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Assessment of the BUB program: Improving access of local communities to basic services and strengthening social capital

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Assessment of the BUB Program: Improving Access of Local Communities to Basic Services and Strengthening Social Capital

Rosario G. Manasan et al.

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For comments, suggestions or further inquiries please contact:
The **Research Information Department,** Philippine Institute for Development Studies
18th Floor, Three Cyberpod Centris – North Tower, EDSA corner Quezon Avenue, 1100 Quezon City, Philippines
Tel Nos: (63-2) 3721291 and 3721292; E-mail: publications@mail.pids.gov.ph
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ASSESSMENT OF THE BUB PROGRAM: IMPROVING ACCESS OF LOCAL COMMUNITIES TO BASIC SERVICES AND STRENGTHENING SOCIAL CAPITAL

Rosario G. Manasan
Catharine E. Adaro
Lovely Ann C. Tolin

Abstract

The Aquino administration through the Human Development and Poverty Reduction Cluster (HDPRC) and Good Governance and Anti-Corruption Cluster (GGACC) launched the Bottom-up Budgeting (BUB) exercise in 2012 in time for the preparation of the 2013 National Expenditure Program. The BUB process is one of the major reform initiatives of the Aquino administration and has been tagged as such from several perspectives. First, it is seen as a component of its budget reform thrusts that are aimed at making the national government budgeting process more responsive to local needs. Second, the BUB is also viewed as part of the democracy/ empowerment reform as it opens another avenue for people's participation in local planning and budgeting and for generating demand for good governance at the local level. Third, it is also be perceived as part of local governance reform in the sense that it provides incentives for good local governance.

Previous studies of the BUB program focused on the process rather than the results/outcomes of the BUB. In contrast to the previous assessment of the BUB, this study aims to assess the results/outcomes of the BUB in terms of: (i) how well the poverty alleviation objective of the BUB has been addressed; and, (ii) how well the BUB contributed to the strengthening of social capital.

Assessing the poverty alleviation aspect of the BUB through a comparison of per capita incomes using the FIES revealed that the BUB is not associated with greater increase in per capita household income at the provincial level. However, the household respondents had positive perception of the BUB projects implemented in their communities in terms of having directly benefited from the projects. In particular, respondents noted improvement in their access to transport services and water and sanitation through the BUB projects.

Among the CSOs, the overall sentiment towards the BUB is one of enthusiasm and optimism. The BUB process helped ensure broader, and more inclusive CSO participation, particularly in LGU planning and budgeting. BUB is also seen as an avenue for CSOs to identify government projects that will improve their lives and to be more active in LGU affairs, thus becoming more empowered. Data from the CSO survey revealed that the character of CSOs participation in local governance in terms of: (i) extent of participation to the BUB process; (ii) motivation or interest to participate; (iii) confidence in their capacity to participate; (iv) degree of influence in their barangays; and, (v) degree of influence in their municipalities/cities, have significantly improved after their BUB experience.

Keywords: assessment, bottom-up budgeting, civil society organizations, local governance, participation, social capital

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LIST OF ACRONYMS

AIP	Annual Investment Plan
ARMM	Autonomous Region of Muslim Mindanao
BDC	Barangay Development Council
BDP	Barangay Development Plan
BUB	Bottom-Up Budgeting
CDP	Comprehensive Development Plan
DAR	Department of Agrarian Reform
DBM	Department of Budget and Management
DENR	Department of Environment and Natural Resources
DepEd	Department of Education
DILG	Department of Interior and Local Government
DOE	Department of Energy
DOH	Department of Health
DOLE	Department of Labor and Employment
DOT	Department of Tourism
DSWD	Department of Social Welfare and Development
ELA	Executive-Legislative Agenda
EPP	Empowerment of the Poor Program
FIES	Family Income and Expenditure Survey
GGACC	Good Governance and Anti-Corruption Cluster
HDPRC	Human Development and Poverty Reduction Cluster
JMC	Joint Memorandum Circular
KALAHI-CIDSS	Kapit-Bisig Laban sa Kahirapan - Comprehensive and Integrated Delivery of Social Services
LGU	Local Government Unit
LPRAP	Local Poverty Reduction Action Plan
LPRAT	Local Poverty Reduction Action Team
MLGOO	Municipal Government Operations Officer
MRDP	Mindanao Rural Development Program
NAPC	National Anti-Poverty Commission
NEA	National Electrification Administration
NEDA	National Economic Development Authority
NEP	National Expenditure Program
NG	National Government
NGA	National Government Agencies
NPRAT	National Poverty Reduction Action Team
PSA	Philippine Statistics Authority
RO	Regional Office

RPRAT	Regional Poverty Reduction Action Team
TESDA	Technical Education and Skills Development Authority

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I. INTRODUCTION

The Aquino administration through the Human Development and Poverty Reduction Cluster (HDPRC) and Good Governance and Anti-Corruption Cluster (GGACC) launched the Bottom up Budgeting (BUB) exercise in 2012. The BUB aims: (i) to promote the participation of grassroots organizations and local communities in local planning and budgeting so as to make LGUs and national government agencies more responsive to the people's needs, and (ii) to assist in poverty alleviation.

For the FY2013 round, the HDPRC identified 609 municipalities/cities for the initial phase of BUB of which 595 responded and submitted Local Poverty Reduction Action Plans (LPRAPs). For the FY2014 round, the exercise was expanded to cover 1,233 municipalities/cities. For FY2015-2017 round, BUB was extended to all the municipalities/cities across the country, adopting a multi-year budgeting approach, and integrating existing KALAHI-CIDSS structure into the process. The Empowerment of the Poor Program (EPP) developed by the National Anti-Poverty Commission (NAPC) in cooperation with the Department of Interior and Local Government (DILG) complemented the BUB initiative by strengthening civil society organization (CSO) capacity to engage with the local government units (LGUs) for BUB. For the 2012 planning exercise EPP built on the approaches and lessons from various community-driven development processes such as the Kapit-Bisig Laban sa Kahirapan – Comprehensive and Integrated Delivery of Social Services (KALAHI-CIDSS) implemented by the Department of Social Welfare and Development (DSWD) and the Mindanao Rural Development Program (MRDP).

Since the inception of BUB, the government has commissioned four rounds of process evaluations. The Ateneo de Manila University Institute of Philippine Culture and the Development Academy of the Philippines conducted assessments of the FY 2013 and FY2014 rounds, respectively. Key findings were that the BUB process was implemented very differently in the sample sites, and that the variations in the implementation were primarily rooted in the locality's appreciation of participatory data-based planning processes and the involvement of CSOs in local governance. In the two rounds of implementation for FY2013 and FY2014, BUB has succeeded in making LGUs aware of the need to involve CSOs in development planning and utilizing empirical data for planning purposes. However, data collection and utilization have not improved significantly, and LGUs have not appreciated the full potential of participatory planning process primarily due to lack of sufficient facilitation and capacity building.

The Philippine Institute for Development Studies (PIDS) conducted process assessments of the FY 2015 and FY 2016 rounds. These evaluations were aimed at (i) examining how well LGUs have adhered to the BUB prescribed processes pertaining to LGU planning, project prioritization and budgeting of BUB funds on the ground, (ii) assessing how these processes contribute to enhancing CSO participation/ empowerment and enhancing LGU-CSO engagement in local planning and budgeting, and (iii) identifying the areas for further improvement for the subsequent rounds. In other words, the main focus of the said assessments was on the extent of "representation" and "voices" of the target group, i.e. poor households through CSOs and basic sector groups in the decision-making process in FY2015/ 2016 rounds. In this sense, the assessment is focused on the process rather than on the results/ outcomes of the BUB. Additionally,

the earlier evaluations also documented the attendant issues related to the implementation of BUB sub-projects in the selected study sites.

From the PIDS assessments, a key finding is that social preparation is central in determining the inclusive participation of the people in the budgeting process. In terms of achieving one of the goals of the BUB program to promote poverty alleviation, evidence from a number of LGUs for which data is available suggests that LPRAP projects is not pro-poor in the sense of providing more benefits to the poorer segments of the population compared to the better-off groups. Rather, the value of the BUB process lies in the fact that it increases participation in local governance. By giving the CSOs the opportunity to identify projects that will improve their lives, CSOs' sense of self-worth is enhanced, thereby, empowering them. The BUB process has also encouraged the basic sectors to organize themselves, and to become more active especially now that they have gained a better understanding of the process – that BUB will allow them to present their needs to the government and, more importantly, have the chance to participate in local development planning.

Instead of evaluating BUB's impact on poverty alleviation, the FY 2015 and FY 2016 round of assessments presented the geographic distribution of sub-projects relative to the degree of poverty incidence in the barangay, as taken from the various CBMS, for some study sites.

Concerning social capital, the previous PIDS assessments asserted that BUB adds value to CSO participation in government planning and budgeting at local level (Manasan, 2015). Here, social capital is seen strictly at the level of CSO membership and participation in local development planning.

1. General Features of the Bottom-up Budgeting Process

The Bottom-up Budgeting process is one of the major reform initiatives of the Aquino administration and has been tagged as such from several perspectives. First, it is seen as a component of its budget reform thrusts that are aimed at making the national government budgeting process more responsive to local needs. Prior to the introduction of the BUB, the national government budgeting process was primarily driven by the national government agencies that implement the budget although the Regional Development Councils provide LGUs a limited venue to input into the process. Second, the BUB is also viewed as part of the democracy/ empowerment reform as it opens another avenue for people's participation in local planning and budgeting and for generating demand for good governance at the local level. Third, it is also be perceived as part of local governance reform in the sense that it provides incentives for good local governance.

As indicated earlier, the Bottom-Up Budgeting process was introduced with the issuance of DBM-DILG-DSWD-NAPC Joint Memorandum Circular (JMC) No. 1-2012 in March 2012, in time for the preparation of the 2013 National Expenditure Program (NEP). The BUB aims to make planning and budgeting processes at the national and local level more participatory through the genuine involvement of grassroots organizations and communities. It also intends to ensure that the funding for projects identified by 609 targeted poor LGUs in their Local Poverty Reduction Action Plan

(LPRAP)[1] are included in the budgets of participating national government agencies (NGAs). Furthermore, it is meant to strengthen the convergence of service delivery in local communities.

In November 2013, the DBM-DILG-DSWD-NAPC JMC No. 4-2013 was issued, defining the policies and procedures that will govern the implementation of the BUB as part of the preparation of 2015 National Expenditure Program. It defines the BUB as an approach to preparing the budget proposals of national government agencies in a manner that takes into consideration the development needs of cities/ municipalities as identified in their LPRAPs. To ensure this, JMC No. 4-2013 provides that LPRAPs should be formulated with the strong participation of basic sector organizations and other civil society organizations. [2]

JMC No. 3-2013 expanded the coverage of the BUB from 609 municipalities for the FY 2013 cycle, to 1,233 municipalities and cities for the FY 2014 cycle, and was further expanded by JMC No. 4-2013 to all the cities and municipalities for the FY 2015 cycle. Twelve (12) NGAs and one GOCC participated in the FY 2015 round of the BUB, namely: (i) Department of Agriculture (DA), (ii) Department of Agrarian Reform (DAR), Department of Education (DepEd), Department of Energy (DOE), Department of Environment and Natural Resources (DENR), Department of Health (DOH), Department of Interior and Local Government (DILG), Department of Labor and Employment (DOLE), Department of Social Welfare and Development (DSWD), Department of Tourism (DOT), Department of Trade and Industry, Technical Education and Skills Development Authority (TESDA) and National Electrification Administration (NEA). On the other hand, the coordinating and oversight agencies of the BUB includes: the Department of Budget and Management (DBM), the Department of Interior and Local Government (DILG), the National Economic and Development Authority (NEDA), the National Anti-Poverty Commission (NAPC) and the DSWD. The BUB is an additional source of funding for the LGUs by essentially providing an additional grant from the national government to LGUs. The size of the grant allocated to the LGU is set equal to PhP 700 times the number of poor people in the LGU (as estimated using small poverty area estimates based on the Family Income and Expenditures Survey and Census data). Thus, the BUB allocation for municipalities and cities which have a larger number of poor constituents is larger than that of municipalities and cities which have a smaller number of poor

[1] The LPRAP is the LGU plan which contains the programs and projects that were collectively drawn through a participatory process by the LGU with CSOs and other stakeholders and which will directly address the needs of the poor constituencies and the marginalized sectors in the LGU.

[2] Basic sector organizations (BSOs) refer to organizations of the marginalized sectors of Philippine society, namely: farmers and landless rural workers, artisanal fisherfolk, formal labor and migrant workers, workers in the informal sector, indigenous peoples and cultural communities, women, persons with disabilities, senior citizens, victims of calamities and disasters, youth and students, children, cooperatives and the urban poor (JMC No. 4-2013). On the other hand, civil society organizations (CSOs) include non-government organizations (NGOs), People's Organizations (POs), basic sector organizations, cooperatives, trade unions, professional associations, faith-based organizations, media groups, indigenous peoples movements, foundations, and other citizen's groups which are nonprofit and which are formed primarily to promote social and economic development by way of the following activities: planning and monitoring of government programs and projects, engaging in policy discussions, and actively participating in collaborative activities with the government (JMC No. 4-2013). Meanwhile, NGOs refer to duly registered non-stock, non-profit organizations focusing on the uplifting of the basic or disadvantaged sectors of society by providing advocacy, training, community organizing, research, access to resources, and other similar activities while people's organizations refer to self-help groups belonging to the basic sectors and/ or disadvantaged groups composed of members having a common interest who voluntarily join together to achieve a lawful common social or economic end (Republic Act 8425).

constituents. However, the grant may not be less than PhP 15 million nor more than PhP 50 million per LGU. On the other hand, the BUB requires that LGUs provide a cash counterpart to the national government grant. The LGU counterpart fund must be sourced from LGU funds and the allocation of the same must be formalized by its inclusion in the LGU's 2015 Annual Investment Plan (AIP).

JMC No. 4-2013 prescribes two modalities that should be followed for the formulation of the LPRAPs, namely: the Regular BUB planning and budgeting process which is supposed to be applied in LGUs that have not yet participated in the KALAHI-CIDSS program (i.e., non-KC areas) and the Enhanced BUB planning and budgeting process which is supposed to be followed in LGUs that have graduated from or are currently implementing the KALAHI-CIDSS program (i.e., KC areas). The planning and budgeting process under the Regular BUB process consists of the following steps:

1. Conduct of Civil Society General Assembly (CSO Assembly) during which (i) the CSOs will independently elect their representatives[3] to the Local Poverty Reduction Action Teams (LPRAT) who will then elect among themselves the CSO vice-chairman of the LPRAT and the two other CSO representatives who will be signatories[4] to the LPRAP, (ii) the City/ Municipal Government Operations Officer (C/ MLGOO) will report on the status of the BUB 2013 projects and the approved list of BUB 2014 projects, and (iii) the assembly as a whole will review, validate and analyze social and economic data of the LGU and propose solutions to identified problems and concerns (i.e., conduct a poverty situation analysis);

2. Convening of the LPRAT by the Mayor and conduct of the LPRAP workshop to be attended by the LPRAT who will identify the strategies to address poverty reduction in the LGU based on the results of the poverty situation analysis that was undertaken during the CSO assembly and then identify priority poverty reduction projects through consensus among its members;

3. Submission of the list of identified priority projects duly endorsed by the LPRAT to the DILG regional office (RO) for consolidation;

4. Validation and review of the consolidated of the list of LGU projects in the region by the Regional Poverty Reduction Action Teams (RPRAT) and subsequently, by the National Poverty Reduction Action Team (NPRAT) and feedback of the results of the RPRAT and NPRAT review to the LGUs;

5. Submission of the revised list of projects with the Sanggunian resolution adopting the revised list of priority projects to the DILG RO; 6. Integration of LGU projects in the budgets of the NGAs under the FY 2015 NEP; 7. Provision of LGU counterpart; and 8. Project implementation

[3] JMC No. 4-2013 provides that elected LGU officials, their immediate relatives (i.e., spouse, parent, sibling or child) and LGU employees are not eligible to be elected as CSO representative

[4] The three CSO signatories must include: (i) a Pantawid Pamilya Leader or Parent Teacher Association (PTA) representative in the absence of the former; (ii) representative from BSOs or cooperative from any one of the following sectors: farmers and landless rural workers; artisanal fisherfolk, formal labor and migrant workers, workers in the informal sector, indigenous peoples and cultural communities, women, persons with disabilities, senior citizens, victims of calamities and disasters, youth and children, or urban poor; and (iii) CSO representative who is also a member of Local Development Council (LDC).

In contrast, the Enhanced BUB process essentially involves a two-step modification of the Regular BUB process in a manner that (i) integrates the participatory barangay development process following the KC process, and (ii) enhances the composition of the Local Development Council. In effect, the planning and budgeting process under the Enhanced BUB process consists of the following steps:

1. Participatory barangay development planning which includes: (1) conduct of barangay assemblies,[5] (2) selection by the participants in the barangay assembly of sitio community representatives in and the barangay vice-chairperson of the expanded Barangay Development Council (BDC), (3) conduct of participatory situation analysis (PSA) [6] to arrive at a medium-term barangay development plan (BDP) and the barangay investment plan (BIP), and (4) validation of BDP in a barangay assembly which will have to be approved by the barangay council and submitted to the City/ Municipal Planning and Development Coordinator for incorporation into the municipal development plan;
2. Conduct of City/ Municipal CSO General Assembly to be participated in by CSO leaders as in the Regular BUB process and by all the elected BDC vice-chairpersons during which (i) participants in the CSOs assembly will independently elect at least 5 representatives to sit as CSO representatives in the Enhanced LDC,[7] the CSO vice chairperson of the Enhanced LDC and two other signatories (one of which is a CSO representative and the other one is a BDC vice-chair to the Local Development Investment Plan (LDIP); (ii) the City/ Municipal Government Operations Officer (C/ MLGOO) will report on the status of the BUB 2013 projects and the approved list of BUB 2014 projects, and (iii) the assembly as a whole will review, validate and analyze social and economic data of the LGU and propose solutions to identified problems and concerns (i.e., conduct a poverty situation analysis);
3. Convening of the Enhanced LDC[8] by the Mayor to review, formulate/ update, and approve the medium-term comprehensive development plan (CDP), the Local Development Investment Plan (LDIP), the Executive-Legislative Agenda (ELA) and Annual Investment Plan (AIP), as well as the priority poverty reduction projects to be funded under the BUB and the barangay projects to be funded under KALAHI-CIDSS;
4. Convening of the LPRAT to serve as the technical working group of the Enhanced LDC for the purpose of drafting the LPRAP and so doing identify the strategies for reducing poverty and identify the priority projects for inclusion in the LPRAP which it will then submit to the Enhanced LDC for its confirmation;

[5] The barangay is encouraged to conduct at least four (4) barangay assemblies a year for the selection and assessment of performance of sitio volunteers, validation of the barangay development and investment plans, midyear reporting/updating of barangay programs, PPAs and the end of the year reporting.

