS	212,625	31,894	244,519	70,875	10,631	81,506						
B. STRENGTHENING THE INFRASTRUCTURE OF PULIC SECTOR INSITUTIONS	2,227,472	259,632	2,487,104	1,345,554	106,340	1,451,894	169,110	72,518	241,628	-	47,151	47,151
1. Development and Implementation of Public Sector Integrity Standards	2,227,472	259,632	2,487,104	454,365	79,604	533,969	169,110	45,782	214,892	-	20,415	20,415
a. Design and installation of integrity standards and indicators of institutional/system integrity	1,226,100	183,915	1,410,015									
b. Conduct of Pilot agency/public sector system specific integrity audits				394,590	59,189	453,779	169,110	25,367	194,477			
c. Advisory and Publication of Integrity Audits				59,775	1,793	61,568		1,793	1,793		1,793	1,793
d. Public Sector Orientation Program	207,386	6,222	213,607		6,222	6,222		6,222	6,222		6,222	6,222
e. Design and operation of OMB operating and management systems, including results-based monitoring system	413,354	12,401	425,755		12,401	12,401		12,401	12,401		12,401	12,401
f. Competency building of OMB personnel	380,632	57,095	437,727									
2. Diagnostic Studies on Corruption Vulnerabilities in Public Sector				891,189	26,736	917,925		26,736	26,736		26,736	26,736
C. ACHIEVING GOOD LOCAL/URBAN GOVERNANCE THROUGH ACCOUNTABILITY AND INTEGRITY	690,756	103,613	794,369	472,071	70,811	542,882	338,121	50,718	388,839	73,171	10,976	84,146
1. Conduct of study and development of conceptual framework and design of local integrity and accountability mechanisms in urban governance	501,927	75,289	577,216			-			-			-
2. Implementation in 6 Pilot LGUs	188,829	28,324	217,153	472,071	70,811	542,882	283,243	42,486	325,729			
3. Development of Replication Strategies							54,878	8,232	63,110	73,171	10,976	84,146

PROGRAM/PROJECT/ACTIVITY	YEAR 5			YEAR 6			TOTAL (in USD)		
	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total
TOTAL INVESTMENT	1,044,791	337,237	1,382,028	1,008,642	331,814	1,340,456	24,642,959	4,424,011	29,066,970
A. MORE AGGRESSIVE AND EFFECTIVE ENFORCEMENT OF ANTI-CORRUPTION LAWS							283,500	42,525	326,025
B. STRENGTHENING THE INFRASTRUCTURE OF PUBLIC SECTOR INSTITUTIONS	-	37,840	37,840	-	37,840	37,840	3,742,136	561,320	4,303,457
1. Development and Implementation of Public Sector Integrity Standards	-	11,104	11,104	-	11,104	11,104	2,850,947	427,642	3,278,589
a. Design and installation of integrity standards and indicators of institutional/system integrity							1,226,100	183,915	1,410,015
b. Conduct of Pilot agency/public sector system specific integrity audits							563,700	84,555	648,255
c. Advisory and Publication of Integrity Audits		1,793	1,793		1,793	1,793	59,775	8,966	68,741
d. Public Sector Orientation Program		3,111	3,111		3,111	3,111	207,386	31,108	238,494
e. Design and operation of OMB operating and management systems, including results-based monitoring system		6,200	6,200		6,200	6,200	413,354	62,003	475,357
f. Competency building of OMB personnel							380,632	57,095	437,727
2. Diagnostic Studies on Corruption Vulnerabilities in Public Sector		26,736	26,736		26,736	26,736	891,189	133,678	1,024,868
C. ACHIEVING GOOD LOCAL/URBAN GOVERNANCE THROUGH ACCOUNTABILITY AND INTEGRITY	36,585	5,488	42,073	18,293	2,744	21,037	1,628,997	244,350	1,873,347
1. Conduct of study and development of conceptual framework and design of local integrity and accountability mechanisms in urban governance			-			-	501,927	75,289	577,216
2. Implementation in 6 Pilot LGUs							944,143	141,621	1,085,764
3. Development of Replication Strategies	36,585	5,488	42,073	18,293	2,744	21,037	182,927	27,439	210,366

PROGRAM/PROJECT/ACTIVITY	YEAR 1			YEAR 2			YEAR 3			YEAR 4		
	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total
D. ENHANCING THE ANTI-CORRUPTION LEGAL FRAMEWORK	194,140	29,121	223,261	223,946	33,592	257,538	-	-	-	-	-	-
1. Review and modification of anti-corruption laws	194,140	29,121	223,261	83,203	12,480	95,683						
2. Design and implementation of integrity standards and review mechanisms in the preparation of laws				140,743	21,111	161,854						
E. STRENGTHENING THE INDEPENDENCE AND CAPACITIES OF ANTI-CORRUPTION AND INTEGRITY DEVELOPMENT AGENCIES	201,640	30,246	231,886	86,417	12,963	99,380						
F. WIDENING AND SYNCHRONIZING COLLABORATION WITH PARTNER STAKEHOLDERS	503,962	43,197	547,159	436,749	50,676	487,426	-	11,808	11,808	-	11,808	11,808
G. ESTABLISHING EFFECTIVE KNOWLEDGE DEVELOPMENT AND SHARING MECHANISMS	143,857	21,579	165,436	1,084,669	364,375	1,449,044	564,987	262,016	827,003	886,516	244,930	1,131,446
1. Anti-Corruption Surveys of Citizens and Business	17,857	2,679	20,536	17,857	2,679	20,536	17,857	2,679	20,536	17,857	2,679	20,536
2. Knowledge Sharing	-	-	-	263,982	39,597	303,579	-	-	-	-	-	-
a. Dialogues and Fora				214,286	32,143	246,429						
b. Intercountry Studies				49,696	7,454	57,151						
3. Training	-	-	-	566,267	104,465	670,732	310,567	41,704	352,271	196,659	24,618	221,276
4. Establishment of Integrity Development Institute	126,000	18,900	144,900	236,563	217,634	454,196	236,563	217,634	454,196	672,000	217,634	889,634
a. Conceptualization and Design of the Institute	50,400	7,560	57,960									
b. Program Development, Design of Curricula and Delivery System	75,600	11,340	86,940									
c. Establishment and Operation			-	236,563	217,634	454,196	236,563	217,634	454,196	672,000	217,634	889,634

PROGRAM/PROJECT/ACTIVITY	YEAR 5			YEAR 6			TOTAL (in USD)		
	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total
D. ENHANCING THE ANTI-CORRUPTION LEGAL FRAMEWORK	-	-	-	-	-	-	418,086	62,713	480,799
1. Review and modification of anti-corruption laws							277,343	41,601	318,944
2. Design and implementation of integrity standards and review mechanisms in the preparation of laws							140,743	21,111	161,854
E. STRENGTHENING THE INDEPENDENCE AND CAPACITIES OF ANTI-CORRUPTION AND INTEGRITY DEVELOPMENT AGENCIES							288,057	43,209	331,266
F. WIDENING AND SYNCHRONIZING COLLABORATION WITH PARTNER STAKEHOLDERS	-	11,808	11,808	-	11,808	11,808	940,711	141,107	1,081,818
G. ESTABLISHING EFFECTIVE KNOWLEDGE DEVELOPMENT AND SHARING MECHANISMS	772,607	227,844	1,000,451	754,750	225,165	979,915	4,207,386	1,345,909	5,553,294
1. Anti-Corruption Surveys of Citizens and Business	17,857	2,679	20,536				89,286	13,393	102,679
2. Knowledge Sharing	-	-	-	-	-	-	263,982	39,597	303,579
a. Dialogues and Fora							214,286	32,143	246,429
b. Intercountry Studies							49,696	7,454	57,151
3. Training	82,750	7,531	90,281	82,750	7,531	90,281	1,238,993	185,849	1,424,842
4. Establishment of Integrity Development Institute	672,000	217,634	889,634	672,000	217,634	889,634	2,615,125	1,107,070	3,722,195
a. Conceptualization and Design of the Institute							50,400	7,560	57,960
b. Program Development, Design of Curricula and Delivery System							75,600	11,340	86,940
c. Establishment and Operation	672,000	217,634	889,634	672,000	217,634	889,634	2,489,125	1,088,170	3,577,295

PROGRAM/PROJECT/ACTIVITY	YEAR 1			YEAR 2			YEAR 3			YEAR 4		
	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total
H. CAPACITY DEVELOPMENT OF THE OMB	1,894,578	267,094	2,161,671	5,526,591	1,059,912	6,586,503	3,596,185	426,194	4,022,379	1,645,535	121,166	1,766,701
1. Reengineering the Administrative Structure, Staffing and Operating Systems of the OMB	1,545,045	231,757	1,776,802	1,030,030	154,505	1,184,535						
2. Creation of Surveillance Units (Equippage)	136,741	3,419	140,160		3,419	3,419		3,419	3,419		3,419	3,419
3. Design of the Resource Mobilization System including Legislation				78,279	11,742	90,020						
4. Development and Implementation of an Integrated Integrity Information System	-	-	-	4,311,139	874,176	5,185,315	3,489,042	406,704	3,895,746	1,538,392	101,676	1,640,068
a. Development of OMB Information Systems Architecture and Definition of Information Systems Functional and User Specifications Requirements				1,558,240	467,472	2,025,712						
b. Application Systems Design and Development, testing, user training installation, and implementation including change management				2,752,899	406,704	3,159,603	3,489,042	406,704	3,895,746	1,538,392	101,676	1,640,068
5. Development and Implementation of OMB Witness Protection System	212,791	31,919	244,710	107,143	16,071	123,214	107,143	16,071	123,214	107,143	16,071	123,214

PROGRAM/PROJECT/ACTIVITY	YEAR 5			YEAR 6			TOTAL (in USD)		
	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total
H. CAPACITY DEVELOPMENT OF THE OMB	235,599	54,257	289,855	235,599	54,257	289,855	13,134,085	1,982,879	15,116,965
1. Reengineering the Administrative Structure, Staffing and Operating Systems of the OMB							2,575,075	386,261	2,961,336
2. Creation of Surveillance Units (Equippage)		3,419	3,419		3,419	3,419	136,741	20,511	157,252
3. Design of the Resource Mobilization System including Legislation							78,279	11,742	90,020
4. Development and Implementation of an Integrated Integrity Information System	235,599	50,838	286,437	235,599	50,838	286,437	9,809,771	1,484,232	11,294,003
a. Development of OMB Information Systems Architecture and Definition of Information Systems Functional and User Specifications Requirements							1,558,240	467,472	2,025,712
b. Application Systems Design and Development, testing, user training installation, and implementation including change management	235,599	50,838	286,437	235,599	50,838	286,437	8,251,531	1,016,760	9,268,291
5. Development and Implementation of OMB Witness Protection System	-	-	-	-	-	-	534,220	80,133	614,353

MULTI-YEAR INVESTMENT PROGRAM
 (IN PHP)