[6] The PSA process shall include gathering and updating of relevant economic and social data to be used as basis for discussion and prioritization of programs, projects and activities (PPAs)

[7] Since BDC Vice-Chairs are already automatically members of the Enhanced LDC, they are no longer eligible to be elected as a CSO representative.

[8] The Enhanced LDC is chaired by the Mayor and is composed of the Congressmen or their representatives, the chairperson of the Committee on Appropriation of the Local Sanggunian, all barangay chairpersons, all barangay vice-chairpersons, and at least five representatives of the CSOs who were elected during the CSO assembly.

5. Submission of the list of identified priority projects duly endorsed by the LPRAT to the DILG regional office (RO) for consolidation;
6. Validation and review of the consolidated list of LGU projects in the region by the Regional Poverty Reduction Action Teams (RPRAT) and subsequently, by the National Poverty Reduction Action Team (NPRAT) and feedback of the results of the RPRAT and NPRAT review to the LGUs;
7. Submission of the revised list of projects with Sanggunian resolution adopting the revised list of priority projects to the DILG RO;
8. Integration of LGU projects in the budgets of the NGAs under the FY 2015 NEP;
9. Provision of LGU counterpart; and
10. Project implementation. [9]

The LPRAT is the group that will spearhead the formulation and monitoring of the LPRAP. It is composed of an equal number of representatives from CSOs and the government sector. Under the Regular BUB process, the composition of the LPRAT is as follows: (i) Local Chief Executive as chairperson; (ii) one CSO representative as co-chairperson; (iii) Chairperson of the Appropriations Committee of the Local Sanggunian; (iv) LGU department heads such as the planning officer, budget officer, agriculture officer, health officer, social welfare and development officer, etc.; (v) representatives of NGAs such as DSWD municipal links; C/ MLGOO, etc.; (vi) representatives from BSOs, CSOs, NGOs, and POs; and (vii) a representative from a local business group or association. On the other hand, under the Enhanced BUB process, the LPRAT is composed of the (i) Local Chief Executive as chairperson; (ii) one CSO representative as co-chairperson; (iii) nine government representatives; (iv) 5 CSO representatives as elected during the CSO assembly and 5 BDC vice-chairs as selected by all the BDC vice-chairs from among their rank.

2. Objectives of the Study

In contrast to the previous assessments of the BUB, the present study will have a two-fold objective. First, the study will provide an assessment of how well the BUB the poverty alleviation objective of the BUB has been addressed. Second, it will extend the focus of earlier studies on community empowerment by attempting to look more closely at how well the BUB has strengthened social capital.

3. Scope and Methodology

The study was divided into two major components. The first component looked at the contribution of the BUB to poverty alleviation. The study looked into this from four perspectives. First, it analyzed the correspondence of prioritized BUB sub-projects with LGU needs as identified by CSO representatives during CSO assemblies based on a desk review of LGU submissions to the RPRAT on the outputs of the CSO assemblies and the LPRAP workshops. Since the BUB outputs of the LGUs are not available in a central repository, said outputs were collected from the DILG regional offices. Second, the study analyzed the correspondence between prioritized BUB sub-projects and multi-dimensional indicators of poverty in the various LGUs using correlates of

[9] Note that steps (5) to (10) of the Enhanced BUB process are exactly the same as in the Regular BUB process.

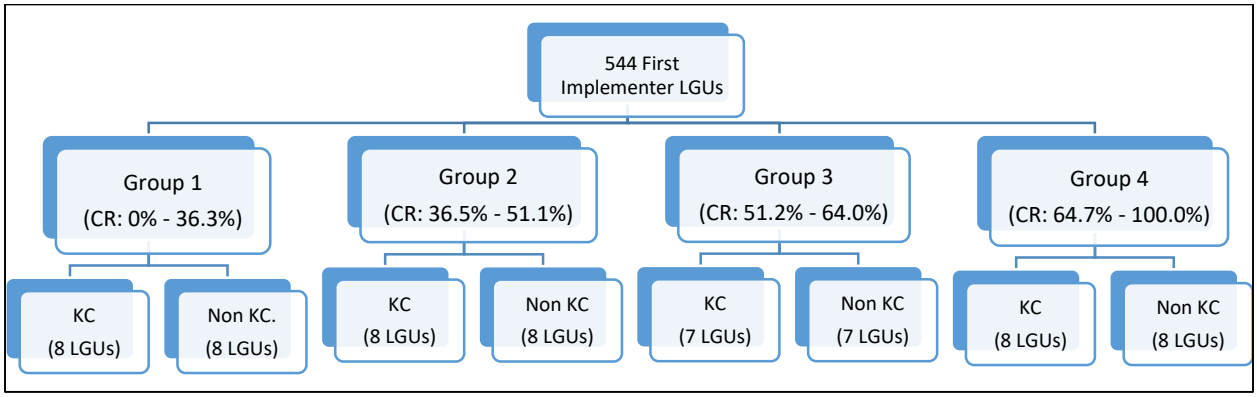
income poverty in the various LGUs using correlates of income poverty derived from national household survey data like the Family Income and Expenditure Survey and the Annual Poverty Income Survey and/or Community Based Monitoring System (CBMS) data. Third, the study looked at the correspondence between BUB sub-projects vis-à-vis urgent needs of the local communities as perceived by (i) sample CSOs and (iii) representative sample households from barangays of selected LGUs based on primary data collection designed for this purpose. The results of these analyses allowed the study team to draw recommendations with respect to: (i) the appropriateness of the BUB menu of projects, and (ii) the contribution of the BUB sub-projects to poverty alleviation at the project level.

The second component analyzed more closely how well the BUB has contributed to the strengthening of social capital ex post. In this regard, the study assessed (i) CSO's/household's awareness of the BUB; (ii) their perception of changes in the quality/quantity of CSO/community participation in local governance (including but not limited to participation in the BUB process) before and after the implementation of the BUB; (iii) their perception of changes in their confidence in participating in local governance; and, (iv) improvement of LGU-CSO engagement as a result of the BU process. This component was realized through FGDs and primary data collection involving CSOs and households as respondents. A summary of the Focus Group Discussion is provided in Annex II.

3.1 The PIDS BUB Survey

For the purpose of assessing the contribution of the BUB to: (i) improving the well-being of local communities, and (ii) the strengthening of social capital, the PIDS commissioned the Orient Integrated Development Consultants, Inc. (OIDCI) to undertake the primary data collection in 62 LGUs in Luzon, Visayas and Mindanao which were selected from the list of 544 LGUs outside of ARMM and NCR that participated in the BUB starting in FY2013 – so called early BUB implementers. The selection was done in such a manner as to ensure some representation based on project completion rate and whether or not the LGU was a part of the KALAHI-CIDSS program of the DWSD in prior years (Figure 1).

Figure 1. Distribution of sample LGUs as to project completion rate and KC/non-KC participant



Of the 62 LGUs, 37% are in Luzon, 23% are in Visayas and 40% are in Mindanao (Table 1) . The distribution of sample LGUs according to LGU income class shows a fairly even distribution but with relatively more representation from first class cities/municipalities and relatively lower representation from the fifth class cities/municipalities.

The survey has three groups of respondents (LGU officials, CSO leaders and members, and household heads). The survey was designed to gather information on the following:

- Level of awareness of the BUB program;
- Perceptions of the satisfaction and desirability of prioritized BUB sub-projects as to type of project and targeting of beneficiaries;
- Perception of changes in the quantity/quality of CSO/community participation in local governance before and after BUB implementation;
- Perception of changes in the confidence and capability of CSOs and local communities in participation in local governance; and
- Perception of changes in the character of LGU-CSO engagement as a result of the BUB process.

3.1.1 PIDS Survey Respondents

3.1.1.1 LGU Officials

Three LGU representatives/personnel were selected as respondents in the PIDS BUB Survey, namely:

- City/Municipal Planning and Development Officers (C/MPDOs) who mainly facilitate local development planning processes and activities within the city/municipality;
- City/Municipal Budget Officer (C/MBDO) who is primarily involve in the budgeting process at the city/municipal level; and
- City/Municipal Engineer, City/Municipal Health Officer or City/Municipal Agriculturist, depending on which department in the LGU was involved in the implementation of the most number of BUB projects.

As members of the Local Poverty Reduction Action Team (LPRAT), these LGU officials were directly involved in the conduct of the Local poverty Reduction Action Plan (LPRAP) workshop during which the LGU propriety projects were identified and prioritized.

Table 1. Distribution of LGUs covered in the PIDS BUB Survey

Regions	No. of LGUs	LGU Income Class of City/Municipality				
		1st	2nd	3rd	4th	5th
Luzon						
CAR	6	0	1	0	2	3
Region 1	2	0	1	1	0	0
Region 4A	4	2	1	0	1	0
Region 4B	5	3	0	2	0	0

Region 5	6	1	1	3	1	0
Sub-Total, Luzon	**23**	**6**	**4**	**6**	**4**	**3**
Visayas						
Region 6	2	2	0	0	0	0
Region 7	6	1	1	3	1	0
Region 8	6	0	0	2	3	1
Sub-Total, Visayas	**14**	**3**	**1**	**5**	**4**	**1**
Mindanao	0					
Region 9	6	1	3	2	0	0
Region 10	5	2	0	0	2	1
Region 11	6	3	2	0	0	1
Region 12	2	1	1	0	0	0
CARAGA	6	2	1	1	1	1
Sub-Total Mindanao	**25**	**9**	**7**	**3**	**3**	**3**
GRAND TOTAL	**62**	**18**	**12**	**14**	**11**	**7**

3.1.1.2 CSO Leaders

All the CSOs which participated in all the CSO assemblies conducted din the sample LGUs in FY2013 through FY 2015 were first divided into two groups: (i) CSOs that were elected to be members of the LPRAT at least once, and (ii) CSOs that were never elected to be members of the LPRAT. Subsequently, three CSOs were randomly selected from each of these groups.

Each pf the selected CSO was requested to identify 3 individuals who can best represent the organization relative to the BUB process to guarantee that responses obtained from the interview reflected the view of the CSO as an organization and not the view of the individual.

3.1.1.3 Household respondents

Prior to selecting the sample households, two barangays were choses from each of the sample LGUs following the procedure prescribed below:

- All barangays in the identified LGUs were listed and the number of BUB projects implemented per barangays from 2013 to 2015 was counted/tallied.
- The barangays in each of the identified LGU were then sorted based on the number of BUB projects implemented in them to come up with an *ordered list* of barangays per LGU
- Two barangays were then identified as sample barangays from this ordered list: (i) the barangay which is the recipient of the most number of BUB projects implemented in 2013-2015; and (ii) the barangay which is the recipient of the least number of BUB projects implemented during the same period.

In case there were several barangays with the most (or least) number of BUB projects, a simple random sample of one barangay was chosen. That is, a ransom number between 1 and the number of tied barangay was generated from MS Excel and this was used to identify the sample barangay.

Subsequently, 50 sample households were randomly selected from each of the two sample barangay using simple random sampling, with the list of households from the barangay as sampling frame.

II. SUMMARY OF FINDINGS

1. Improvements in Welfare of Local Communities

The first of the assessment of the BUB aims to gauge how well the BUB has contributed to improving the welfare of the communities in terms of good quality public services and increased livelihood opportunities. Two main sources of data were utilized for analysis: (i) household survey data from the 62 sampled LGUs, and (2) the 2012 and 2015 Family Income and Expenditure Survey (FIES) of the Philippine Statistics Authority (PSA).

The first approach attempts to determine whether some improvement in the level of well-being/living conditions of local communities in terms of their improved access to public services. Good quality public services are critical to the lives of the citizens, and ensuring their provision is an essential function of the government. Taking off from BUB's goal to increase citizen's access to local service delivery through demand-driven budget planning process, the study looked into the first set of 595 LGUs that participated in the BUB starting in FY 2013 to check on any felt improvements in the provision of public services in term of access and quality.

1.1.Access to public services

The total number of households approached for the BUB survey reached to 6,586. Out of this number, 7.88% were eliminated as respondents due to unawareness of the BUB program or any of the BUB projects implemented in their municipalities. Thus, the final number of household respondents considered for the study was reduced to 6,067 households spread across 62 BUB LGU beneficiaries in all the years of its implementation.

The terms "BUB" or 'Bottom-up Budgeting Program" was not readily recognized by most of the household respondents. Out of the 6,067, only 1,511 (25%) households affirmed their knowledge of these terms without any explanation or prompting from the survey enumerators. The remaining 75% of the total number of respondents did not recognize the term BUB, but through the names and descriptions of the BUB projects that are implemented in their communities.

A portion of the household survey inquired on the perception of the respondents on the public services available in their communities. The data indicated that the BUB projects implemented from 2013-2016 in the LGUs mostly recognized by household respondents include those that belong to agriculture and fisheries (19.47%); transport (17.79%); water and sanitation (17.34%); and livelihood (15.67%) (See Table 2).

Table 2. Household awareness of available public services, by category

Type of Project	Count	%
Agriculture and Fisheries	1,829	19.47
Transport	1,671	17.79
Water and Sanitation	1,629	17.34
Livelihood	1,472	15.67
Health	674	7.17
Social Welfare	571	6.08
Community Development	553	5.89
Disaster Risk Management	339	3.61
Education	284	3.02
Economic Development	212	2.26
Tourism	63	0.67
Environment	62	0.66
Power	25	0.27
Capacity Building	10	0.11
Total	**9,394**	**100.00**

In terms of location, majority (83.74%) of the identified BUB projects were located in the rural areas (See Table 3). Across types of projects, all identified projects related to tourism and capacity building were all located in the rural areas. Projects under the environment sector and disaster risk management sector followed with shares of 96.77% and 96.76% of projects located in the rural areas, respectively.

Table 3. BUB project, by type and urban/rural classification

Type of Project	Urban %	Rural %	Total Count
Agriculture and Fisheries	22.31	77.69	1,829
Transport	14.06	85.94	1,671
Water and Sanitation	7.92	92.08	1,629
Livelihood	23.17	76.83	1,472
Health	8.61	91.39	674
Social Welfare	38.7	61.3	571
Community Development	8.68	91.32	553
Disaster Risk Management	3.24	96.76	339
Education	21.13	78.87	284
Economic Development	6.13	93.87	212
Tourism	0	100	63
Environment	3.23	96.77	62
Power	4	96	25
Capacity Building	0	100	10
Total	**16.26**	**83.74**	**9,394**

Based from their knowledge on the projects implemented through the BUB, the respondents were asked on their perception of the BUB program. In general, the respondents believed that the BUB program was effective in helping the poor in their community (87.32%) (See Table 4). The household respondents generally had very positive perception of the BUB projects implemented in their communities in terms of having directly benefited from the project. However, 90.69% also think that aside from the BUB projects that were actually implemented in their local communities, there are other projects that are more needed by their communities.

Table 4. Household awareness of BUB projects and general perception of the BUB program

Statements	Yes	No
BUB project 1	89.58	10.42
BUB project 2	89.57	10.43
BUB project 3	87.50	12.50
The BUB has been effective in helping the poor	87.32	6.13
There are other projects that our community needs more than *[BUB project]?*	90.69	9.31
Aside from *[BUB project]*, there are other projects that our community needs.	96.31	3.69

During the survey, the respondents were also asked on their perception of the status of their access to public services in their communities. Focusing on the sectors which have figured prominently in the list of BUB projects identified by the respondents, those related to transport had the highest positive perception change with 70.40% of the respondents agreeing that their access to these projects have improved (See Table 5). This was followed by projects related to water and sanitation with 56.60% share of respondents reporting improved access. Projects related to agriculture and fisheries and livelihood had shares of 47.00% and 46.20% of respondents agreeing improvement of their access. Both the rural and urban household respondents rated towards the affirmative when asked to rate their satisfaction with the public services provided in their barangays and municipalities.

Table 5. Household perception of access to public services, by type

Type of Public Service	Perception of Change (%)				Total
	Improved	Worsened	Same/No Change	N/A	
Agriculture and Fisheries	47.00	1.7	15.2	36.1	2,633
Livelihood	46.2	0.6	10.9	42.3	3,541
Water and sanitation	56.6	3.3	26.8	13.3	4,532
Transport	70.4	7.8	21.1	0.6	5,635

1.2. Improvements in household income

The BUB's contribution to the improvement in the overall well-being of local communities may also be assessed by comparing the increase between 2012 and 2015 in the per capita income of households in 'early BUB implementing municipalities' (i.e., the 595 municipalities/ cities that participated in the BUB program starting in 2013) with the increase in the per capita income of households in LGUs that are not part of the early BUB implementers. To do this, we used household income data from the 2012 and 2015 Family Income and Expenditure Survey (FIES). However, because estimates of household income from the FIES for jurisdictions below the level of the province are not reliable, this type of analysis has to be restricted to the provincial level.

The 595 LGUs which have participated in the BUB since the FY 2013 planning cycle are distributed across 54 provinces, with the proportion of municipalities/ cities belonging to the group of 'early BUB implementers' to the total number of municipalities/ cities that make up each province varying from a low of 14% (Benguet) to a high of 100% (Saranggani) (See Table 6).

Next, we decided to focus the analysis to those provinces which include a relatively high proportion of municipalities/ cities belonging to the group of 'early BUB implementers' in recognition of the likelihood that the provincial level impact of the BUB when measured at any given date will be larger the higher is the proportion of early BUB implementers to the total number of municipalities/ cities that comprise any given province. In particular, this study looked at the 15 provinces where the 'early BUB implementers' account for at least 75% of the total number of municipalities/ cities that comprise the province, or the so-called 'early BUB implementing provinces' (See Table 7).

To obtain some indication of the BUB's impact on the living standard of local communities, we benchmarked 'early BUB implementing provinces' against the 26 provinces outside of NCR and ARMM all of whose component municipalities/ cities do not belong to the group of 'BUB early implementers'. We call these latter group of provinces 'late BUB implementing provinces' for short (See Table 8).

Table 6. Proportion of LGUs belonging to the first set of BUB participants to the total number of LGUs, by province and by region

Region	Province	Proportion of LGUs (as of 2013)
Cordillera Administrative Region	Abra	63%
	Apayao	43%
	Benguet	14%
	Ifugao	45%
	Kalinga	75%
	Mountain Province	40%
Region I – Ilocos	La Union	50%
Region IVA – CALABARZON	Quezon	46%
	Rizal	50%
REGION IVB – MIMAROPA	Occidental Mindoro	55%

	Oriental Mindoro	73%
	Palawan	75%
	Romblon	35%
Region V – Bicol	Albay	44%
	Camarines Norte	67%
	Camarines Sur	57%
	Catanduanes	36%
	Masbate	71%
	Sorsogon	87%
Region VI- Western Visayas	Aklan	65%
	Antique	39%
	Guimaras	40%
	Negros Occidental	66%
Region VII – Central Visayas	Cebu	45%
	Negros Oriental	80%
	Siquijor	50%
Region VIII- Eastern Visayas	Eastern Samar	26%
	Leyte	35%
	Northern Samar	50%
	Samar (Western Samar)	85%
Region IX – Zamboanga Peninsula	Zamboanga del Norte	52%
	Zamboanga del Sur	68%
	Zamboanga Sibugay	65%
Region X – Northern Mindanao	Bukidnon	86%
	Camiguin	60%
	Lanao del Norte	78%
	Misamis Occidental	82%
Region XI – Davao	Compostela Valley	64%
	Davao del Norte	82%
	Davao del Sur	50%
	Davao Oriental	73%
Region XII - SOCCSKSARGEN	Cotabato (North Cotabato)	83%
	Sarangani	100%
	Sultan Kudarat	85%
CARAGA	Agusan del Norte	75%
	Agusan del Sur	57%
	Dinagat Islands	71%
	Surigao del Norte	62%
	Surigao del Sur	53%
Autonomous Region in Muslim Mindanao	Basilan	33%
	Lanao del Sur	23%
	Maguindanao	53%
	Sulu	63%
	Tawi-tawi	64%

Table 7. Provinces where "early BUB implementers" account for at least 75% of total number municipalities/ cities that comprise the province

	Province	Percent of LGUs (as of 2013)	Average Per Capita Income 2012	Average Per Capita Income 2015	(b)-(a)
			(a)	(b)	
1	Davao Occidental	100.0%	43,499	53,147	9,648
2	Sarangani	100.0%	30,438	36,195	5,757
3	Cotabato City	100.0%	35,763	45,988	10,224
4	Bukidnon	95.0%	38,251	38,172	- 79
5	Samar (Western Samar)	91.7%	26,997	45,655	18,658
6	Sultan Kudarat	91.7%	32,789	39,204	6,415
7	Agusan Del Norte	90.0%	44,930	50,953	6,023
8	Sorsogon	86.7%	34,662	39,308	4,646
9	Misamis Occidental	82.4%	36,133	48,949	12,816
10	Davao Del Norte	81.8%	42,429	50,531	8,102
11	Lanao Del Norte	81.8%	48,038	52,699	4,661
12	Negros Oriental	80.0%	38,302	42,673	4,371
13	North Cotabato	77.8%	34,640	36,754	2,114
14	Kalinga	75.0%	41,836	49,510	7,674
15	Palawan	75.0%	45,429	63,331	17,902
Mean Difference		87.3%	38,276	46,205	7,929

Table 8. Provinces that were not part of the BUB Program in 2013*

	Province	Average Per Capita Income 2012	Average Per Capita Income 2015	(b)-(a)
		(a)	(b)	
1	Ilocos Norte	62,224	71,504	9,281
2	Ilocos Sur	69,407	64,148	-5,258
3	Pangasinan	48,153	56,414	8,261
4	Batanes	76,288	149,338	73,049
5	Cagayan	49,105	60,989	11,884
6	Isabela	48,241	61,838	13,597
7	Nueva Vizcaya	58,245	64,050	5,805
8	Quirino	43,556	54,198	10,643
9	Aurora	48,333	71,269	22,936
10	Bataan	72,055	98,861	26,807
11	Bulacan	67,884	78,642	10,758
12	Nueva Ecija	50,814	55,070	4,256
13	Pampanga	69,180	78,765	9,585
14	Tarlac	59,495	57,596	-1,899
15	Zambales	48,314	81,388	33,074
16	Batangas	62,197	73,881	11,684
17	Cavite	75,242	84,743	9,501
18	Marinduque	47,185	61,564	14,379
19	Laguna	68,120	86,871	18,751
20	Capiz	52,062	55,095	3,033
21	Iloilo	62,153	56,228	-5,926
22	Bohol	43,055	56,349	13,294
23	Southern Leyte	43,270	53,886	10,617
24	Biliran	42,795	91,035	48,240
25	Misamis Oriental	49,289	59,542	10,252
26	South Cotabato	50,975	65,760	14,785
Mean Difference		56,448	71,116	14,669

**excludes NCR and ARMM*

If the average increase in the per capita income of the 'early BUB implementing provinces' is found to be statistically greater than the average increase in per capita income of the 'late BUB implementing provinces', then one can argue that the BUB is associated with better-than-average improvements in overall well-being of local communities. This argument is premised on the expectation that the higher cumulative amount of NG funding received by the 'early BUB implementing provinces' between FY 2013 and FY 2015 relative to that received by the latter group of provinces will be associated in greater improvement in overall level of well-being in the former set of provinces compared with that in the latter set of provinces. Conversely, if the average increase in the per capita income of the 'early BUB implementing provinces' is found to be statistically lower than the average increase in per capita income of the 'late BUB implementing provinces', then no such positive association between BUB and improvement in the overall welfare of local communities can be made.

Table 8 shows that the average per capita household income in the 'early BUB implementing provinces' grew by 21% from PhP 38, 276 in 2012 to PhP 46, 205 in 2015. In comparison, the average per capita household income in the 'late BUB implementing provinces, grew by 26% from PhP 56,448 in 2012 to PhP 71,116 in 2015 (Table 6). Thus, the average increase in the per capita household income between 2012 and 2015 of the 'late BUB implementing provinces' is found to be equal to PhP 14,669, 85% higher than the average increase in the per capita household income of the 'early BUB implementing provinces'(PhP7,929). Applying an independent samples t-test to the difference between these two means indicate that the increase in average per capita household income of the 'late BUB implementing provinces' is statistically greater than the increase in average per capita household income of the 'early BUB implementing provinces' at the 3.1% level of significance. (Please see Annex III for the complete results of the t-test).

This result indicates that the BUB is not associated with greater increase in per capita household income at the provincial level. There are several possible reasons for this finding:

(i) the time frame of the analysis (2012-2015) might not be long enough to realize tangible gains from BUB projects given the substantial delays in the implementation of the BUB projects programmed for FY 2013 and FY 2014;

(ii) income estimates derived from FIES data are reliable at best at the regional level and subject to certain limitations at the provincial level. However, because the BUB program is implemented at the level of the municipalities/ cities, some of the component municipalities/ cities in our 'early BUB implementing provinces' do not belong in fact to the set of true 'early BUB implementers'; and,

(iii) majority of the projects implemented through the BUB in the selected provinces might not be a primary contributor to an overall increase in per capita income of the provinces. As can be gleaned from the preliminary findings of the primary data collection, a majority (90%) of the household respondents related that in their opinion, there are projects other than the BUB projects that were actually implemented in their communities which would have been more responsive to the needs of their community. Said projects might have been more helpful to increase the households' standard of living.

1.2.1 Regression Analysis of the Growth Rate of Per Capita Household Income

As an alternative to testing the difference between two means, we also regressed the growth rate of per capita household income between 2012 and 2015 against the lagged value of per capita household income (i.e., per capita household income in 2012), and a dummy variable that differentiates between 'early BUB implementing provinces' and 'late BUB implementing provinces' using the specification shown in equation (1).

$$ln\frac{PCI_{2015}}{PCI_{2012}} = B_0 + B_1\ln(PCI_{2012}) + B_2\,D + \varepsilon \qquad (1)$$

Where PCI_{2015} = *average per capita income of province in 2015*
PCI_{2012} = *average per capita income of province in 2012*
D = 1 if province belongs to the set of 'early BUB implementing provinces'
= 0 if province is not BUB first implementer

The results of the multivariate regression did not indicate any support to the hypothesis that belonging to the group of 'early BUB implementing provinces' is associated with higher growth in per capita household income. In particular, the two predictors explained only 9.53% of the variance. (R = 0.953, F (2,38) = 2.00, p=0.1491). Consequently, the lagged value of the 2012 per capita income, ln(PCI2012) did not significantly predict the growth rate of per capita household income between 2012 and 2015 (β=-0.02755, p=0.058), as did the dummy variable, D (β=-0.01268, p=0.096) (Please see Annex IV for the complete results of the regression analysis).

2. Strengthening of Social Capital

One of the major objectives of the study is to examine how well has the BUB contributed to the strengthening of social capital in the communities of the beneficiary LGUs. The definition of social capital adapted in this report comes from Aldrich and Putnam which defines social capital as the networks and resources available to people through their relationships with others. It refers to connections that exist between people, and their shared values and norms of behavior, which enable and encourage mutually advantageous social cooperation (Gurung & Shean, 2017). Numerous scholars have suggested that social capital enable citizens to act together more effectively to pursue shared objectives and make collective demands of governance institutions, and that societies with robust associational life and diverse networks are more likely to be engaged civically and participate in governance than those without such networks.

In the context of BUB, social capital is developed and strengthened by allowing its stakeholders to build trust and reciprocity, which restrains individual opportunism. The BUB process is structured to identify, prioritize, and monitor projects at the municipality level and eventually move up to the national level for approval and funding. The entire process of the BUB provides

an opportunity to support bridging social capital – horizontal relationships between heterogeneous groups from different geographic locations, ethnicities, religions, genders or other identity groups (e.g. CSOs, civic and political institutions); and linking social capital – vertical relationships between social networks with differing levels of power or social status (e.g. local leaders, government officials).

Among the many dimensions of social capital, the study team focused on examining the strengthening of trust and solidarity, membership and fulfillment of civic duties, social exclusion, and collective action, among households and CSOs in the LGUs where BUB projects were implemented. For a more detailed discussion of social capital, please refer to Annex I.

2.1.Households in the BUB implementing LGUs

2.1.1 Trust

Promoting collaborative values between the government and citizens increase the level of trust in the government, which eventually enhances the level of government effectiveness. (Myeong & Hyungjun, 2016). When the level of trust is gradually increased, the government can actively implement the planned projects and programs and enjoy the possibility of obtaining wider support and consensus among all the stakeholders. However, when the level of trust is decreased, the government is unable to implement the policies effectively, which may eventually lead to a vicious cycle of mistrust.

The trust dimension of social capital refers to the extent to which people feel they can rely on relatives, neighbors, colleagues, acquaintances, key service providers, and even strangers either to assist them or (at least) do them no harm (Dudwick, Kuehnast, Jones, & Woolcock, 2006). In the study, trust in government officials, in particular, with the barangay, municipal/city, and provincial officials were assessed wherein trust is generally defined as a positive attitude of behavior of these groups of people observed by the respondents.

The trust dimension of social capital was assessed through the respondents' ratings on statements relating to trust and honesty (i.e. are basically honest and can be trusted), trustworthiness (i.e. more trustworthy than others), interest in one's own welfare (i.e. are always interested only in their own welfare) and interest in the welfare of the community/selflessness (i.e. look out mainly for the welfare of the community over their own), for political leaders in the local level, namely, barangay officials, municipality /city officials, and provincial officials.

Survey results reveal that for all statements, barangay and municipal officials were generally rated higher than provincial officials. Specifically, for trust and honesty, both barangay and provincial officials had more than half of the total number of respondents giving positive ratings of 57.72% and 56.02%, respectively (See Table 9). Likewise, high positive ratings were also attained by the same groups of leaders for statements relating to trustworthiness (60.32% and 57.40%) and welfare of the community over self (63.49% and 62.26%). The results of the relatively high ratings of trust and welfare for the barangay and municipality/city officials may imply the possible effect of proximity in developing trust-based relationships between local leaders and the people in the community. The statement relating to interest in own welfare generally received low ratings for

all the groups of people but was observed to be lowest for the municipal/city officials and provincial officials with low ratings given by a share of 31.57% and 29.67%, respectively.

Table 9. Respondents Ratings on Statements Relating to Generalized Trust

Statements	Levels	% of Respondents who gave scores of 5-7 (on a scale of 1-7)
Are basically honest and can be trusted	Barangay officials	57.72
	Municipal/city officials	56.02
	Provincial officials	46.83
Are more trustworthy than others	Barangay officials	60.32
	Municipal/city officials	57.40
	Provincial officials	49.43
Are always interested only in their own welfare	Barangay officials	33.25
	Municipal/city officials	31.57
	Provincial officials	29.67
Look out mainly for the welfare of the community over their own	Barangay officials	63.49
	Municipal/city officials	62.26
	Provincial officials	55.04

Likewise, the respondents also opined that the implementation of BUB projects has increased the level of trust among the members of the community (83.36%), and that their participation in the process has increased the influence of individuals in improving their respective communities (80.38%) (See Table 10). The respondents also acknowledged and gave high regard to the honesty and transparency demonstrated by their respective local government leaders in undertaking all transactions related to the BUB. In particular, majority of the respondents agreed that their LGU leaders: (1) identified and prioritized projects that are beneficial to them and/or to other members of their communities (78.71%); (2) kept all transactions open to public scrutiny (75.85%); and (3) were transparent/honest about reporting the outcomes of a given program/project (74.13%).

Table 10. Household perception on the impact of BUB on trust

Statements	Perception		
	Agree	Disagree	Don't Know
The implementation of BUB projects has increased the level of trust among the members of this community.	83.36	7.01	9.64
Your participation in the BUB process has increased the influence that people like yourself can have in improving your community	80.38	9.22	10.4
LGU leaders identify and prioritize projects that are beneficial to you/other members of your community	78.71	12.71	8.58
LGU transactions are transparent/open to public scrutiny	75.85	11.65	12.5
LGU officials are transparent/honest about reporting the outcomes of a given program/project	74.13	11.54	14.33

2.1.2 Solidarity

For assistance to affected households, more than half (56.88%) of respondents ranked close relatives as first in assisting a household with a sick member; the other 24.64% ranked neighbors as first (See Table 11). Half (48.00%) ranked neighbors as second in assisting the sick, while for 22.52%, it was the close relatives. Those ranked as third were friends, according to 36.74%; it was barangay officials for 19.83% and neighbors for 10.03% of respondents.

Table 11. Ranking of persons/groups in terms of provision of assistance provided to households with a sick member

Response	Rank 1	Rank 2	Rank 3
Close relatives	56.88	22.52	7.85
Neighbors	24.64	48.00	10.03
Friends	1.45	9.57	36.74
The entire village	0.38	1.11	6.21
Community-based group	0.10	0.08	0.58
Local government unit	1.34	2.19	3.44
Barangay official/s	9.36	7.81	19.83
Refused to reply/no reply	0.15	2.96	5.47
Don't know	0.10	1.04	2.41
Others	4.00	2.24	4.11
No one	1.60	2.48	3.33

As to provision of financial assistance to affected households, more than half (55.04%) of respondents ranked close relatives as first in those to be approached for assistance by households that suffer a loss of income/source of income (See Table 12). The other 21.06% ranked neighbors as first. Second rank, according to 40.95%, was the neighbors; for 19.49%, it was the close relatives, and for 13.29%, it was friends. Those ranked third were friends, according to 32.44%; it was barangay officials for 12.74% and neighbors for 10.76% of respondents.

Table 12. Ranking of persons/groups in terms of provision of financial assistance to households

Response	Rank 1	Rank 2	Rank 3
Close relatives	55.04	19.49	8.26
Neighbors	21.06	40.95	10.76
Barangay official/s	8.51	6.57	12.74
Informal money lender	3.36	4.84	7.02
Friends	3.29	13.29	32.44
No one	2.58	2.41	3.65
Local government unit	2.33	2.79	4.06
Microfinance institute	1.45	2.38	3.50
The entire village	0.68	1.61	5.92
Others	0.41	0.34	0.81
Don't know	0.40	1.16	3.34
Community-based group	0.38	0.32	0.46
Refused to reply/no reply	0.36	3.66	6.69
Rural bank	0.15	0.19	0.35

On companions during festival celebrations, more than half (53.79%) of respondents get together firstly as a household to celebrate festivals; the other 18.18% get together firstly with relatives while for 10.02%, it is with the entire village (See Table 13). For the second rank, 47.20% indicated relatives, 22.50% indicated neighbors, and 10.49% indicated the entire village. More than a third (37.14%) of respondents would get together with neighbors as their third choice while 20.08% indicated the entire village and 13.79% indicated the neighboring villages.

Table 13. Ranking of persons/groups in terms of festival celebrations

Response	Rank 1	Rank 2	Rank 3
Household members	53.79	7.00	7.96
With relatives	18.18	47.20	10.72
The entire village	10.02	10.49	20.08
Neighbors	8.74	22.50	37.14
Neighboring villages	3.36	7.65	13.79
Refused to reply/no reply	3.31	2.63	4.46
Others	2.02	1.29	3.04
Don't know	0.60	1.24	2.81

In terms of resolution of disputes, more than a third (38.05%) of respondents ranked barangay officials as first in moving towards the resolution of disputes among community members (See Table 14). The other 34.18% thought that the dispute would be resolved firstly among those directly involved, while 14.81% thought it would be the neighbors. For the second rank, neighbors were chosen by 40.28% and barangay officials, by 21.30%. About 9.66% of respondents chose the homeowners' association. And for the third rank, it was barangay officials for 29.78% of respondents while 16.35% said those directly involved would move to resolve the dispute.

Table 14. Ranking of persons/groups in terms of resolution of disputes

Response	Rank 1	Rank 2	Rank 3
Barangay official(s)	38.05	21.30	29.78
Among themselves	34.18	7.83	16.35
Neighbors	14.81	40.28	13.71
Others	9.80	10.98	9.29
Homeowner's association	2.10	9.66	8.33
Refused to reply/no response	0.60	6.43	13.78
Don't know	0.46	3.52	8.76

2.1.3 Membership and Fulfillment of Civic Duties

An important part of the concept of social capital is understanding the groups and networks that enable people to access resources and collaborate to achieve shared goals (Dudwick et al., 2006, p. 18). The kind of network considered for the study consists of associations, in which members are linked horizontally. These networks have potential to nurture self-help, mutual help, solidarity and cooperative efforts in the community.

Aside from inquiring on the awareness on the BUB program, the survey also asked on the level of participation of household respondents to CSOs. It should be recalled that alongside with the LGU, CSOs play a vital role in formulating a LGU's Local Poverty Reduction Action Plan (LPRAP) to come up with a list of priority projects that will be included for funding by the participating national government agencies. Thus, the participation of a household member in a CSO opens up more opportunities for the household member to participate in the BUB process. Survey results revealed that CSO involvement among household respondents was minimal, with shares of 7.19% and 26.3% claiming to be as CSO officers and CSO members, respectively.