PROGRAM/PROJECT/ACTIVITY	YEAR 1			YEAR 2			YEAR 3			YEAR 4		
	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total
TOTAL INVESTMENT	339,865,652	44,037,024	383,902,676	517,824,865	95,720,744	613,545,609	261,430,553	46,102,257	307,532,810	145,892,393	24,417,752	170,310,145
A. MORE AGGRESSIVE AND EFFECTIVE ENFORCEMENT OF ANTI-CORRUPTION LAWS	11,907,000	1,786,050	13,693,050	3,969,000	595,350	4,564,350						
B. STRENGTHENING THE INFRASTRUCTURE OF PUBLIC SECTOR INSTITUTIONS	124,738,440	14,539,393	139,277,833	75,351,040	5,955,019	81,306,059	9,470,160	4,060,987	13,531,147	-	2,640,463	2,640,463
1. Development and Implementation of Public Sector Integrity Standards												
a. Design and installation of integrity standards and indicators of institutional/system integrity	68,661,600	10,299,240	78,960,840									
b. Conduct of Pilot agency/public sector system specific integrity audits				22,097,040	3,314,556	25,411,596	9,470,160	1,420,524	10,890,684			
c. Advisory and Publication of Integrity Audits				3,347,400	100,422	3,447,822		100,422	100,422		100,422	100,422
d. Public Sector Orientation Program	11,613,600	348,408	11,962,008		348,408	348,408		348,408	348,408		348,408	348,408
e. Design and operation of OMB operating and management systems, including results-based monitoring system	23,147,840	694,435	23,842,275		694,435	694,435		694,435	694,435		694,435	694,435
f. Competency building of OMB personnel	21,315,400	3,197,310	24,512,710									
2. Diagnostic Studies on Corruption Vulnerabilities in Public Sector				49,906,600	1,497,198	51,403,798		1,497,198	1,497,198		1,497,198	1,497,198
C. ACHIEVING GOOD LOCAL/URBAN GOVERNANCE THROUGH ACCOUNTABILITY AND INTEGRITY	38,682,320	5,802,348	44,484,668	26,436,000	3,965,400	30,401,400	18,934,776	2,840,216	21,774,992	4,097,568	614,635	4,712,203
1. Conduct of study and development of conceptual framework and design of local integrity and accountability mechanisms in urban governance	28,107,920	4,216,188	32,324,108			-			-			-
2. Implementation in 6 Pilot LGUs	10,574,400	1,586,160	12,160,560	26,436,000	3,965,400	30,401,400	15,861,600	2,379,240	18,240,840			
3. Development of Replication Strategies							3,073,176	460,976	3,534,152	4,097,568	614,635	4,712,203
D. ENHANCING THE ANTI-CORRUPTION LEGAL FRAMEWORK	10,871,840	1,630,776	12,502,616	12,540,960	1,881,144	14,422,104	-	-	-	-	-	-
1. Review and modification of anti-corruption laws	10,871,840	1,630,776	12,502,616	4,659,360	698,904	5,358,264						
2. Design and implementation of integrity standards and review mechanisms in the preparation of laws				7,881,600	1,182,240	9,063,840						
E. STRENGTHENING THE INDEPENDENCE AND CAPACITIES OF ANTI-CORRUPTION AND INTEGRITY DEVELOPMENT AGENCIES	11,291,840	1,693,776	12,985,616	4,839,360	725,904	5,565,264						
F. WIDENING AND SYNCHRONIZING COLLABORATION WITH PARTNER STAKEHOLDERS	28,221,872	2,419,018	30,640,890	24,457,968	2,837,861	27,295,829	-	661,274	661,274	-	661,274	661,274

PROGRAM/PROJECT/ACTIVITY	YEAR 5			YEAR 6			TOTAL (in PHP)		
	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total
TOTAL INVESTMENT	58,508,316	18,885,253	77,393,569	56,483,924	18,581,594	75,065,518	1,380,005,705	247,744,623	1,627,750,328
A. MORE AGGRESSIVE AND EFFECTIVE ENFORCEMENT OF ANTI-CORRUPTION LAWS							15,876,000	2,381,400	18,257,400
B. STRENGTHENING THE INFRASTRUCTURE OF PUBLIC SECTOR INSTITUTIONS	-	2,119,042	2,119,042	-	2,119,042	2,119,042	209,559,640	31,433,946	240,993,586
1. Development and Implementation of Public Sector Integrity Standards	-	621,844	621,844	-	621,844	621,844	159,653,040	23,947,956	183,600,996
a. Design and installation of integrity standards and indicators of institutional/system integrity							68,661,600	10,299,240	78,960,840
b. Conduct of Pilot agency/public sector system specific integrity audits							31,567,200	4,735,080	36,302,280
c. Advisory and Publication of Integrity Audits		100,422	100,422		100,422	100,422	3,347,400	502,110	3,849,510
d. Public Sector Orientation Program		174,204	174,204		174,204	174,204	11,613,600	1,742,040	13,355,640
e. Design and operation of OMB operating and management systems, including results-based monitoring system		347,218	347,218		347,218	347,218	23,147,840	3,472,176	26,620,016
f. Competency building of OMB personnel							21,315,400	3,197,310	24,512,710
2. Diagnostic Studies on Corruption Vulnerabilities in Public Sector		1,497,198	1,497,198		1,497,198	1,497,198	49,906,600	7,485,990	57,392,590
C. ACHIEVING GOOD LOCAL/URBAN GOVERNANCE THROUGH ACCOUNTABILITY AND INTEGRITY	2,048,784	307,318	2,356,102	1,024,392	153,659	1,178,051	91,223,840	13,683,576	104,907,416
1. Conduct of study and development of conceptual framework and design of local integrity and accountability mechanisms in urban governance			-			-	28,107,920	4,216,188	32,324,108
2. Implementation in 6 Pilot LGUs							52,872,000	7,930,800	60,802,800
3. Development of Replication Strategies	2,048,784	307,318	2,356,102	1,024,392	153,659	1,178,051	10,243,920	1,536,588	11,780,508
D. ENHANCING THE ANTI-CORRUPTION LEGAL FRAMEWORK	-	-	-	-	-	-	23,412,800	3,511,920	26,924,720
1. Review and modification of anti-corruption laws							15,531,200	2,329,680	17,860,880
2. Design and implementation of integrity standards and review mechanisms in the preparation of laws							7,881,600	1,182,240	9,063,840
E. STRENGTHENING THE INDEPENDENCE AND CAPACITIES OF ANTI-CORRUPTION AND INTEGRITY DEVELOPMENT AGENCIES							16,131,200	2,419,680	18,550,880
F. WIDENING AND SYNCHRONIZING COLLABORATION WITH PARTNER STAKEHOLDERS	-	661,274	661,274	-	661,274	661,274	52,679,840	7,901,976	60,581,816

PROGRAM/PROJECT/ACTIVITY	YEAR 1			YEAR 2			YEAR 3			YEAR 4		
	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total
G. ESTABLISHING EFFECTIVE KNOWLEDGE DEVELOPMENT AND SHARING MECHANISMS	8,056,000	1,208,400	9,264,400	60,741,460	20,404,980	81,146,440	31,639,260	14,672,918	46,312,178	49,644,880	13,716,086	63,360,966
1. Anti-Corruption Surveys of Citizens and Business	1,000,000	150,000	1,150,000	1,000,000	150,000	1,150,000	1,000,000	150,000	1,150,000	1,000,000	150,000	1,150,000
2. Knowledge Sharing	-	-	-	14,783,000	2,217,450	17,000,450	-	-	-	-	-	-
a. Dialogues and Fora				12,000,000	1,800,000	13,800,000						
b. Intercountry Studies				2,783,000	417,450	3,200,450						
3. Training	-	-	-	31,710,960	5,850,030	37,560,990	17,391,760	2,335,418	19,727,178	11,012,880	1,378,586	12,391,466
4. Establishment of Integrity Development Institute	7,056,000	1,058,400	8,114,400	13,247,500	12,187,500	25,435,000	13,247,500	12,187,500	25,435,000	37,632,000	12,187,500	49,819,500
a. Conceptualization and Design of the Institute	2,822,400	423,360	3,245,760									
b. Program Development, Design of Curricula and Delivery System	4,233,600	635,040	4,868,640									
c. Establishment and Operation			-	13,247,500	12,187,500	25,435,000	13,247,500	12,187,500	25,435,000	37,632,000	12,187,500	49,819,500
H. CAPACITY DEVELOPMENT OF THE OMB	106,096,340	14,957,264	121,053,604	309,489,077	59,355,086	368,844,163	201,386,357	23,866,862	225,253,219	92,149,945	6,785,294	98,935,238
1. Reengineering the Administrative Structure, Staffing and Operating Systems of the OMB	86,522,520	12,978,378	99,500,898	57,681,680	8,652,252	66,333,932						
2. Creation of Surveillance Units (Equippage)	7,657,500	191,438	7,848,938		191,438	191,438		191,438	191,438		191,438	191,438
3. Design of the Resource Mobilization System including Legislation				4,383,600	657,540	5,041,140						
4. Development and Implementation of an Integrated Integrity Information System	-	-	-	241,423,797	48,953,856	290,377,653	195,386,357	22,775,424	218,161,781	86,149,945	5,693,856	91,843,801
a. Development of OMB Information Systems Architecture and Definition of Information Systems Functional and User Specifications Requirements				87,261,440	26,178,432	113,439,872						
b. Application Systems Design and Development, testing, user training installation, and implementation including change management				154,162,357	22,775,424	176,937,781	195,386,357	22,775,424	218,161,781	86,149,945	5,693,856	91,843,801
5. Development and Implementation of OMB Witness Protection System	11,916,320	1,787,448	13,703,768	6,000,000	900,000	6,900,000	6,000,000	900,000	6,900,000	6,000,000	900,000	6,900,000