Among the household respondents who claimed membership in CSOs, 31.3% were aware of their CSO's participation to CSO assemblies, while 32.35% did not have any idea of their CSOs' Majority of those who had the opportunity to attend the LPRAT affirmed that they had the opportunity to give inputs to the identification of projects for the BUB.

Aside from memberships in CSOs, only a small proportion of the respondents indicated memberships in other groups or organizations (See Table 15). In particular, 15.12% of the respondents related that they are members of a credit or savings group, while 7.12% and 3.09% stated that they belong to development groups and trade union groups, respectively.

Table 15. Household membership in groups and fulfillment of civic duties

Groups	Yes	No
Trade union	3.09	96.91
Development groups	7.11	92.89
Credit or savings group	15.11	84.89
Statement		
Do you think that by belonging to this group, you/your family member/s have acquired new skills or learned something valuable?	95.79	4.21
Voted in the past election	95.32	4.68
Attendance of any household member in a public meeting	84.53	15.47

In terms of fulfillment of civic duties, most respondents (95.32%) voted in the most recent election. Majority of respondents (84.53%) had attended a public meeting called by the local leader in the past year (See Table 15).

2.1.4 Social Exclusion

In the study, the respondents were presented with aspects in the community that may be a source of division among the people. They were then asked which among these aspects has caused any divisions in their communities and if so, did these divisions caused any problems.

The results of the survey reveal that the respondents perceive very low levels of exclusion existing in their communities in all aspects presented to them. Comparing all the aspects, political affiliations/association/leanings (20.3%), land ownership (15.8%) and education (15.5%)

relatively attained higher ratings (cumulative ratings of 5 -7, 7 being the highest) as possible causes of divisions in the community (See Table 16).

Table 16. Household perception on differences that may cause division among people, by Likert score

Difference	Not at all - 1	2	3	4	5	6	Very much - 7
Education	54.78	6.74	10.41	12.50	7.44	3.19	4.94
Wealth/material possessions	56.33	7.04	9.17	12.10	8.51	3.06	3.79
Land ownership	56.30	6.89	10.66	10.45	7.79	2.76	5.16
Social status	63.70	6.23	9.12	10.35	6.33	2.23	2.03
Men and women	74.93	4.76	6.02	7.42	4.36	1.32	1.19
Younger and older generations	68.23	4.74	6.79	8.61	5.55	2.23	3.83
Long-time and new residents	71.57	5.64	6.98	8.13	4.99	1.39	1.31
Political affiliations/association/leanings	52.41	5.57	9.12	12.55	9.34	4.53	6.48
Religious Beliefs	67.01	5.90	7.16	8.96	5.92	2.33	2.73
Ethnic backgrounds	77.19	4.38	5.40	6.86	4.07	1.06	1.04

2.1.4.1 Education

More than half of the respondents (54.78%) mentioned that differences in education did not divide people in their sitio/barangay at all (See Table 16). For those who opined that differences in education did divide their community, 78.69% said that differences in education did not cause problems (See Table 17). However should they occur, problems were usually resolved by people working it out between themselves (38.35%); mediation of community leaders (29.67%) and intervention of family/household members (22.81%) (See Table 18). A relatively large percentage of respondents (66.7%) indicated that problems related to differences in education did not lead to violence.

Table 17. Differences that may cause division in the community

Differences	Yes	No
Education	21.31	78.69
Wealth/material possessions	19.83	80.17
Land ownership	36.65	63.35
Social status	15.26	84.74
Men and women	13.91	86.09
Younger and older generations	18.11	81.89
Long-time and new residents	16.22	83.78
Political affiliations/association/leanings	33.28	66.72
Religious Beliefs	12.27	87.73
Ethnic backgrounds	13.19	86.81

Table 18. Resolutions in settling differences causing divisions in the community

Differences	People work it out between themselves	Family/ household members intervene	Neighbors intervene	Community leaders mediate	Religious leaders mediate	Judicial leaders mediate	Refused to reply/no response	Don't know	Others
Education	38.25	22.81	5.15	29.67	1.03	1.72	0.17	0.69	0.51
Wealth/material possessions	32.82	21.76	5.92	31.11	1.91	4.58	0.38	1.15	0.38
Land ownership	24.56	10.63	2.27	48.40	0.31	11.46	0.21	0.62	1.55
Social status	37.61	19.10	7.16	29.25	1.19	2.99	0.60	1.79	0.30
Men and women	36.97	24.64	9.95	20.38	1.42	4.74	0.00	1.42	0.47
Younger and older generations	24.43	48.28	7.18	14.66	1.72	2.59	0.29	0.57	0.29
Long-time and new residents	29.75	21.51	9.68	33.33	1.43	2.87	0.36	0.36	0.72
Political affiliations/ association/leanings	45.62	12.42	3.44	27.45	1.04	5.64	1.88	1.57	0.94
Religious Beliefs	42.86	14.69	2.86	9.39	22.86	2.45	1.22	2.45	1.22
Ethnic backgrounds	21.43	19.23	15.38	38.46	2.75	0.55	0.00	1.65	0.55

2.1.4.2 Wealth/material possession

More than half of the respondents (56.33%) indicated that differences in wealth/material possessions did not tend to divide the people in the sitio/barangay at all. Majority (80.17%) of the respondents indicated that differences in wealth did not cause problems. But if they crop up, these problems were usually handled through working it out between themselves (32.82%), mediation of community leaders (31.12%) and intervention of family/household members (21.76%). There was a relatively small percentage of respondents which mentioned neighbors (5.92%), judicial leaders (4.58%) and religious leaders (1.91%) mediating in resolving such type of problem. A relatively large percentage (63.7%) said that differences in wealth did not lead to violence.

2.1.4.3 Land ownership

Majority of the respondents (56.33%) affirmed that differences in land ownership did not tend to divide the people in a sitio/barangay at all. Close to two thirds (63.35%) indicated that differences in land ownership did not cause problems. However if they arise, such problems were usually resolved through mediation of community leaders (48.40%), people working it out themselves (24.56%), with judicial leaders (11.46%), or family/household members intervening (10.63%). A

few respondents (2.27%) said that neighbors intervene in addressing such problems Among those who indicated that difference in land ownership cause problems, 64.4% said that these problems did not lead to violence.

2.1.4.4 Social Status

The responses indicated that social status does not divide the people at all in a sitio/barangay. Close to two thirds (63.70%) firmly expressed that such differences did not tend to divide the people at all in their area. Majority of respondents (84.74%) said that differences in social status did not cause problems. As to how such problems are handled if they arise, 19.10% indicated that family/household members would intervene to resolve them; 29.25% said community leaders would mediate; 7.16% indicated neighbors; 2.99% said judicial leaders; and 1.19% mentioned religious leaders would assist. More than half of the respondents (56.40%) living in areas where differences in social status caused problems signified that such problems did not lead to violence.

2.1.4.5 Gender

Almost three quarters of the respondents (74.94%) indicated that differences between men and women did not tend to divide the people in their area at all. Majority (86.09%) said that differences between men and women in their area did not cause problems. However, if such problems arise, these would be handled by people working it out between themselves (36.97%), with family/household members (24.64%), and with community leaders (20.38%) intervening. Others specified their neighbors (9.95%), judicial leaders (4.74%) and religious leaders (1.42%) doing the mediation between parties. For those who indicated that differences between men and women caused problems, more than 50.0% went further by saying that this problems led to violence.

2.1.4.6 Age/Younger generation vs Older generation

About two thirds (68.23%) indicated that differences between younger and older generations did not tend to divide people in their sitio/barangay. Majority (81.89%) of the respondents declared that these differences did not cause problems. However, in cases where such problems occur, almost half of the respondents (48.28%) said that differences were usually handled through intervention of family/household members, 24.43% said that community members worked it out between themselves, and 14.66% indicated that community leaders would mediate. Very few, on the other hand, specified that their neighbors (7.18%), judicial leaders (2.59%) and religious leaders (1.7%) mediated.

2.1.4.7 Length of residence in barangay

Close to three fourths (71.57%) expressed that differences between long-time residents and new settlers did not tend to divide people in barangay at all. Majority (83.78%) shared that differences between long-term residents and new settlers tend to divide people in the barangay declared that such differences did not cause any problems. And in cases where these problems arise, the most common local actor who mediated were community leaders (33.33%) and family/household members (21.51%); neighbors (9.68%), judicial leaders (2.87%) and religious leaders (1.43%) also mediated. More than a fourth (29.75%) mentioned that for such problems, people worked it out by

themselves. More than half of the respondents (55.90%) of respondents who mentioned that such differences between long-time residents and new settlers caused problems expressed that such problems led to violence.

2.1.4.8 Political affiliations

A little more than half of the respondents (52.41%) said that differences in political affiliation did not tend to divide people in the barangay at all. About 66.72% indicated such differences did not cause problems. In cases where such problems arise, 45.62% indicated that they are usually worked out between the concerned people themselves, 27.45% specified that community leaders mediated, and 12.42% said family/household members intervened. Other mediators mentioned were judicial leaders (5.64%), neighbors (3.44%), and religious leaders (1.04%). As to whether such differences led to violence, more than a third (36.90%) agreed.

2.1.4.9 Religious beliefs

Many of the respondents (67.01%) indicated that differences in religious beliefs did not tend to divide people in the barangay at all. Among those who indicated religious beliefs as a source of divide, 87.73% said that such differences did not cause problems. On how problems are handled if they crop up, 42.86% of those who said that differences in religious beliefs caused problems said people worked it out between themselves; 22.86% specified that religious leaders mediated; 4.2% mentioned that family/household members intervened; and 9.39% said community leaders mediated. More than half of the respondents (53.9%) shared that problems caused by differences in religious beliefs did not lead to violence.

2.1.4.10 Ethnic backgrounds

There was a large proportion of respondents (77.19%) which indicated that differences in ethnic backgrounds did not tend to divide people in the barangay at all. Majority (86.81%) of the respondents said that such differences did not cause problems. If problems arise, respondents indicated that they were usually handled by community leaders (38.46%), family/household members (19.23%), neighbors (15.38%), or people worked it out between themselves (21.43%). Seventy-percent (70.0%) of those who indicated that differences in ethnic backgrounds caused problems affirmed that such problems led to violence.

2.1.5 Collective Action

Social capital flows from individual interactions to larger organization and collective activities, increasing participation in governance activities and ultimately enhancing effectiveness of governments and institutions (Gurung & Shean, 2017). At the local level, bonding social capital – horizontal relationships in a homogenous group (i.e., peer group, family, culture, religion, gender, ethnicity), helps like-minded individuals act collectively and begin to develop a voice.

The respondents demonstrated positive perception on the extent of their willingness to cooperate and participate in any collective action performed in their communities. Survey results reveal that even without getting any benefits for themselves, the respondents are willing to contribute their

time and money to facilitate any community schemes that will benefit the other members of their sitios/barangays (89.32%) (See Table 19). This result was also evident even when the beneficiaries of the community scheme are people from other sitios/barangays (71.59%). These responses clearly support the perception of the majority of the respondents that collective action is possible to happen in their communities (99.16%) and that collective action is necessary to improve the quality of life in their community (95.54%).

Table 19. Household perception on collective action, by willingness to participate

Statement	Will contribute	Will not contribute	Undecided	Refused to reply
If some community scheme does not directly benefit you but has benefits for others in the sitio/barangay, I/my household _____ time or money for this scheme.	89.32	4.03	6.33	0.31
If some community scheme does not directly benefit them but has benefits for others in the sitio/barangay, my neighbor/s _____ time or money for this scheme.	71.59	6.35	20.51	1.55

Concomitantly, majority of the respondents (44.00%) still recognize that as an individual, they have influence on improving the quality of life of people in their respective communities. This was evident in their responses where they gave a mid to high rating (5 to 7) on a scale of 1 to 7, 7 being the highest, of the perceived influence that they have as an individual on improving the quality of life in their respective communities. Further, half of the total number of respondents agree that their participation in solving their community's problems would contribute to its socio-economic development. However, others believe that this is only possible if local government officials would work with them or local government officials and leaders of community-based organizations would do so. These responses had a share of 19.49% and 18.26% of the total number of respondents, respectively (See Table 20).

Table 20. Household perception on their influence on community welfare, by Likert score

Statement	1 - None at all	2	3	4	5	6	7 - A lot
Individuals such as yourself have on improving the quality of life in your community.	10.98	7.89	13.91	23.22	19.04	9.09	15.87
Statement	**1 - Never**	**2**	**3**	**4**	**5**	**6**	**7 - Always**
Number of times in the past 3 years have members of this community joined together to solve a common problem/ taken measures for the overall development/welfare of the community.	10.58	10.74	15.83	21.52	16.96	8.68	15.69

When an issue related to community development needs to be decided on, majority (74.46%) of the respondents relayed that members of the community are consulted and they believe that the final resolution would reflect their inputs (See Table 21). Some (15.67%), however, mentioned that the community leaders make the final decision among themselves without consulting the community. However, some respondents (8.78%) relayed that members of the community are consulted but their inputs are not reflected in the final resolutions made.

Table 21. Decision-making on community development needs

Statement	Percent
Members of the community would be consulted, and the final resolution would reflect their input	74.46
Community leaders would make the decision amongst themselves without consulting the community	15.67
Members of the community would be consulted, but the final resolution would reflect little to none of their input	8.78
Refused to reply/no response	0.99
Others	0.10

If problems such as natural disasters, drought, crop disease, etc., happen in the sitio/barangay, majority of the respondents would still rely on themselves or their households to deal with the problem(41.97%) (See Table 22). Others (25.06%) would trust that the officials in their barangays would act to solve these problems. A fifth of the total number of respondents (19.85%), however, think that the entire sitio/barangay would act to solve the problem. The respondents' confidence that their barangay/sitio leaders would act as leaders when disasters strike the community was supported by the majority (86.0%) when asked on who do they think would act as a leader in such situations.

Table 22. Person/group approached by households during natural disasters

Person/Group	Percent
Each person/household would deal with the problem individually	41.97
Barangay officials acting together	25.06
The entire sitio/barangay	19.85
Neighbors	6.96
Local government/municipal political leaders	5.59
CSOs	0.13
Others	0.45

2.2.CSO

2.2.1 Attendance to CSO Assemblies

Of the 367 respondents, 56.1% were non-LPRAT while 48.9% were LPRAT members at the time of the interview. Most of the respondents who represented their CSOs (70.3%) were presidents or CSO heads or Chairpersons. The rest were secretaries (12%), treasurers (10.6%), and vice presidents/vice chairpersons (8.7%). Of the total respondents, 65.9% were also members of other organizations.

CSO Assemblies are held once a year where members of the LPRAT will then be selected from those present. The LPRAT members then meet every quarter to plan and prioritize projects. Almost all (99%) of the CSOs representatives interviewed reported that they regularly attended CSO Assemblies. Annual attendance had been increasing from 2012 until 2015 and declined in 2016. The average attendance of CSO members from 2014 – 2016 was 74%. The relatively lower attendance in 2012 and 2013 was due to the fact that at that time, there were fewer LGUs included in the BUB program. The absolute increase in assembly attendance from 2014-2015 reflected both the increase in scope of the BUB program coverage in terms of the number of LGUs and projects which in turn increased the number of CSOs which have to be engaged. The decline in 2016 might be reflective of the winding down of the program given the change in administration, priorities and approach (See Table 23).

Table 23. Attendance of CSO representatives in CSO assemblies (2012-2016)

Year	Response	
	Yes	No
2012	31.40	68.60
2013	54.55	45.45
2014	74.66	25.34
2015	77.96	22.04
2016	70.25	29.75

Among the non-LPRAT respondents, about 52% of them had been at one time a member of the LPRAT. Current LPRAT respondents, on the other hand, indicated that 88% of them have been members of LPRAT at some point. Representation of the CSOs at the Regional Poverty Reduction Action Team (RPRAT) was much lower at 18%. The annual membership of the 67 CSOs which were members of RPRATs at some point had not been consistent. The membership of these RPRAT CSOs had been increasing from 15% in 2012 to 79% in 2015.

Attendance in annual CSO Assemblies has been higher among the LPRAT-member respondents than the non-LPRAT member respondents. The proportion of non-LPRAT member respondents who have attended between 3 and 5 meetings stood at 74% while for the LPRAT member respondents, it was 83%. In terms of number of years of membership to LPRAT, 52% of the non-LPRAT CSOs were members of LPRAT for at most 2 years whereas for the LPRAT CSOs, this had been lower at 31%. For the CSOs which were members for LPRAT for at least 3 years, the proportion had been higher among the LPRAT CSOs sample at 69%.

For CSOs who were members of RPRAT, 57% of the non-LPRAT member respondents reported membership of at most 2 years while this was 48% among the LPRAT member respondents. For CSOs that were members of the RPRAT for 3 years or longer, the proportion was higher for the LPRAT member sample at 52% versus 43% for the non-LPRAT member sample.

2.2.2 Improvement of CSO influence in LPRAP project prioritization in 2015-2016

The proportion of LGUs where all LPRAP projects matched with CSO-identified projects were 11.1% in 2015 and 11.6% in 2016 (See Table 24). High matching rates (75 to 99 percent) was observed in 13.8% and 17.2% of LGUs for FY 2015 and FY 2016, respectively. In 2015, 40.00% of the total number of LGUs was found to have 50% to 74% matched CSO-LPRAP projects. Meanwhile, 27.90% and 26.90% of LGUs had less than 50% matched projects in 2015 and 2016, respectively.

Overall, for FY 2016, 95.90% of LGUs in the analysis had at least one CSO-LPRAP project match which was a slight increase from the rate of 93.70% in FY 2015. Likewise, the proportion of LGUs where the share of CSO-identified projects to total number of LPRAP projects was at least 75% grew from 25% in 2015 to 29% in 2016.

Table 24. Frequency distribution of LGUs according share of CSO-identified projects in total number of LPRAP projects

Share of CSO-identified projects in total number of LPRAP projects	2015	2016
0%	6.3	4.1
<0-24%	7.3	5.00
25-49%	20.6	21.9
50-74%	40.9	40.2
75-99%	13.8	17.2
100%	11.1	11.6
Total number of LGUs with data	506	777

Table 25 and Table 26 shows the breakdown per region with the corresponding percentage matches. The total column indicates the number of LGUs per region that has at least one category identified during the CSO assembly that matched with the LPRAP projects. The Western Visayas region (Region VI) consistently had the most number of LGUs that had available CSO documents and also had the most number of at least one CSO-LPRAP matches for FY 2015 and 2016. This is closely followed by Eastern Visayas (Region VII) with 87 and 76 LGUs that had at least one CSO-LPRAP project matched in the same periods. Meanwhile, CAR had the least number of LGUs with at least one CSO-LPRAP match – 6 LGUs in FY 2015 and 22 LGUs in FY 2016. Meanwhile, all LGUs in the Bicol Region (Region V) had no available CSO documents for FY 2015. The same is true for the National Capital Region in FY 2016. The ARMM also went through the whole BUB process in FY 2015, but was not granted any BUB projects due to the supposed transition to the Bangsamoro. In FY 2016, the region no longer took part of the BUB process for the same reason.