PROGRAM/PROJECT/ACTIVITY	YEAR 5			YEAR 6			TOTAL (in PHP)		
	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total	Donor Assisted	GOP Counterpart	Total
G. ESTABLISHING EFFECTIVE KNOWLEDGE DEVELOPMENT AND SHARING MECHANISMS	43,266,000	12,759,254	56,025,254	42,266,000	12,609,254	54,875,254	235,613,600	75,370,890	310,984,490
1. Anti-Corruption Surveys of Citizens and Business	1,000,000	150,000	1,150,000				5,000,000	750,000	5,750,000
2. Knowledge Sharing	-	-	-	-	-	-	14,783,000	2,217,450	17,000,450
a. Dialogues and Fora							12,000,000	1,800,000	13,800,000
b. Intercountry Studies							2,783,000	417,450	3,200,450
3. Training	4,634,000	421,754	5,055,754	4,634,000	421,754	5,055,754	69,383,600	10,407,540	79,791,140
4. Establishment of Integrity Development Institute	37,632,000	12,187,500	49,819,500	37,632,000	12,187,500	49,819,500	146,447,000	61,995,900	208,442,900
a. Conceptualization and Design of the Institute							2,822,400	423,360	3,245,760
b. Program Development, Design of Curricula and Delivery System							4,233,600	635,040	4,868,640
c. Establishment and Operation	37,632,000	12,187,500	49,819,500	37,632,000	12,187,500	49,819,500	139,391,000	60,937,500	200,328,500
H. CAPACITY DEVELOPMENT OF THE OMB	13,193,532	3,038,366	16,231,898	13,193,532	3,038,366	16,231,898	735,508,785	111,041,235	846,550,020
1. Reengineering the Administrative Structure, Staffing and Operating Systems of the OMB							144,204,200	21,630,630	165,834,830
2. Creation of Surveillance Units (Equippage)		191,438	191,438		191,438	191,438	7,657,500	1,148,625	8,806,125
3. Design of the Resource Mobilization System including Legislation							4,383,600	657,540	5,041,140
4. Development and Implementation of an Integrated Integrity Information System	13,193,532	2,846,928	16,040,460	13,193,532	2,846,928	16,040,460	549,347,165	83,116,992	632,464,157
a. Development of OMB Information Systems Architecture and Definition of Information Systems Functional and User Specifications Requirements							87,261,440	26,178,432	113,439,872
b. Application Systems Design and Development, testing, user training installation, and implementation including change management	13,193,532	2,846,928	16,040,460	13,193,532	2,846,928	16,040,460	462,085,725	56,938,560	519,024,285
5. Development and Implementation of OMB Witness Protection System	-	-	-	-	-	-	29,916,320	4,487,448	34,403,768

UNDP PHI/02/008 ANTI-CORRUPTION:
STRENGTHENING INSTITUTIONAL CAPACITIES TO PROMOTE
ETHICAL, TRANSPARENT AND ACCOUNTABLE GOVERNANCE

**OMB Medium-Term
Anti-Corruption Plan
and Investment Program**

ANNEXES

Annex " A "

REVIEW OF INTERNATIONAL EXPERIENCES

1 JAPAN¹

- 1.1.1 The Government of Japan does not have a national information disclosure law but for the past fifteen years, the prefecture and local governments passed information disclosure ordinances (IDOs) at an explosive pace. In a 1988 opinion poll of 2,000 residents conducted in the Fukushima Prefecture, 88% thought that some type of information disclosure system was necessary to guarantee government disclosure of documents. Respondents cited "the public's right to know" and "the prevention of wasteful or unjust spending of taxpayers' money" as a justification for an information disclosure system. For example, the media reported that one official authorized expenditure of 10 million yen per outing. Money earmarked for public works projects was diverted to fund social gatherings. These revelations led 1,800 residents to demand an audit. Ultimately, the governor resigned to take responsibility for the misuse of funds.
- 1.1.2 Following the establishment of this "right to know on the prefecture and local level, Japanese courts have handed down several important opinions interpreting IDOs, including three recent Supreme Court opinions, two of which strike serious blows against the information disclosure movement. In these two cases, the supreme court articulated a vision of the right to know that bestows upon bureaucrats a powerful right to refuse to disclose even the most innocuous information: a governor's social expense account. But in the third case, which also involved a request for a public entity's entertainment expenditures, the Supreme Court about-faced and ordered disclosure. This opinion exhibited a more skeptical view of the bureaucracy by requiring the government to prove concretely any damage that might be caused by disclosure.
- 1.1.3 Which of these two competing judicial interpretations prevails in the future will be important to the information disclosure movement's future course. If lower courts apply the supreme court's initial interpretation, which adheres to Japanese administrative law's tradition of deference towards government organs' decisions and manifests a distrust of liberal information disclosure, the information disclosure movement will still face significant jurisprudential obstacles, even if citizens surmount the political and bureaucratic obstacles and enact a national IDL. If lower courts apply the Supreme Court's other approach, however, there is more room for optimism.²

¹ D. Boleng, *Access to Government-Held Information in Japan: Citizens' Right to Know Bows to the Bureaucracy*, STANDARD J. INT'L LAW 1-38 (1998).

² *Ibid.*, p. 5.

- 1.1.4 Note that the National Citizens Ombudsman Organization also contributed to the publicity of corrupt public officials.

2 KOREA³

- 2.1.1 Korea enacted a special law, The Foreign Bribery Prevention Act (FBPA) as the implementing legislation of the OECD Bribery Convention. It follows to a larger extent the text of the Convention. The Government decided to enact a special law to deal with the offense of bribery of foreign public officials. The special law would work in concert with the provisions of the Korean Criminal Code, which would apply in principle to the offenses prescribed by special criminal laws, unless stipulated in the special law.
- 2.1.2 Under the FBPA, any person who promises, gives or offers a bribe to a foreign public official in relation to his or her official duties in order to obtain improper advantage in the conduct of international business transactions shall be subject to prosecution. Unlike the OECD Convention, the FBPA does not explicitly state whether the bribe must be for the benefit of a foreign public official or a third party in order to constitute bribery. In addition, the FBPA does not explicitly state whether the payment must be made directly or through intermediaries.
- 2.1.3 In general, the domestic bribery offense under the Korean Criminal Code is much more broadly construed than the foreign bribery offense under the FBPA. In contrast, the bribery statutes of the Code simply provide that any public official who “receives, demands or promises a bribe in relation to the official duties” commits a bribery offense. However, the second quid pro quo element of bribery required by the FBPA does not explicitly appear in the Korean Criminal Code. Thus, the quid pro quo element is left to the interpretation of the courts with regard to domestic bribery offenses. The Korean Supreme Court has held that even when a payment is made as a gift or as a demonstration of social courtesy, the payment will nonetheless be considered an illicit bribe if the payment is made as a quid pro quo in relation to the official's duty.
- 2.1.4 The Korean Supreme Court has also held that when establishing a bribery offense, it does not matter whether any of the public official's duties is violated, whether favors have been requested or whether the public official's act or omission is within his or her authorized duty or competence. Likewise, the Court has broadly interpreted a public official's duty to include those duties for which he was responsible in the past as well as in the future. More importantly, it has held that the timing of the payment to a public official to secure an act or omission of official duty is not relevant to establishing a bribery offense.

³ Jong Bum Kai, *Korean Implementation of the OECD Bribery Convention: Implications for Global Efforts to Fight Corruption*, 17 PACIFIC BASIN L.J. 245-275 (1999-2000).

2.1.5 Under the FBPA, a “foreign public official” is broadly defined in 3 ways:

- Any person holding a legislative, administrative or judicial office of a government, elected or appointed;
- Person works for a public organization or agency established by law to carry out a specific business for the public interest;
- Person works as an executive or employee of any enterprise over which a foreign government exercises a “public function.”

2.1.6 The FBPA creates two classes of permissible payments:

- If the payment is permitted or required by the law of the foreign public official's country, the undue payment to that foreign public official does not constitute bribery;
- If only small pecuniary or other advantage is promised, given or offered to a foreign public official in order to facilitate the legitimate performance of the official's business.

2.1.7 The briber of a foreign public official under the FBPA is punishable by a maximum of 5 years imprisonment or a maximum fine of 5 million won. If the proceeds obtained from bribery exceed 10 million won, a fine of up to twice the amount of the proceeds will be imposed on the briber, in addition to a maximum sentence of 5 years imprisonment. Korea established the criminal liability of a legal person with the proviso that “if the legal person has paid due attention or has exercised proper supervision to prevent the offense,” it would not be liable under the FBPA. Therefore, to prove liability, it has to show that the legal person was negligent in paying due attention or exercising proper supervision to prevent the offense. The Korean Supreme Court has held that general and abstract supervision by a legal person to prevent an offense by its employees was an insufficient defense to liability.

2.1.8 Korea has jurisdiction over the bribery of a foreign public official that occurs in whole or in part in its territory. However, when a bribe is paid to a foreign public official by a foreign employee of a Korean company, the Korean authorities will not have jurisdiction over the foreign employee because it is committed by a foreign national. But the Korean authorities may exercise jurisdiction over the legal person whose employee has committed the foreign bribery offense.

3 USA

3.1 Employment Restrictions on Former Government Officials, 18 U.S.C.A. 207⁴

3.1.1 Few areas invite as much controversy for federal contractors as the employment of former government employees. Almost every federal contractor would like to acquire the expertise of departing military personnel and civilian employees. A few contractor want to live government employees for illegal and improper reasons. To put pressure on their colleges in government to make based decisions about solicitation, contract modifications and other matters. Thus, in 1992, Congress overhauled the entire set of laws that address graft and corruption in the federal government.

3.1.2 Sec. 207 (a) places two kinds restrictions on former employees of the executive branch of the U.S. Government or of The District of Columbia. The First restriction prohibits these persons, for life, from:

“Knowingly making with the intent of influence, any communication to or appearance before any officer or employee of any department, agency, court or court-martial of United States of the District of Columbia, on behalf of any person (except the U.S. or the District of Columbia) in connection with a particular matter –

- a) In which the United States or the District of Columbia is a party or has a direct and substantial interest,
- b) In which the person participated personally and substantially as such officer or employee, and
- c) Which involved a specific party or specific parties at the time of the such participation...”

3.1.3 Subsection 2 (a) (2) places a two year restrictions on any former government officer or employee who:

“Knowingly makes, with the intent to influence any communication to or appearance before any officers or employee of any department, agency, court or court-martial of the U.S. at the District of Columbia, on behalf of any person (except the U.S. or The District of Columbia), in connection with a particular matter –

- a) In which the U.S. or the District of Columbia is a party or lies a direct and substantial interest,
- b) Which such person knows or reasonable should know was actually pending under his or her official responsibilities as such officer or employee within a

⁴ JS Roberts, Jr., “The Revolving Door” Issues Related to the Hiring of Former Federal Government Employees, 43 Alabama L. Rev 343-397 (1992)

period of one year or employee within a period of one year before the termination of his or her services or employment with the U.S. or The District of Columbia, and

- c) Which involved a specific party or specific parties at the time it was pending....”
- 3.1.4 In other words, for the two year after their government service terminates, former employees or officers may not contract persons in government concerning matters for which the former employee or officers before responsible in the last year of their government services.
- 3.1.5 In U.S. vs. Nasser, [476 F. sd 1111 (7th Leic, 1973), defendant was an attorney formerly employed by the Internal Revenue Service (IRS). Shortly after leaving the government and entering into a private ax practice, he was indicted for violating section 207(a)

3.2 Procurement Integrity Act

- 3.2.1 Prohibitions against a number of improper business and contracting parties led to thee enactment of the Procurement Integrity Act. Employees of a government contractor involved in a procurement must certify that they do not know about any violations of the Act, and they promise to disclose any violations that they before aware in the future. If a contractor’s employees know about violations, they must inform the contracting officer. Apparently, the government hopes to enforce the Act through the certification process:
- 3.2.2 The Procurement integrity Act prohibits certain activities by primarily two categories of people procurement offices and the competing contractors under this act, “ under this act, “procurement official” means any officer or employees of an agency who participated personally and substantially in drafting, reviewing or approving a specification or statement of work; preparing or developing a procurement or purchase request, preparing or issuing procurement solicitation; evaluating bids or proposals or selecting sources negotiating to established the price or terms and conditions of a contract or contract modification, or reviewing and approving the awards or modification of a contract.
- 3.2.3 This definition includes private contracts, subcontractors, consultants, experts, and other subcontractors acting on behalf of or providing advices to a government agency with respect to a procurement. For instance, in a contractor assisted the government in developing specification for an upcoming procurement, it would satisfy the definition of “procurement official”.
- 3.2.4 The phases “completing contractor” means any organization or individual legally capable of entering into a contract or subcontract under a procurement or any person acting on behalf of such person or entities. With a shrinking federal budget, federal contractors should assume that term “competing contractor” includes any company remotely interested in a particular procurement.