Table 25. Percentage share of LGUs, by region and matching rates (FY 2015)

Region	100%	75-99%	50-74%	25-49%	>0-24%	0%	Total Number of LGUs
CAR	12.5	12.5	25	12.5	12.5	25	8
Caraga	15	15	35	25	10	-	20
NCR	-	13.3	40	33.3	-	13.3	15
Region I	12.2	14.3	53.1	14.3	4.1	2	49
Region II	40	-	50	10	-	-	10
Region III	3	6.1	60.6	18.2	6.1	6.1	33
Region IV A	7.7	23.1	23.1	23.1	7.7	15.4	13
Region IV B	32.6	15.2	39.1	8.7	4.3	-	46
Region V	-	-	-	-	-	-	-
Region VI	5.2	20.6	39.2	25.8	8.2	1	97
Region VII	10.9	14.1	39.1	20.7	9.8	5.4	92
Region VIII	7.7	2.6	46.2	23.1	10.3	10.3	39
Region IX	2.7	16.2	27	32.4	8.1	13.5	37
Region X	9.7	6.5	32.3	16.1	9.7	25.8	31
Region XI	20	30	40	10	-	-	10
Region XII	16.7	-	66.7	16.7	-	-	6
ARMM	-	-	-	-	-	-	-

Table 26. Percentage share of LGUs, by region and matching rates (FY 2016)

REGION	100%	75-99%	50-74%	25-49%	>0-24%	0%	Total Number of Projects
CAR	21.7	8.7	4.3	30.4	30.4	4.3	23
Caraga	8.9	26.7	31.1	26.7	4.4	2.2	45
NCR	-	-	-	-	-	-	-
Region I	18.8	12.5	35.9	18.8	9.4	4.7	64
Region II	10	17.5	30	27.5	10	5	40
Region III	12.5	22.2	40.3	16.7	4.2	4.2	72
Region IV A	30	20	27.5	17.5	-	5	40
Region IV B	7.1	22.9	35.7	17.1	10	7.1	70
Region V	6	20.9	43.3	23.9	1.5	4.5	67
Region VI	5.2	13.5	45.8	26	7.3	2.1	96
Region VII	4.9	14.6	39	31.7	2.4	7.3	82
Region VIII	16.7	16.7	35.2	22.2	9.3	-	54
Region IX	16.7	7.1	42.9	21.4	2.4	9.5	42
Region X	10.7	10.7	57.1	14.3	7.1	-	28
Region XI	11.1	19.4	63.9	-	5.6	-	36
Region XII	10.7	14.3	57.1	17.9	-	-	28
ARMM	-	-	-	-	-	-	-

Using data from FY 2016, Table 27 displays the distribution of LGUs with matched CSO-LPRAP projects and the total number of BUB projects, per type of project. The type of projects that had the highest matches among LGUs include those related to livelihood, agriculture and fisheries, water and sanitation, and transport. These types of projects were also identified as the most recognized BUB projects by the household survey respondents (*See Section 5.2.1*). Also, it can be inferred from Table 27 that for FY2016, the project types with the highest number of matched CSO-LPRAP projects were also those that have the highest number of BUB projects.

Table 27. Percentage share of LGUs with matched projects and Distribution of BUB projects, by project category: FY 2016

Project Type	Percentage	
	% share of LGUs with matched CSO-LPRAP projects	Total Number of BUB Projects
Livelihood	56.4	18.5
Agriculture and Fisheries	52.2	15.8
Water & Sanitation	43.1	10.3
Transport	35.5	14.4
Health	26.3	7.1
Disaster Risk Management	24.5	9.1
Education	21.3	5.7
Social Welfare	19.9	9.2
Irrigation	15.5	4.4
Community Development	8.6	1
Economic Development	5	1.9
Environment	4.8	1.1
Power	1	0.4
Others	0.4	1
Total	**787**	**14,324**

2.2.3 CSO participation in local governance

One objective of the study is to assess CSO members' and leaders' perception changes in the quality of their participation in local governance before and after the implementation of the BUB. In the study, CSO representative respondents were asked to rate their perception on the extent of their participation in each phase of the BUB process before and after the BUB process. The phases of the BUB include: (1) identifying projects; (2) prioritizing projects; (3) identifying beneficiaries of projects; (4) budgeting projects; (5) preparing project briefs; and (6) monitoring projects.

In order to assess the change in perception of the respondents in the quality of their participation in local governance before and after the BUB, the team utilized the nonparametric test for paired or matched data called the Wilcoxon Signed Rank Test. Results of the tests reveal a statistically significant positive change in the ratings of the respondents on their participation in local governance before and after the BUB process. In particular, positive changes in perception were

observed in the following aspects of participation in local governance: (1) extent of participation; (2) CSO's motivation/interest to participate; (3) the respondent's confidence in his/her capacity to participate; (4) the influence the respondent's CSO had in general in their barangays; and (5) the influence the respondent's CSO had in general in their municipality. For results of the test for statistical significance, please see Annex V).

To determine any improvement of CSO participation, the proportion of CSOs with high ratings (ratings of 5 to 7) in terms of participation in the different phases of the BUB were added and juxtaposed in the before and after scenarios. The following section discusses the results in each of the processes as displayed in Table 28.

Table 28. CSO participation in BUB processes (before and after)

BUB Process	Aspect	% of Respondents who gave scores of 5-7 on a scale of 1-7)	
		Before participating in BUB Process	After participating in BUB Process
Identifying projects	Your extent of participation	41.69	86.38
	Your organization's motivation/interest to participate	49.87	90.47
	Your confidence in your capacity to participate	50.95	89.64
	The influence your organization had in general, in your barangay	48.50	87.19
	The influence CSOs have in general, in your municipality/city	45.23	86.65
Prioritizing projects	Your extent of participation	45.23	87.74
	Your organization's motivation/interest to participate	49.59	89.10
	Your confidence in your capacity to participate	47.95	89.11
	The Influence your organization had in general, in your barangay	46.05	87.20
	The influence CSOs have in general, in your municipality/city	45.51	87.74
Identifying beneficiaries of projects	Your extent of participation	43.87	86.65
	Your organization's motivation/interest to participate	46.05	87.19
	Your confidence in your capacity to participate	49.59	88.01
	The Influence your organization had in general, in your barangay	45.78	87.19
	The influence CSOs have in general, in your municipality/city	48.77	88.29
Budgeting projects	Your extent of participation	39.78	81.19
	Your organization's motivation/interest to participate	44.68	86.92
	Your confidence in your capacity to participate	46.59	85.56
	The Influence your organization had in general, in your barangay	42.23	82.29
	The influence CSOs have in general, in your municipality/city	40.6	82.29
Preparing project briefs	Your extent of participation	42.50	83.93
	Your organization's motivation/interest to participate	45.23	85.29
	Your confidence in your capacity to participate	44.69	86.10

BUB Process	Aspect	% of Respondents who gave scores of 5-7 on a scale of 1-7) Before participating in BUB Process	After participating in BUB Process
	The Influence your organization had in general, in your barangay	42.23	84.74
	The influence CSOs have in general, in your municipality/city	41.69	83.92
	Your extent of participation	39.78	79.57
	Your organization's motivation/interest to participate	47.41	84.19
Monitoring projects	Your confidence in your capacity to participate	44.69	84.46
	The Influence your organization had in general, in your barangay	43.06	82.56
	The influence CSOs have in general, in your municipality/city	42.23	82.29

2.2.3.1 CSO participation in Identifying projects

Measuring the impact of the BUB in terms of different processes, the CSOs' ratings of their own participation in identifying projects before and after the BUB process participation, the survey indicated that there is was an increase from 41.69% to 86.38% of the respondents giving ratings of 5 to 7 on the extent of participation. In terms of motivation to participate, before the BUB process participation, only 49.87% of the respondents reported that organizations were motivated (ratings of 5 to 7) to participate in project identification. After the BUB participation, this increased to 90.47% of the respondents. Before the BUB process participation, 50.95% of the respondents reported that they had confidence (ratings of 5 to 7) in their capacity to participate in project identification. After the BUB participation, this increased to 89.64% of the respondents. Before the BUB process participation, 48.50% of the respondents reported that their organization had influence (ratings of 5 to 7) in their own barangays. After the BUB participation, this increased to 87.19% of the respondents.

2.2.3.2 CSO participation in prioritizing projects

Prior to the process participation, only 45.23% said that there was participation in prioritizing projects. After the process participation, the share increased to 87.74%. Before the BUB process participation, only 49.59% of the respondents reported that organizations were motivated to participate in prioritizing projects. After the BUB participation, this increased to 89.1% of the respondents. Before the BUB process participation, 47.95% of the respondents reported that they had confidence in their capacity to participate in prioritizing projects. After the BUB participation, this increased to 89.11% of the respondents. Before the BUB process participation, 46.05% of the respondents reported that their organization had influence in their own barangays in prioritizing projects. After the BUB participation, this increased to 87.20% of the respondents. Before the BUB process participation, 45.51% of the respondents reported that their organization had influence in their own municipalities or cities in prioritizing projects. After the BUB participation, this increased to 87.74% of the respondents.

2.2.3.3 CSO participation in identifying beneficiaries of projects

Of the respondents before the process participation, only 43.87% said that there was participation in identifying beneficiaries of projects. After the process participation, the number increased to 86.65%. Before the BUB process participation, only 46.05% of the respondents reported that organizations were motivated to participate in identifying beneficiaries of projects. After the BUB participation, this increased to 87.19% of the respondents. Before the BUB process participation, 49.59% of the respondents reported that they had confidence in their capacity to participate in identifying beneficiaries of projects. After the BUB participation, this increased to 88.01% of the respondents. Before the BUB Process Participation, 46.05% of the respondents reported that their organization had influence in their own barangays in identifying beneficiaries of projects. After the BUB participation, this increased to 87.20% of the respondents. Before the BUB process participation, 45.51% of the respondents reported that their organization had influence in their own municipalities or cities in identifying beneficiaries of projects. After the BUB participation, this increased to 87.74% of the respondents.

2.2.3.4 CSO participation in budgeting projects

Of the respondents before the process participation, only 39.78% said that there was participation in budgeting projects. After the process participation, the number increased to 81.19%. Before the BUB process participation, only 44.68% of the respondents reported that organizations were motivated to participate in budgeting projects. After the BUB participation, this increased to 86.92% of the respondents. Before the BUB process participation, 46.59% of the respondents reported that they had confidence in their capacity to participate in budgeting projects. After the BUB participation, this increased to 85.56% of the respondents. Before the BUB process participation, 42.23% of the respondents reported that their organization had influence in their own barangays in budgeting projects. After the BUB participation, this increased to 82.29% of the respondents. Before the BUB process participation, 40.60% of the respondents reported that their organizations had influence in their municipalities or cities. After the process participation, 82.29% of the respondents agreed to this.

2.2.3.5 CSO participation in preparing project briefs

Of the respondents before the process participation, only 42.50% said that there was participation in preparation of project briefs. After the process participation, the number increased to 83.93 Before the BUB process participation, only 45.23% of the respondents reported that organizations were motivated to participate in preparation of project briefs. After the BUB participation, this increased to 85.29% of the respondents. Before the BUB process participation, 44.69% of the respondents reported that they had confidence in their capacity to participate in preparation of project briefs. After the BUB participation, this increased to 86.10% of the respondents. Before the BUB process participation, 42.23% of the respondents reported that their organization had influence in their own barangays in preparation of project briefs. After the BUB participation, this increased to 84.74% of the respondents. Before the BUB process participation, 41.69% of the respondents reported that their organization had influence in their own municipalities or cities in preparation of project briefs. After the BUB participation, this increased to 83.92% of the respondents.

2.2.3.6 CSO participation in monitoring projects

Of the respondents before the process participation, only 39.78% said that there was participation in monitoring projects. After the process participation, the number increased to 79.57%. Of the respondents before the process participation, only 47.41% said that there was participation in monitoring projects. After the process participation, the number increased to 84.19%. Before the BUB process participation, 44.69% of the respondents reported that they had confidence in their capacity to participate in monitoring projects. After the BUB participation, this increased to 84.46% of the respondents. Before the BUB process participation, 43.06% of the respondents reported that their organization had influence in their own barangays in monitoring projects. After the BUB participation, this increased to 82.56% of the respondents. Before the BUB process participation, 42.23% of the respondents reported that their organization had influence in their own municipalities or cities in monitoring projects. After the BUB participation, this increased to 82.29% of the respondents.

The CSO respondents generally gave positive ratings on the extent the BUB has increased opportunities for CSOs to participate in local governance. In terms of identifying beneficiaries of projects, high ratings (ratings of 5-7) of increased opportunities for CSOs to participate in local governance had a share of 77.39% (See Table 29). A share of 83.92% CSO respondents had the same sentiment in terms of prioritizing projects; 80.39% in identifying beneficiaries of projects; 77.65% in budgeting projects; 76.85% in preparing project briefs; and, 79.57% in monitoring projects.

Table 29. CSO perception on the impact of BUB on their participation in local governance

Item	% of Respondents who gave scores of 5-7 (on a scale of 1-7)
Bottom-Up Budgeting (Comparing initial BUB experience with more recent BUB experience)	
Identifying beneficiaries of projects	77.39
Prioritizing projects	83.92
Identifying the beneficiaries of projects	80.39
Budgeting projects	77.65
Preparing project briefs	76.85
Monitoring projects	79.57
Other local governance opportunities outside of the BUB	
Gained membership in local development council	60.76
Gained membership in local special bodies (LSBs)	67.03

2.2.4 LGU-CSO relations

There were significant positive change in the CSO respondents' perception on how LGU officials regard the CSO initiatives. Before the BUB process, 51.78% of respondents perceived the LGUs regard of CSOs initiatives as supporting (See Table 30). After the BUB process, this increased to 84.75%. As for barangay officials, 49.60% of respondents considered the barangays' regard of CSOs initiatives as encouraging (ratings of 5 to 7) before the BUB and this increased to 84.74% after the BUB process.

Table 30. CSO perception on LGU officials support to CSO initiatives

	Level	Percentage of respondents						
		1 - Discouraging	2	3	4	5	6	7 - Supporting
Before BUB	LGU officials	6.81	7.36	13.62	20.44	25.89	11.72	14.17
	Barangay officials	8.17	7.90	13.35	20.98	21.80	14.99	12.81
After BUB	LGU officials	3.00	1.09	2.72	8.45	20.44	31.61	32.70
	Barangay officials	3.00	1.09	2.72	8.45	20.44	31.61	32.70

On whether or not the relationship with LGU officials improved because of participation in BUB, 78.75% of CSO respondents confirmed the affirmative (See Table 31). Out of the CSOs that responded positively, 41.7% were non-LPRAT members while 37.1% were LPRAT members. As to the relationship with Barangay Officials, 67.3% agreed that the relationship improved because of participation in BUB. Of the CSOs that responded positively, 35.7% were non-LPRAT members while 31.61% were LPRAT members.

Table 31. CSO's Perceived Relationship with LGU After Participating in BUB Process

Level	Improved	Worsened	No Change
With LGU	78.75	0.00	21.25
With Barangay Officials	67.30	1.91	30.79

2.2.5 Inter CSO relations

Before participating in the BUB process, more than half of the CSO respondents (56.96%) gave a positive rating of between 5 and 7 (more collaborative) on their CSO's relationship with other CSOs in their city/municipality/barangay (See Table 32). More LPRAT member respondents (62.10%) rated the relations as more collaborative (ratings of 5 to 7) compared with non-LPRAT member sample of 52.90%. After participating in the first round of BUB process, the respondents who rated their relations with other CSOs between 5 and 7 increased even more with a share of 88.83%. This implies increases in collaborations with other CSOs. Those who gave the highest rating of 7 more than doubled from 19.35% before BUB to 42.51% after the BUB process. Still, more LPRAT member respondents (93.80%) indicated increased collaborative relations than non-LPRAT member respondents (85.00%).

Table 32. CSO perception on their relationship with other CSOs (before and after BUB), by Likert Score

	1 - Competition	2	3	4	5	6	7 - Collaboration
Before BUB	5.99	4.90	13.62	18.53	25.89	11.72	19.35
After BUB	2.45	0.54	1.91	6.27	16.35	29.97	42.51

On whether or not the relationship of CSO with other CSOs improved because of participation in BUB, majority of the respondents (82.3%) indicated improved relationship (Table 33). In particular, more LPRAT member respondents (88.8%) indicated their relationship improved after BUB participation compared to non-LPRAT member respondents (78.2%).

Table 33. CSO perception on improvement of their relationship with other CSOs after BUB

Perception	% share of respondents
Improved	82.83
Worsened	0.54
No change	16.62

Communication with other CSOs was the main facilitating factor cited by those who claimed of having an improved relationship with other CSOs as a result of participating in the BUB. This factor had a share of 88.16% of the total number of respondents (See Table 34). This was followed by other factors such as having a consensus/sharing of ideas with other CSOs (39.47%), participation/involvement on BUB projects or community activities (25.99%) and help/support obtained from other CSOs (16.12%).

Table 34. Facilitating factors that help improve CSO relationships through the BUB process

Facilitating factor	% share from the respondents who answered "improved" (N = 304)
Communication with other CSOs	88.16
Consensus/sharing of ideas with other CSOs	39.47
Participation/involvement on BUB projects or community activities	25.99
Help/support obtained from other CSOs	16.12
Provision of financial and technical assistance	3.95
Transparency of projects	3.95
Empowerment of CSOs and other organizations	3.29
Appreciation/recognition	0.99
Others	14.47

2.3. LGU

2.3.1 General outlook on BUB

The respondents were mostly municipal planning development officers, municipal engineers, municipal social work and development officers, and municipal budget officers. The respondents have been in service for an average of about 20 years and mostly (60%) college graduates. Of the 114 respondents, 32% of the respondents were Civil Engineers while 9% were graduates of B.S. Agriculture and 6% of B.S. Social Work.

Most of the LGU respondents (92.06%) gave a very positive outlook (ratings of 5 to 7, 7 being the highest) of the BUB Program as a whole (See Table 35).

Table 35. LGU perception on the BUB program, by Likert score

Scale	1 - Negative	2	3	4	5	6	7 - Positive
Percentage	0	0	2.65	5.29	17.46	38.62	35.98

This favorable BUB outlook was confirmed by the replication/ application of most of the LGU respondents (92.06%) of the BUB approach of involving CSOs in monitoring of AIP projects (See Table 36). In fact, almost all the LGU respondents (95.77%) indicated that it is desirable for the LGU to replicate or apply the BUB approach in future projects.