3.2.5 The Federal Acquisition Regulation (FAR) forced government contracting officers to require each contractor/offer or to submit a certification with the offer⁵. When they sign their certification statements, all procurement officials and the competing contractors promises to report any violations of the Act of which they later become aware. The FAR specifically provides that if an officer submits a bid or proposals without the signed certificate from the employees responsible for the preparation of the offer, the contracting officer shall reject the bid or proposal as non-responsive. Furthermore, any employees, consultants, and other persons wanting a contractor on any procurement must submit a one-time certification of their employer. This certification resolves the one requirement of the contractor's responsible employee. The government may request further certifications for any reason. If the offer fails to submit additional requested certifications, the contracting officers must reject the offer made by the contractor.

3.2.6 This act prohibits three types of activities:

- a) Any attempt to influence a procurement official's decisions by bidding him or giving a gratuity with more than ten dollars
- b) Prohibits employment of former procurement officials for two years if the contractor desires to use them on a procurement that they personally and substantially participated in which employed by the government
- c) Prohibits the disclosure of proprietary or source selection information to competing contractors during the conduct of the procurement

3.2.7 The Penalties for Violation of the Act:

- a) Civil – It includes civil fines of \$100,000.00 for civilians or \$1,000,000.00 for a competing contractor. Other civil penalties are simply cancelled the procurement on disqualify the suspected offender. Further, the officer may take action to suspend or debar the accused contractor.
- b) Criminal – Criminal penalties for competing contractors who knowingly and willfully solicit promontory or source selection information from procurement official or other government employee. Additionally, the Act provides penalties for direct and indirect receipt of preliminary or source selection information for on a procurement official or other government employee.

3.2.8 Restrictions Target at Specific Government Agencies

Government Agencies

- a) Limitations on employment of certain former Department of Defense Employee, IO U.S.CA, Section 2397 and 2397 (a) – (c)
- b) Restriction on employment of former military officers, 18 USCA sec. 281

⁵ FAR, Sec. 52, 203-8

- c) Additional Restrictions on Former Officers of the Uniformed Servers, 37 USCA. Sec. 801
- d) One-year Ban applying to Service Supervisory employment from the Department of Energy, 42 USCA sec. 7215

3.2.9 In 18, USCA sect. 1001, the Statute States:

“Whosoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceal or covers up by any tricks, scheme, or devices a material fact, or mistakes any false, fictitious or fraudulent statement or representations, or making or uses any false writing or document becoming the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more that \$10,000.00 or imprisoned not more the five years or both.”

Annex " B" IMPLEMENTATION SCHEDULE

PROGRAM / PROJECT / ACTIVITY	YEAR 1				YEAR 2				YEAR 3				YEAR 4				YEAR 5				YEAR 6			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A. MORE AGGRESSIVE AND EFFECTIVE ENFORCEMENT OF ANTI-CORRUPTION LAWS																								
1 Mobilization of Partners																								
2 Design and Implementation of Fast Track Mechanisms																								
B STRENGTHENING THE INTEGRITY INFRASTRUCTURE OF PUBLIC INSTITUTIONS																								
1 Development and Implementation of Public Sector Integrity Standards																								
a Design and Installation of Integrity Standards and Indicators of Institution / system Integrity																								
b Conduct of Pilot Agency / Public Sector System Specific Integrity Audits																								
c Advisory and Publication of Integrity Audits																								
d Public Sector Orientation Program																								
e Design and implementation of OMB operating and management systems, including Results-Based Monitoring System																								
f Competency Building of OMB Personnel																								
2 Diagnostic Studies on Corruption vulnerabilities in the Public Sector																								
C ACHIEVING GOOD LOCAL/URBAN GOVERNANCE THROUGH ACCOUNTABILITY AND INTEGRITY																								
1 Conduct of study and development of conceptual framework and design of local integrity and accountability mechanisms in urban governance																								
2 Implementation in 6 pilot LGUs																								
3 Development and implementation of replication strategies																								

PROGRAM / PROJECT / ACTIVITY	YEAR 1				YEAR 2				YEAR 3				YEAR 4				YEAR 5				YEAR 6			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
D ENHANCING THE ANTI-CORRUPTION LEGAL FRAMEWORK																								
1 Review, Modification and Codification of Anti-Corruption Laws																								
2 Design and Implementation of Integrity Standards and Review Mechanisms in the Preparation of Laws																								
E STRENGTHENING THE INDEPENDENCE AND CAPACITIES OF ANTI-CORRUPTION AND INTEGRITY DEVELOPMENT AGENCIES																								
1 Development and Detailed Design of Integrity Standards																								
2 Conduct of Collaborative Review																								
3 Provision of Technical Assistance																								
4 Design and Implementation of Advocacy Program																								
5 Establishment of Partnership																								
6 Design and Installation of OMB Operating Systems																								
F WIDENING AND SYNCHRONIZING COLLABORATION WITH PARTNER STAKEHOLDERS																								
G ESTABLISHING EFFECTIVE KNOWLEDGE DEVELOPMENT & SHARING MECHANISMS																								
1 Anti-Corruption Surveys of Citizens and Business																								
2 Knowledge Sharing																								
a Dialogue and Fora																								
b Inter-country Studies																								
3 Training																								
4 Establishment of Integrity Development Institute																								
a Conceptualization and Design of the Institute																								
b Program Development, Design of Curricula and Delivery System																								
c Establishment and Operation																								

PROGRAM / PROJECT / ACTIVITY		YEAR 1				YEAR 2				YEAR 3				YEAR 4				YEAR 5				YEAR 6			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
H	CAPACITY DEVELOPMENT OF THE OMB																								
1	Reengineering the Administrative Structure, Staffing and Operating Systems of the OMB																								
a	Reengineering and Installation of Operating System																								
	• Public Assistance																								
	• Field Investigation																								
	• Preliminary Investigation																								
	• Prosecution																								
	• Investigative Monitoring System																								
	• Partnership Development																								
	• Internal Integrity Promotion and Advocacy																								
	• Internal OMB Integrity System																								
	• Security / Protection Program for Ombudsmen, Investigators & Prosecutors																								
2	Creation of Surveillance Units																								
3	Design of the Resource Mobilization System Including Legislation																								
4	Development and Implementation of an Integrated Integrity Information System																								
a	Develop of IS Architecture and User Functional Specification Requirements																								
b	Application Systems Design and Development, Testing, User Training Installation and Implementation Including Change Management																								
5	Design and Implementation of a OMB Witness Protection Program																								

LEGEND		Detailed Assessment and Technical Design
		Installation / Legislation, Piloting / Implementation, Monitoring and Maintenance

Annex " C "

PROFILES OF PROPOSED PROJECTS

Program A

MORE AGGRESSIVE AND EFFECTIVE ENFORCEMENT OF ANTI-CORRUPTION LAWS

The credibility of the medium-term OMB anticorruption plan will depend largely on the ability of the OMB to demonstrate that it is serious and capable in investigating, prosecuting and bringing to justice high-ranking government officials who are involved in graft and corruption based on investigation evidence. The strategy of the medium-term anticorruption plan is to investigate and prosecute a few celebrated cases in a speedy manner while at the same time starting on the deeper and more fundamental integrity development initiatives that will have long-term societal implications. This program will serve two main purposes. First, it will serve as the launching pad upon which the credibility and sustained public and partner support for the anticorruption plan will be anchored. Second, it will act as immediate measure of deterrence and public advocacy on the seriousness of the anti-corruption plan of OMB.

This program will demonstrate OMB judiciousness in performing its main function of investigating and prosecuting with speed and impartiality. The OMB will embark on a more aggressive and effective enforcement of anticorruption laws.

1 Objectives

- a) To enhance credibility in the determination and ability of the anticorruption system by bringing corrupt high-ranking government officials to justice.
- b) To put in place the launching pad and the foundation upon which broad and sustained public and partner support to the medium-term anticorruption program will be anchored.

2 Description

The program will involve the investigation and prosecution of at least 3 celebrated corruption cases and their speedy trial in the Sandiganbayan through the application of the Speedy Trial Act.

The realization of the objectives of this program will require partnerships with the Judiciary and various other partners who can provide support in terms of expertise, evidence, and prosecution assistance. These partnerships will be designed and put in place under this program.

In particular, the program will have two main components:

- Mobilization of volunteers
- Design of fast track mechanisms

Mobilizing volunteers will actually include partnerships with various stakeholders, including the following:

- a) Judiciary - for the application of the speedy trial procedures in the litigation of the cases in the Sandiganbayan.
- b) Private law firms – for the provision of legal assistance in the preparation of the case, prosecution and trial.
- c) Covert/Overt partnerships with volunteers and whistle blowers who will assist OBM investigators and prosecutors in gathering evidence and who will act as witnesses, and in providing thematic expertise related to the context and type of the case.
- d) With NGOs and/or clergy for witness protection.
- e) With civic organizations for the provision of supplementary resources such as operational expenses for volunteers.

Fast-track mechanisms to be designed and implemented will comprise of key operating policies and procedures that will guide the fast-track operations of the OMB and its partners. These will be agreed upon and documented in a project operations manual.

3 Expected Outputs

Project fast-track operations manual

Successful prosecution of 3 celebrated corruption cases

4 Time Duration

3 Years

- 1 case decided by Sandiganbayan within year 1
- 2 cases decided by Sandiganbayan within year 2

Program B

STRENGTHENING THE INTEGRITY INFRASTRUCTURE OF PUBLIC SECTOR INSTITUTIONS

Studies on corruption indicate that corruption prevails due to weaknesses in public sector institutions. In the Philippines, tremendous efforts have been shown in strengthening public sector institutions by instituting more stringent regulation and processing procedures. But these efforts were seen to have only increased the cost of corruption and changed the nature and dynamics of corrupt practices.

This program will facilitate the strengthening of the integrity infrastructures of public sector institutions by designing and implementing a mix of interventions that will encourage or create pressure to improve the insulation of public sector institutions from vulnerability to graft and corruption.

PROJECT B.1

DEVELOPMENT AND IMPLEMENTATION OF PUBLIC SECTOR INTEGRITY STANDARDS

1 Objectives

- a) To facilitate the development of a culture of integrity in the public sector
- b) To strengthen public sector institutions against graft and corruption

2 Description

The project will design, test and install mechanisms that will enable the OMB to prescribe integrity standards for public sector institutions and systems and review public sectors in relation to these standards. The standards will also provide guidance to public sector institutions in upgrading their integrity infrastructures through the tools and methodologies contained in the standards. The project will have the following core components:

- a) **DESIGN AND INSTALLATION OF INTEGRITY STANDARDS AND INDICATORS FOR INSTITUTIONAL/SYSTEM INTEGRITY**

Based on a survey of public sector functions, structures and systems, this component will formulate a set of integrity standards, indicators and evaluation methodology for public sector institutions and systems. The standards will start with the formulation of a public sector integrity framework which will identify the institutional and system design principles and parameters that will promote integrity and strengthen corruption insulation.

Based on the framework institutions and systems will be categorized and a set of integrity standards will be formulated in various areas such as the following examples

- formal structure, functional delineation, centralization vs. decentralization
- policy systems
- regulatory systems
- law enforcement
- monitoring systems
- public services delivery systems
- linkages
- financial management systems (oversight and agency levels)
 - budget processes
 - revenue management
 - financial accounting
 - procurement
 - auditing
 - physical assets management
 - recruitment/appointment/discipline
- legislation
- information management

Integrity standards will comprise of a set of standard features in the above areas that should be present and of a certain quality or configuration such that it deters the commission of corrupt acts and ensures quick detection as well as evidence production. A few examples would include such regular standards as transparency, adequacy of public information and understanding of processes and services, clarity, efficiency of procedures, and quality of information management.

b) CONDUCT OF PILOT AGENCY/SYSTEM SPECIFIC INTEGRITY AUDITS

Procedures for conducting integrity audits will be designed once the standards and indicators are finalized. This will be piloted in selected oversight systems and public sector institutions that are deemed corruption prone.

c) ADVISORY, ACCREDITATION AND PUBLICATION OF INTEGRITY AUDITS

A system of accreditation, procedures for the writing of independent advisories and publication of integrity audit results will be designed and implementation tested on the pilot systems and public sector institutions which will be audited.

d) PUBLIC SECTOR ORIENTATION PROGRAM

The system will be formally launched and the public will be informed. The public's understanding of the standards is important in the subsequent evaluation of the performance of the system. The quality of public feedback will depend on their understanding of how the standards ought to work for them.

A series of orientation sessions with key oversight agencies, national government agencies, anti-corruption agencies as well as agencies which will be pilot targeted will be undertaken. They will be educated on how objectives and procedures that will be applied in audit, accreditation or advisory and public reporting. The accountability of agency heads will be defined and explained.

e) DESIGN AND IMPLEMENTATION OF OMB OPERATING AND MANAGEMENT SYSTEMS, INCLUDING A RESULTS – BASED MONITORING AND EVALUATION SYSTEM

The internal organizational arrangements, staffing and operating procedures for the sustained and institutionalized implementation of the integrity development systems will be formulated. This will include the formulation and production of various tools, such as:

- Integrity standards and indicators user guides
- Integrity audit manuals
- Advisories manual
- Accreditation manual
- Publication procedures manual
- Office procedures manual for the OMB which will prescribe work distribution and loading, processing time standards, reporting procedures, management information system and results monitoring and evaluation.

f) COMPETENCY BUILDING OF OMB PERSONNEL

OMB personnel will be provided a well-designed competency development program to support the implementation of the system. Training will comprise of both user training on the systems as well as thematic training.

3 Expected Outputs

- a) 2 oversight public sector system audited, together with the advisory/accreditation and publication of audit results
- b) 2 corruption prone government agencies audited, together with the advisory/accreditation and publication of audit results

- c) Manuals, user guide and technical tools
 - Integrity standards and indicators user guides
 - Integrity audit manuals
 - Advisories manual
 - Accreditation manual
 - Publication procedures manual
 - Office procedures manual for the OMB
- d) Operational and institutionalized arrangements in OMB
- e) Completed competency training for OMB personnel

4 Time Duration

Overall project duration	3.5 yrs
Design, preparation and installation of the system including the operationalisation within the OMB	12 months (yr 1)
Training of OMB personnel on core and thematic competency areas	6 months (yr 1)
Conduct of pilot audits	24 months (yrs 2-3)
Institutionalization	6 months (yr 4)

PROJECT B.2 DIAGNOSTIC STUDIES ON CORRUPTION VULNERABILITIES OF NATIONAL PUBLIC SECTOR INSTITUTIONS AND SYSTEMS

1 Objectives

- a) To build knowledge on the context, causes, nature, operational dynamics and impacts of corruption
- b) To strengthen the foundation for the strengthening of the legal framework, policies and strategies for combating public sector corruption.

2 Description

A deeper understanding of public sector corruption in the Philippines is needed in order to identify, define and put in place the corrective as well as the integrity development responses that will be effective. This can be achieved through deeper studies in the public sector.

The studies will focus on the institutional structure, the policy systems, the operating systems and procedures and the human competencies and technologies and examine their corruption vulnerabilities. It will look at the basis and process of arriving at decisions – the degree of discretion of objectivity, the information systems and their usefulness in informed and verifiable decisions and decision processes, internal control systems and human integrity systems. The specific target institutions and systems that will be prioritized will be identified.

The study will complement the integrity standards and audit project and may precede or proceed from such audits.

A framework and methodology for the conduct of these studies will be formulated, which will guide the definition of the scope of each initiative. The study will prioritize corruption prone systems and institutions of government, and will adopt a holistic approach in understanding the internal as well as external factors that operate to encourage corruption.

3 Expected Outputs

The project will produce 4 major studies in the following suggested areas:

- Study on government procurement and contracting (selected sector such as infrastructure or education)
- Study on the specific dynamics and corruption operations in the election system
- Study on the dynamics of policy corruption
- Study on the dynamics of corruption in local governments

4 Time Duration

1 study started each year spread over 5 years starting year 2

Program C

ACHIEVING GOOD LOCAL/URBAN GOVERNANCE THROUGH INTEGRITY AND ACCOUNTABILITY

The enactment of the local government code, which devolved national government functions and resources to the local government units, has increased the role, responsibility and accountability of local governments in the achievement of good governance and development at the local level. The rapid pace of urbanization and increasing poverty create tremendous urban governance issues that must be addressed at the local level by local government units. Integrity and accountability comprise a major factor in good urban governance. At present these issues rely heavily on the integrity and accountability of the leader rather than on an established and effective system. But establishing an effective mechanism for integrity and accountability in local/urban governance requires that government institutional systems as well as the societal systems at the community level be strengthened simultaneously. There can be no accountability if there is no adequately informed and vigilant community that will hold local leaders accountable for their acts and for their performance. But developing a culture of accountability and integrity hinges on the seriousness of government to do its task of promoting public transparency and public education.

1 Objectives

- a) To improve the accountability and integrity of local/urban governance

2 Description

The project will develop and implement a seamlessly integrated set of initiatives towards developing a culture of integrity and accountability at the local level as a strategy for achieving good urban governance. The project will adopt a multi-pronged strategy to achieve the stated objective.

First, it will develop and implement measures towards improving community awareness and understanding local governance, the role, functions and accountabilities of local governments and its leaders, the processes by which the public may exact these accountabilities, the role of the community in ensuring the integrity and accountability of local governments and their officials and personnel, and the impacts of graft and corruption in their lives. Interventions towards valuation and vigilance will be designed and implemented with key partners such as the local government themselves, NGOs, business, education institutions and media. This will comprise the elements of prototype mechanisms to be adopted in pilot LGUs. The prototype local integrity and accountability systems will be designed based on an assessment of selected LGUs. The prototypes will be developed based on a typology of LGUs and will be tested in selected LGUs for each typology. The criteria for the development of LGU typologies and the selection of the pilot LGUs wherein the prototype systems will be implemented will be formulated.

Second, an integrity assessment of LGUs using the integrity standards will be undertaken and short-term measures will be identified, designed and implemented towards strengthening the integrity infrastructure of LGUs through improved public accountability, among others. Deeper and longer-term reform initiatives towards strengthening the formal mechanisms for anticorruption and integrity development in local governments will be identified and planned for. LGUs will be provided assistance in the crafting and operationalisation of their implementation plans.

Project operationalisation in pilot local governments and their respective communities will consist of community-targeted mechanisms towards public awareness, understanding, valuation and vigilance. Assistance in building community capacity for organization and actual government integrity monitoring, participation in key corruption prone processes, and other related areas will be provided. Resources for public advocacy, forums, and other public education interventions will be provided.

LGUs will be provided assistance in self-assessment and in the development of strong and effective integrity infrastructures and public accountability mechanisms both short-term and long-term. The participation of key stakeholders particularly the media, business, civil society and people's organizations will be ensured and mechanisms will be designed and adopted to ensure a seamless integration of the activities of the various stakeholders. The project will have the following key components:

- a) Conduct of study and development of conceptual framework and design of integrity and accountability mechanisms in local/urban governance
- b) Implementation in 6 pilot LGUs
- c) Development and implementation of replication strategies

3 Expected Outputs

- a) A framework and design prototypes of local integrity and accountability systems for identified LGU/locality typologies
- b) Operationalized integrity and accountability mechanisms for 6 pilot LGUs.
- c) Replication strategy and replication in 6 LGUs

4 Time Duration

Design of prototypes	6 months
Pilot implementation in 6 LGUs	2 years
Design of replication strategy	6 months
Replication in 6 LGUs	2 years

Program D

ENHANCING THE ANTI-CORRUPTION LEGAL FRAMEWORK

A preliminary review of anticorruption laws indicates that an integration and codification of these laws will promote better understanding and application. There is also a need to review the laws and make policies, penalties and processes more consistent with the objectives of the anticorruption plan as well as with international standards. For example, the Philippines is a signatory to various international conventions and treaties on anticorruption. A review of the consistency and translation of these commitments in the legal framework should be examined.

The policy and legislation process is said to be one of the key corruption vulnerable areas. A few corruption scandals and allegations had in fact emerged in the legislation of certain laws. A mechanism for ensuring integrity in the development of legislation as well as the feasibility of establishing mechanisms for providing integrity or anticorruption provisions in the writing of laws will be explored in this program.

PROJECT D.1

REVIEW AND MODIFICATION OF ANTI-CORRUPTION LAWS

1 Objective

- a) To strengthen the legal framework for public sector anti-corruption.