Table 36. LGU perception on the replication of the BUB approach in future projects

Statement	Response	
	Yes	No
The LGU replicated or applied in the monitoring of AIP projects the BUB manner of involving CSOs in this activity.	92.06	7.94
It is desirable for your LGU to replicate or apply to AIP project monitoring in the future the BUB manner of doing so.	95.77	4.23

LGU respondents indicated that engaging CSOs in the identification of LGU projects funded by the Local Development Funded has increased after the BUB from a share of 87.83% to 96.30% (See Table 37). The same pattern was observed in the prioritization of LGU projects (from 85.71% before BUB process to 97.35% after BUB process) and in the monitoring of these projects (from 74.60% to 92.06%).

Table 37. LGU perception on CSO participation in LGU project identification (before and after BUB)

BUB Phase	Before	After
Identification of LGU projects funded by the Local Development Fund (LDF) or the 20% Development Fund	87.83	96.30
Prioritization of LGU projects funded by the LDF	85.71	97.35
Monitoring of LGU projects funded by the LDF	74.60	92.06

On the relationship with CSOs, the LGU respondents who perceived an improvement in cooperation increased from 66.14% to 93.62% after the BUB process (See Table 38). More than 90% considered that participation in the BUB process helped improved their relationship with CSOs (See Table 39). Specifically, almost all LGUs respondents (96.30%) shared that their relationship with the CSOs improved with the latter's participation in the identification of LGU projects. Likewise, almost all of the respondents indicated that their relationship with CSOs have also improved both in the phases of prioritization of LGU projects and monitoring, with shares of 95.77% and 92.06%, respectively (See Table 40).

Table 38. LGU perception on the impact of BUB on their relationship with CSOs

Scale	1	2	3	4	5	6	7
Before	1.59	3.17	8.99	20.11	25.93	21.69	18.52
After	0	0.53	1.59	4.76	11.11	43.39	38.62

Table 39. LGU perception on the overall improvement in their relationship with CSOs

Overall, did the relationship between CSOs and LGU improve as a result of your participation in BuB?	Yes, Improved	No, no change	No, worsened
	91.01	7.94	1.06

Table 40. LGU perception on the improvement in their relationship with CSOs, by BUB phase

BUB phase	Yes	No
Identification of LGU projects	96.30	3.70
Prioritization of LGU projects	95.77	4.23
Monitoring of LGU projects	92.06	7.94

III. SUMMARY

Previous studies of the BUB program focused on the process rather than the results/outcomes of the BUB. This study aims to assess the outcomes of the BUB program in terms of two major aspects: (i) how well the poverty alleviation objective of the BUB has been addressed, assessed through improvements in the welfare of local communities; and, (ii) how the BUB has strengthened the social capital in the BUB implementing LGUs.

<u>Improvement in welfare of local communities</u>

Access to public services

Most of the BUB projects recognized by household respondents were those related to agriculture and fisheries, transport, water and sanitation and livelihood. The same types of projects were found to have the most matched CSOP LPRAP projects in most LGUs.. In terms of location, majority of the projects implemented through the BUB was found in the rural areas. The household

respondents had positive perception of the BUB projects implemented in their communities in terms of having directly benefited from the projects. In particular, respondents noted improvement in their access to transport services and water and sanitation through the BUB projects.

Improvements in household income

The assessment of BUB contribution to the improvement in household income using the FIES data indicated that the increase in average per capita household income of the "late BUB implementing provinces" is statistically greater that the increase in average per capita income of the "early BUB implementing province." Thus, the BUB is not associated with greater increase in per capita household income at the provincial level. The study team identified three possible reasons for this finding. First, the time frame of the analysis (2012-2015) might not be long enough to realize tangible gains from BUB projects given the substantial delays in the implementation of the BUB projects programmed for FY 2013 and FY 2014. Second, some of the projects implemented through the BUB in the selected provinces might not be a primary contributor to an overall increase in per capita income of the provinces. Lastly, current available household income estimates from FIES are only up to the provincial level. Thus, measurement errors in estimating per capita income in the municipal levels using the same data might have contributed to the result of the statistical tests performed.

Strengthening of social capital

Households perceptions of the desirability of prioritized BUB subprojects as to type of projects and targeting of beneficiaries

Results from the household survey reveal confidence of the respondents in their LGU leaders' capacity to identify and prioritize projects that are beneficial to their community and effective in helping the poor. In terms of perceived desirability and targeting, majority of the respondents indicated that they have benefitted and those who benefitted were those who needed the projects the most. However, respondents still believe that there are other projects that are needed more by the community than the ones provided under the BUB.

Improvement of CSO influence in LPRAP project prioritization

The proportion of LGUs where the share of CSO-identified projects matched the number of LPRAP project had a significant growth from 2015 to 2016. This outcome may imply the increased influence of the CSOs in the BUB process, particularly in the phases of project identification and prioritization. The increase of matched CSO-LPRAP matched projects were particularly evident in projects related to agriculture and fisheries, livelihood, water and sanitation and transport.

CSO participation in local governance

Data from the CSO survey revealed that the character of CSOs participation in local governance in terms of: (i) extent of participation to the BUB process; (ii) motivation or interest to participate; (iii) confidence in their capacity to participate; (iv) degree of influence in their barangays; and, (v) degree of influence in their municipalities/cities, have significantly improved after their BUB

experience. This was evident in all the phases of the BUB, but was highest in the planning and budgeting phases. These findings are further strengthened by responses of participants of the FGDs conducted for the study. Findings from the FGDs for FY2015 BUB planning cycle revealed CSO's enthusiasm/optimism towards the BUB program mainly because of the view that the BUB program provides venue and processes governing selection of CSO representatives to the LDC, which in turn ensure broader, and more inclusive CSO participation in LGU planning and budgeting. The CSOs also viewed participation in the BUB as an opportunity to identify government projects that will improve their lives. CSOs also acquired a sense of self-worth as they were more encouraged to organize themselves more, and become more active in LGU affairs, thus, becoming more empowered. However, the empowerment of CSOs through participation in the BUB processes also resulted to evidence of some fatigue, as evident in the results of the FGD for the FY 2016 BUB planning cycle. Some CSOs expressed dissatisfaction with the lengthy time spent in the planning process, while other CSOs demanded for more involvement in the monitoring of the status and actual implementation of BUB sub-projects, and greater transparency and NGA/LGU accountability in the implementation of BUB projects.

Meanwhile, the LGUs indicated favorable experience with the BUB process with almost all respondents reporting that they have replicated/applied the BUB approach of involving CSOs in the monitoring of AIP projects. In fact, LGUs also expressed desire to engage CSOs in future LGU projects even outside the BUB. The perceived improvement in cooperation/relationship with CSOs after the BUB experience, particularly in the latter's participation in the identification and implementation of LGU projects prompted this favorable outcome.

The significantly improved inter-CSO relations, especially with the sharing of information/communication, learning from each other and perceived mutual support, must have also contributed to the quality of participation of CSOs in the BUB processes.

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ANNEX I. Review Of Related Literature On Social Capital

Social capital, understood broadly as the value that arises from social networks and relations, has risen to importance in development research in recent years. Grootaert (1997) mused on the concept as the "missing link" in understanding growth disparities between developed and developing countries, while Fukuyama (2001) called it the sine qua non of stable liberal democracy. The idea that favorable and strong social networks can yield socioeconomic gains for individuals has strong foundations in the sociology and economics literature, particularly in Marx's theory of social reproduction (1867/1906), Hume's liberalism (1740), and the work of Mill (1848) and Loury (1977).[10] The work of Bourdieu (1986), Coleman (1988), and Putnam (2000) have largely shaped present understanding of social capital and formed the basis for its empirical measurement.

Despite advancements in the literature, a unifying definition of social capital remains elusive. Different authors have attributed different meanings (Quibria 2003) and emphasized varying, often conceptually divergent dimensions. The theoretical and empirical development of social capital have given rise to two dimensions of contention among scholars: i) the scope of social capital (or the unit of observation); and ii) the form of social capital. A number of the most illustrative definitions on social capital are summarized below along these two areas.

The scope of social capital: Micro, meso, and macro-level

Various theorists have examined social capital as an individual resource. For Bourdieu (1986), social capital is the "aggregate of actual or potential resources which are linked to the possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition." Marx (1867/1906) figures prominently in Bourdieu's configuration of social space. Bourdieu views socioeconomic class as the ultimate factor that conditions one's potential and aspiration to accumulate resources. By way of a social structure in which power and resources are held and shared by a few, social capital can be viewed as an asset that perpetuates social inequality by providing differential entitlements to credit.

A similar micro-perspective that emphasizes the network aspect of social capital is present in the economics literature. Loury (2000) emphasizes the embeddedness of individuals in complex ethnic, religious, racial, and linguistic networks, and the extent to which one's location within these networks affects their level of access to various resources. He criticizes orthodox economic theories for failing to account for the role of social networks in determining intergenerational income mobility (ibid 1977). Becker (1996) defines the stock of social capital as an individual's social network, represented by the past and present social relationships of an individual actor in a dynamic utility function. More recent work by Glaeser, Laib-son, and Sacerdote (2002) shares this focus, defining social capital as:

> "…a person's social characteristics—including social skills, charisma and the size of the Rolodex— which enables him to reap market and non-market returns from interactions with others. … "Individual social capital includes both intrinsic abilities (e.g., being extroverted and charismatic) and the results of social capital investments (e.g., a large Rolodex)."

[10] Woolcock (1998) and Putnam (2000) identify Lyda Judson Hanifan (1920) as the first scholar to use the term "social capital."

This perspective builds on Bourdieu's by adding two elaborations. First, some aspects of social capital are intrinsic to an individual (and hence cannot be inherited via Bourdieu's 'social embedding' theory). Second, social capital can augment both market and nonmarket endowments of an individual. The difficulty of aggregating and measuring such nonmarket outcomes has been criticized as a major weakness in Bourdieu's formulation.

Further, the analysis of social capital at the micro level is most widely associated with Putnam (1993), who defines social capital as features of social organization, such as networks of individuals or households, and the associated norms and values, that "facilitate cooperation and coordination for mutual benefit." Putnam is often criticized for overstating the benefits of social capital (Quibria 2003). Other authors have recognized that negative externalities can result from interpersonal interactions (Smith 1776; Waldinger 1996; Bardhan 2002)[11], as in the case of malevolent groups such as the Mafia in Italy or the Interahamwe in Rwanda (Grootaert and van Bastelaer 2001). In such situations, social capital benefits members of the association, but not necessarily nonmembers or the community at large.

Coleman (1990) provides a broader, meso-level interpretation of social capital by expanding the unit of observation and introducing a vertical component to the concept. In this formulation, social capital is viewed as a resource that arises from (or is inherent in) social networks and/or shared norms that may be used by individuals or groups to produce market or non-market outcomes. Coleman defines social capital as "a variety of different entities [which] all consist of some aspect of social structure, and [which] facilitate certain actions of actors—whether personal or corporate actors—within the structure". This definition considers relations among groups rather than individuals, and expands the concept to include vertical as well as horizontal associations and behavior within and among other entities.

The most encompassing view of social capital includes the social and political environment that shapes social structure and enables norms to develop. This macro-level perspective draws on the work of North (1990) and Olson (1982), who argue that institutions have a critical effect on the rate and pattern of economic development. In addition to the largely informal, and often local, horizontal and hierarchical relationships of social capital at the micro- and meso-levels, this view also accommodates the most formalized institutional relationships and structures, such as the political regime, the rule of law, the court system, and civil and political liberties.

Grootaert and van Bastelaer (2001) note that there is a strong degree of complementarity between horizontal and hierarchical associations and macro institutions, and their coexistence maximizes the impact of social capital on economic and social outcomes:

> For example, macro institutions can provide an enabling environment in which local associations can develop and flourish; local associations can sustain regional and national institutions and add a measure of stability to them. A certain degree of substitution is also inherent to the interlocking aspect of the three levels of social capital. For example, a strengthening of the rule of law that results in better-enforced contracts may render local

[11] Smith (1776) was the first to note the harmful influence of social networks of merchants in creating market distortions. Waldinger (1996) studies immigrant labor in New York city and finds that entry into jobs in construction and service industries is highly restricted, and poor people of African descent cannot secure such jobs for lack of access to the ethnic networks that control the recruitment process. Bardhan (2002) has noted that in developing countries, the rural poor are often excluded from publicly provided services because of the capture of the local government. This capture by the local elite is facilitated by their social capital that works through "the multiplex inter-locking social and economic relationships (that exist) among local influential people".

interactions and reliance on reputations and informal ways of resolving conflict less critical to enterprise development. Although the resulting loosening of social ties at the local level would suggest that micro-level social capital has been weakened, this effect must be weighed against the counterbalancing effect at the national level.

The forms of social capital: structural versus cognitive

Whether at the micro, meso, or macro level, Hjøllund and Svendsen (2000) note that the facets of social interaction can be separated into two parts. The first dimension is what Uphoff (2000) calls structural social capital, which refers to externally observable social structures such as networks, associations, and institutions, and the rules and procedures therein. Structural social capital facilitates information sharing, and collective action and decision-making through established roles, social networks and other social structures supplemented by rules, procedures, and precedents (Grootaert and van Bastelaer 2001).

The second dimension, known as cognitive social capital, pertains to subjective and intangible elements such as generally accepted attitudes and norms of behavior, shared values, and a culture of reciprocity. Structural social capital facilitates social interaction while its cognitive form predisposes people to act, as Hayami (2001) argues, in a socially beneficial way. These two parts work interactively, and are mutually reinforcing (Hjollund and Svendsen 2000). A substantial body of empirical work on social capital has studied structural and cognitive features of social capital, or a combination of both.

Empirical analyses of social capital

The empirical literature on social capital has developed over the years. Grootaert and van Bastelaer (2001) note that, like human capital, social capital is difficult to measure directly. Hence, the use of proxy indicators is necessary. However, while years of education and years of work experience have strong basis in the literature as proxies for human capital, there is no similar consensus in the case of social capital. The measurement challenge is then to identify a "contextually relevant indicator of social capital and to establish an empirical correlation with relevant benefit indicators" (ibid 2001).

A significant number of studies on social capital have been conducted with micro-level variables in developing countries on the one hand, and macro-level variables in developed countries on the other (mainly cross-national studies using a single measure such as generalized trust, and correlating the same with growth rates, as noted in Hjollund and Svendsen 2000). In developing countries, data on proxy variables are usually collected using a social capital module incorporated in household surveys[12], whereas data retrieved from existing databases of macro and/or micro data[13] are often used for cross-country analyses. The analytical methods employed by these studies often involve descriptive statistics, regression analysis, and factor analysis/ principal components

[12] This decision may be due to the predominantly micro-economic orientation of studies on social capital, as well as the fact that they have primarily been carried out in developing countries where less data are readily available (ibid 2000).

[13] The General Social Survey provides extensive coverage of individual-level data in the United States, while the World Values Survey provides data on slightly different aspects for 43 countries worldwide (Hjollund and Svendsen 2000).

analysis to construct a measurement index of social capital. A selection of studies on social capital that encompass various analytical methods are reviewed below.

Whiteley (2000) examines the relationship between social capital and economic growth in 34 countries from 1970 to 1992 within a modified neo-classical model of economic growth. The author uses a measure of social capital as an explanatory variable into an endogenous growth model and regresses this measure on gross domestic product per capita and several other explanatory variables (e.g. investments, education, etc.). The social capital measure is constructed using principal components analysis of three trust variables from the World Value Survey (1990-1993).[14] The findings suggest that social capital has an impact on growth which is at least as strong as that of human capital or education. Further, it appears to have roughly the same impact on growth as the ability of poorer nations to adopt technological innovations pioneered by more developed ones.

Krishna and Uphoff (1999) study the factors that account for the degree of success observed in a watershed management project implemented in 64 villages in Rajasthan, India. The authors construct a single index of social capital using 3 indicators of structural social capital and 3 indicators of cognitive social capital that reflect the social environment of the study (i.e., informal networks, established roles, solidarity, mutual trust). The structural indicators attempted to capture the extent to which informal networks and established roles helped the community deal with crisis situations and disputes, and whether the village had a tradition of looking after common goods. On the other hand, the cognitive indicators captured certain norms and attitudes that represent a sense of solidarity and mutual trust. The results of applying factor analysis showed that the 6 variables loaded onto a single common factor, which accounted for about 55 percent of the combined variance. The study also established that: i) the index, along with political competition and literacy, has a significant and positive association with watershed management and broader development outcomes; ii) demographic characteristics and household attributes, such as education, wealth, and social status, are not systematically associated with the level of social capital within households; iii) several community attributes reflecting participation and experience in dealing with community problems positively affect the social capital index; and iv) the largest increments in social capital occur where beliefs in participation are reinforced by the existence of rules that are clear and fairly implemented.

Fafchamps and Minten (1999) study the economic effect of social capital on the functioning and the performance of firms in commodity markets. The authors find evidence from Madagascar that agricultural traders rank the importance of relationships for success in business higher than input prices, output prices, and access to credit or equipment. The study uses data from a survey of 729 agricultural traders in 1997, with questions on the individual characteristics of the traders; the structure, conduct, and performance of the agricultural trading sector; and the nature of relationships with fellow traders, clients, and suppliers. Ordinary least squares regression is used to determine the quantitative impact of various social capital proxy indicators and of the channels through which social capital has an impact on. The results show that better-connected traders enjoy

[14] Whiteley's methodology introduces a potential causality issue in that the economic variables precede the social capital measure (one of the explanatory variables) in time, giving rise to an issue in the causality between social capital and economic performance. To address this, Whiteley includes older indicators for the measure of trust from 1981 in a regression using economic time series from 1981 to 1992 and obtains similar results. Further, the correlation between the trust measure from 1981 and the one from 1990-93 is high.

significantly higher sales and gross margins than less well-connected traders, after controlling for physical and human inputs as well as entrepreneurial characteristics. This social capital is used to overcome transaction costs through a reduction in information and search costs and through substitution for poor market institutions. Moreover, the significant effect of experience in business on performance of the traders is for a large part explained by the accumulation of social capital over time. Traders who do not develop the appropriate social capital do not expand their businesses.

Putnam (1993) analyzes the differences in institutional efficiency (and its influence on economic development) between Northern and Southern Italy. Putnam found that to a large extent this could be explained by the (historically determined) differences in the number of memberships of voluntary organizations. This basic and easily accessible measure has been a point of departure for many of the social capital analyses, and is almost always included as one of the explanatory factors.