2 Description

The project will consist of the following sequential components:

- a) Inventory and review of existing anti-corruption laws
- b) Review of comparative international experience in the development of anticorruption laws
- c) Modification of laws (codification into an anticorruption code or amendment and strengthening of specific provisions of existing laws)
- d) Legislative advocacy

3 Expected Outputs

- a) Diagnostic study on corruption laws (public sector corruption focus)
- b) Draft legislation
- c) Completed advocacy initiatives with Congress and supporting stakeholders

4 Time Duration

Review and law preparation – 1 year

Filing and legislative advocacy – 1 year

The modified law is targeted to be enacted by year 3

PROJECT D.2 DESIGN AND IMPLEMENTATION OF INTEGRITY STANDARDS AND REVIEW MECHANISMS IN THE PREPARATION OF LAWS

1 Objective

- a) To install mechanisms for enhancing the integrity capacity of laws and the legislation process

2 Description

This project will involve the design and implementation, in partnership with both houses of Congress of integrity standards and review mechanisms in the preparation of laws. The system will comprise of the following major components:

- a) Development of integrity standards in the legislation process, which will examine the procedures for the filing, lobbying, review and interpellation at committee and floor deliberations, and the rewriting of provisions in the bill throughout the legislation process. The standards which will be developed will consist of procedural and behavioral standards that will guide the legislation processes and which can be agreed upon.
- b) Development of policies and procedures for the legislature in the integrity review of proposed laws. An integrity review manual will be developed. The integrity review process will be used in reviewing the provisions of the bill and in detecting or identifying integrity vulnerabilities that are imbedded in the provisions.
- c) The feasibility and appropriateness of providing a standard anticorruption policy provision in all or certain types of laws will be explored. This component will involve reviewing the structure and typologies of laws and examining the usefulness of integrating anticorruption policy provisions particularly in laws that have strong corruption vulnerabilities.

3 Expected Outputs

- a) Integrity standards for legislation processes
- b) Integrity review manual for the integrity review of bills
- c) Feasibility study and implementation mechanisms for anti-corruption policy provisions in laws

4 Time Duration

Preparation of systems and procedures - 1 yr

Implementation - 3 yrs (with post program review and institutionalization)

Program E

STRENGTHENING THE INDEPENDENCE AND CAPACITIES OF ANTI-CORRUPTION AND INTEGRITY DEVELOPMENT AGENCIES

The integrity of anticorruption institutions is the core foundation upon which a credible and successful anticorruption program will stand. Therefore it is important that anticorruption agencies of the government have high standards of integrity infrastructure that are inherent in the design and actual operation of their organizational structures, functions, operating systems and human resources.

1 Objective

- a) To facilitate the evolution of anticorruption agencies that are independent and imbued with high standards of integrity.

2 Description

This program/project will have the following key components

- a) Development and detailed design of integrity standards, indicators and assessment methodologies for the following anticorruption agencies
 - Office of the Ombudsman
 - Judiciary
 - National Prosecution Service
 - Civil Service Commission
 - Commission on Audit
 - Philippine National Police
 - National Bureau of Investigation
- b) Conduct of collaborative review of integrity infrastructures and identification of strengthening measures
- c) Provision of technical assistance (if required) in the strengthening of integrity infrastructures (implementation aspects)
- d) Design and implementation of advocacy programs in the target anticorruption agencies, general public, civil society and other stakeholders
- e) Establishment of partnerships in the implementation of the standards and conduct of advocacies with NGOs, media, civil society, religious organizations and business, among others
- f) Design and installation of OMB operations and management arrangements

3 Expected Outputs

- a) Integrity standards and indicators document including an application manual/toolkit
- b) Completed and documented review of integrity standards in target agencies
- c) Operational partnerships for advocacy and technical assistance
- d) Operational and institutionalized mechanisms in OMB

4 Time Duration

Design and installation of systems and operating mechanisms – 1 yr
Implementation – 4 yrs

Program F **WIDENING AND SYNCHRONIZING COLLABORATION WITH PARTNER STAKEHOLDERS**

With limited financial, technological and human resources the OMB will have difficulty in carrying out the anticorruption initiatives by itself. OMB must create innovative partnerships with other stakeholders.

1 Objectives

- a) To optimize the contribution of partners in the implementation and achievement of the goals and objectives of the medium-term anticorruption plan
- b) To provide mechanisms for mobilizing and synchronizing the efforts of duty holders and other participants.

2 Description

This program/project involves the detailed design of partnership mechanisms and engagement procedures intended to result in meaningful and fruitful cooperation in the execution of the various projects and activities contained in the medium-term anticorruption plan. Partnership strategies, engagement procedures, and results based partnership monitoring and evaluation systems will be formulated for the following stakeholders and in the identified potential areas of partnerships as indicated:

- Anti-corruption NGOs (detection, witness protection, provision of volunteer experts, evidence gathering and preservation, advocacy and public information and education)
- Public Sector Employee Unions (detection, whistle blowing, evidence gathering and preservation, witnessing, development of integrity infrastructure, establishment of integrity circles, monitoring of performance of agency integrity development initiatives)
- Civil Society Organizations (public advocacy and education, training, provision of financial or technological resources to anticorruption projects, provision of thematic experts)
- Business (provision of financial and technological resources to specific anticorruption initiatives and/or institutions, provision of thematic experts to support investigation and prosecution of specific corruption cases, assistance in investigative monitoring and fact-finding activities)
- Media (investigative journalism, public advocacy and education)
- Judiciary (speedy trial for corruption cases, case monitoring and information, reforms in jurisdictional structures on corruption cases)

- Department of Justice (case management and monitoring of corruption cases handled by prosecutors, provision of assistance in case development and litigation by volunteer partners, mechanisms for improving competencies and speeding up of the investigation and prosecution process)
- PNP/NBI (detection, investigation and evidence gathering and preservation, witnessing, early arrest and production of the suspects)
- Citizens (mechanisms to encourage reporting, provision of evidence, witnessing)

3 Expected Outputs

- Policies, operating systems and procedures manuals
- Operational management arrangements in OMB
- Operational partnerships with anticorruption agencies

4 Time Duration

Design of policies and operating systems and procedures on
Partnerships, including the management operations of OMB - 1 yr

Implementation - 5 yrs

Program G

ESTABLISHING EFFECTIVE KNOWLEDGE DEVELOPMENT AND SHARING MECHANISMS

This program is the conscience mechanism of the anticorruption plan. It enables the generation of new and comparative knowledge and learning that are applicable in the design of initiatives that respond to the specific Philippine situation. It provides mechanisms for the monitoring and measuring of the societal and institutional impacts of programs and projects. It establishes the institutionalization arrangements for continuing learning and improvement capacity.

PROJECT G.1

ANTICORRUPTION SURVEYS OF CITIZENS AND BUSINESS

1 Objectives

- a) To assess progress in societal awareness and understanding of corruption and valuing of integrity values.
- b) To monitor public perception of corruption in the public sector within the context of an implemented medium-term anticorruption plan
- c) To assess the societal integrity development impacts of anticorruption programs

2 Description

This project will involve the design of survey instruments and the conduct of public surveys on an annual basis. The results of the survey will feed into the review of the anticorruption plan and the design of new or corrective measures.

The surveys will also serve as advocacy or pressure instruments to government institutions and partner anticorruption agencies to shape up and comply with integrity standards and performance.

3 Expected Outputs

1 survey annually

4 Time Duration

Baseline survey – year 1

Annual survey – years 2 - 6

PROJECT G.2 KNOWLEDGE SHARING

1 Objectives

- a) To develop and build knowledge towards better understanding of corruption and towards discovering new approaches

2 Description

This project will have two major components:

- a) Conduct of inter-country studies on best practices in anticorruption and integrity development. This will be done by sending our own senior personnel in OMB and other anticorruption agencies to countries with comparative problems who have been successful in reducing corruption in the public sector. The study team will develop their own methodology for assessing and deriving lessons and adaptable practices here in the Philippines.
- b) Conduct of dialogues and fora, will involve the design and implementation of a system of dialogues and focus group discussions with selected partners and stakeholders in order to exchange or share knowledge and experience in anticorruption. The sessions will also be useful in achieving consensus or identifying agreed on solutions to specific corruption issues. Dialogues and for a will be a mix of small, medium to large gatherings of participants depending on the objectives of the occasion and will involve such participants as local government units, national government agencies, law enforcement agencies, judiciary, donors, media, business, civil society, NGOs and POs, indigenous and vulnerable groups, youth and other stakeholder groups. Mechanisms within the OMB for the planning, design and management of the operations of this project will be designed and installed.

3 Expected Outputs

OMB and officials of anticorruption agencies with completed reports on inter-country studies conducted and recommended applications

Completed annual dialogues and fora

4 Time Duration

Implemented annually for 6 yrs

PROJECT G.3 TRAINING

1 Objective

- a) To strengthen core and thematic expertise of OMB prosecutors, and investigators

2 Description

The project will have the following key components:

- a) Conduct of more comprehensive training needs analysis of OMB prosecutors and investigators
- b) Development of an integrated competency development strategy that will be linked with other human resources development system (such as remuneration, career development, performance evaluation)
- d) Inter-country secondments on investigation
- e) Design and implementation of customized training programs for investigators and prosecutors in thematic and core learning areas (building on the training courses being supported by UNDP and USAID)
- f) Post training evaluation

3 Expected Outputs

Investigators completed inter-country secondments

Investigators and prosecutors completed domestic training programs

4 Time Duration

TNA and training program design and course design – 6 mos

Inter-country and domestic training – 4.5 yrs

PROJECT G.4

ESTABLISHMENT OF INTEGRITY DEVELOPMENT INSTITUTE

1 Objectives

- a) To institutionalize mechanisms for continuing competency development and knowledge building on anticorruption

2 Description

This project involves the conduct of feasibility study, design, installation and operationalization of an Integrity Development Institute (IDI). The IDI will serve as the primary arm of the OMB in the continuing improvement and delivery of anticorruption competency development programs in anticorruption agencies and eventually in public sector institutions. The institute will have the following core functions:

- a) Build knowledge on corruption through research and development
- b) Formulate and implement an integrated training program to build competencies that will be required to implement and sustain the anticorruption plan and its institutionalization
- c) Establish a resource center/pool/network of intellectual and technological resources on anticorruption
- d) Design and implement mechanisms for providing assistance to public sector institutions in the development of a culture of integrity in their respective organizations

The scope of the project will include conceptualization and design of the organization structure, staffing and key operating systems of the Institute; development of the training, research and technical assistance programs, and design of the training curricula as well as their delivery and testing procedures; installation, operationalization and stabilization; and implementation of research and technical assistance programs.

3 Expected Outputs

- a) Operational IDI
- b) Implemented training courses
- c) Completed researches
- d) Pilot agencies provided technical assistance in thematic areas

4 Time Duration

Design and installation – 1 yr

Implementation and stabilization – 5 yrs

Program H

CAPACITY DEVELOPMENT OF OMB

The program is aimed to strengthen the overall institutional capacity of the OMB, covering both its mission-critical and administrative functions at central and regional levels. This will be achieved by setting up an operational structure that will support the concepts of efficiency and effectiveness, and by establishing the institutional capacity for continuing improvement through the development and implementation of mechanisms that will build knowledge and continuing policy analysis and improvement.

There are three (3) projects under this OMB capacity strengthening program that will involve deeper diagnostic studies, systems design, and implementation of reform measures. The projects, which are described in more details in the succeeding pages, comprise of the following:

- Reengineering the Administrative Structure, Staffing and Operating Systems
- Design of Resource Mobilization Systems Including Legislation
- Development and Implementation of an Integrated Integrity Information System
- Design and implementation of the OMB witness protection system

The projects will specifically cover the administrative structure, functions, staffing and operating systems of OMB, including the development of personnel competency, development of investigation and prosecution tools and improved methodologies, providing appropriate information technology and case management information systems.

Information technology can enable the OMB to restructure operations and redefine its case management mechanisms. These changes are necessary to increase efficiency in its operations and for OMB to become more focused on its mandate. Under the program, OMB's current IT infrastructure will be expanded/enhanced and linked to better support both strategic and transaction processing and operational requirements.

PROJECT H.1

REENGINEERING OF THE ADMINISTRATIVE STRUCTURE, STAFFING AND OPERATING SYSTEM OF OMB

1 OBJECTIVES

The project will contribute to the achievement of the OMB's vision, mission and goals by strengthening overall institutional capacity of the OMB, covering both its mission-critical and administrative functions at central and regional levels. The project has the following objectives:

- a) To provide the appropriate organizational framework and internal operating mechanisms, as well as technologies to improve capacities for efficient management of OMB's mission-critical and administrative operations
- b) To strengthen capacities for continuing learning and organizational improvement

2 DESCRIPTION

This project will review recommend necessary changes in OMB organization structure and staffing pattern and undertake systems studies and design of its different mission-critical functions, specifically in the following areas:

- Public assistance
- Field investigation
- Preliminary investigation
- Prosecution
- Strategic and operations planning and results based monitoring and evaluation
- Investigative monitoring
- Partnership development
- Integrity promotion advocacy
- OMB internal integrity system
- OMB remuneration policy
- Security/protection program for Ombudsmen, investigators and prosecutors
- Change management

The design of the above operating mission-critical systems will include the design of diagnostic tools to enable deeper understanding of the actual working of government institutions and their processes; to diagnose causes, nature and extent of corruption; and to help with the design of programs of interventions and assistance. Systems users' manuals will be prepared as basis for the installation and implementation of the systems.

3 EXPECTED OUTPUTS

The following are the deliverables under the project:

- Reformed OMB organization structure
- Statement of functions of each organizational unit down to division
- Program/Project/Activity Structure
- Systems/programs design and user's training manuals for the following:

- Case investigation system
- Case prosecution system
- OMB witness protection system
- Research and development
- Investigative monitoring system
- Partnership development and management system
- Integrity promotion and advocacy system
- OMB internal integrity system
- Program on the strengthening the independence of OMB
- Security/protection program for Ombudsmen, investigators and prosecutors
- Change management program
- Installation workshops and training
- Systems stabilization and handholding
- Migration plan

4 TIME DURATION

The project time will cover a two-year period, as follows:

- Year 1 - Detailed assessment and technical design
- Year 2 - Installation/legislation, piloting/implementation, monitoring and maintenance

PROJECT H.2 CREATION OF OMB SURVEILLANCE UNITS

This project will comprise the acquisition of 5 surveillance units each consisting of a motor vehicle equipped with motion camera, stills camera, tape recorder and other accessories to be used on covert operations. The surveillance team will be provided training under the knowledge development and sharing component of this reform program.

PROJECT H.3 DESIGN OF THE RESOURCE MOBILIZATION SYSTEM INCLUDING LEGISLATION

1 Objectives

- a) To improve the resources that will support the implementation of an effective anticorruption strategy
- b) To strengthen OMB's capacity for resource generation and mobilization

2 Description

The project includes the development of a set of philosophies, policies, institutional and operational arrangements for the improved generation, and leveraged utilization of the financial, technological, physical and human resources of stakeholders – national government, local government, private sector and citizens in anti-graft corruption efforts and initiatives.

The project is also aimed at providing alternative resource generation and mobilization strategies for OMB, to augment the resources available for financing and sustaining the reformed OMB institutional set-up and operations.

The preparation and filing of the proposed legislation to amend the enabling act of the OMB and to assign it resource generation and mobilization powers and functions, including advocacy and technical assistance to political sponsors will be undertaken.

3 Expected Outputs

- Draft fill and explanatory note
- Political advocacy strategy

4 Time Duration

1 year (design and preparation of draft legislation, including filing of bill by sponsors on both houses of Congress)

PROJECT H.4 DEVELOPMENT AND IMPLEMENTATION OF AN INTEGRATED INTEGRITY INFORMATION SYSTEM

1 Objectives

- a) To improve operational efficiency through the use of information and communications technology and by implementing of an integrated information systems network that will support reforms in OMB

- b) To finance the development and implementation of case management and reengineering of certain administrative structures and operating systems, including the applications of software components that directly provide information and automation and support for the OMB's work processes

2 Description

The project will provide an ICT infrastructure that will run computer applications for the identified work processes, as well as future applications so that information systems are shared and managed on an OMB-wide basis and data can be processed, distributed and aggregated at various levels in the organization to support analysis, evaluation and decision making. It will also support external linkages and information sharing requirements as well as general public information components of public education programs.

The project will specifically cover the development and implementation of the following systems:

- OMB case management information system (integrated investigation, prosecution and public assistance) which will eventually be linked with other pillars of justice
- Lifestyle monitoring system (will eventually be linked with the Civil Service Commission)
- Integrity standards information system
- Detection and public feedback system (interactive website), a design of internal database linked with the case management information system
- Financial and administrative management information system

3 Expected Outputs

Phase I – Conceptualization and User Needs Definition

- Design of OMB system architecture
- Design of user functional specifications requirements
- Design of procurement process

Phase 2 – Installation, Implementation and Maintenance

- Application system design, installation and testing
- User training
- Maintenance services
- Systems stabilization

4 Time Duration

The project will be implemented over a 4-year period, starting on the third year of the overall OMB reforms implementation, as follows:

- Year 1 - Conceptualization and User Needs Definition and procurement
- Yrs 2-4 - Applications systems design and development, installation and change management

PROJECT H.5 DESIGN AND IMPLEMENTATION OF THE OMB WITNESS PROTECTION PROGRAM

1 Objectives

- a) To strengthening the prosecution of graft and corruption cases by ensuring the availability of proper witnesses
- b) To strengthen OMB's capacity for the management of an effective witness protection system that is operationally sustainable

2 Description

A sound witness protection program is one of the most important factors in successfully prosecuting graft and corruption cases, particularly those that involve high ranking and powerful individuals in the government. A witness protection program should provide adequate protection to the witness and members of his or her family. The organizational arrangements for the sound management of the system, the development of security measures, the determination of the specific protection mechanisms and benefits that will be enjoyed by the witness, and resources required to operate the program and the sustainability measures will be the subject of a design study that will lead to the installation of a witness protection program for the OMB.

3 Expected Outputs

- Operational witness protection program

4 Time Duration

Design – 6 months
Pilot implementation - 3 years

Annex " D "

OMB MEDIUM-TERM ANTICORRUPTION PLAN AND PUBLIC INVESTMENT PROGRAM DESIGN FRAMEWORK

DESIGN SUMMARY		VERIFIABLE INDICATORS AND TARGETS	MEANS OF VERIFICATION AND MONITORING	ASSUMPTIONS AND RISKS
GOAL	To facilitate the Philippine's transformation to a high integrity society where there is convergence between reality and perception of integrity	Improvements in foreign and domestic investor confidence in the Philippines, government and leadership Improvement in the general public trust and confidence the government and government officials	Reports/ratings by international integrity organizations Social weather station surveys on corruption Global competitiveness reports Assessment reports by international business/investors	
PURPOSE/OBJECTIVE	1) To strengthen the country's societal and governmental integrity infrastructure	20% annual improvement in country TI CPI rating starting year 2 of plan implementation Public perception of public sector integrity improving annually by 10% starting year 2 of plan implementation	TI corruption perception surveys Social Weather Station public perception surveys	OMB asserts its independence and pursues programs relentlessly even in the event of high level resistance from the other branches of government Donor cooperation in providing technical and funding assistance in the design and initial implementation of programs Effective and sustained partnership by civil society, public sector unions, business and other key partners

DESIGN SUMMARY		VERIFIABLE INDICATORS AND TARGETS	MEANS OF VERIFICATION AND MONITORING	ASSUMPTIONS AND RISKS
	<p>2) To match OMB's capacity with the requirements of being the key institution of the people to guard against graft and corruption</p>	<p>100% imposition of sanctions on meritorious administrative cases by year 4 of plan implementation</p> <p>20% annual improvement in the speed of processing of cases starting year 2 of plan implementation</p> <p>Conviction rate in Sandiganbayan improving at 20% annually starting year 1 of plan implementation</p> <p>80% conviction rate in Sandiganbayan cases by end of implementation period</p> <p>2 public sector systems accredited annually as compliant with OMB integrity standards by year 3 of reform implementation</p> <p>10% annual increase in public awareness and 5% improvement in valuing of integrity values starting year 2 of plan implementation</p>	<p>OMB accomplishment reports</p> <p>OMB accomplishment reports</p> <p>Survey of processes</p> <p>Court records</p> <p>Court records</p> <p>Accreditation document</p> <p>Structured survey</p>	<p>OMB institutional and capacity building reforms are in place in accordance with program schedule</p> <p>Sustained donor support and management commitment to implement reforms and manage the entire change process</p>

DESIGN SUMMARY		VERIFIABLE INDICATORS AND TARGETS	MEANS OF VERIFICATION AND MONITORING	ASSUMPTIONS AND RISKS
OUPUTS (by purpose)				
1) To strengthen the country's societal and governmental integrity infrastructure	1.a Public sector integrity standards and indicators, audit system, and operational mechanisms in place and implemented	2 corruption prone systems and 2 corruption prone agencies audited between years 2-3 500 government executives and public sector union officers oriented on the system	Audit reports Orientation completion reports	
	1.b Diagnostic studies on corruption vulnerabilities in public sector institutions and systems used in policy and strategy development	4 studies completed that are imputed into policy and strategy formulation in the areas of - government procurement and contracting - election system corruption - policy corruption - local government corruption	Study reports Policy development documentation	
	1.c Local and community based integrity and accountability mechanisms in selected LGUs operational	6 pilot LGUs and their localities with operational integrity and accountability systems by year 4	Project monitoring reports	
	1.d Legal framework on anticorruption and integrity development strengthened	Anticorruption code enacted	Enacted law document	
	1.e Integrity standards and procedures in the review and preparation of laws operational in Congress	Congress, committees and staff using standards in writing legislation Congress, committees and staff using integrity review procedures in the review of bills	Committee deliberation records Bills containing integrity provisions	