Gugerty and Kremer (2000) study the impact of NGO funding on social capital formation in rural women's groups and primary schools in western Kenya using the results of a prospective, randomized evaluation. The study examines three development projects: two that are designed explicitly to promote social capital and one that is not. In the case of women's groups, social capital is measured by the organizational structure of the groups, their mutual assistance activities, and the extent of external ties. In the case of schools, social capital is measured in terms of parental attendance at school meetings, the level of cooperation among teachers, and the interaction between school and government, as indicated by the number of visits to the school by local educational officials. The results show that: i) in the case of the women's groups, over the study's time horizon of one year, funding had only a weak effect on social capital formation, mainly through improved links with outside organizations; ii) schools that received in-kind assistance (in the form of free textbooks) reported positive effects on school social capital as measured by attendance at school meetings, but other forms of parent participation declined; iii) schools that received financial assistance, participation increased (mainly at meetings to decide how to use the funds), but there were few other effects. The results suggest that social capital is not easily created; assistance specifically designed to strengthen cooperation and participation appears to have had very limited effects in the short run.

Pargal, Gilligan, and Huq (2000) attempt to identify the determinants of the private, community-based provision of solid waste management, a public good. Using household survey data in 65 neighborhoods in Dhaka, Bangladesh, where some neighborhoods have managed to successfully organize an alternative to the municipal trash collection service, the study examines why some communities or neighborhoods display such initiative while others do not. The study models the probability that a neighborhood in Dhaka will organize a trash collection system as a function of contemporaneous and predetermined measures of neighborhood social capital and other neighborhood-specific variables. A simultaneous equations model is estimated using a two-stage conditional maximum likelihood estimation procedure developed by Rivers and Vuong (1988). The results show that: i) the different proxies used for social capital (trust, reciprocity and sharing) do capture different aspects of social capital; ii) reciprocity among neighbors is shown to be far more important when it comes to cooperating for solid waste management than trust; iii) social capital is an important determinant of whether alternative waste management systems arise in

Dhaka; and iv) education levels are strongly and robustly associated with the existence of collective action for trash disposal.

Isham and Kähkönen (1999) study the influence of social capital on user involvement and on the performance and impact of water services in community-based water projects in Indonesia. The paper analyzes whether social capital has a measurable effect on service impact, and whether it is associated with the rules governing the design, construction, and operation and management of these projects. The study uses quantitative and qualitative data collected from 44 villages in Central Java through surveys of 1100 households and 44 water committees, technical assessments of performance, and participatory exercises in female and male focus groups. The results show that, in most cases, a set of 8 social capital indicators was positively and significantly correlated with rules governing design and construction. These results suggest a chain of causality from village-level social capital to design, construction, and operation and management participation to improved household health. Moreover, the impact of social capital varies depending on the type of project: in the case of public wells, no social capital indicator was positively associated with improved household health; whereas 5 of 8 social capital indicators were positive and significant determinants of improved household health for piped connections.[15]

Narayan and Cassidy (2001) attempt to develop a self-reporting instrument for measuring social capital. The instrument is grounded in the theoretical and measurement literature of social capital, and proposes an evolving conceptual framework of social capital's dimensions, determinants and outcomes. The instrument was empirically validated using data collected in Ghana and Uganda. Exploratory and confirmatory factor analyses were used to substantiate a number of robust dimensions of social capital, prominent at the household and aggregate levels, and across the two country data sets. In Ghana, 10 factors were identified capturing 5 dimensions of social capital: group characteristics (structural social capital), trust (cognitive social capital), everyday sociability, volunteerism, and togetherness. The 10 factors explained 48 percent of the variance. In Uganda, 4 factors captured 64 percent of the variance. In both countries, structural social capital as measured by group characteristics was found to be the principal factor.

Brehm and Rahn (1997) observe how variations in social capital affects citizens' confidence in national institutions. The model is estimated in a pooled cross-sectional analysis of the General Social Surveys from 1972 to 1994 using a latent (endogenous) variables framework incorporating aggregate contextual data. The latent variables used are civic engagement, interpersonal trust, and confidence in the government. More specifically, the model is estimated using a covariance structure analysis (i.e., the correlation matrix is taken as input).[16] First, measurement models for each of the three endogenous variables are estimated using factor analysis on exogenous explanatory variables. The structural model is then estimated using the three latent variables and

[15] The magnitudes of the implied effects for piped connections were large: for example, a one standard deviation increase in a social capital index is associated with an increase of 0.11 in the probability of improved health, controlling for household- and village-level indicators. This may be explained by the fact that compared to wells, piped systems require more skills and more joint effort to design and construct. A piped network for a village is likely to cross a number of properties within the village, and sometimes the pipeline from the water source may also cross other villagers. Moreover, operation and management of piped systems is typically more demanding, and requires more collective effort and cooperation than that of public wells (Isham and Kähkönen 1999).

[16] Using a covariance structure analysis allows for missing data to be deleted pair-wise rather than list-wise, which reduces the possibility of biases (Hjollund and Svendsen 2000).

some structural components. The results show that civic engagement and interpersonal trust are in a tight reciprocal relationship, where the connection is stronger from participation to interpersonal trust rather than the reverse.

Grootaert (1999) estimates the impact of social capital (as proxied by memberships in local associations)[17] on household welfare and poverty in the case of Indonesia. The data were collected through 1,200 focus group interviews at the household, community, and district levels. The basic data indicated a positive correlation between social capital and household welfare: households with high social capital have higher expenditure per capita, more assets, higher savings, and better access to credit. The study uses a reduced-form model of household welfare which controls for relevant household and location characteristics to estimate the contribution of social capital to household welfare. The underlying structural equations treat social capital as an input, together with human and physical capital, in the household's production function. The results show that: i) social capital reduces the probability of being poor and the returns to household investment in social capital are higher for the poor than for the population at large; ii) at low income levels the returns to social capital exceed those of human capital, while the reverse is true at the upper end of the distribution; iii) social capital is hypothesized to have several long-term benefits, such as better access to credit and a resulting better ability to smoothen out income fluctuations by borrowing and/or accumulating assets; iv) the effects of social capital are not the same for each type of association[18]; v) social capital affects household welfare but there can also be reverse causality, i.e., richer households could have a higher demand for memberships in associations and have more time to participate (although the opportunity cost of their time is also higher).

The World Bank (2004) developed a Social Capital Assessment Tool (SOCAT) as a standardized instrument to measure social capital. The SOCAT consists of a household questionnaire, a community questionnaire, and an organizational questionnaire that each attempt to capture relevant structural and cognitive dimensions of social capital. The community profile integrates participatory qualitative methods with a structured community survey to identify features associated with social capital within a specific community. The household survey explores participation in local organizations and attitudes of trust and cooperation among individuals and households. Finally, the organizational profile examines the relationships and networks that exist among formal and informal organizations in the community. When the research objective is to create an inventory of existing levels of social capital, the data derived from the instrument can be analyzed on their own. When the research objective is to relate social capital to outcome variables such as household or community welfare and other general development indicators, the SOCAT questionnaires should be combined with other survey modules capturing income or expenditure and use of services. Grootaert, Narayan, Jones, and Woolcock developed an Integrated Questionnaire for the Measurement of Social Capital (SC-IQ) as a core set of survey questions for

[17] Grootaert investigates 6 dimensions of social capital (as represented by "local associations"), namely the density of associations, the internal heterogeneity, frequency of meeting attendance, members' effective participation in decision making, payment of dues, and the community orientation of associations. From the values of these six variables, he constructs a social capital index, which turns out to be positively related to household welfare – measured by indicators of expenditure per capita, assets, access to credit, savings, school attendance, etc.

[18] Grootaert distinguished between government-inspired nation-wide associations with mostly mandatory membership from community-initiated ones with mostly voluntary membership. The latter were broken down into religious, production and social associations. Memberships in production and social associations have the largest impact on household welfare, 4 to 6 times larger than those from memberships in government-sponsored associations. However, when households participate actively in the decision-making process of government groups, the benefits to the household rise significantly.

social capital as part of a larger household survey. The Local Level Institutions Study is provided as an example of a survey that combines a social capital instrument with a household expenditure module.

The literature on social capital in the Philippines

There is scope to undertake more studies on social capital in the Philippines, as the literature on the same is somewhat less developed compared to that in other countries. A number of existing studies are reviewed below.

Abad (2005) uses descriptive statistics to examine different features of networks and trust from a national survey conducted by the Social Weather Stations. The results showed that: i) bonding social capital (or the pervasiveness of network contacts with close family and friends) is strong in the Philippines; ii) bridging social capital (or associational ties) is weak among adult Filipinos; and iii) social capital tends to be asymmetric, in that those who bond more and trust more are more likely to come from the upper end of the income distribution

Godquin and Quisumbing (2006) explore the determinants of group membership and social networks of rural households using longitudinal data from Bukidnon province. The study focuses on two types of social capital: i) membership in groups (production, credit, burial, religious and civic groups, and ii) size of trust-based networks. The paper examines: i) the determinants of the density of social capital, proxied by the number of groups and the number of network members, and ii) the reasons why people might join groups (i.e., whether group membership increases trust or well-being as proxied by per capita expenditure). The results showed that: i) asset-rich, better-educated households and households living closer to town centers are more likely to participate in groups and to have larger social and economic assistance networks; ii) different aspects of village-level heterogeneity have different impacts on group membership, and greater exposure to shocks and a higher incidence of peace and order problems increase group membership; iii) group membership generally does not increase network density; and iv) there is no evidence of positive returns to group membership in terms of increased per capita expenditures.

Meanwhile, Edillon (2010) examines the role of social capital in the decision to adopt new technology among rice farmers in the Philippines. The study finds at least three ways by which social capital can influence the decision to adopt a new technology: i) by easing financial constraints, affording the farmer with a higher amount of resources needed to adopt the modern technology; ii) reducing learning costs; and iii) facilitating the diffusion of information regarding expected output.[19] The author uses the Bass model[20] of social learning (Jackson 2008, as cited in Edillon 2010) to specify a model for reducing learning costs and facilitating the diffusion of information. The framework uses variables that characterize the influence path (i.e., summarized by an influence matrix to see how farmers reach a consensus) and the connectedness of a network

[19] In a related study, Edillon (2013) measured the effect of the first transmission mechanism (i.e., easing financial constraints) as the sum of two indicator variables: if the farmer availed of credit from relatives and friends, and if the farmer is a member of an organization. The results showed a positive effect on technology adoption.

[20] "The model classifies the individuals as either adopters and nonadopters. Adopters are either innovators or imitators. At every point in time, there could be innovators (who most probably adopt because of some outside influence) from among the nonadopters, and imitators of previous adopters from among the nonadopters. The presence of outside influence begins the process of change, but it is the characteristics of the network that determine how fast change would be accepted" (Edillon 2010).

(i.e., through network analysis by constructing proximity and embeddedness matrices). The results showed that network characteristics exert significant influence on the decision to use high-yielding varieties; that is, the likelihood of adoption is higher in embedded networks. Moreover, certain types of social capital facilitate learning: in 1991, a farmer residing in a village where the average education level of its farmers is high is more likely to adopt modern technology. In terms of the model, this is explained as being due to the higher possibility of having innovators in the village. Moreover, a farmer residing in a village where the relationship among farmers is more hierarchical than collegial is more likely to adopt the modern technology. Changes in relationships result in changes in the embeddedness and influence matrices. In turn, this affects the rate of adoption to new technology. Finally, the study reports that embeddedness of farmer groups can be improved by providing more venues for the farmers to get together and at times discuss farming issues (e.g., trade fairs, extension visits, etc.).

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ANNEX II. Summary Of Focus Group Discussions

In order to gather information and CSO/ LGU perspectives on the conduct of the CSO assembly and the LPRAP workshop, the study team conducted key informant interviews (KIIs) and Focus Group Discussions (FGDs). The three focus group discussions (one each in Luzon, Visayas, and Mindanao) were conducted among 5 to 10 participants each in each of the twelve study sites. Below is a summary of the discussion across all three groups.

I. Improvement in the influence of CSOs/POs on local planning and budgeting

In general, the BuB Program improved the extent of CSO participation and influence in local planning and development. According to a participant in Visayas, "Doon [sa BuB] kasi 50% LGU 50% CSO, may say tayo doon aside sa usual na MDC [Municipal Development Council]." Another participant from Visayas also emphasized that the BuB developed CSOs' ownership of local development outcomes. Some CSOs that attended the CSO Assembly had not only been involved in the planning stage (i.e., in formulating the list of LPRAP projects), but in project implementation and monitoring as well. Further, in some cities and municipalities, CSOs have also been invited to attend and participate in LGU meetings and committees (such as the Bids and Awards Committee). However, some CSOs claim that they are still in the observation rather than participation stage depending on the relationship between the CSO and the LGU.

Factors that facilitated/constrained improvements in the CSOs'/POs' influence in local planning and budgeting

1. **Accreditation and registration:** Although unaccredited and unregistered CSOs and POs are allowed to participate in CSO assemblies, most of the participants prefer that CSOs and POs be accredited or registered with the LGU or with NGAs to guarantee credibility and legitimacy of CSOs and POs. According to a participant in Luzon, some CSOs were known to operate on a "fly-by-night" basis.

   In Visayas, complying with accreditation requirements of the government was often raised as a constraint to CSO participation. It was noted that only accredited organizations have voting rights and are eligible for nomination as an LPRAT representative. This limits the participation of CSOs, which are not accredited or as having no legal identity, only up until the CSO assembly. A major constraint in applying for accreditation and registration is the financial capacity of CSOs and POs. One way to address this is to provide funding to support the CSOs, but the question is where this will be coming from. Another way is to establish provincial or island group-wide federation of CSOs for better networking as well as the assistance of other established CSOs and NGOs through capacity/capability-programs. It was also suggested that the process of accreditation of organizations should be streamlined.

   In Mindanao, one suggestion was for CSOs to be registered with NGAs instead of the LGU, as the process may be politicized if CSOs can be accredited/ registered with the Sanggunian only.

2. **BUB process timeline:** Some CSOs claimed that the timeline for the BuB process was too short for CSOs to undergo data-driven decision-making and produce well-planned programs of work and project briefs. As one CSO leader claimed, "Kunyari this week CSO assembly, next week LPRAP workshop, then sa Monday daw deadline na ng project proposal, kaya 'di masyadong na-analyze yung data kaya nagkakaganon." As one participant from Visayas stated, a cattle breeding livelihood program did not undergo a feasibility assessment that would account for the intermittent death among the cattle, resulting in wastage of funds. In Mindanao, CSOs expressed support for holding a pre-CSO assembly, in order to conduct a consultative meeting with basic sectors and prepare adequately for the CSO assembly.

3. **Identification of priority projects:** The experience of CSOs with identifying priority projects varies. In one municipality in Visayas, the menu of projects reflected the needs of the community, but did not provide the resources required by the beneficiaries to maximize them. Through the BuB, farmers received training and facilities but lacked the capital required to make gainful use of the same. In some areas, the proposed list of BuB projects mirrored existing projects which were already being financed by the LGU.

   A Mindanao participant mentioned some of the identified projects of the CSOs cannot be found in the menu, hence projects are being altered, though the community does not primarily need said projects. Sometimes, CSO representatives find it difficult for them to explain to other sectors that their proposed projects cannot be implemented and should be patterned with the menu. Additionally, menu offered by agencies are not poverty alleviating.

   In Luzon, CSOs admitted that the process of choosing projects tends to depend on the reputation of the agency involved. If CSOs notice that certain agencies have a history of corruption, they will not prioritize projects under these agencies. Some would identify projects depending on how the agencies delivers the projects, regardless if these projects reflect the primary needs of the community.

   However, a major issue common to the three groups was a lack of reliable information e.g., (poverty situationer and data) that would help in the appropriate identification of priority projects. Identification and prioritization in most areas did not undergo rigorous assessment on their feasibility and outcomes, and the CSOs found it difficult to source data on which to base the assessment. Some CSOs depended on the input of their respective LGUs, as the latter tends to have deeper and more updated knowledge of the facilities in the area (e.g., the Municipal Social Welfare Development Office in the case of day care centers). In other areas, CSOs used socio-economic profiles from the provincial Population Commission office, as well as the Community-Based Management System under the DILG. It was noted, however, that the CBMS can be too costly for other municipalities to fund. In such cases, data collected by the Barangay Health Worker was used to identify beneficiaries.

4. **Involvement of LGU officials and the local chief executive in project selection and implementation:** In a substantial number of study areas, the LGUs did not interfere and

allowed CSOs to identify and select projects for inclusion in the LPRAP list. However, in some instances, LGUs attempted to influence the selection of projects, while some even revised the list without consulting with the CSOs. This had an adverse effect on the level of participation of CSOs with less assertive leaders. While in some areas, CSO leaders successfully insisted that the LGU include their proposed projects in the list, less confident ones did not press further.

In some areas, mayors would lobby for their preferred projects (a significant number of which were infrastructure projects), overriding those identified by the CSOs. In Visayas, one mayor was upset over not having been involved identifying and selecting projects during the CSO Assembly. The list of projects was then signed by the RPRAT but not the mayor. As a consequence, none of the identified projects have received funding.

In another case, LGU officials included the projects identified by CSOs in the LPRAP list, but interfered during implementation to the extent that the projects were stalled or have not materialized to date: "Siguro sa planning ok naman, lahat ng CSO na invited pero pagdating naman po sa implementation yung mga ... Nag-iba na po yung mga projects na hindi namin inaasahan na ganon. Actually, 2014 pa nga hanggang ngayon hindi pa nai-implement yung mga projects kasi nung ibinalik ng tiga-region yung mga proposals, yung mga comment ko dun eh walang mga engineering design, wala na yung mga resolutions."

One participant from Visayas mentioned that the planning was disregarded because the CSOs had to submit themselves to the mayor, who decided on the final projects. In Luzon, a participant mentioned that some CSOs are controlled by the LGU and that there were even instances when these LGU-controlled CSOs hold the majority during the CSO Assembly. In Visayas, a participant claimed that when a CSO signatory was too assertive or participative in the CSO Assembly, the signatory was replaced and no longer invited to the next Assembly.

Whether the local chief executive or LGU officials successfully influence project selection and implementation also depends on the assertiveness of CSO leaders in the area. In Visayas, a CSO leader shared, "Ang order sa amin, two projects only but I refused. … I told them that kailangan mayroon tayong livelihood, infra, meron tayong makinarya na para sa farmers. So naging silent siya, so nagproceed kami, naipakita namin na kami ay nagkaisa." Other CSOs, however, either had not been as aggressive or had not been accommodated by the LGUs.

5. **Capacity of LGUs and CSOs:** Although the BuB has helped build capacity among CSOs to engage in local planning, a major bottleneck during the process of writing project briefs and programs of work was that some agencies and LGUs are undermanned or are technically incapable.

   The experience of participants varies across the study groups. According to one participant in Visayas, the DILG conducted a capacity needs assessment in 2014, but the stringent requirements and lack of clarity on the checklist of requirements to qualify for training eventually disenfranchised CSOs. However, in another area of Visayas, the NGA provided

adequate capacity building trainings (e.g., accounting for non-accountants, project monitoring and evaluation, etc.).

In Luzon, it was argued that the preparation of project briefs should be done by proponent whether LGU or CSO. However, differences in LGUs were observed because of capacity to prepare project briefs. Some argue that projects briefs should be done by CSOs because there may be a tendency for LGUs to write the project briefs according to the LGUs' preferences. Allowing LGUs to write the project briefs may also put project plans and budget at risk.

The participants mentioned that capacity/capability building and development programs for CSOs are lacking in the BUB mechanism. Although it was noted by some that the provision for capacity building in the BUB was included only in the latter round of BUB, even with this, as in the case of a Visayas participant, the CSO network still encountered difficulties, especially due to the accreditation process required for institutes to be able to conduct capacity building activities funded by the government.

6. **Implementation of projects:** In Visayas, one hindrance noted is the internal administrative process for government procurement. One shared that their project in Southern Leyte was not implemented on time since they had difficulty posting notices in PHILGEPS. In addition, contractors located in cities did not respond to their posting since the contract was not attractive for them. The failure of bidding made them resort to conduct the bidding locally. However, the local contractors were not capable of fulfilling the required inputs as they have inadequate supplies.

   In Luzon, it was mentioned that there were, at times, a lack in coordination between NGAs and LGUs with regard to projects that are being implemented by the NGA. LGUs do not always get updates on the status of implementation.

7. **Monitoring and updating:** All three groups recognized the need to conduct meetings more frequently for better project monitoring and also updating. However, a lack of financial support to hold such meetings was also noted. One suggestion was to identify the conduct of regular meetings as one of the projects to be able to obtain funds from the BuB to support the same.

II. Improvements in CSO-LGU engagement and household awareness of the BuB

Most participants across the groups claimed that the relationship between CSOs and LGUs has improved, although there are cases wherein the relationship has remained strained. However, this is reported more often in areas where there has been long-standing animosity between CSOs LGU officials.

For the three groups, the participants had varying levels of engagement with the local government both within and outside the BUB mechanism. In Visayas, some CSOs are on the good graces of the local chief executive mayor, while others have found it difficult to use BuB funds for fear that the municipal mayor would not be transparent about the existing funds. A

participant also noted that their influence in monitoring the implementation projects is limited by their lack of *de facto* authority to call for a meeting with the relevant department heads, especially if the mayor is not supportive of their efforts.

Nonetheless, participants agreed that CSOs and LGUs must collaborate. However, the roles of CSOs and LGUs should be clearly identified and understood by all parties involved. In some areas, the hindrance to CSO-LGU engagement boils down to disagreements over expenses, particularly when conducting capacity development trainings and assemblies.

In terms of the level of awareness on the BuB among CSOs, all participants claimed that it has improved steadily over the years. However, this is not the case for all CSOs. One participant in Visayas shared that cultural sensitivity prevents CSOs that are not mapped and invited to the CSO Assembly from participating in the BuB. These CSOs would not attend the Assembly even with the provision that uninvited organizations are encouraged to participate. This requires further initiative from the DILG, LGU, as well as NGOs and CSOs to encourage such CSOs to attend.

In terms of the level of awareness on the BuB among households, all three groups stated agreed that the information is limited to CSOs and has not spilled over significantly to households. According to a participant from Visayas, households often cannot distinguish between a project funded under the BuB and another funded under KALAHI-CIDDS. This tends to happen when CSO representatives to the CSO Assembly are not able to disseminate BuB-related information at the household level. To address this, it was suggested in all three groups that information on BuB projects must be posted in more conspicuous areas. For instance, in advertising the projects, it should be written on the tarps or boards that this particular project is a BUB project and the names of the LGUs should no longer be included. Additionally, continuous engagement with CSOs and households, accredited or not is also vital. This can be done through orientation and during LGU meetings or assemblies.

In terms of the confidence and capability of CSOs, some of the participants in the three groups felt that CSOs have been empowered by the BUB process. There had been growing trust also with the capability of CSOs to participate in local process. However, there are some CSOs that felt that the LGU still has not recognized the capacity and potential of CSOs to take part in the local process but because of BUB the CSO had started to think that they are stakeholders and had become increasingly assertive of their role in the BUB programs. The experience of being able to participate in the planning process gave CSOs a sense of ownership of the outcomes and made them feel that they are part of the government.

In Visayas, notwithstanding the CSOs' increasing confidence and awareness in their part on governance, some participants noted that individual CSOs' capacity is highly variable, as highlighted by the result of the pre-test conducted by WEVNET. The experience of AFON in Antique provided a contrast on the effect of investing in CSO capacity development prior to the CSO Assembly, which the group felt was lacking in the BuB mechanism.

III. Improving inter-CSO relationship

Across all study areas, participants shared that, in the nascent stages of the BuB, some CSOs pushed solely for projects that would benefit their respective sectors, to the disadvantage of others. However, through the process of participating in the CSO Assembly, participants shared that CSOs became more sensitive to and extended support for the concerns of other sectors. According to one participant in Luzon, "Natuto kami magbigay kasi kagaya ng mga PWDs, sa senior [citizens] po at tsaka yung out of school youth namin… So parang nalaman naming sa aming komunidad na, 'Oh yung sa apat na barangay pala namin eh malaki pala ang problema.' So malaking kaanuhan yang BUB dahil … ngayon nagkaroon kami ng harmonious relationship within the community, nagkakaisa kami ng boses."

The discussion focused on the importance of compromise among CSOs. How do CSOs move away from a silo mentality to cooperation and negotiation? A common answer was to promote CSO networks to increase the scale of influence of CSOs, and strengthen coalition-building among CSO networks. In Mindanao, one municipality helped CSOs in a neighboring municipality to become federated.

IV. Improving the access of local communities to basic infrastructure and services

Participants from all areas confirmed that the BuB improved the access of local communities to basic infrastructure and services. The main question raised among CSOs was whether the poorest of the poor and marginalized sectors were the primary beneficiaries of these projects. In general, participants said that the projects were targeted towards the marginalized and poorer households (e.g., projects for farmers such as crop production and assistance with product marketing clearly helped this sector). However, CSOs in some areas claimed that beneficiaries were targeted unscrupulously. According to one CSO in Visayas, **"**In my part, especially nagkaroon ng training ang TESDA for BUB. Nagkaroon ng paggawa ng damit, mayroon dun mga makina, lahat ng makina pero selected lang ng PESO manager hindi galing ng CSO, hindi galing POs, kung hindi talagang selected or a friend or relative ng PESO manager." In other areas, barangay officials or LGUs endorsed the beneficiaries (e.g., municipal link/4Ps beneficiaries), making the selection of beneficiaries political.

In Visayas, participants noted a marked difference in access to facilities like daycare center, evacuation, and health center facilities. However, issues on misattribution, or lack of interest in sourcing a project's source of funding, were again raised. A participant explained that it is a requirement for the Seal of Good Local Governance for LGU projects to be listed and posted in a conspicuous place such as the plaza. However, such notices are seldom read, and people do not always successfully segregate the projects that they are beneficiaries of.

V. Improving transparency and accountability within government (national and local)

All three groups attested that the BuB process has placed pressure on the government (particularly at the local level) to exercise transparency and accountability, as CSOs gain awareness of governance processes and begin to assume a watchdog role in local planning. In Visayas, the BuB enabled CSOs to hold LGUs accountable as they were involved in monitoring projects. A CSO

leader from this area claimed that the BuB increased CSO involvement in local governance after spotting anomalies and issues in implementation by the LGU and the DSWD. This encouraged more CSOs to hold LGUs and NGAs accountable in the use of public funds. As one participant said, "…When they follow up about the roads or about the evacuation center or about the fishing site, … they become very critical also and they learn so that's good."

Participants claimed that some LGUs became alarmed when CSOs started to actively monitor BuB projects. According to a participant from Mindanao, "The project monitoring and evaluation committee of the city, we are questioning them [regarding] their indicator of success. But they didn't have any. So they are really catching up with time now because DILG is asking them about the monitoring, the CSO is asking them about monitoring, the BUB RPRAT is asking them about the monitoring." Another participant emphasized the importance of going through the monitoring process, checking the system and go through the data to analyze if such projects are correct in terms of measurement, and budget, among others. Empowering CSOs were said to be vital so that if they see any irregularities, they have the muscle to complain.

Moreover, increased interaction with the LGU representatives created avenues for CSOs to observe LGU operations. CSOs' awareness of its role in monitoring generated interest in the conduct of trainings for project monitoring. This also led to the discussion of funding monitoring activities, such as transportation, and on the participants' perceived need for a simpler liquidation process.

In Mindanao, the discussion turned to preventing corruption in implementing the BuB. Participants suggested that there should be regular monitoring of projects by a Technical Working Group. This was also raised by participants from Luzon group--that increasing the interaction between CSOs and LGUs may lessen the risk of corruption on the part of the LGU.

VI. Is the BUB worth continuing?

All three groups recognized the advantages and positive outcomes of the BuB, and as such, expressed enthusiasm for continuing the program. In Visayas, CSOs proposed that a manifesto be written enumerating the various benefits gained from the BUB with signatures from NGOs, CSOs, POs, LGUs, and NGAs nationwide. Despite this, the three groups acknowledged the need to improve the implementation of the BuB, particularly in terms of building the capacity of CSOs, LGUs, and NGAs in following the BuB process and guidelines. The involvement of CSOs in local government committees might also be worth considering to enhance and strengthen capacity of CSOs, thus improving the level of their participation in local processes. Moreover, there is a need to continuously re-orient the NGAs and LGUs on their role in the BuB process to ensure consistency in the interpretation of the guidelines.

ANNEX III. T-test Result

Stata Output Table For The Test Of Difference Of Means Of Average Per Capita Income From 2012 To 2015 Between The 15 Identified Bub First Implementer Provinces (Group 1(1)) And The 26 Non-Bub Frist Implementer Provinces (Group 2 (0))

```
. ttest meandiff, by(BuBvsNonBuB) unequal

Two-sample t test with unequal variances
```

Group	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
0	26	14668.78	3218.789	16412.67	8039.556	21298
1	15	7928.793	1361.847	5274.412	5007.921	10849.67
combined	41	12202.93	2146.463	13744.07	7864.765	16541.09
diff		6739.983	3495.03		-371.7723	13851.74

```
    diff = mean(0) - mean(1)                                      t =   1.9284
Ho: diff = 0                     Satterthwaite's degrees of freedom =  32.8706

    Ha: diff < 0                 Ha: diff != 0                 Ha: diff > 0
 Pr(T < t) = 0.9688         Pr(|T| > |t|) = 0.0625          Pr(T > t) = 0.0312
```

ANNEX IV. Regression Result

Stata Output Table For The Multiple Regression Analysis Used To Test The Hypothesis That Belonging To The Group Of 'Early Bub Implementing Provinces' Is Associated With Higher Growth In Per Capita Household Income.

```
. reg grpcinc lnmeanprov2012 BuB75

      Source |       SS           df       MS      Number of obs   =        41
-------------+----------------------------------   F(2, 38)        =      2.00
       Model |  .000999794         2  .000499897   Prob > F        =    0.1491
    Residual |   .00949048        38  .000249749   R-squared       =    0.0953
-------------+----------------------------------   Adj R-squared   =    0.0477
       Total |  .010490274        40  .000262257   Root MSE        =     .0158

------------------------------------------------------------------------------
       grpcinc |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
---------------+--------------------------------------------------------------
lnmeanprov2012 |  -.0275555   .0140791    -1.96   0.058    -.0560571     .000946
         BuB75 |  -.0126829   .0074388    -1.70   0.096    -.0277421    .0023762
         _cons |    1.32103   .1538264     8.59   0.000     1.009625    1.632435
------------------------------------------------------------------------------
```

ANNEX V. Statistical Significance Tests

a. Wilcoxon Signed Rank Test (BUB Impact)

Before and after scenarios	Z-value	Significant difference?
Household		
Identification of LGU projects/prioritization		
Your motivation/interest to participate	41.7	Significant
Your confidence in your capacity to participate	44.3	Significant
Your confidence in your LGU leader's capacity to address community needs	43.6	Significant
Your trust in your LGU leaders to work for the benefit of your community	42.6	Significant
The ability of CSOs in your community to address your collective needs	43.3	Significant
Your trust in your CSOs/CSO leaders to work for the benefit of your community	43.1	Significant
Monitoring of LGU projects		
Your motivation/interest to participate	43.4	Significant
Your confidence in your capacity to participate	44.1	Significant
Your confidence that your LGU has the capacity to monitor BuB projects	44.3	Significant
Your trust that your LGU is transparent in monitoring/reporting project progress	44	Significant
Your confidence that CSOs in general has the capacity to monitor BuB projects	42.7	Significant
Your trust that CSOs, in general, will be as active in monitoring projects other than their own for the benefit of the community.	37.2	Significant
CSO		
Identifying projects		
Your extent of participation	14.4	Significant
Your organization's motivation/interest to participate	13.9	Significant
Your confidence in your capacity to participate	14.2	Significant
The influence your organization had in general, in your barangay	13.9	Significant
The influence CSOs have in general, in your municipality/city	14.2	Significant
Prioritizing projects		
Your extent of participation	14.5	Significant
Your organization's motivation/interest to participate	14.1	Significant
Your confidence in your capacity to participate	14.4	Significant
The influence your organization had in general, in your barangay	14.2	Significant
The influence CSOs have in general, in your municipality/city	14.4	Significant
Identifying beneficiaries of projects		
Your extent of participation	14.1	Significant
Your organization's motivation/interest to participate	13.9	Significant
Your confidence in your capacity to participate	13.9	Significant
The influence your organization had in general, in your barangay	14.5	Significant
The influence CSOs have in general, in your municipality/city	14.1	Significant
Budgeting projects		
Your extent of participation	13.8	Significant
Your organization's motivation/interest to participate	13.9	Significant
Your confidence in your capacity to participate	13.8	Significant
The influence your organization had in general, in your barangay	13.9	Significant
The influence CSOs have in general, in your municipality/city	14.1	Significant
Preparing project briefs		
Your extent of participation	13.9	Significant
Your organization's motivation/interest to participate	13.8	Significant
Your confidence in your capacity to participate	14.1	Significant
The influence your organization had in general, in your barangay	14.5	Significant
The influence CSOs have in general, in your municipality/city	14.2	Significant

Monitoring projects		
Your extent of participation	13.7	Significant
Your organization's motivation/interest to participate	13.4	Significant
Your confidence in your capacity to participate	13.8	Significant
The influence your organization had in general, in your barangay	14.1	Significant
The influence CSOs have in general, in your municipality/city	14.1	Significant

b. Test of Proportions

Item	Z-value	Significant difference?
Household		
Identification of LGU projects/prioritization		
Your motivation/interest to participate	28.0	Significant
Your confidence in your capacity to participate	29.2	Significant
Your confidence in your LGU leader's capacity to address community needs	28.3	Significant
Your trust in your LGU leaders to work for the benefit of your community	28.3	Significant
The ability of CSOs in your community to address your collective needs	28.8	Significant
Your trust in your CSOs/CSO leaders to work for the benefit of your community	29.1	Significant
Monitoring of LGU projects		
Your motivation/interest to participate	30.0	Significant
Your confidence in your capacity to participate	30.4	Significant
Your confidence that your LGU has the capacity to monitor BuB projects	30.5	Significant
Your trust that your LGU is transparent in monitoring/reporting project progress	30.2	Significant
Your confidence that CSOs in general has the capacity to monitor BuB projects	28.5	Significant
Your trust that CSOs, in general, will be as active in monitoring projects other than their own for the benefit of the community.	24.2	Significant
CSO		
Identifying projects		
Your extent of participation	12.6	Significant
Your organization's motivation/interest to participate	12.0	Significant
Your confidence in your capacity to participate	11.5	Significant
The influence your organization had in general, in your barangay	11.2	Significant
The influence CSOs have in general, in your municipality/city	11.8	Significant
Prioritizing projects		
Your extent of participation	12.2	Significant
Your organization's motivation/interest to participate	11.6	Significant
Your confidence in your capacity to participate	12.0	Significant
The influence your organization had in general, in your barangay	11.8	Significant
The influence CSOs have in general, in your municipality/city	12.1	Significant
Identifying beneficiaries of projects		
Your extent of participation	12.2	Significant
Your organization's motivation/interest to participate	11.8	Significant
Your confidence in your capacity to participate	11.2	Significant

The influence your organization had in general, in your barangay	11.9	Significant
The influence CSOs have in general, in your municipality/city	11.5	Significant
Budgeting projects		
Your extent of participation	11.5	Significant
Your organization's motivation/interest to participate	12.1	Significant
Your confidence in your capacity to participate	11.1	Significant
The influence your organization had in general, in your barangay	11.2	Significant
The influence CSOs have in general, in your municipality/city	11.6	Significant
Preparing project briefs		
Your extent of participation	11.6	Significant
Your organization's motivation/interest to participate	11.4	Significant
Your confidence in your capacity to participate	11.8	Significant
The influence your organization had in general, in your barangay	12.0	Significant
The influence CSOs have in general, in your municipality/city	11.8	Significant
Monitoring projects		
Your extent of participation	11.0	Significant
Your organization's motivation/interest to participate	10.5	Significant
Your confidence in your capacity to participate	11.3	Significant
The influence your organization had in general, in your barangay	11.1	Significant
The influence CSOs have in general, in your municipality/city	11.2	Significant
LGU officials regard to CSO's initiatives		
LGU	10.1	Significant
Barangay Officials	12.1	Significant
Inter-CSO relations	9.7	
Local Government Units		
LGU-CSO relations	6.5	Significant

Level	Public Service	Z score	Significant difference?
Barangay	Electricity	-1.5	Insignificant
	Safe water supply	8.2	Significant
	Roads and transport	2.7	Significant
	Agricultural support	3.4	Significant
	Public elementary school	-2.9	Significant
	Barangay Health Center	-3.3	Significant
	Garbage collection system	-7.3	Significant
	Fire protection	-4.9	Significant
	Disaster Risk and Reduction Management Services	2.9	Significant
Municipality	Public Market	-8.3	Significant
	Public high school	0.4	Insignificant
	Municipal health center	3.7	Significant

	Public hospital	-4.6	Significant
	Garbage collection system	-2.9	Significant
	Fire protection	-4.3	Significant
	Livelihood and Training Centers	1.6	Insignificant
	Employment Sevices	3.7	Significant
	Disaster Risk and Reduction Management Services	1.5	Insignificant