DESIGN SUMMARY	VERIFIABLE INDICATORS AND TARGETS	MEANS OF VERIFICATION AND MONITORING	ASSUMPTIONS AND RISKS
	1.f Anticorruption and law enforcement agencies asserting and exercising independence particularly in cases affecting politically powerful groups and individuals	No. of anticorruption and law enforcement agencies demonstrating independence in the face of political pressure	Media publications Investigative monitoring reports of OMB
	1.g Partnerships with NGOs, POs, civil society groups, business and other stakeholders expanded and strengthened	No. of partners with operational programs in combating corruption and in promoting integrity development in private and public sectors	Survey of partner programs Partnership reports and documentation of partnership meetings and discussions
	1.h Knowledge sharing mechanisms with the public and partner stakeholders operational	No. of partner stakeholders participating in knowledge sharing discussions and fora	Forum reports Program review documentation
2) To match OMB's capacity with the requirements of being the key institution of the people to guard against graft and corruption	2.a Mechanisms for more aggressive and effective enforcement of anticorruption laws operational	1 case involving "big fish" decided by Sandiganbayan within year 1 2 cases involving "big fish" decided by Sandiganbayan within year 2	Court decision document Court decision document
	2.b Mechanisms to operationalize OMB independence in place	Objective formula for determination of OMB annual budget ceiling in place OMB assuming authority in deciding the details of its budget Consistent with relevant laws OMB assuming authority to decide on its structure, staffing and salaries consistent with relevant laws	Joint DBM-OMB circular Internal orders OMB approval documents Internal orders OMB approval documents

DESIGN SUMMARY		VERIFIABLE INDICATORS AND TARGETS	MEANS OF VERIFICATION AND MONITORING	ASSUMPTIONS AND RISKS
	2.c OMB administrative structure, staffing and key operating systems reengineered and operational	OMB operating under new structure, staffing and key operating systems by year 2	System design reports System installation reports Implementation monitoring reports	
	2.d Integrity Development Institute operational	Institute providing training in core competency and thematic areas by year 2	Institute enabling instrument Institute operations manual Training completion reports Operations survey	
	2.e OMB surveillance units operationalized	OMB using surveillance units for covert investigation operations by year 2	Operations survey Installation reports	
	2.f Integrated and automated integrity information systems network to support OMB mission-critical operations installed and stabilized	System architecture, systems identification and user specifications requirements definition completed by year 2 Application systems roll out by month 6 of year 2	System documentation and design reports System installation report System user manuals System monitoring reports	
	2.g Law strengthening the powers and functions of OMB including resource mobilization, law enforcement, and other related strengthening mechanisms passed	Law passed by year 2	Copy of legislation	
	2.h OMB witness protection program operational	No. of witnesses under witness protection by OMB	OMB program document	

DESIGN SUMMARY		VERIFIABLE INDICATORS AND TARGETS	MEANS OF VERIFICATION AND MONITORING	ASSUMPTIONS AND RISKS
	2.i OMB knowledge development program in place and operational	About 300 technical and managerial personnel completed training in core competency and various thematic areas	Training completion and learning evaluation reports	
ACTIVITIES				
1. More aggressive and effective enforcement of anticorruption laws	1.1 Mobilization of volunteers and resources	Memorandum of Agreements signed and operational by month 6	MOA document	
	1.2 Design of fast track mechanisms	OMB implementation order issued by month 2	Implementation order document	
2. Strengthening the integrity infrastructure of public sector institutions	2.1 Development and implementation of public sector integrity standards			
	- Design and installation of integrity standards and indicators for institutional and system integrity	Integrity standards, indicators and audit mechanisms published by year 1	Published reports	
	- Conduct of pilot agency/system audit	Audits completed	Audit completion reports	
	- Advisory, accreditation and publication of audits	Advisories and accreditation issued and published	Advisory, accreditation and published documents	
	- Conduct of public sector orientation	No. of seminars conducted	Seminar completion reports	
	- Design and implementation of OMB operating and management systems and procedures and RBMES	OMB operating systems installed and tested by year 1	Systems manuals System installation reports	
- Competency building of OMB personnel	OMB personnel completed training	Training manuals Training completion reports		

DESIGN SUMMARY		VERIFIABLE INDICATORS AND TARGETS	MEANS OF VERIFICATION AND MONITORING	ASSUMPTIONS AND RISKS
	2.2 Diagnostic studies on corruption vulnerabilities of public sector institutions and systems - Design of study framework and methodology - Conduct of studies in identified thematic areas	No. of studies completed	Study reports	
3. Achieving good local/urban governance through integrity and accountability	3.1 Conduct of study and development of conceptual framework and design of integrity and accountability prototype mechanisms in local/urban governance	Completed assessments Completed system prototypes	Study reports Completion reports	
	3.2 Implementation in pilot LGUs	6 pilot LGUs with operational systems	Monitoring reports LGU visits and systems surveys	
	3.3 Development and implementation of replication strategies	Completed replication strategies Systems replicated in 6 LGUs operational by year 4	Study reports Monitoring reports LGU visits and systems surveys	
4. Enhancement of the anticorruption legal framework	4.1 Review, modification and codification of anticorruption laws	Laws passed	Legislation document	
	4.2 Design and implementation of integrity standards and review mechanisms in the preparation of laws	Completed integrity standards and review procedures	Design reports	

DESIGN SUMMARY		VERIFIABLE INDICATORS AND TARGETS	MEANS OF VERIFICATION AND MONITORING	ASSUMPTIONS AND RISKS
5. Strengthening of the independence and capacities of anticorruption and integrity development agencies	5.1 Development and detailed design of integrity standards, indicators and assessment methodologies of anticorruption and law enforcement agencies	Completed integrity standards and review procedures	Design reports	
	5.2 Conduct of collaborative review of integrity infrastructures and identification of strengthening measures	Collaborative views with agencies completed	Collaborative review reports	
	5.3 Provision of technical assistance in the strengthening of integrity infrastructures	No. of agencies provided technical assistance	Technical assistance reports	
	5.4 Design and implementation of advocacy programs in the target anticorruption agencies, general public, civil society, and other stakeholders	No. of target institutions provided anticorruption advocacy No. of public advocacy programs conducted	Completion reports Completion reports	
	5.5 Establishment of partnerships in the application of standards and advocacy	No. of operational partnerships	Partnership operations reports	
	5.6 Design and implementation of OMB operating arrangements	Systems design completed and installed	System design manuals Installation reports	
6. Widening and synchronizing collaboration with partner stakeholders	6.1 Development and implementation of collaborative mechanisms with the following:			
	▪ Anticorruption NGOs	Presence of operational partnership with NGOs in each region by year 4	Memo of agreement Progress reports	
	▪ Public sector employee unions	Partnership agreement of 3 key public sector unions by year 2	Memo of agreement Progress reports	

DESIGN SUMMARY		VERIFIABLE INDICATORS AND TARGETS	MEANS OF VERIFICATION AND MONITORING	ASSUMPTIONS AND RISKS
	▪ Business	Presence of operational partnership with business in each region by year 4	Memo of agreement Progress reports	
	▪ Media	Presence of operational partnership with a print and a broadcast media in each region by year 4	Memo of agreement Progress reports	
		Operational partnership with 2 television broadcast media firms by year 2	Memo of agreement Progress reports	
	▪ Judiciary	Operational partnership with Judiciary in tracking and facilitating prosecution of cases in Sandiganbayan and lower courts by year 2	Memo of agreement Progress reports	
	▪ Department of Justice	Operational partnership with DOJ for the fast tracking of prosecution of cases in lower courts by year 2	Memo of agreement Progress reports	
	▪ PNP/NBI	Operational partnership with NBI and PNP in the prioritization and facilitation of investigation of graft and corruption cases and the production of evidence and witnesses by year 2	Memo of agreement Progress reports	
	▪ Citizens	No of community partnership programs on combating corruption with general public and community based citizens watch groups operationalized	Memo of agreement Progress reports	
▪ DepEd, CHED, TESDA	Integration of anticorruption awareness and valuing, and integrity development programs in school curricula implemented	Memo of agreement Progress reports		

DESIGN SUMMARY		VERIFIABLE INDICATORS AND TARGETS	MEANS OF VERIFICATION AND MONITORING	ASSUMPTIONS AND RISKS
7 Establishment of effective knowledge development and sharing mechanisms	7.1 Anticorruption surveys of citizens and business	Baseline survey completed in year 1 Annual survey conducted from years 2-6	Survey reports	
	7.2 Knowledge development and sharing			
	<ul style="list-style-type: none"> ▪ Conduct of inter-country studies 	Inter-country studies completed by year 2	Inter-country study reports	
	<ul style="list-style-type: none"> ▪ Conduct of dialogues and fora 	Dialogues and for a conducted by year 2 through to year 4	Activity completion reports	
	7.3 Training	OMB personnel and partners trained in relevant core competency and thematic areas	Training completion reports	
	7.4 Establishment of Integrity Development Institute	IDI installed and operational by year 2	Installation report Actual operations survey	
8 Capacity development of OMB	8.1 Reengineering of the administrative structure, staffing and operating systems and strengthening of OMB independence.	New structures, functions and operating systems design completed and installed by 2 nd semester of year 2	Organization and system manuals Systems installation reports	
	Operating systems include:			
	<ul style="list-style-type: none"> ▪ Public assistance 			
	<ul style="list-style-type: none"> ▪ Field investigation 			
	<ul style="list-style-type: none"> ▪ Preliminary investigation 			
	<ul style="list-style-type: none"> ▪ Prosecution 			
	<ul style="list-style-type: none"> ▪ Strategic and operations planning and RBMES 			
	<ul style="list-style-type: none"> ▪ Investigative monitoring 			
<ul style="list-style-type: none"> ▪ Partnership development 				

DESIGN SUMMARY		VERIFIABLE INDICATORS AND TARGETS	MEANS OF VERIFICATION AND MONITORING	ASSUMPTIONS AND RISKS
	<ul style="list-style-type: none"> ▪ Integrity promotion and advocacy 			
	<ul style="list-style-type: none"> ▪ OMB internal integrity systems 			
	<ul style="list-style-type: none"> ▪ Security/protection program for OMB management, investigators and prosecutors 			
	<ul style="list-style-type: none"> ▪ OMB remuneration and incentives policy 			
	<ul style="list-style-type: none"> ▪ Change management strategy 			
	8.2 Creation of surveillance units	Surveillance units operational by year 1	Facility procurement and inspection reports System installation report	
	8.3 Design of resource mobilization systems and legislation	System design completed and operational by 2 nd semester of year 2	System manuals System installation reports	
	8.4 Development and implementation of an integrated integrity information system	System architecture and user functional specifications design completed by year 2 System installation, roll out and stabilization completed by year 4	System design report System design manuals Installation and monitoring reports	
	8.5 Development and implementation of OMB witness protection program	System design completed by year 1 System operational by year 2	System design manuals Installation and monitoring reports	

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